

**Business  
Plan**

**Housing  
Matters:  
Fairness  
Matters**

**2018-19**

# Ombudsman's introduction: reflections on a year of change and challenge

This Business Plan for 2018-19 marks the third and final year of our Corporate Plan which introduced our vision statement Housing Matters: Fairness Matters, five strategic objectives and our core values.

When I took up the role of Interim Housing Ombudsman in June 2017 we were already three months into the current business year. My focus has been on delivering that plan and we are on target to achieve all but one of our key performance indicators.

In June the tragic fire at Grenfell Tower set in motion a new conversation about how social housing is provided and managed and how the voices of residents are taken into account and acted upon. For our part, we made changes to our systems to more easily identify complaints received from residents of tower blocks and complaints which specifically concern issues of health and safety, and we published a new factsheet for tenants and leaseholders about fire safety issues, setting out our role and information on other organisations that can help. But, more widely, the lessons yet to be learnt from Grenfell seem likely to foster renewed interest in how landlords should deal with residents' concerns and the range of dispute resolution tools which are available.

The government's intention to seek views on how it might deliver a root and branch reform of social housing also includes consideration of complaint handling. We have been working with the Ministry of Housing, Communities and Local Government to help inform the thinking about the content of the proposed social housing green paper. We have also had discussions with the Ministry about proposals to give tenants of privately rented property access to an ombudsman; and we have responded to a call for evidence on proposals that there should be a new homes ombudsman. We shall be responding to the Ministry's consultation, *Strengthening consumer redress in the housing market*, which was published in February 2018. All of these discussions on consumer redress have, in turn, influenced our thinking on what more we can do to deliver a modern, effective and accountable housing ombudsman service.

## Changing housing sector

Within the social housing sector there are other changes which may affect our service in 2018-19. The then Homes and Communities Agency *2017 Global Accounts* review identified a 14% reduction in major repairs expenditure and a 9% reduction in management costs within housing associations. It also highlighted an increase in the number of housing association mergers. Elsewhere, the Smith Institute reported a continued move towards the establishment of local housing

companies by local authorities to help deliver a range of tenures including affordable and market rent tenancies. So, as we prepare to enter the final year of our Corporate Plan we must consider not only how our service might be affected by the changes and challenges in the housing sector, but also what more we might do to deliver our twin objectives of resolving landlord-tenant disputes and supporting the timely resolution of those disputes by others.

## Identifying priorities

Like last year, our decisions on business priorities for 2018-19 have been informed by a consultation with landlords, residents and others with whom we work. We are most grateful for the comments and suggestions put forward. A summary of the responses is available on our [website](#), but the main themes to emerge were:

- our service is considered to be accessible to complainants, but we should continue to look for ways to improve such as longer opening hours, webchat and developing our digital access.
- while there are indications that in some places the ‘designated persons’ arrangements introduced by the Localism Act 2011 are working well, most respondents consider that they add little value and delay access to our service. There was interest in whether our service could help improve how the designated persons arrangements work.
- greater transparency about our key processes would be welcomed and, in particular, further refinement and consistency in relation to our ‘early resolution’ approach would be helpful
- it would be useful to have guidance from the Ombudsman on awards of compensation.
- we should help improve learning from outcomes and local resolution by doing more to share good practice, making complaints data and analysis available, improving the categorisation and range of published case studies, and providing more online tools to allow on-demand access to learning or engagement with other landlords.
- the publication of landlord performance information would generally be welcomed, though there were mixed views about whether individual landlords should be identified.
- there is broad support for the idea that we should move towards publishing all of our decisions on complaints.

We have also listened to the views of those who work for us. A prominent suggestion from staff was providing more clarity on our role in resolving disputes early and how we investigate complaints where early resolution is not possible. They were also aware that we need to improve the speed of our determinations. And like some respondents to our consultation, staff felt that we might do more to help improve the operation of the designated persons arrangements.

We have taken into account the inflow of new enquiries and complaints during the current year, while at the same time recognising the difficulty in predicting what volumes we might receive next year. Our experience in the year to date has been that complaint volumes have increased in line with our expectations (10%) yet the number of complaints requiring investigation within our formal remit has not increased as much as anticipated (an increase of 3% against a prediction of 20%).

In trying to understand why the volume of complaints entering our formal remit is lower than predicted, we have heard from some landlords that post Grenfell they are engaging more closely with residents to address safety concerns in particular, and repairs issues more generally. Another factor might be that, across the board, landlord complaints procedures are getting better at resolving disputes. On the other hand, we cannot discount the possibility that some people simply decide not to pursue their unresolved complaints further once they have had their landlord's response – this may be because of general complaint 'fatigue' or perhaps because of the requirements of the designated person arrangements.

A further consideration in our planning has been the resources we will have available during 2018-19. We were grateful that we were able to increase our subscription fee to £1.25 per unit for the current year. We intend to meet our commitment to keep this stable and so we do not seek any increase for 2018-19. We remain committed to speeding up our service and improving its quality during this period.

## **Shaping our plans**

Clearly there has been much for us to consider as we plan for 2018-19. In one sense it will be a year of 'realising and improving' on the work we have done this year and last year. We shall reflect on some of the changes we have made to make sure that they are having the desired impact. We will develop the expertise of our staff so that they realise their full potential. We will also continue to seek improvements and efficiencies in customer service through our use of technology.

In another sense, however, 2018-19 promises to be a watershed year. The forthcoming green paper on social housing and the increasing focus on consumer redress will influence the work we do and those we work with. At the same time, we will be developing a new Corporate Plan to set the direction of the Housing Ombudsman Service until 2022. At the helm for that corporate planning exercise there is likely to be a new Housing Ombudsman. So, in that context, I trust that our Business Plan for 2018-19 offers not only the prospect of a successful conclusion to one Corporate Plan but also fertile ground from which a new one may emerge.

Finally, I should like to thank all those who have helped to shape our plans for 2018-19. That includes the landlords, residents and other stakeholders who participated in our consultation exercise, the Audit and Risk Assurance Committee and the Ministry for Housing, Communities and Local Government. I would also like

to thank my colleagues for their hard work and dedication. Without that we could not have improved our performance in the ways we have.

**David Connolly**  
**Interim Housing Ombudsman**

# What we do

## Our role

Our role, as set out in the [Housing Ombudsman Scheme](#), is to:

- Resolve disputes involving members of the Scheme, including making awards of compensation or other remedies when appropriate
- Support effective landlord-tenant dispute resolution by others.

## Our membership

Membership of the Scheme is compulsory for social landlords (primarily housing associations who are or have been registered with the social housing regulator) and local authority landlords. Additionally, some private landlords are voluntary members.

As at 31 December 2017, 2,450 landlords were in membership, representing 4,789,652 housing units. This comprised:

- 2,061 housing association members representing 2,970,761 housing units
- 325 local housing authorities relating to 1,800,391 housing units
- 64 voluntary members representing 18,500 housing units.

The scheme is funded by subscription from members on a per housing unit basis.

## Our vision

### Housing Matters: Fairness Matters

We understand the importance of housing to people's lives. We ensure the fair and impartial resolution of housing complaints, locally where possible. When things go wrong we put things right and encourage learning from outcomes. We help improve landlord and resident relationships. We role model the service we expect of others.

## Our strategic objectives

1. We will deliver an accessible, high quality and timely complaints handling service
2. We will support landlords and residents to resolve more complaints locally
3. Our decisions will be recognised as fair, impartial and effective
4. We will support landlords to learn from outcomes
5. We will be an accountable, well run organisation, using our subscription monies wisely

## **Our core values**

- ▶ We will act fairly and impartially
- ▶ We will be open and accountable
- ▶ We will empower and respect those we work with
- ▶ We will be proactive and take responsibility for achieving results
- ▶ We will work as One Team within the Housing Ombudsman Service and collaboratively with others
- ▶ We will be curious, always seeking to learn and improve

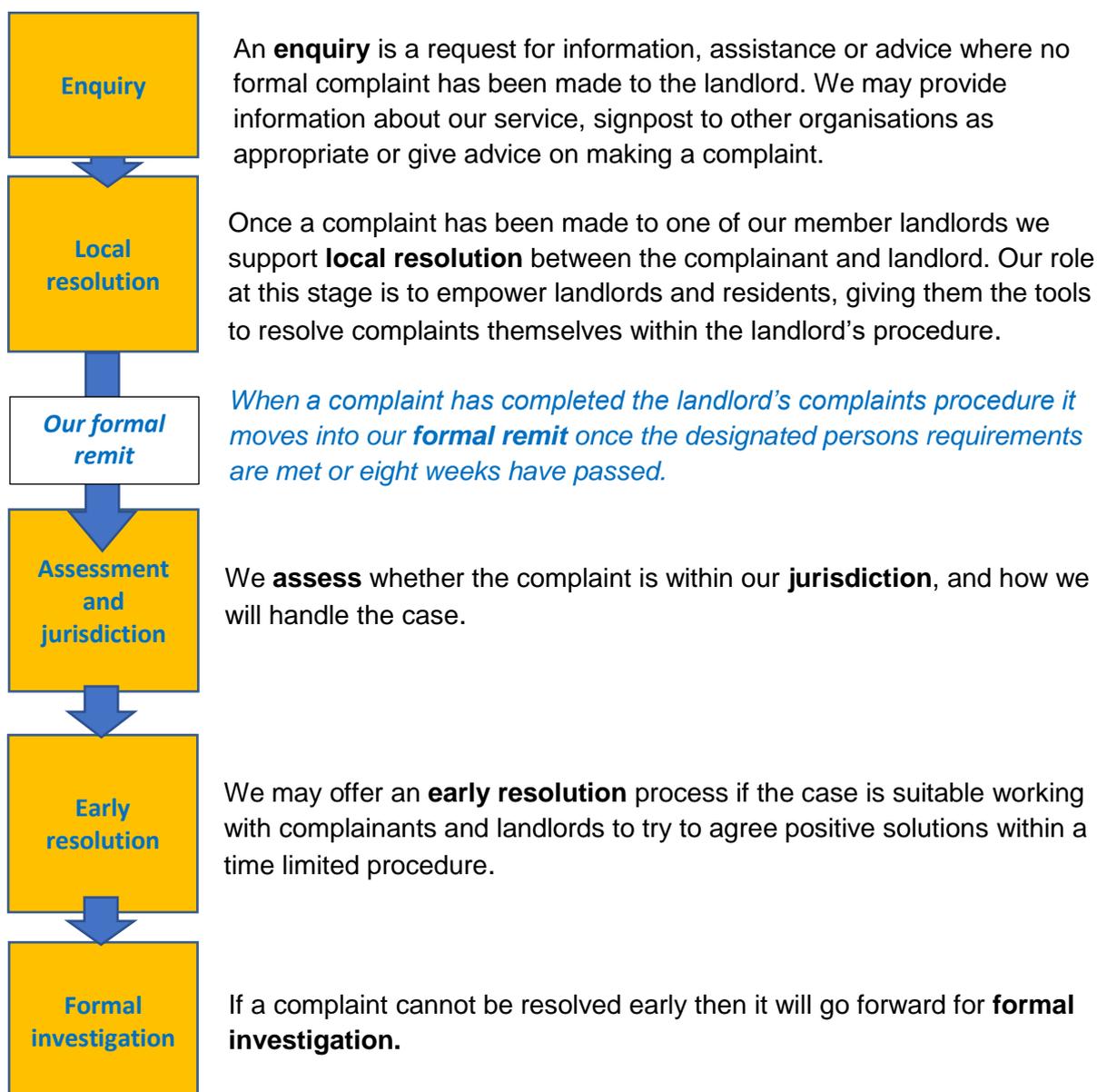
## How we work

We aim to resolve complaints locally and early wherever possible. This ensures the best outcomes for complainants and improves landlord and tenant relationships. Where an agreed solution is not possible or appropriate we investigate and determine cases fairly and impartially.

Our Dispute Resolution Policy and Process, introduced in April 2016, is based on our three dispute resolution principles:

- Be fair - treat people fairly and follow fair processes
- Put things right
- Learn from outcomes

### *Our Dispute Resolution process*



## Our plans for 2018-19: delivering our strategic objectives

Under each of our strategic objectives (SO1-5), we now identify and briefly explain the key activities we will carry out during 2018-19.

### **SO1: We will deliver an accessible, high quality and timely complaints handling service**

Accessibility for complainants is a key criterion for any ombudsman service. We offer residents a wide range of routes to access our service and consultation responses supported this approach. However, we believe there is more we can do and so in 2018/19 we will:

- look at ways of increasing access to our service, for example, via web chat, an on-line portal for complaints handling and extending our opening hours
- produce best practice guidance for landlords on signposting residents to the Housing Ombudsman
- increase awareness of our service among residents' groups and designated persons

Since 2015-16 our customer feedback has consistently improved year-on-year for both landlords and residents; it is currently at 93% in response to 'Did we treat you well?' for cases closed during our local resolution stage and 89% for cases closed following an investigation. We interpret this as a strong indication of satisfaction with the quality of our service, but now wish to go further and refine and make more transparent our approach to quality assurance. So, in 2018-19 we will:

- maintain and seek to improve our customer feedback scores
- review how we define and measure quality, and publish those arrangements on our website

Problems relating to our homes can have a huge emotional impact, as they affect us and our families every day. When a case enters our formal remit and is suitable for investigation, it is important that we do the investigation and issue a determination as quickly as possible.

We have continued to reduce our average determination case time - from a nine month average in 2016-17 to an eight month average as at 31 December 2017. We hope to reduce this further by the end of the current year but we will not yet meet our target of an average of six months. Users of the service have every right to expect

that we will reduce the time we take to make decisions. During 2018-19 we are committed to reducing the average time for determinations to six months or less.

## **SO2: We will support landlords and residents to resolve more complaints locally**

Landlords and residents have an ongoing relationship. If things go wrong, issues can escalate and relationships sour. So, the quick resolution of disputes is beneficial to all parties, not only because this can help to restore trust but also because it offers a more effective use of limited resources.

The first opportunity for complaint resolution is through the landlord's complaints procedure. Our approach to local resolution promotes and supports the landlord's complaints handling and involves work with both landlords and complainants.

Another opportunity for complaint resolution is provided by the 'designated persons' arrangements introduced by the Localism Act 2011. Where a complaint is not resolved by the landlord's complaints procedure, the complainant may refer the matter to a designated person (an MP, a local councillor or a designated tenant panel). It is not the role of the designated person to reinvestigate a complaint, but they may be able to broker a settlement which is acceptable to both parties.

Our consultation responses indicated that although some local designated person arrangements do work well, in most cases they do not. For example, some respondents said that MPs and councillors do not fully understand the role of the designated person. In some areas there are either no tenant panels or those that do exist are not used. The responses are borne out by our own data; many complainants choose not to use the designated person route and instead wait the required eight weeks before bringing their complaint to the Ombudsman.

When a complaint enters our formal remit, our early resolution procedure provides a further opportunity for it to be resolved without the need for an investigation. If we consider that the complaint might still be capable of resolution, and if both parties are in agreement, we try to find a mutually acceptable outcome.

It is clear to us from the consultation responses and from staff feedback that there is more we can do to improve the effectiveness of local and early resolution. While it is our view that the designated person arrangements are an unnecessary obstacle to our service, we also think it would be helpful to find ways to make those arrangements work better for more people. So, in 2018-19 we will:

- review and clarify our policy and guidance on local resolution and build our capacity to deliver this
- evaluate the effectiveness of our recently revised guidance on early resolution

- develop materials and other resources to promote a better understanding of the role of designated persons
- increase the range of online tools (for example videos and webinars) to improve landlords' and residents' understanding of how to resolve disputes

### **SO3: Our decisions will be recognised as fair, impartial and effective**

Residents and landlords need to have confidence that we will deal with complaints fairly and impartially. Our customer feedback provides confirmation that for both residents and landlords, our involvement is helpful. As well as reviewing how we define and measure quality (see SO1), we intend to demonstrate the fairness and impartiality of our approach by making our processes and outcomes more transparent.

Our new website will facilitate the publication of our key policies and procedures. The new website also provides an opportunity to better highlight the range of decisions we make and the types of outcome we can achieve. Our consultation invited views on whether we should move towards publishing all our decisions. Around 20% of respondents were not in favour, questioning the purpose and value of such an approach as well as having concerns about how the information would be used. The majority, however, supported the proposal and provided many helpful suggestions about how it might work. We know that a great deal of preparatory work will be needed to get ourselves ready to publish decisions and it will be helpful to lay some foundations for that in the coming year. Further consideration can then be given to the proposal when we are considering our next three year Corporate Plan.

So, in 2018-19 we will:

- publish guidance on our key processes, including how we deal with challenges to our decisions
- prepare and publish guidance on remedies
- develop a proposal to publish our decisions, including the rationale, method, requirements and timescale

We measure the effectiveness of our decisions through the level of compliance with our orders. This remains high with 100% of orders being met within three months as at the end of December 2017. During 2018-19, we wish to maintain that level of compliance.

## **SO4: We will support landlords to learn from outcomes**

We encourage landlords to have a positive approach towards complaints, seeing them as feedback, and helping them to improve complaint handling and housing services. To support this work in the current year, we have refreshed the case studies available on our website and are currently revising our e-learning packages. We have also continued to deliver our training programme through partner organisations. We intend to maintain this approach to training.

The responses to our consultation produced a number of useful suggestions as to how we can support landlords. There is interest in learning more about good practice across the range of housing services; some landlords would value more information on trends and common faults identified by the Ombudsman, and many comments underlined the value of our case studies and how they might be improved. So, in 2018-19 we will:

- analyse our recommendations and orders so that key themes and learning can be shared more widely
- start to produce reports on themes emerging from our casework

There were mixed views among landlords about whether we should publish data identifying members and, if so, what data to include. Residents, on the other hand, supported the publication of data about their landlords.

While we are keen to ensure that we do as much as we reasonably can to support landlords to learn from the outcomes of complaints, we also need to seek reassurance that what we do is effective and a good use of our resources.

In 2018-19 we will:

- review, and discuss with landlords, the data we collect about them and how that data might usefully be published on our website
- continue our programme of delivering training through partner organisations
- evaluate the effectiveness of our engagement work with the sector

## **SO5: We will be an accountable, well-run organisation, using our subscription monies wisely**

To support our accountability this year, we have increased the range of information available on our current website, and, as set out above, our new website will support even greater transparency. We continued to seek stakeholder views in developing

our business plans and are recruiting a Panel of Advisors who will support and advise the Ombudsman from 2018-19 onwards.

This year we have reviewed and revised our governance, internal controls and risk management to reflect better the needs of a larger organisation. Our preparations for the General Data Protection Regulation (GDPR) are well underway, and we will be finalising these and training staff in the new financial year. The most significant and positive impact of the changes is that we will be able to start dealing with complaints more quickly.

We have continued to innovate in our procurement activity, competitively contracting for a wide range of services and securing some considerable savings or service improvements.

In 2018-19 we will continue to look for ways to improve the service and to make the best use of our limited resources. In addition to the activities set out in relation to our first four strategic objectives, we will:

- publish a new three year Corporate Plan by 31 March 2019
- induct and support the Panel of Advisors, seeking their views on the content of the Corporate Plan and other significant issues affecting our service
- seek the approval of the Secretary of State for updates we wish to make to the Housing Ombudsman Scheme (which is due for review in 2018-19)
- finalise and embed arrangements to support GDPR
- review our voluntary membership arrangements and improve the information available to those private landlords who are interested in joining our Scheme
- continue to seek savings and service improvements from our commercial activities

## Casework targets

We have a set of key performance indicators to measure our progress in delivering the strategic objectives. For 2018-19, they are:

- average time for determinations within our formal remit will be six months or less
- 98% of cases will be determined within 12 months
- 80% positive customer feedback to 'Did we treat you well?' at local resolution and determination stages
- 65% positive customer feedback to 'Did we help?' at local resolution stage
- 80% of complaints are closed without a formal investigation
- 65% positive customer feedback to 'Did we help?' at formal resolution stage
- 95% level of compliance with our orders within three months, 100% compliance within six months

## BUSINESS PLAN BUDGET 2018-19

Cost element	Description	Budget 2018-19 (£m)	Budget 2017-18 (£m)	Change (£m)
Dispute resolution	Providing an accessible high quality and timely dispute resolution service. Ensuring accessibility and seeking to resolve disputes fairly and impartially. We will deal with all enquiries efficiently and sympathetically, supporting local or early resolution of disputes wherever possible. If early resolution is not possible we will conduct a fair and impartial investigation and make a determination. Determinations may provide for individual redress to complainants and/or improvements to services to prevent disputes happening in future. We will monitor compliance with our determinations.	4.5	4.5	-
Sector development: improving standards	Facilitating improvements to landlords' complaints handling and service delivery through a range of activities e.g. training events, guidance, virtual action learning sets, e-learning, individual support to landlords or tenant panels. Empowering landlords and residents to resolve more complaints locally thus reducing dependency on our service. Working with other organisations where appropriate to use our resources efficiently and maximise our impact.	0.3	0.3	-
Strategy, management and accountability	Strategic and managerial functions. Overall governance of the Housing Ombudsman Service. Planning forward strategy. Housing and complaint policy developments and jurisdictional issues. Financial control and analysis of complaints and performance. Secretariat support to SLT, the Audit & Risk Assurance Committee and Panel of Advisors. Corporate reporting (including to MHCLG and parliament). Human resources. Collecting feedback on our service from our customers. Ensuring compliance with GDPR. Procurement and commercial management.	1.1	1.1	-
<b>Total</b>		<b>5.9</b>	<b>5.9</b>	