Housing
Ombudsman Service

Our plans and budget for 2017-18: responses to our consultation

Introduction

As a public service that is funded by subscriptions from our members, we need to be open and accountable for how we use our resources. More than 2,400 landlords are members of the Housing Ombudsman Scheme, covering nearly 4.8 million households. Landlords, and consequently residents, pay those subscriptions as a levy on every housing unit and it is essential that we take into account the views and insights of all our stakeholders in planning our service and budget.

We carried out an extensive consultation exercise in January and February 2017 seeking views from our stakeholders to help plan the direction of our service and manage our resources.

Consultation process

We published a consultation paper on 12 January 2017 setting out our proposals and seeking comments. We invited written responses, hosted a number of roundtable discussions and attended some external events in order to reach a wide range of landlords, tenants and key representatives from the sector.

This included an email to our members inviting comments on the consultation paper. We also held four roundtable discussions with groups of stakeholders plus some separate one-to-one discussions when people could not make events. Participants included chief executives, housing directors and other senior colleagues from housing associations, local housing authorities and arm's length management organisations, plus the National Housing Federation, Chartered Institute of Housing, Homes and Communities Agency and the Housing Quality Network.

One of the events focused on tenant organisations and included the Tenants Participation Advisory Service (Tpas), the Tenants' and Residents' Organisations of England (Taroe) and the National Federation of Tenant Management Organisations.

We also discussed the proposals with tenants at three regional events held by Tpas, attended by around 100 tenants. Both Tpas and Taroe published the consultation paper on their websites and invited their members to comment.

We received 47 written responses to our consultation paper. Some of those who attended a discussion also submitted written responses. The landlords that responded in writing and/or in a discussion cover 1,045,000 households between them, which represents 22% of the overall number within our Scheme. A full list of those who participated in the consultation is set out in **Annex A**.

We would like to thank all those who took the time to respond in writing or to attend an event. We considered all the comments and views expressed and have set out the main issues in this document.

Summary of responses

We drew out some key themes to reflect what our respondents said they wanted from our service. The key themes were:

- a clear desire for a continued focus on local and early resolution
- faster response on formal decisions
- more sharing of best practice and more guidance
- better customer insight supported by more data
- more targeted work to support the sector.

On the subscription level, most respondents gave a clear view that they would be willing to pay an increased fee of £1.25 per unit in return for continuing improvements in service, particularly a reduction in average determination times, and greater certainty about fee levels beyond next year.

In giving these responses, the sector was aware of the introduction of fees by the regulator in 2017-18 and this was related to the requests for certainty over fees into the future.

Our overall plans and budget for 2017-18

We took the findings into account in developing our Business Plan 2017-18 and the level of subscription fee.

We proposed a fee level of £1.25 per unit, which was approved by the Secretary of State. This means a 3% increase in budget from 2016-17 which, due to operational efficiencies, gives us an 18% increase in our staff. This will enable us to make significant improvements in our service delivery based on the views of the sector and detailed in the plan. A key part of this will be a reduction in decision times for complaints in our formal remit. Our intention is to keep the subscription fee at the same level until 2019-20.

Individual questions

In the consultation paper and at the roundtable discussions we asked a number of questions to help inform our business planning. We have summarised below the feedback on each question and how that has helped shape our plans and budget for 2017-18.

1. Predictions on casework volumes

In the consultation paper, we said that based on current trends we anticipated that the number of enquiries would remain broadly the same but there would be an increase in the number of complaints, particularly those requiring investigation within our formal remit.

That means we expect to receive around 15,000 enquiries and complaints overall in 2017-18. We anticipate a 10% increase in complaints and a 20% increase in complaints within our formal remit.

We asked stakeholders whether our predictions on casework volumes matched their expectations.

The majority of respondents agreed with our predictions and that the basis for our estimate was logical. However precise figures were hard to judge. They said that changes in the sector are likely to impact on the demand for our service. This includes the 1% rent reduction and the implications of welfare reform, plus organisational changes including mergers and new service offers. Respondents also expected there to be more complaints about leasehold issues, including shared ownership and market rented properties.

Many mentioned increasing levels of customer expectation as a factor that is likely to lead to more complaints to us, particularly around levels of compensation.

Some respondents also mentioned changes to the population of social housing tenants with significantly more vulnerable and younger tenants. Vulnerable tenants have more difficulty dealing with any issues arising in relation to their tenancies. They will need more support including from the Ombudsman. Younger people were said to be more willing to complain about bad service.

Some said our predicted increase reflected their own complaint numbers, while a few said they were experiencing a decrease in complaints as they were handling complaints better themselves now. Many commented on the difficulties of predicting the number of complaints that could escalate to us and several said we were best placed to predict sector wide complaint volumes.

2. Average decision times

We asked stakeholders how long they thought it was reasonable to wait on average for a decision on complaints in our formal remit. Our average case times for investigation and determination are reducing and are expected to be just below nine months by the end of 2016-17.

Most respondents said improved speed of response was a key issue. Many recognised that there had been a big improvement from the previous backlog of cases and that the reduction in case times to date was positive. The majority said they would like to see this improve further. All agreed that we should maintain our aim that no cases should be older than 12 months.

Most respondents agreed that an average timescale of six months in 2017-18 would be acceptable for a subscription fee of £1.25 per unit. Some suggested we should aim for six months in 2017-18 followed by a further reduction in the years after that. Some said three months for average case times was preferable. Others thought the fee was high for them because of the low number of complaints we receive about them, while others said they would be willing to pay a higher increase in fees than £1.25 to bring down average case times further more quickly.

The majority said they would rather pay “upfront” this year to ensure they received the improved service as soon as possible rather than pay small increases in the subscription fee year on year to achieve incremental improvements in service.

A few commented that we should have a fee structure based on the size of the landlord and the number of complaints received rather than a blanket fee. A couple also suggested that residents who complain should pay a fee while others said this would create a barrier for residents who don't have the resources to complain. At the discussion meetings, we explained that we were not at this stage consulting on a new funding model. The current funding arrangements are set out in the Housing Ombudsman Scheme approved by the Secretary of State. This consultation was focused on next year's business plan and the fee level under the current funding model. A tenant representative said that for an individual household, £1.25 a year was seen as a bargain.

Several said that waiting more than six months can mean that by the time a decision is issued, the learning or recommendations have been overtaken by changes the landlord has already made. Also, that drawn out decisions mean issues remain unresolved which can have a negative impact on the landlord/resident relationship. Some said it depends on the complexity of the case and recognised that some cases take longer. From a resident perspective, it was said that people understand that there are processes to go through and it will take time for an investigation to be thorough.

Some stakeholders asked for more regular contact during the time a complaint is being dealt with. Several mentioned that the need to contact a designated person or wait eight weeks after completing the landlord's complaints procedure was not helpful for residents and caused frustration.

Our business plan sets out our aim to reduce average case times to six months in 2017-18 with further reductions in subsequent years. Once the average is below six months, ongoing efficiencies in casework processes should take effect e.g. increasingly less time would need to be spent updating customers on the progress of their case. Our intention is to keep the subscription fee at the same level until 2019-20.

3. Useful aspects of our work

We asked stakeholders what aspects of our work they found most helpful for them to:

- Resolve disputes
- Improve their complaint handling processes or approach
- Develop their policies, procedures and service delivery

Many respondents made reference to the value of our role as independent arbiter, particularly where the relationship between landlord and resident had broken down. Our impartiality allows for a fresh perspective on a case and can lead to opportunities for service improvement to be identified. Some appreciated our role in closing down long standing complaints. Some mentioned the value of our recommendations in helping to identify improvements in landlords' policies and processes. A few said that current timescales sometimes prevent this from happening.

Most respondents welcomed the increased clarity about our processes. Our focus on local and early resolution was particularly welcomed, and several commented on the early resolution part of our process introduced last year. Whilst it had taken a time to become established, they said it had improved since the start and was now working well.

Both landlords and residents valued the broad range of access points to our service and mentioned in particular how useful it was being able to phone us for advice and support, especially for vulnerable customers who may not know how to navigate a landlord's complaint process. Our impartial advice was well received and our staff found to be knowledgeable. By drawing on our experience and understanding of issues, we could provide customers with a wider perspective which was helpful

Some of the information on our website was helpful such as case studies and the e-learning but it was felt that we could provide more of these resources. Our external sector development activities were also valued, particularly when they provided the opportunity to engage with peers and share best practice.

Our business plan says that we will continue to embed our early resolution process and to further develop our policies and processes for supporting both local and early resolution in 2017-18. We will also continue to work with our external telephone enquiries provider to ensure the quality of the service during 2017-18 including, for example, training on working with vulnerable customers. We also plan to develop our sector development activities based on respondents' views about the future of our service, as set out in the response to question 5 below.

4. Balance between casework and sector development activities

We asked stakeholders if we get the balance right between casework and sector development activities.

Many respondents said yes or about right. Some said the focus should be on turnaround times for casework first and, once improved, we should focus more on sector development work. For the smaller landlords, our sector development work was more important but for larger landlords it was casework.

Targeted support was mentioned by some as being the preference for our sector development work, and should be based on our data and insights.

Some had never used our sector development work so were unable to comment. Others said it should be more widely publicised. A few said that while the sector is undergoing change and under pressure, landlords may not prioritise sector development work but we should have a clear message that there is a sound business case to do so and it helps ensure tenants receive a quality service. A couple commented that we should also offer more workshops and guidance for tenants on complaining to landlords in order to provide a more transparent service.

The table below shows how the budget allocation has been amended taking into account the feedback received.

Cost element	Budget in consultation document (£m)	Budget 2017-18 (£m)	Change (£m)
Dispute resolution	£4.2m	£4.4m	+£0.2m
Sector development: improving standards	£0.6m	£0.5m	-£0.1m
Strategy, management and accountability	£1.1m	£1.0m	-£0.1m
Total	**£5.9m**	**£5.9m**	-

5. Future development of our service

Our stakeholders gave a range of ideas for the future development of our service.

Sharing more case studies was mentioned frequently with several suggestions on how they could be more useful including more detail, grouping by theme and providing a regular digest of new cases or e-newsletter highlighting new case studies.

Many respondents also mentioned sharing best practice such as providing checklists for landlords and guidance on levels of compensation and vexatious complaints.

Making more use of technology was frequently mentioned with suggestions including webinars, virtual meetings and other interactive tools.

Providing greater customer insight and data was a common theme. Ideas included an annual overview of complaints for landlords to help review their performance and benchmark against others, and more complaint trends analysis.

Some also said it would be helpful if we provided a dedicated contact for the bigger landlords, and that bigger landlords could also host events and invite smaller local landlords.

Several respondents said they would welcome a self-service approach including being able to upload their own documents via our website, to view their own data and compare to others.

Some thought we should charge for our 'added value' activities so we have more resources to get the balance right.

Some stakeholders said we should consider prioritising cases with suggestions to focus on those with the biggest issue while others said prioritise the easiest cases to resolve first.

Some stakeholders said we should be more vocal where we see regular patterns of service failure, and some said we should do more work with the regulator, including more information sharing.

In prioritising our plans for next year we have taken into consideration our stakeholders ideas for the future development of our service and their feedback on which aspects of our work they found helpful.

These include developing a range of online tools and guidance accessible to all stakeholders and increased use of IT to enable us to reach a wider audience. Our face to face work will be more targeted and include more case specific sessions. We will continue to develop our work with tenant organisations and participate in housing complaint forums. We will also provide more customer insight to a wider range of landlords, and introduce named contact for landlords selected on a risk-based approach.

The full details are set out under each of our strategic objectives in our Business Plan 2017-18 available here.

Annex A: Consultation participants

- A2Dominion Housing Group
- Amicus Horizon
- Barnet Homes
- Bexley Community Housing Association
- Blackpool Coastal Housing
- Bolsover District Council
- Brighton & Hove City Council
- Bromford
- Camden Council
- Chartered Institute of Housing
- Clarion Housing Group
- Curo Homes
- Family Mosaic
- G320
- Gentoo Group
- The Guinness Partnership
- Halton Housing Trust
- Havebury Housing Partnership
- Hightown Housing Association
- Homes and Communities Agency
- Housing Quality Network
- Housing & Care 21
- Hyde Housing
- Innisfree Housing Association
- Islington and Shoreditch Housing Association
- Isos Group
- L&Q
- Leeds City Council
- Liverpool Mutual Homes
- National Federation of Tenant Management Organisations
- Newcastle City Council
- National Housing Federation
- North Tyneside Council
- Northern Consortium
- Notting Hill Housing
- Paradigm Housing Group
- Phoenix Community Housing
- Plymouth Community Homes
- Radcliffe Housing Society
- Reading Borough Council
- Sandbourne Housing Association
- Shal Housing Ltd
- Shepherds Bush Housing Group
- South Yorkshire Housing Association Limited
- Southern Housing Group
- Southwark Council
- Sovereign Housing Association
- Stockport Homes
- Stonewater

- Suffolk Coastal and Waveney District Councils
- Sutton Housing Society Ltd
- Swindon Borough Council
- Tenants Participation Advisory Service - Tpas
- Tenants' and Residents' Organisations of England - TAROE Trust
- Thrive Homes
- Tiverton Almshouse Trust
- Trent and Dove Housing
- Waltham Forest Council
- Wandsworth Council
- WDH Housing
- Wirral Methodist HA
- Wythenshawe Community Housing Group
- In addition, some individual stakeholders took part in consultation discussions.

- Residents – around 100 tenants attended the Tpas regional events held in York, Birmingham and Weston-super-Mare where we discussed our plans and budget with them. Two individual residents also contacted us direct.