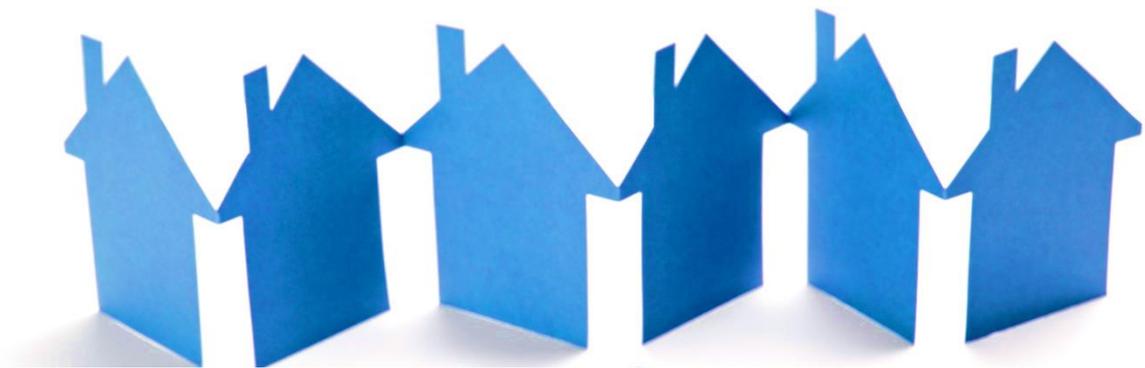


# Housing

Ombudsman Service

## The Housing Ombudsman



## Annual Report and Accounts

HC 816

# The Housing Ombudsman

## Annual Report and Accounts 2020-21

For the period 1 April 2020 to 31 March 2021

Presented to Parliament pursuant to the Government  
Resources and Accounts Act 2000 (Audit of Public Bodies)  
Order 2017

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# Ombudsman's foreword

The year reported in these accounts will live long in everyone's memory. No one was untouched by the extraordinary events as they unfolded, and which continue to affect us profoundly, individually and collectively, at work and at home.



The story of those twelve months are reflected in three ways in this annual report. Our immediate response to the crisis – and resilience as a service. Our transformation – how we successfully introduced widespread changes, including recruiting and on-boarding many new colleagues, in an uncertain environment. And how we developed our role as an Ombudsman – championing higher standards in complaint handling, introducing and using our new powers, extending fairness and through our decisions improving the experience of home, a place that has never mattered more.

As Ombudsman, I am immensely proud of how colleagues have responded to Covid-19. Whilst, like many other Ombudsmen, we experienced a significant drop in complaints when the first lockdown came into effect, this changed dramatically towards the end of the year, with complaint volumes running about 40 per cent higher than the preceding year. We operated a full phone line throughout the first lockdown and received very positive feedback from residents who, at a moment of acute uncertainty, valued being able to speak to one of our advisors. We reduced our average investigation time further, only narrowly missing our target, and completed more investigations than the previous year. This is a tremendous achievement given all the disruptions and challenges of Covid, remote working and progressing investigations as landlords and residents experienced several national lockdowns. Our upheld rate was 49 per cent, a notable increase on last year, and we made 3,455 orders and recommendations to put things right – almost 10 a day. As well as increasing the speed of our decisions, we also maintained quality, exceeding our quality target – the first time we have monitored such a commitment. Finally, we delivered all of the goals set in our business plan to transform our service including introducing a revised Scheme, setting the first standards for complaint handling in the social housing sector, a step-change in transparency through the publication of all decisions and landlord performance reports, establishing a 600-strong resident panel, and using our new powers to undertake two in-depth systemic investigations. And so much more.

This has transformed our role as an Ombudsman. We are now more agile, proactive and relevant to the sector. We examine beyond the individual complaint and its handling, identifying the root-causes driving complaints. We are extending fairness, addressing the imbalance in power between resident and landlord and giving a voice to residents whilst ensuring natural justice. We are promoting transparency, accountability and learning, demonstrating the difference complaints can make to improving services and the resident experience. And we are handling individual

casework faster and more effectively. These changes were reflected in the Government's Social Housing White Paper, from which we will continue to develop our role and service.

This was enabled through an organisational change programme. This programme was at a critical point at the start of the year, with the model agreed but not implemented and the recruitment yet to begin. Notwithstanding the uncertainties, we proceeded with the new operating model 'go live' in the summer and the recruitment to increase the size of the organisation by over 50% throughout the year. The response to the recruitment drive was high, with more than 3,600 applicants for roles. It has been a joy welcoming new colleagues, albeit remotely, to an already diverse and talented team. Of the successful candidates, 62 per cent were female and now, across our organisation, 30 per cent of colleagues are black, Asian, mixed or from other non-white racial groups. Our new team members have joined a service with a new vision and values and where wellbeing matters, with all colleagues coming together to support each other during an extraordinary period.

Our focus is now embedding these changes and developing our role further, with the publication of our three-year corporate plan due later this year. We intend it to be an ambitious statement about how we can develop our role further, to promote a healthier housing system and be regarded as a world class Ombudsman service.

**Richard Blakeway**  
**Housing Ombudsman**

# Performance report

## Performance overview

The performance overview contains a short summary of our vision, values, strategic objectives, structure, operating environment, key activities during the year, performance and risks.

## What we do and how we do it

### Our role

The Housing Ombudsman makes the final decision on disputes between residents and member landlords. Our decisions are independent, impartial and fair.

We also support effective landlord-tenant dispute resolution by others, including landlords themselves, and promote positive change in the housing sector.

Our service is free to the 4.7 million households eligible to use it.

Our role is set out in the Housing Act 1996 and the Housing Ombudsman Scheme approved by the Secretary of State.

### Our membership

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

#### *Membership as at 31 March 2021*

	<b>2,316 member landlords</b>		<b>4.7m households</b>
---	-------------------------------	---	------------------------

<b>1,916 housing associations</b>	<b>329 local authorities</b>	<b>71 voluntary members</b>
<b>3m households</b>	<b>1.6m households</b>	<b>30k households</b>

The Scheme is funded by subscriptions from members and is paid on a per housing unit basis.

**Our vision, values and strategic objectives**

<b>Our vision</b>
<b>Improving residents’ lives and landlords’ services through housing complaints</b>

<b>Our strategic objectives</b>			
<b>Making a difference – on individual complaints and across the sector</b>			
1. Deliver a fair and impartial service, resolving complaints at the earliest opportunity	2. Promote positive change in the sector	3. Provide a service that is professional, accessible and simple to use	4. Ensure our service is open and transparent

<b>Our values</b>			
<p>▶ <b>Fairness:</b></p> <p>We are independent and impartial; we take time to listen carefully and to understand the evidence</p>	<p>▶ <b>Learning:</b></p> <p>We share knowledge and insights to maximise our impact and improve services</p>	<p>▶ <b>Openness:</b></p> <p>We are accessible and accountable; we publish information on our performance and decisions</p>	<p>▶ <b>Excellence:</b></p> <p>We work together to provide an efficient, high-quality service</p>

## Our dispute support and resolution process



Our work at dispute support and dispute resolution follows our **dispute resolution principles**:

- ▶ Be fair
- ▶ Put things right
- ▶ Learn from outcomes

## Who we are

### Senior Leadership Team

The Senior Leadership Team is the most senior decision-making group and operates collectively, concentrating on strategic issues affecting organisational performance. It also scrutinises and challenges policies and performance with a view to the long-term health and success of the service.



**Richard Blakeway**  
Housing Ombudsman  
and Accounting  
Officer



**Andrea Keenoy**  
Chief Operating  
Officer



**Emma Foxall**  
Deputy Ombudsman

	<b>Joyce Adu</b> Director of Dispute Support & Resolution		<b>Gillian Day</b> Director of Finance & Corporate Services <i>(from March 2021)</i>
	<b>Rebecca Reed</b> Head of Insight & Development <i>(from November 2020)</i>		<b>Roz D'Cruz</b> Head of Commercial Services
	<b>Jennifer Ryans</b> Head of Dispute Resolution		<b>Verity Richards</b> Head of Dispute Support <i>(from April 2021)</i>
	<b>Tracey Hindley</b> Head of HR		<b>Jackie Feeney</b> Communications Manager

### Audit and Risk Assurance Committee

The Ombudsman is assisted by an Audit and Risk Assurance Committee that is independent of the Ombudsman and their executive team. The committee provides independent assurance on the adequacy of the risk management framework, the internal control environment, governance processes and the integrity of financial reporting. It oversees the work of both internal and external audit, and makes an important contribution to ensuring that effective assurance arrangements are in place.

	<b>Sue Harvey</b> Chair		
	<b>David Horne</b> Member		<b>Christina Coker</b> Member
	<b>Vikki Lewis</b> Member <i>(from Sept 2020)</i>		<b>Tim Leslie</b> Member <i>(from Sept 2020)</i>

## Panel of Advisors (until 30 September 2021)

The Panel of Advisors provides support and advice to the Ombudsman on strategic direction, business planning and public accountability. It is a non-statutory forum that brings an external perspective to these decisions. From October 2021 the Panel of Advisors was replaced with a new Advisory Board and new members recruited (see below).

### Resident representatives:

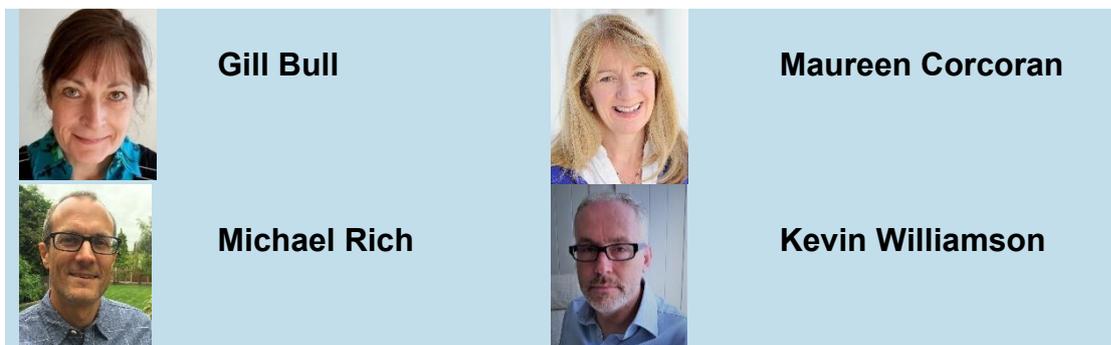


### Landlord representatives:



**ARAC representatives:** Christina Coker and David Horne

## Advisory Board (from 1 October 2021)



**ARAC members of the Advisory Board:** Tim Leslie and David Horne

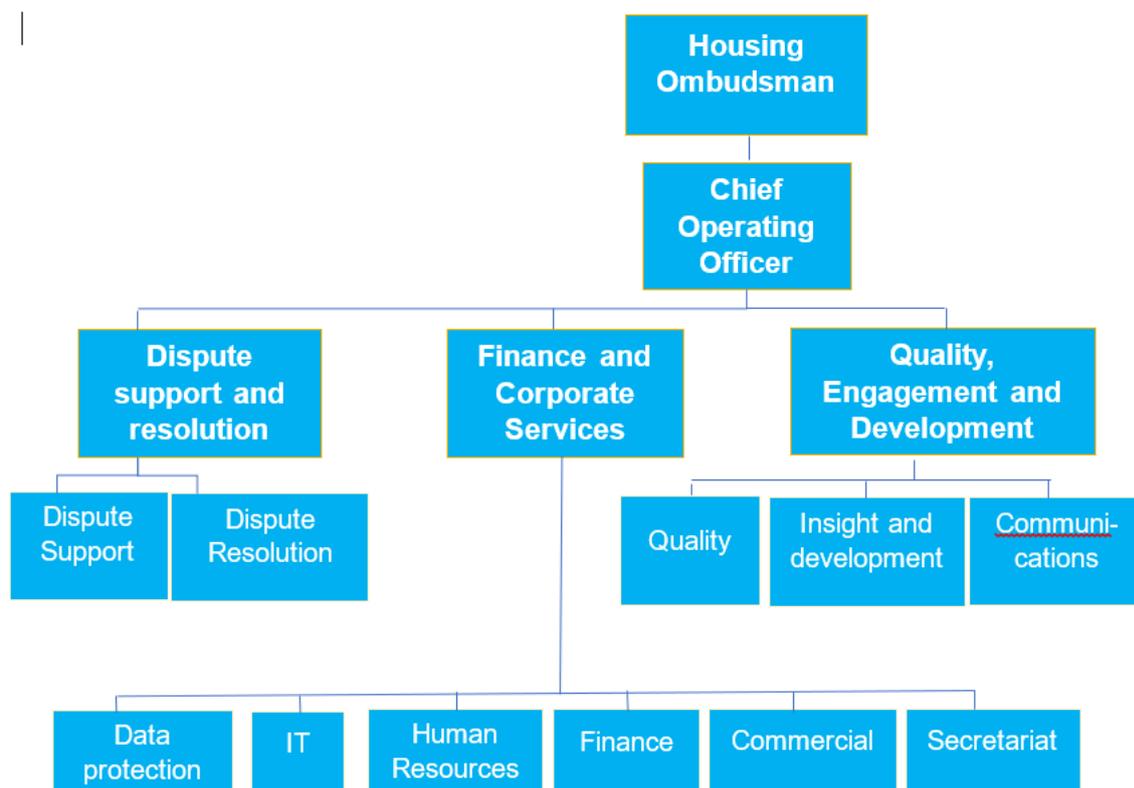
**SLT members of the Advisory Board:** Richard Blakeway and Andrea Keenoy

## Independent Reviewer of Service Complaints

The Independent Reviewer of Service Complaints supports the Ombudsman in learning from complaints about our service to continually improve our performance.



## Organisational structure



## Our people

### Gender



### Mean (average) gender pay gap using hourly pay

Mean gender pay gap (%)	-4
-------------------------	----

- The mean gender pay gap is the difference in hourly wage between men and women. A negative percentage reveals that on average male employees have lower pay than female employees. The reverse is true for a positive percentage.

### Median gender pay gap using hourly pay

Median Gap (%)	0
----------------	---

- The median gender pay gap figure is the difference between the hourly pay of the median male and the hourly pay of the median female.

### Race and disability

- 30% our workforce identified themselves as black, Asian, mixed or from other non-white racial groups compared to 13% nationally
- 18% of our workforce considered themselves to have a disability of health condition compared to a national average of 20%

## The year in review

### Our work and our organisation

#### Impact on individual residents

**49%**  
of determined cases upheld  
(up from 41% previous year)



Top **three** areas of complaint:

1. Repairs: 35%
2. Tenant behaviour: 15%
3. Complaint handling: 10%

Issued **10** complaint handling failure orders

**3,455**  
orders and  
recommendations made



Including:

- 1,705 to pay compensation
- 272 to carry out repairs
- 381 to review policy/change process

**£450k** compensation ordered for residents



#### Impact on the sector

Presented **85** webinars and other training events over  
the year to more than **2,500** delegates

Published **two** Spotlight reports



Published **four** Insight reports

**20,405** views of our Complaint Handling Code web page and **2,412** downloads of the self-assessment form

Held our **first** Meet the Ombudsman event - hosted by Gentoo

**750** landlord performance reports published



Started publishing **all** decision reports



Organisational change

Held **two** all colleague virtual half day events



and **fortnightly** breakfast briefings throughout the year

Increased our headcount by **52%** over the year

Our 'mean gender pay gap' is **-4%**, meaning that on average, women are paid 4% more than men per hour

Introduced new organisational structure with **three** directorates

## The year in review

### A month by month view:



**April:** We published our first best practice guidance note for landlords on handling complaints during the Covid-19 pandemic



**May:** We ran our first home working survey for feedback on colleagues' health and well being during the pandemic



**June:** We published our second Insight report, providing insight into our complaints data, a selection of case studies and key learning points



**July:** We published our new Complaint Handling Code providing a framework for high-quality complaint handling



**August:** We started a series of webinars for landlords and residents on the Complaint Handling Code



**September:** New powers in our Scheme took effect, helping us to improve awareness, accessibility and speed of complaint resolution



**October:** We issued a report on five complaints where we found severe maladministration during 2019-20, naming the landlords concerned



**November:** We welcomed the government's Social Housing White Paper and its ambition for a strong Ombudsman service



**December:** For the first time, we published performance data on all landlords in our Scheme with complaints recorded in 2019-20



**January:** We published our first report on an individual case with a finding of severe maladministration



**February:** We published a Spotlight report on heating and hot water identifying unnecessary delays in resolving issues as a concern



**March:** We started publishing all decisions on cases investigated, a major step in increasing our transparency

## Strategic aims for year

Activity in year two of our ambitious three year corporate plan has been largely centred on transitioning to our new operating model and starting to deliver some of the benefits that this brings to improve residents' lives and landlords' services.

## Responding to Covid-19

### Internal impacts

Covid-19 posed, and continues to pose, challenges to delivering our service while ensuring staff wellbeing.

We switched to home working without any interruption to our service just before the first national lockdown and colleagues continued to work from home throughout the year. Colleagues were kept up to date with corporate developments with more frequent briefings from senior management, and staff surveys provided positive feedback on these arrangements.

Our plans for external recruitment were paused at the start of the year for three months as we switched to an online process but proved enormously successful with high applicant numbers across all campaigns for permanent roles.

Our main concern over this period was staff wellbeing. Initially this focused on the increase in distressing or unacceptable calls our caseworkers at the dispute support stage were dealing with – exacerbated as they were taking these in their own homes. In response, we strengthened our approach to dealing with unacceptable users with full management support for colleagues where appropriate action to manage users was taken.

In the middle of the year, the on-going impact of difficult calls on colleagues' wellbeing, alongside a return to normal complaint and call volumes, began to affect capacity. To manage this, we reduced the operational hours of our phone line – one of the routes into our service – although the service remained open and contactable by other access routes and formal investigations were unaffected.

In the final quarter, call volumes increased significantly and the cumulative impact of this on caseworkers alongside on-going challenging calls was additionally affected by an increase in Covid-19 infection rates and caring responsibilities arising from the third national lockdown. This put real pressure on remaining colleagues. As a result, the number of staff available to take calls reduced to 52% of our complement for much of this period. A new professional support service was put in place for colleagues in this part of our process alongside our existing Employee Assistance Programme to help them develop coping strategies and to become more resilient.

We resumed a full phone service on 29 March but the impact of Covid-19 on staff capacity did mean we were unable to deliver our desired level of service in the second half of the year, and this is borne out in the higher proportion of upheld service complaints reported.

## External impacts

Covid-19 also affected the level of service landlords could deliver to their residents. The resulting flow through of residents' complaints to our service is, necessarily, lagged but can clearly be traced from the volume of monthly enquiries and complaints we received. After a significant drop in April, we experienced a steady growth, achieving parity with the prior year in September and then an explosion in demand in the final quarter as we received 43% of all enquiries and complaints for the year. This trend has continued into 2021-22 and we are putting a number of contingency measures in place to help us manage these volumes while maintaining the quality of our service.

In acknowledgement of the impact Covid-19 had on landlords' services, we published our Complaint Handling Code in July 2020 but extended the timescale for self-assessment and the introduction of Complaint handling Failure Orders until 1 January 2021. We also delayed the publication of our new Scheme to 1 September 2020 to delay the shadow running of Complaint Handling Failure Orders (CHFOs) so that landlords had time to prepare.

## Risks

The table below summarises the main strategic risks that affected delivery of our objectives during the year and the actions taken to mitigate these.

Strategic risk	Mitigating actions
<p><b>Transition to the new operating model is not delivered successfully</b></p> <p>There was a risk that we would not be able to deliver the expected benefits due to unsuccessful recruitment rounds, exacerbated by the impact of Covid-19, or not deliver new processes at scale due to constraints on manager capacity.</p>	<ul style="list-style-type: none"> <li>• Streamlined recruitment approach for internal and external roles was transferred swiftly to an online process</li> <li>• Creation of temporary Incubation Manager roles in Dispute Support and Dispute Resolution to provide intensive induction and on the job training to colleagues joining in staggered cohorts and reduce burdens on other managers</li> <li>• Creation of new policies and updated process maps</li> </ul>
<p><b>Failure to respond to the challenges arising from Covid-19</b></p> <p>There was a risk that we would not be able to deliver our service due to staff capacity, supplier capability and increased demand. There was also a risk that we would not provide sufficient guidance to the sector or our determinations would be inconsistent.</p>	<ul style="list-style-type: none"> <li>• Invoked our business continuity plans, including close liaison with key suppliers</li> <li>• Produced landlord guidance on complaint handling during Covid-19 and promoted this</li> <li>• Captured all government guidance to social landlords to support future investigations and created a team of dedicated Covid-19 adjudicators</li> <li>• Reduced our phone line operating hours</li> </ul>

<p><b>Failure to meet our average determination case time target for 2020-21</b></p> <p>There was a risk that we would be unable to deliver a sufficient volume of timely cases to meet this target as external recruitment was delayed and performance is dependent on swift provision of evidence by landlords to support investigations.</p>	<ul style="list-style-type: none"> <li>• Creation of a temporary manager role to maximise output from our flexible bank of adjudicators</li> <li>• Recruitment of temporary staff to compensate for permanent recruitment delays</li> <li>• Contracted and brought on-stream external determination support</li> <li>• Reviewed and improved our evidence chasing processes</li> <li>• Went live with complaint handling failure orders for unreasonable delay by landlords in the provision of evidence</li> </ul>
<p><b>We cause a significant data protection breach</b></p> <p>There was a risk that any inappropriate disclosure of resident personal information would cause harm to residents and/or reputational damage to our service.</p>	<ul style="list-style-type: none"> <li>• Creation of, and recruitment to, a full time Data Protection Manager role and an additional Data Protection Officer post</li> <li>• Increased staff training and awareness raising</li> <li>• Benchmarking against the Information Commissioner’s Office (ICO) best practice and delivery of the resultant action plan</li> </ul>
<p><b>We experience a significant cyber security breach</b></p> <p>There was a risk that a breach of our cyber environment would result in the loss of systems or data and prevent service delivery.</p>	<ul style="list-style-type: none"> <li>• Creation of, and recruitment to, an in-house IT support role</li> <li>• Upgraded our servers</li> <li>• Enhanced our annual assurance through Cyber Essentials Plus</li> </ul>

Risks to delivery of our objectives in 2021-22 are an evolution of those captured above. Immediate transition risks move to longer term ones related to our professionalism and accessibility posed by colleagues failing to keep pace with changes to ways of working, for example, through systems developments. Alongside this is the risk that our offer does not remain relevant to residents, landlords and wider stakeholders which will affect our ability to achieve positive change.

Dealing with the demand-led nature of our service and the expected on-going increase in complaint volumes will be a strong feature of the year ahead and makes the achievement of our 3-4 month average determination case time, quality and customer service targets even more challenging.

Risks of data protection and cyber breaches remain ever present and will increase as we deliver higher volumes of work and move towards more digital complaint handling without appropriate mitigations.

The Governance Statement provides details about our approach to risk management.

## Performance appraisal

In 2020-21, we increased our subscription rate to fund the increase in resources needed to deliver our new vision and operating model. To demonstrate value these increased resources would bring, we also stretched a number of our targets and introduced new ones to provide a rounded picture of performance.

KPI: Casework	2019-20		2020-21		Trend
	Target	Actual	Target	Actual	
<i>Service delivery</i>					
Cases determined within 12 months	99%	100%	99%	100%	↔
Average time for determinations within our formal remit	6 months	5.8 months	4-5 months	5.2 months	Improvement ↓
Level of compliance with our orders within three months	95%	95%	95%	99%	Improvement ↑
Level of compliance with our orders within six months	99%	99%	99%	100%	Improvement ↑
Quality assurance reviews find casework was acceptable or better	n/a	n/a	95%	96%	New target
Increase in page views	n/a	n/a	20%	130%	New target
<i>Customer feedback</i>					
Landlords that thought our complaint handling work improved their complaint handling or housing services	n/a	n/a	85%	88%	New landlord focused target

Residents whose complaint was upheld and were satisfied with the service provided	n/a	n/a	80%	82%	New resident focused target
Residents whose complaint was not upheld and were satisfied with the service provided	n/a	n/a	60%	56%	New resident focused target
Landlords that thought our sector development and engagement work improved their complaint handling or housing services	n/a	n/a	85%	99%	New landlord focused target
Residents that thought our sector development and engagement work was helpful	n/a	n/a	85%	97%	New resident focused target
Residents who thought our advice or assistance was helpful in moving their complaint forward	n/a	n/a	85%	Insufficient data to report	New resident focused target
Residents who were satisfied with the service provided at dispute support	n/a	n/a	85%	Insufficient data to report	New resident focused target

Despite the unprecedented year we have all experienced, our performance has remained strong across all targets with on-going trends of improvement. We exceeded all of our service delivery targets - improving performance or maintaining this at 100% where there is a prior year comparator - apart from the average case time target which was narrowly missed. In 2020-21, we determined more cases than in the prior year with 63% of cases completed within six months (2019-20: 42%). The additional 0.2 of a month is due to the impact of the first national lockdown and switch to remote working which delayed both the expansion of our casework team and the procurement of external support. The additional time over target represents an extra four working days and a strong performance given the operating conditions.

Our customer feedback targets are new for 2020-21, separately recognising residents' and landlords' responses, and stretching the previous target levels. We have outperformed these in all cases bar one. The target where we fell just 4% short is one where outcome of a decision strongly affects residents' perceptions of the service provided - known as optimism bias - and is very stretching. We did not uphold 51% of complaints so have outperformed this bias to achieve a satisfaction score of 56%.

In the first half of the year, we struggled to obtain any feedback from residents on our work at dispute support. We revised our survey collection methods twice and although this did result in an increase in responses, total volumes across the two questions here were too low to report on with confidence.

### **Adoption of going concern basis for accounts preparation**

Our accounts report significant net liabilities (£3.2m) relating to our participation in the Local Government Pension Scheme where our share of the underlying assets and liabilities can be determined. We have a letter of comfort from the Department for Levelling Up, Housing and Communities stating that they will cover pension liabilities should we not be able to meet them, and that our general fund does not need to offset the pension reserve.

Our income recovery has been faster than in previous years and we have remained comfortably within our reserves policy requirement of maintaining at least four months operational expenditure in our general fund on a rolling 12-month basis throughout the year. We continue to maintain this position at the date of signature of the accounts and this is reported monthly to the Senior Leadership Team throughout the year.

There are no known current or potential changes in legislation or government priorities that would indicate our service is likely to be abolished, instead our remit will be expanded in the future to decide appeals under the new Access to Information Scheme.

Consequently, management have decided that the adoption of the going concern basis of accounts preparation remains appropriate for 2020-21.

## Performance analysis

### Purpose

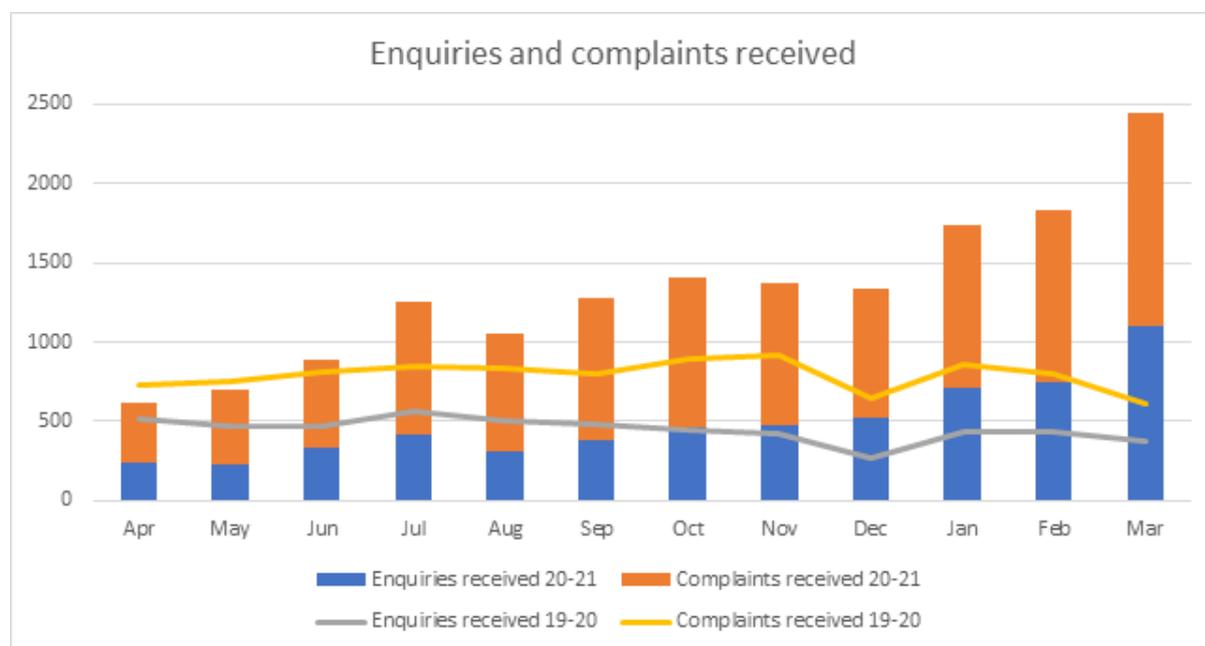
This section provides a more detailed view of performance against our key performance indicators and business plan deliverables under each of our strategic objectives.

**Strategic objective 1:**  
**Deliver a fair and impartial service, resolving complaints at the earliest opportunity**

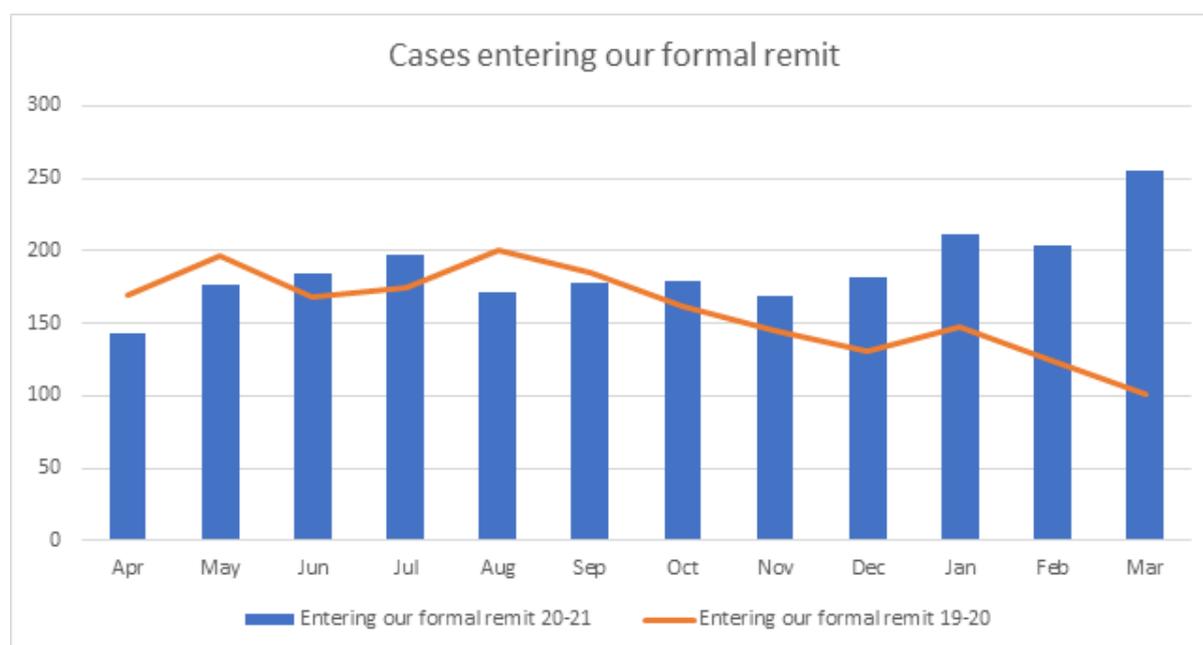


### Context

During April 2020, the number of enquiries and complaints received fell by 50% compared to the same period in the prior year. Volumes made a steady recovery throughout the following months, reaching parity with the previous year in September and broadly maintaining this until November. From December 2020 until February 2021 volumes received in month were an average of 40% higher than the comparable periods in the prior year. In March 2021, the increase was 155% compared to March 2020 and we demand has continued to increase throughout 2021-22.



The fall in cases entering our formal remit was less marked than for enquiries and complaints overall with a 16% decrease in April 2020 compared to the prior year, although volumes followed the same trajectory overall with an average 38% increase from December 2020 to February 2021 and a 98% increase in March 2021.



### Business plan activities: New operating model and Scheme

Throughout the year we maintained momentum on our change programme and the implementation of our new operating model. Although the first lockdown delayed our external recruitment plans and our procurement of determination support by three months and two months respectively, we continued to recruit to internal opportunities and build our bank of flexible Adjudicators to provide some mitigation to the reduction in planned output. Our Adjudicator headcount rose in the second half of the year which increased the monthly volume of determinations issued.

To ensure a successful induction and on-going training for all new starters in their first few months we created a temporary incubation manager role in both the dispute support and dispute resolution teams to provide dedicated support and mentoring before these colleagues moved into their permanent teams. We also created a temporary manager of the bank staff to maximise the output of these colleagues.

A key power under the new Scheme is our Complaint Handling Code which improves awareness, accessibility and speed of complaint resolution. It was published in July 2020. All Dispute Support and Resolution colleagues were trained on the Code and the accompanying Complaint Handling Failure Orders (CHFOS) which we issue where landlords do not progress a complaint through their complaints process or unreasonably delay providing evidence to support a formal Ombudsman investigation. These operated in shadow until the end of December 2020 – an extended deadline due to Covid-19 – and were formally issued from 1 January 2021. We now publish quarterly reports listing the CHFOS issued on our [website](#).

Given the challenges Covid-19 posed to landlords alongside the requirements set out in our new Code, we deferred our programme for providing feedback on complaint handling until 2021-22.

Quality assurance continued during the year across all parts of the Dispute Support and Resolution process, with findings fed back individually and common themes taken into training. An example of this is the casework forum which highlighted our guidance and good practice on the use of evidence in decision-making. Use of evidence was not identified as an issue in subsequent quality assurance exercises.

### **Enquiries and Dispute Support**

The new model created a dedicated Enquiries and Contract Management manager role. This was permanently filled in October and has allowed a much greater focus on the quality of our first contact responses and phone reporting data to support our decision-making. This work has continued into 2021-22.

The creation of dedicated dispute support teams led by new managers helped focus on the timeliness of responses and identified system improvements. We used the quieter first quarter to review older open cases and take any outstanding actions, closing 20% more complaints than in the previous year during this period. We also improved our systems for recording and reporting unacceptable behaviour to support our colleagues' wellbeing and deployed a faster, automated route for attaching correspondence to cases.

As the cumulative impact of taking difficult calls at home was met with a return to normal volumes in the middle of the year, colleagues' wellbeing began to suffer and the number of colleagues available to work on our phone lines reduced. We mitigated this risk by increasing the speed of new starters' inductions through the use of focused induction teams for new recruits and reducing the operating hours of our phone line to three days a week in September. This increased back to three full days and two half days in December, utilising a call back and messaging system to return calls received when the internal staff team was not available. As accessibility is important to us, all other routes into our service, for example emails and web enquiries, remained operational.

The third national lockdown further reduced staff availability due to Covid-19 infections and caring responsibilities; for several months just over 50% of colleagues were available to work on the phones. This coincided with a further increase to the volume of cases and calls. We struggled to maintain our usual levels of service and this resulted in a higher volume of customer complaints against our service and a higher uphold rate than in previous years.

The phone lines resumed operating for five full days on 29 March 2021. To mitigate the risks arising from increasing call and case volumes, we scheduled caseworkers to return to phone line duty for the early part of 2021-22. We are working closely with our service provider to see what more they can deal with at first contact and we are continuing to look at ways to increase our internal efficiency.

Landlord feedback on the impact of our service over the year was positive, with 88% agreeing that our work had helped improve their complaint handling or housing services.

We are unable to report resident feedback on how helpful our service was due to a lack of sufficient data. We adjusted survey methods several times during the year to boost response rates but these remained too low overall at year-end to report with any certainty.

### Dispute Resolution

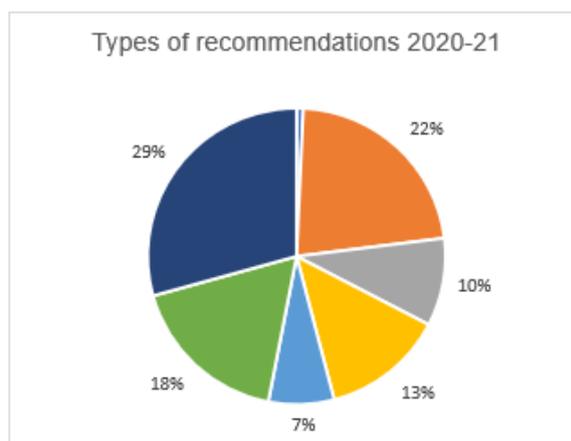
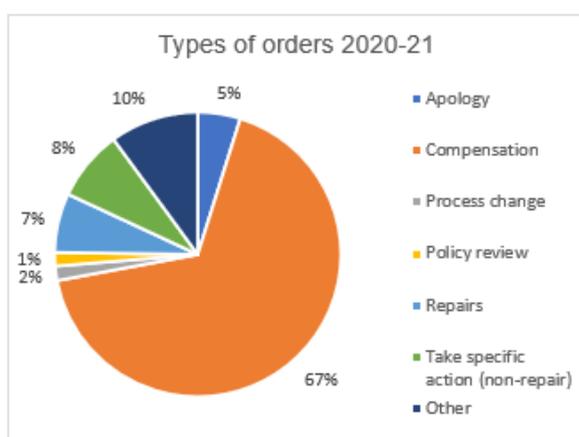
The new operating model created a new, small triage team designed to contact complainants on receipt of cases for formal investigation to agree the outstanding issues and the best approach to resolution with residents and to then request the required evidence to support the investigation from landlords. The team started to operate in July 2020, taking 25% of all new cases for investigation and moved to 100% capacity at the start of March 2021.

In our investigations we exceeded targets on quality, compliance, maximum determination age and upheld complaint customer feedback. We narrowly missed the 4-5 month target, with 0.2 of a month representing an average of an additional four working days for each case. We were on an upward trajectory for determination output during the last half of the year and we determined more cases than in the previous year, despite the pressures of Covid-19. We also determined 48% of cases within five months and 63% in less than six months (42% in 2019-20). The caseload was also under tight control at the start of the year with only 71 cases over six months old on 1 April 2021.

We did not uphold 51% of complaints but nonetheless received resident satisfaction scores with our service of 56%. This result overcomes the ‘outcome bias’ between investigation outcomes and views on service provision and was just short of our stretching 60% target.

While the categories of complaints investigated have remained constant compared to prior years, we have seen a shift in the outcomes of our work with a higher number of cases upheld ([findings of maladministration, partial maladministration or mediation](#)) moving from 41% in total in 2019-20 to 49% in the current year. This is due to an increase in findings of service failure for repairs (53% increase) and complaint handling (36% increase).

We issued a total of 3,455 orders and recommendations following our investigations, an increase from 2,617 in 2019-20.



Of the orders, 67% involved compensation as did 22% of recommendations. In total we ordered or recommended landlords to pay £449,212.90 to residents across the year.



### Post determination

If a resident or landlord wishes to challenge either the facts or evidence relied on or the interpretation of the facts and evidence in making a determination, they may ask for a review of the decision. We received 385 review requests in 2020-21 - a reduction of 11% on the previous year - which represents 1% of all determinations issued in the year. Of these requests, we revised our decision in 26 cases: 9 as a result of new facts or evidence being presented; 13 as a result of challenge to the facts or evidence relied upon; and 4 where both bases were challenged.

Conversely, we experienced an increase to the volume of requests for a judicial review of our decision or other legal action against us. Of the six claims received, one was withdrawn, one is awaiting further consideration, and four were unsuccessful or deemed totally without merit by the courts. Following the end of the financial year, we undertook a legal cases learning review to examine the circumstances of the claims and ensure that any learning and development opportunities were identified and acted upon. Recommendations have been made and will be implemented to ensure the continuous improvement of our service.

### Future plans and performance

We saw marked increases in the volume of enquiries and complaints received across Dispute Support and Resolution in the last quarter of the year and this trend continued into 2021-22 as complaints caused or delayed by Covid-19 begin to work their way through landlords' processes and come to us. Alongside this, our average determination case time target has reduced from 4-5 months to 3-4 months for 2021-22 and our other KPIs remain at their high bars.

Maintaining performance will, therefore, be a challenge for the coming year but we are well-placed to deal with this. We have flexible resourcing available to us within the dispute resolution team through both our bank of Adjudicators and our outsourced support contract. We are working to increase resilience and flexibility within the dispute support team and to resolve more issues at first point of contact. We will also evaluate the success of our webchat trial to see if this provides an efficient and effective way of handling enquiries and focus on improving customer service.

## Strategic objective 2: Promote positive change in the sector



### Context

Our new Scheme, published in September 2020, gave us new powers to help improve the awareness, accessibility and speed of complaint resolution. It also enables us to be more proactive on systemic issues and broadens the basis on which we can refer cases to the Regulator of Social Housing. The creation of a Quality, Engagement and Development directorate, supported by recruitment of an experienced and skilled team, allowed us to really deliver against our new powers in 2020-21 and produce more learning for the sector than was planned.

- **2,500 participants in our webinars and other training events**
- **Complaint Handling Code web page views 20,405**
- **2,412 downloads of the Code self-assessment form**
- **Published two Spotlight reports**
- **99% of landlords thought our sector development and engagement work improved their complaint handling or housing services**
- **97% of residents thought our sector development and engagement work was helpful**

### Using our knowledge to improve housing services

A major milestone was the publication of our Complaint Handling Code in July 2020. This provides a framework for high-quality complaint handling and greater consistency across landlords' complaint procedures, enabling landlords to resolve complaints raised by their residents quickly and to use the learning from complaints to drive service improvements.

Landlords were required to self-assess against the Code by 31 December 2020 and publish the results. New powers meant that we would issue complaint handling failure orders for non-compliance with the Code and these operated in shadow until 31 December. In the final quarter of the year we issued 10 such orders - nine due to unreasonable delays in accepting or progressing a complaint through their process by landlords and one for unreasonable delay in providing complaint information requested by the Ombudsman. These were published on our website in May 2021 and we continue to publish details about these orders quarterly.

### **Landlord feedback on the Complaint Handling Code**

***“We have welcomed the Code, which has generally given more weight to driving a great complaints handling culture.”***

***“The Code was a tool we used as part of our staff and resident training process looking at the new complaints policy and our procedures. We found it an extremely effective way of identifying good practice and recommended approach.”***

***“The Code and information alongside it have positively influenced how we manage complaints and our relationship with customers as a business. It has driven us to increase our learning from complaints and evidence this to customers and our governance structure.”***

### **Feedback from participants in Code webinars**

***“Clear and concise summary of changes proposed and what this means for organisations.” (landlord)***

***“Helpful to have clarity around when the Ombudsman can support a tenant, so going forward we can make sure our tenants are aware of the support available to them at each stage of the complaint.” (landlord)***

***“Clear insight into expectations and routes.” (resident)***

***“Clarification of parts of the process, clearer understanding of the responsibilities of landlords.” (resident)***

We published two thematic reports during the year - one dealing with common issues arising in complaints from leaseholders and shared owners and one dealing with the service failures leading to heating, hot water and energy complaints.

This latter report was picked up by the Department for Business, Enterprise and Industrial Strategy to ensure that our findings on shared heat networks were considered in their work to achieve the Energy White Paper's target of net-zero carbon emissions.

Responding quickly to the pandemic, we published guidance in April 2020 for landlords on complaint handling during Covid-19 and updated this in July 2020. In March 2021, we published our framework for systemic investigations. This sets out how we will look beyond individual disputes to identify key issues that impact on residents and landlords' services. Learning from this work will be shared with the sector to promote good practice and support a positive complaint handling culture.

We also began to share the learning from the most serious of the complaints we received - those where we make a finding of severe maladministration. In October 2020 we published case summaries and the lessons from the five cases determined in 2019-20 and we then published individual cases as they arose in January, February and March 2021.

All of the work above was supported through webinars where we explained the key lessons and our recommendations to attendees as well as answering any questions.

**Influence the sector and shape the landscape**



We continued to influence the sector through sharing more of our data - both on the complaints we receive and on landlord performance.

Our quarterly Insight Reports continued throughout the year, taking on a regional focus in the final quarter, setting out details on the volumes of enquiries and complaints received, their categories, the types of orders we have made following an investigation and other relevant data. The reports also include a section to share learning from our case book in the period through case studies and by drawing the lessons together into common themes.

In December 2020 we published landlord performance data for the first time. This covered the 2019-20 financial year and set out the categories of enquiries and complaints received, the outcomes of our decisions, the types of orders made to put things right and the timeliness of landlord compliance. The data included some helpful comparisons to landlords of similar types or size and was accompanied by some geographical analysis of our determinations at a regional level.

### **Continue to work directly with landlords and residents**

We completed our project working closely with five landlords to understand the best approaches to achieving positive change in their complaint handling. The evaluation showed that our reviews of the landlords' complaints policies and practices, delivering bespoke workshops on complaint handling and providing advice on improvements to their complaint handling practices led to some reductions in case handling times and findings of maladministration. The impact of Covid-19 on our internal and landlords' capacity meant we decided to defer our project to work more closely with 20 landlords, building on what was learned from this initial work, and we have picked this back up in 2021-22, agreeing time-limited action plans with a landlords to support improvements to their complaint handling.

We continued to deliver training to residents and individual landlords on request and through partner organisations, as well as hosting our own webinars. Overall, we presented 85 events over the year to more than 2,500 delegates, which included landlords and residents. Our own 31 webinars covered topics such as our Spotlight reports, best practice on complaint handling during Covid-19, our Complaint Handling Code and the new landlord performance reports. Towards the end of the year in March 2021 we introduced new regional landlord discussion forums focused on complaint handling best practice and the Code.

### **Work effectively with the Regulator of Social Housing**

Alongside our new Complaint Handling Code, we published a new Memorandum of Understanding (MoU) with the Regulator of Social Housing (RSH). This broadens the basis for referrals from us to the Regulator, includes systemic complaint handling failure, wider potential systemic failures as well as failures to comply with orders made. In addition, the revised MoU enables more information sharing related to complaint handling failures, severe maladministration findings and potential breaches of regulatory standards.

We continue to work closely with the Regulator, sharing significant individual case decisions and meeting regularly to discuss emerging trends and issues of common interest.

### **Future performance and plans**

Many activities initiated in 2020-21 will continue as business as usual, for example, the publication of landlord performance reports, and referrals and notification to the Regulator. As well as this, we intend to increase the volume of learning produced, clearly focusing this on either complaint handling or service failure.

On service failure, we intend to publish three thematic reports to draw out the lessons on where service delivery went wrong in the areas of cladding (published May 2021), damp and mould, and noise. On the damp and mould report, we have already broken new ground in the United Kingdom Ombudsman community by issuing a call for evidence to support our investigation (in April 2021).

For complaint handling, we intend to publish a compendium report, pulling together the lessons learned from the introduction of the Code, complaint handling failure orders and landlord performance across 2020-21. This will be accompanied by supplementary Code guidance where this will be useful.

### Strategic objective 3: Provide a service that is professional, accessible and simple to use



#### Context

Raising awareness of our service is a key theme in the Social Housing White Paper and one on which we have made an early start to promote the benefits redress can bring and so that we can hear the resident voice. This work is continuing in 2021-22.

We also believe that if we are not the right service for a resident, that signposting should be effective and quick. This year, we signposted 2,741 enquiries compared to 1,600 in 2019-20, with 53% of these falling in the last quarter.

- **Recruited a 600 member Resident Panel**
- **Launched quarterly 'Meet the Ombudsman' events**
- **We signposted residents on 2,741 occasions to organisations that may help when not within our remit.**
- **The top five most signposted organisations were:**
  - **Local Government and Social Care Ombudsman (LGSCO) – 27%**
  - **Citizens Advice – 18%**
  - **The Property Ombudsman – 18%**
  - **Shelter - 11%**
  - **Civil legal aid - 10%**

#### Accessibility and awareness of our service

It is of prime importance that member residents know they have a right to bring their complaint to the Ombudsman and how to get in touch. Although we deal with many complaints and landlords are generally good at making residents aware of their rights, there are still cases depicting terrible conditions reported in the media where we had not been contacted. To help raise awareness of our service we initiated 'Meet the Ombudsman' events in February 2021, hosted by a landlord and where they invite their residents along to discuss our recent work and ask questions. The first event was held in the north of England and hosted by Gentoo. Successive events have continued around the country, taking place each quarter.

We worked with a range of key stakeholders to help promote awareness of our service over the year including Tpas, the National Housing Federation, Chartered Institute of Housing, G15, Northern Housing Consortium, HQN, Resolve ASB, Kent Housing Group and the East Midlands Resident Participation Forum.

We also increased the number of routes into our service during the year with the launch of a webchat service on a trial basis in March 2021. We will evaluate this during 2021-22 and decide whether to take this forward on a permanent basis. We will also consider whether to trial an extension to our operating hours in 2021-22, deferred from 2020-21 due to the impact of the pandemic on internal capacity.

## Improve the customer journey and customer care



We recruited a Resident Panel this year, the successor to our previous Customer Panel, to enable a stronger resident voice in the development of our work. We planned for 100 members to ensure representation across all of our membership and their residents. When the opportunity was advertised in February 2021, it was extremely popular and, as a result, we increased the membership to create a pool of just over 600 members. The Panel met for induction events in April 2021 and input to the development of our 2022-25 Corporate Plan in July 2021.

Acting on customer feedback and complaints about our service by customers continues to be a strong feature in our work as we value learning from outcomes. In 2020-21, we received 247 complaints about our service representing 2% of all enquiries and complaints received. The majority of service complaints related to delays in responding to residents' phone calls in the second half of the year as we struggled with caseworker capacity which was severely affected by the pandemic, particularly in the final three months of the year. As a result, we could not respond or call back customers in line with our service standards and we upheld or partially upheld 151 (61%) of these complaints. In 65 cases, the customer did not feel we had satisfactorily addressed their complaint and took matters to our second stage. Of these, 20 were upheld; the majority of stage two complaints upheld related to delays in our service. The small number of dispute support customer feedback responses received told a similar story, again with the majority of this received from quarter three onwards. Although the volume of resident feedback on our service at dispute support was not sufficient to report a meaningful performance against the target, we did share this with individuals to identify areas for improvement.

To improve our service in this area, we have taken action to manage customer expectations clearly from the very start of the call and have included customer care within our learning and development programme for colleagues this year. We are also developing a policy on responding to temporary periods of excess demand following a recommendation from our new Independent Reviewer of Service Complaints (see page 8 for more on his role and work).

Customer feedback on our dispute resolution service was positive against very demanding targets - we exceeded our target for complaints we upheld and only narrowly missed the target for complaints not upheld despite overcoming outcome bias by receiving more positive feedback (56%) than the volume of complaints not upheld (51%).

## Feedback from residents

***“I've been so grateful for such a much needed service that has provided assistance and sped up things that could have been forgotten about. There's been well explained information and good listeners. It was really helpful to air the matter.” (Dispute support)***

***“You getting in touch with my housing association has made them start to look at my case and not just ignore me and what needs to be sorted. Still waiting for everything to be done but as I said thanks to you they are now in contact with me and things look like they might be sorted. Fabulous service. Without you us tenants would be treated just like a number or ignored. Thank you.” (Dispute support)***

***“Everyone was helpful and sensitive to my dilemma and eager to resolve my issues against a landlord that all it was doing was being dismissive and contradictory.” (Dispute resolution)***

***“Although the time my case took to resolve was a little long the case manager contacted me and was amazing. She explained her reasoning and most importantly listened to me and I would not have received the compensation or the communication I have from my landlord. Thank you very much.” (Dispute resolution)***

## Improve signposting to our service

Strategic work in this area was adversely affected by Covid-19 during 2020-21. At the start of the year, the Department for Levelling Up, Housing and Communities put its Redress Reform Working Group on indefinite hold while it diverted internal resources to responding to the pandemic. Covid also had an impact on our plans to work with advice agencies to improve signposting to our service and this will be restarted in the second half of 2021-22.

The LGSCO, our top signposted organisation, stopped taking or investigating complaints during the first lockdown to avoid putting undue pressure on local authorities and care homes and our work to improve cross-referral between our two organisations was delayed into 2021-22. The volume of enquiries signposted by us to other organisations dramatically increased in February and March 2021, matching the timescale of the Department for Levelling Up, Housing and Communities awareness raising campaign.

### **Investing in our colleagues and our systems**

Our headcount significantly expanded during the year, increasing from 79.6 full time equivalent roles at the start of the year to 120.9 on 31 March 2021. To support this increase, we created a temporary incubation manager role in both dispute support and dispute resolution to induct and mentor new colleagues joining in small cohorts from quarter two onwards.

For existing staff, training centred on dealing with the rapid switch to homeworking - for example how to maintain a healthy work/life balance, being aware of colleagues' mental health and managing remotely - alongside core role-related learning and updates.

We continued to develop and improve our systems throughout 2020-21. We upgraded our casework management system to reflect our new processes and powers, and to enable auto-attachment of emails to cases to speed up communications. At the start of the year we introduced a new finance system that has far greater functionality and flexibility. The external audit identified weaknesses in the system set up due to inappropriate allocation of superuser rights and a lack of audit trail reporting. Once identified, steps were immediately taken to address the weakness and controls have been strengthened.

### **Future performance and plans**

Over the coming year, we will increase our focus on awareness raising and resume the cross-referral project with LGSCO. The Resident Panel is due to meet in full twice and will provide valuable feedback to help develop our service and our plans.

Internally, we will have a strong focus on colleague learning and development as we embed our new operating model. This will be supported by a new performance appraisal process and behaviours framework as well as a relaunched training allowance and refreshed career pathways.

## Strategic objective 4: Ensure our service is open and transparent



### Context

We believe openness and transparency about our service are key tools in driving sector performance improvement. This year saw a significant leap forward in our transparency with both landlord performance reports and Ombudsman's determinations published - with determinations being published a year ahead of schedule.

We also believe in holding ourselves to the same standards that we apply to landlords so appointed our first Independent Reviewer of Service Complaints.

- **750 landlord performance reports published**
- **Four Insight reports published**
- **All decisions published from 9 March 2021**
- **Independent Reviewer of Service Complaints appointed**

### Transparency

This year saw us start to publish all Ombudsman determinations for the first time which was a notable landmark. This increase to our transparency will help landlords and residents learn more about our approach to investigations and the outcomes they can achieve by creating a searchable database on our website. By the end of the year, around 80 cases were available on our website and this continues to grow fortnightly.

Prior to publication, we began to highlight learning from our casebook by publishing all severe maladministration findings. We published those relating to 2019-20 in a single report and those relating to 2020-21 on an individual basis as they arose.

As noted above, we also published 750 landlord performance reports for the first time, representing all landlords where we received a complaint during 2019-20. The reports show the number and types of complaints received, those formally investigated, the outcome, remedies ordered and speed of compliance. To help residents and landlords understand their performance, a number of comparators are provided to show the data for landlords of a similar type (e.g., local authority, housing association), landlords of the same size band and the landlord population overall. Accompanying the individual reports, we also published some geographical analysis by region and district.

To complete our set of transparency publications, this year also saw the first complete set of Insight Reports. These are published quarterly and include complaints data alongside learning from our casebook for that quarter. From quarter three, these were given a regional focus and we will continue this into next year.

Another step forward in our transparency saw the appointment of our first Independent Reviewer of Service Complaints, Adam Sampson. He commenced work immediately looking at complaints about our service received in the second half of 2020-21. His report was published on [our website in June 2021](#) and this recognised the overall quality of work and that we are open and fair in handling complaints, being willing to acknowledge and apologise for errors made. The report made two recommendations: to devise a policy for responding to temporary periods of excess demand; and to consider whether we should routinely share draft decisions in advance of the final determination. We have delivered the first of these recommendations and are on track to deliver the second to the agreed timescale.

### **Benchmarking our service**

We continue to aim for the provision of a world-class Ombudsman service and benchmark ourselves against the Ombudsman Association's Service Standards. The results are summarised in the Annex and we are doing well across all measures.

### **Future performance and plans**

We will continue to be transparent and accountable throughout 2021-22, publishing all decisions, annual landlord performance reports and all policies and guidance as we review and revise these. We intend to go further on learning from determinations by highlighting a wider range of interesting cases. And we intend to build on landlord performance reports by incorporating them into a broader publication on complaints handling across the sector.

The Independent Reviewer will continue to review our service complaints every six months and we will publish their report each time.

## Financial review

Subscription income for 2020-21 totalled £10.4m, an increase of 72% compared to the prior year. This was driven almost entirely by the increase to the subscription rate from £1.25 to £2.16. The rate was increased to support a significant expansion to our headcount so that we were adequately resourced to meet demand and deliver timely casework. The rate increase also enabled the creation of the Quality, Engagement and Development Directorate under our new operating model, set up to provide capacity to deliver a complete Ombudsman service through the production of learning tools for the sector.

Recruitment was carried out throughout the year with a resulting 36% increase in staff costs, moving from £5m to £6.8m. The majority of new starters joined in the second half of the year due to external recruitment delays caused by the pandemic. Staff costs in 2021-22 will be higher again to reflect a full year of operating at expected headcount and the underspend against the 2020-21 budget has resulted in a higher year-end cash balance (£5.2m) than originally forecast, increasing by 50% on last year.

Administrative expenditure was broadly in line with the previous year; one-off finance system set up and implementation costs incurred in 2019-20 were offset by increased recruitment costs and IT licences in 20-21.

The results for the year show a surplus after tax of £1.6m compared to a loss of £0.9m in 2019-20 when reserves were used to mitigate an increase to the subscription rate.

The £1.1m net actuarial loss on the pension fund includes a £6.2m loss from changes in financial assumptions (the combination of a reduction to discount rate and an increase to both pension and salary growth), partly offset by a £4.6m return on scheme assets.

These changes flow through into the pension liability recorded on the Statement of Financial Position, increasing it from £1.9m to £3.2m and representing a 69% rise.

The impacts above have resulted in an increase to overall net assets of £0.5m, increasing to £1.8m from £1.3m in 2019-20. Consequently, we remain a going concern and able to meet all future expected liabilities as they fall due.

**Richard Blakeway**  
Housing Ombudsman and Accounting Officer

1 November 2021

# Accountability report

## Corporate governance report

### Ombudsman's report

#### Leadership and direction

The 'Governance Statement' on page 42 sets out how we are structured to deliver organisational direction and control. The 'Who we are' section on page 5 identifies members of the Senior Leadership Team (SLT), the Audit and Risk Assurance Committee (ARAC) and the Panel of Advisors (PoA). On 30 September 2021, the Panel of Advisors ceased to exist and was replaced with a new Advisory Board. This change reflected the increased assurance needs of our organisation as it grows its remit, its headcount and the volume of work.

This was the second year of our 2019-22 corporate plan. That plan had as its overall strategic direction *making a difference - on individual complaints and across the sector*. It had given rise to the change programme taken forward through trial teams in the previous year with year two focused on transitioning to our new operating model.

Our new operating model supports a 60% increase to our establishment across 2019-20 and 2020-21; this provides additional capacity not only across the Dispute Support and Resolution and Finance and Corporate Service directorates, but also enabled the creation of a new Quality, Engagement and Development directorate dedicated to achieving positive change in the sector.

Covid-19 had an impact on our growth plans with external recruitment delayed by three months as we switched to online interviews and induction procedures. We have now successfully completed all recruitment campaigns and have received strong positive feedback on remote induction arrangements from all colleagues involved.

The first national lockdown also necessitated a switch to remote leadership and we all remained working at home throughout the year. To ensure colleagues continued to feel part of the organisation and aware of corporate developments we increased the frequency of our breakfast briefings to fortnightly, senior leaders hosted a variety of drop-in events and we maintained communications on progress against transition plans. We also continued with remote six-monthly all colleague events as well as a transition launch event in July and a dedicated health and wellbeing half-day in February 2021. Feedback from our regular colleague survey was very positive about the level of corporate communications.

The July transition event launched our new vision and values which reflect our ambition for the service going forward, enabled by the new model. These were developed in consultation with colleagues from across the organisation and were supplemented by a new behaviours framework, launched in March 2021.

To help colleagues really connect with our new values, we began a rolling quarterly focus on our values, taking each in turn and starting in October with the excellence value. Each quarterly focus comprises drop-in sessions to find out more about examples of the value in action, related training events and policy reviews, recognition of colleagues who have demonstrated this value through their work and guest speakers at breakfast briefings sharing their thoughts.

Transition to our new model also gave rise to improvements to our internal governance. Previously, an Operational Management Team (OMT), comprising of all managers and above, supported the Senior Leadership Team (SLT) by reviewing performance and risk. The creation of a third Quality, Engagement and Development directorate led to the replacement of the OMT with three Directorate Team meetings, each providing more focused support to the SLT on their directorate's performance and risk management.

During 2020-21, we extended the term of the current ARAC Chair by one year to see us through the key aspects of transition. We also welcomed two new members who added experience from other Arms-Length Bodies (ALBs) and central government to the current skills set. As the Panel of Advisors approached the end of their three year tenures, we also started discussions with them on what had worked effectively and what was missing from our governance structure to inform the future of this group. This led to a decision to replace the Panel with an Advisory Board more focused on strategy and performance as well as creating a new and separate Sector Expert Group to provide feedback on our thematic reports and other cross-sector learning. Recruitment to the Advisory Board has been completed and it replaced the Panel of Advisors on 1 October 2021. One Panel member was appointed to the new Advisory Board and four Panel members have transferred to the Sector Expert Group.

All of our activities are underpinned by a robust and comprehensive set of policies, procedures and controls that are regularly reviewed and updated when necessary. Assurance maps covering each directorate also provide valuable insight into functional management alongside our corporate and directorate risk registers.

### **Influencing current issues**

We use our experience and expertise to contribute to relevant policy developments and influence others' thinking.

The revised Scheme, approved by the Secretary of State, gives us significantly increased powers in several areas including the ability to improve awareness, accessibility and speed of complaint resolution through the Complaint Handling Code and the issue of Complaint Handling Failure Orders where there is non-compliance. It also enables us to conduct systemic investigations beyond an individual complaint or landlord and broadens the basis on which we can refer cases to the Regulator of Social Housing. An updated MoU, setting out all bases for referral and notification, was signed in September 2020.

We have used our systemic powers to support reports into common service failures related to leasehold properties and sitting behind complaints about heating, hot water and energy. These have influenced wider debates with the heating, hot water and energy report being picked up by the Department for Business, Enterprise and Industrial Strategy’s energy white paper team to ensure our findings on heat networks were considered in their work to achieve net zero carbon emissions.

This positive direction of travel was reflected in the government’s Social Housing White Paper, published in November 2020. This recognised the strides we have made in improving our service and introduced the possibility of future legislation to put our new powers and compliance with them on a statutory footing. The white paper includes a number of commitments on behalf of our service and we have delivered all five of those due to date as well as continuing to deliver against those which are business as usual.

Commitment	Due date	Status
Appoint an Independent Reviewer of Service Complaints	31/3/21	Complete
Publish individual landlord complaint handling data	31/3/21	Complete
Publish individual Ombudsman decisions	31/3/21	Complete
Resident Panel in place	2021-22	Complete
Quarterly ‘Meet the Ombudsman’ events	2021-22	Complete

Another area of government-led reform was to create a single front door for all housing complaints through the Redress Reform Working Group. This was put on hold at the advent of the first national lockdown although conversations between the three redress providers - the Housing Ombudsman, the Property Ombudsman and the Property Redress Scheme - and the First Tier Tribunal have continued informally.

Finally, we were pleased with the publication of the draft Building Safety Bill in July 2020 as this included provisions for the removal of the ‘democratic filter’, allowing residents to come directly to us on completion of their landlord’s complaints procedure rather than waiting a further eight weeks or requesting referral via a councillor, MP or designated tenant panel. Removal of this barrier is something we have strongly supported as it unfairly disadvantages social housing residents compared to other sectors.

### Working with others in the sector

This year we continued to work with others to maximise our efforts to provide an efficient and effective service and to help shape its development.

The Ombudsman meets regularly with the Regulator of Social Housing and we have a strong working relationship. We share information under our Memorandum of Understanding to provide insight on complaint handling and to help form a shared understanding of issues and events that impact the sector. The MoU was strengthened in year to include a wider set of complaint types for referral or notification. We continue to share significant individual case decisions and discuss emerging trends and issues of common interest.

In the Ombudsman sector, we are members of the Ombudsman Association, and the Housing Ombudsman was elected as its Chair in September 2021. We attend their regular interest group meetings that bring people from common disciplines together to share best practice and to provide a discussion forum. These include casework, legal, HR, communications and policy work. We also participate in the Public Sector Ombudsman Group and attended two meetings during 2020-21.

We continued to meet regularly with the Local Government and Social Care Ombudsman but plans for joint training on jurisdiction across the two services for front-line staff and implementing new arrangements for referring customers directly to each other's service where relevant were put on hold due to the impact of Covid-19.

### **Register of interests**

The [register of interests](#) is available on our website and discloses information for all members of SLT, ARAC and the PoA.

### **Personal data**

Information management within the Housing Ombudsman is strong, however, in any organisation dealing with high volumes of personal data on a daily basis, some lapses due to human error are unavoidable. During the year, four incidents were reported to the ICO. One of these was a self-report and two of the others were subsequently withdrawn by residents. The ICO found that we had breached the Data Protection Act (DPA) in the two cases it reviewed but made no recommendations for improvement.

## Statement of Accounting Officer's responsibilities

Under the Government Resources and Accounts Act 2000, the Secretary of State has directed the Housing Ombudsman Service (HOS) to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of HOS and of its income and expenditure, Statement of Financial Position and cash flow for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- observe any Accounts Direction issued by the Secretary of State, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgments and estimates on a reasonable basis
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the accounts
- prepare the accounts on a going concern basis and
- confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

The Principal Accounting Officer of the Department for Levelling Up, Housing and Communities has designated the Housing Ombudsman as Accounting Officer of HOS. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding HOS's assets, are set out in '*Managing Public Money*' published by the HM Treasury.

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that HOS's auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

I confirm that the annual report and accounts as a whole are fair, balanced and understandable and that I take personal responsibility for the annual report and accounts and the judgements required for determining that they are fair, balanced and understandable.

## Governance statement

### Scope of responsibility

As Accounting Officer, I am personally responsible for maintaining effective governance and a sound system of internal control that supports the achievement of the Service's objectives while safeguarding its funds and assets.

### Legislation and Scheme

The Housing Act 1996 (Schedule 2, paragraph 10) provides that a Scheme approved by the Secretary of State may be administered either by a "body corporate" or by a "corporation sole". With effect from 1 April 2013, the Scheme has been administered by the latter - The Housing Ombudsman (THO). This change was effected by The Housing Ombudsman (Corporation Sole) Order 2013, made by the Secretary of State for the Department for Levelling Up, Housing and Communities.

As a corporation sole, which is a distinct legal entity with legal capacity, THO can make legally binding contracts, employ staff, and enter into leases. A corporation sole is typically created to allow the corporate entity to pass from one office holder to the next successor-in-office. Corporation soles do not have a board of directors; that role and function, and all property, rights, assets, and liabilities, are vested in the person who is the corporation sole.

THO operates in accordance with the Scheme which was approved by the Secretary of State for the Department for Levelling Up, Housing and Communities under the provisions of the Housing Act 1996.

The Scheme applies to social landlords registered in England as well as to other 'for profit' landlords who join voluntarily. THO receives its funding via an annual 'per housing unit' subscription from member landlords.

Under the legislation and the Scheme, THO is solely responsible for the conduct of dispute resolution and the determination of disputes. THO must be completely independent and reach fair and impartial decisions when exercising these responsibilities. THO employs staff to deliver the responsibilities under the Scheme and, collectively, is known as the Housing Ombudsman Service (HOS).

### Department for Levelling Up, Housing and Communities and Local Government sponsorship and the Framework Document

THO operates in accordance with the requirements set out in a Framework Document agreed in December 2017 with the Department for Levelling Up, Housing and Communities as sponsor department, Cabinet Office's controls over expenditure and '*Managing Public Money*'. Any potential conflict between the Framework Document and the Scheme must be resolved in favour of the Scheme.

I attend quarterly Accounting Officer meetings with officials at the Department where performance and policy issues are discussed.

## Internal governance

In making decisions about governance, risk management and internal control, THO is advised by an Audit and Risk Assurance Committee (ARAC). The ARAC's terms of reference are set out in the Framework Document and it met formally four times in the year.

Internally, THO is supported by a Senior Leadership Team (SLT) who work with THO to set the strategic direction and the framework within which the organisation operates. The SLT meets monthly, supplemented in the last quarter with additional mid-month meetings to focus on business and corporate planning issues.

Supporting SLT are three Directorate Teams (DT) which meet monthly and consider their directorate's performance and risk management before reporting this up to SLT. DTs were introduced as part of our new operating model and commenced in July 2020, replacing the previous Operational Management Team (OMT) which comprised managers and above from across the organisation.

The Housing Ombudsman Scheme provided that I may appoint a Panel of Advisors to provide support and advice to THO in the leadership and good governance of the office of THO. The Panel brought an external perspective to assist THO in the development of policy and practice. The Panel's terms of reference were set out in the Framework Document, now superseded by those for the Advisory Board, and it met three times in the year.

## Compliance with Corporate Governance in Central Government Departments: Code of Good Practice

THO and HOS comply with the principles and the provisions set out in the *Corporate Governance in Central Government Departments: Code of Good Practice*, in so far as they apply to a non-departmental public body and a corporation sole.

While THO as a corporation sole cannot have a board, its functions are covered by alternative arrangements. Strategic clarity, commercial approaches, people development, approval of key projects and scrutiny over performance are provided by the SLT. These approaches and assurances are then tested in combination through the Audit and Risk Assurance Committee (ARAC), the Department for Levelling Up, Housing and Communities (including at Accounting Officer meetings), the Panel of Advisors and the sector as part of HOS's annual consultations on our business plans.

Overall, these alternative arrangements are sufficient to support THO in the role of corporation sole and allow compliance with the principles and supporting provisions of the Code.

## Audit and Risk Assurance Committee

Matters covered by the ARAC in-year were:

- assurance deep dives in two areas per meeting selected from the corporate risk register or the assurance map
- review of reports from internal and external audit and tracking the timely implementation of the recommendations
- review of the annual report and accounts
- review of the accounting policies

The Committee was assured that appropriate governance, risk management and internal control processes were in place and embedded throughout the organisation.

The Committee met five times during the year and a record of attendance is set out below:

Member	Attendance
Sue Harvey	5/5
David Horne	5/5
Christina Coker	5/5
Simon Sweetinburgh	3/3
Tim Leslie	2/2
Vikki Lewis	2/2

## Risk management

Risk management is active and embedded throughout the organisation. HOS's approach is documented in our risk management policy which complies with the latest version of HM Treasury's *Orange Book: Management of Risk - Principles and Concepts* and is reviewed annually.

For each risk, the controls currently in place to manage them and future planned mitigations with due dates are captured. Each risk is then scored based on an assessment of the impact and likelihood to give both an inherent and post-control risk rating. Target ratings are also agreed to help identify whether a risk is over or under controlled. Each risk is assigned a manager and an owner who are responsible for maintaining accurate reporting.

Operational risks are assured at the monthly DT meetings. Where necessary, they are escalated to the corporate risk register, which is also discussed monthly at SLT meetings. Following a suggestion from the ARAC, HOS now also captures how corporate risks are assured and the level of assurance provided.

Risk management is aided by HOS's risk appetite, set for each area of the business, and the assurance maps which identify the level and frequency of assurance, where this is reported and any related operational or corporate risks for each function within each directorate. It is also supported by a regular review of all risks recognised across our service by category with a supporting trend analysis.

Corporate risk management is assured at ARAC meetings. Discussions consider whether the risks are correctly defined, the level of appetite and whether controls, mitigations and assurances are appropriate and timely.

### Principal Risks

The table below summarises the main strategic risks that affected delivery of our objectives during the year and the actions taken to mitigate these.

Strategic risk	Mitigating actions
<p><b>Transition to the new operating model is not delivered successfully</b></p> <p>There was a risk that we would not be able to deliver the expected benefits due to unsuccessful recruitment rounds, exacerbated by the impact of Covid-19, or not deliver new processes at scale due to constraints on manager capacity.</p>	<ul style="list-style-type: none"> <li>• Streamlined recruitment approach for internal and external roles was transferred swiftly to an online process</li> <li>• Creation of temporary Incubation Manager roles in Dispute Support and Dispute Resolution to provide intensive induction and on the job training to colleagues joining in staggered cohorts and reduce burdens on other managers</li> <li>• Creation of new policies and updated process maps</li> </ul>
<p><b>Failure to respond to the challenges arising from Covid-19</b></p> <p>There was a risk that we would not be able to deliver our service due to staff capacity, supplier capability and increased demand. There was also a risk that we would not provide sufficient guidance to the sector or our determinations would be inconsistent.</p>	<ul style="list-style-type: none"> <li>• Invoked our business continuity plans, including close liaison with key suppliers</li> <li>• Produced landlord guidance on complaint handling during Covid-19 and promoted this</li> <li>• Captured all government guidance to social landlords to support future investigations and created a team of dedicated Covid-19 adjudicators</li> <li>• Reduced our phone line operating hours</li> </ul>
<p><b>Failure to meet our average determination case time target for 2020-21</b></p> <p>There was a risk that we would be unable to deliver a sufficient volume of timely cases to meet this target as external recruitment was delayed and performance is dependent on swift provision of evidence by landlords to support investigations.</p>	<ul style="list-style-type: none"> <li>• Creation of a temporary manager role to maximise output from our flexible bank of adjudicators</li> <li>• Recruitment of temporary staff to compensate for permanent recruitment delays</li> <li>• Contracted and brought on-stream external determination support</li> <li>• Reviewed and improved our evidence chasing processes</li> <li>• Went live with complaint handling failure orders for unreasonable delay by landlords in the provision of evidence</li> </ul>

<p><b>We cause a significant data protection breach</b></p> <p>There was a risk that any inappropriate disclosure of resident personal information would cause harm to residents and/or reputational damage to our service.</p>	<ul style="list-style-type: none"> <li>• Creation of, and recruitment to, a full time Data Protection Manager role and an additional Data Protection Officer post</li> <li>• Increased staff training and awareness raising</li> <li>• Benchmarking against the Information Commissioner’s Office (ICO) best practice and delivery of the resultant action plan</li> </ul>
<p><b>We experience a significant cyber security breach</b></p> <p>There was a risk that a breach of our cyber environment would result in the loss of systems or data and prevent service delivery.</p>	<ul style="list-style-type: none"> <li>• Creation of, and recruitment to, an in-house IT support role</li> <li>• Upgraded our servers</li> <li>• Enhanced our annual assurance through Cyber Essentials Plus</li> </ul>

### Internal control

Each director is responsible for ensuring appropriate internal control within their remit. HOS has continued its approach of cyclically reviewing its policies and processes for best practice and lessons learned. Our whistle-blowing procedures were reviewed in March 2019 and are subject to a three year review cycle. These remain effective and are available to all colleagues via our intranet.

This year HOS developed new policies and procedures as a result of transition to its new operating model. These include new allocations and mediation policies in Dispute Support and Resolution, new procedures for delivering thematic reports within Quality, Engagement and Development, and new desk instructions within Finance and Corporate Services. All new policies and policy updates are approved by SLT.

The internal audit programme was linked to the key risks facing the organisation during the year to provide assurance over the internal controls in place to manage these. It provided substantial assurance over the following audits:

- key financial controls
- staff wellbeing
- key performance indicator reporting and modelling
- risk management and assurance mapping
- Oracle opening balances reconciliation

The information management and cyber security audit received a split opinion with a substantial assurance over our information management arrangements and moderate assurance over cyber security.

HOS received no high priority actions and are on track to implement all recommendations by the target dates.

During the 2020-21 audit, external auditors identified a control weakness in the IT controls within the new finance system. HOS acknowledged the weakness and as a result, action was taken to strengthen the system and additional assurances were obtained. HOS is content that there has been no impact or loss and this potential risk has not resulted in any fraud or error.

### Sources of assurance

In preparing this Governance Statement, I have been informed by:

- the annual report from the ARAC to me as Accounting Officer on its view of governance, risk management and internal control which concluded “it was satisfied that appropriate governance, risk management and internal control processes operate within HOS”
- the annual report and opinion from the Head of Internal Audit which gives a substantial assurance opinion
- the NAO’s audit completion report and management letter
- the outcome of quarterly Accounting Officer meetings with the Department for Levelling Up, Housing and Communities
- the assurance statement from the Chief Operating Officer to me as Accounting Officer setting out how governance, risk management and internal control have operated across HOS during the year
- the corporate risk register and the assurance maps.

### Conclusion on governance, risk management and internal control

The systems set out above have been in place for the year under review and up to the date of the approval of the Annual Report and Accounts.

Based on the assurances I have received, I am content that HOS is operating effective governance, risk management and internal control.

The key challenges for 2021-22 will be managing the on-going internal and external operational impacts arising from Covid-19 while embedding a new operating model and high numbers of new colleagues to meet a challenging set of targets.

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## Remuneration and staff report

### People and organisation:

#### Remuneration of senior managers

The office of Housing Ombudsman is a public appointment made by the Secretary of State in accordance with Section 51 of the Housing Act 1996 and paragraphs 76-81 of the Housing Ombudsman Scheme. Under The Housing Ombudsman (Corporation Sole) Order 2013, appointment to the office of THO is as a corporation sole and hence THO is not an employee. The Ombudsman's salary is considered annually in line with public sector pay policy.

HOS does not have a remuneration committee. Remuneration of employees is linked to contractual entitlement and salary scales for those appointed to their current post prior to November 2015. Colleagues joining after this date are employed on spot pay.

Senior managers are employees of HOS with three month notice periods and all had half-yearly and annual appraisals during 2020-21. No awards were made to any senior manager in year. In particular, no allowances or bonuses were paid to senior management in year. No element of remuneration is non-cash. Information on the remuneration paid to the Ombudsman and each senior manager is detailed in tabular form on the next page.

Pension benefits are also detailed in the table. There were no contributions to a money purchase scheme.

There were no payments in respect of allowances, bonuses, compensation and non-cash benefits during the year. The members of the Audit and Risk Assurance Committee and Panel of Advisors referred to on page 6 are not senior managers of HOS.

Single total figure of remuneration and pension disclosures 2020-21(subject to audit)

	Notes	Single Total Figure of Remuneration				Pension Entitlement Details				
		Salary and fees	Pension benefits	2020-21 Total	2019-20 Total	Real increase in pension and related lump sum at pension age	Accrued benefits at end of year & related lump sum	Cash Equivalent Transfer Value (CETV) at start of year	CETV at end of year	Real increase in CETV
<b>Ombudsman &amp; Senior Managers</b>		In bands of £5,000	To the nearest £1,000	In bands of £5,000	In bands of £5,000	In bands of £2,500	In bands of £5,000	To the nearest £1,000	To the nearest £1,000	To the nearest £1,000
Richard Blakeway (Housing Ombudsman)		115,000-120,000	34,000	150,000-155,000	90,000-95,000	0-2,500 -	0-5,000 -	14,000	38,000	11,000
Andrea Keenoy (Chief Operating Officer)	1	95,000-100,000	28,000	125,000-130,000	175,000-180,000	0-2,500 -	10,000-15,000 -	95,000	124,000	16,000
Rosalind D'Cruz (Interim Director of Finance & Corporate Services to 31/3/21)	2	80,000-85,000	N/A	80,000-85,000	80,000-85,000	N/A	N/A	N/A	N/A	N/A
Emma Foxall (Deputy Ombudsman)		80,000-85,000	19,000	100,000-105,000	170,000-175,000	0-2,500 -	20,000-25,000 10,000-15,000	306,000	342,000	19,000
Joyce Adu (Director of Dispute Support & Resolution from 01/08/2020, previously Director of Dispute Resolution)	3	75,000 – 80,000	78,000	155,000-160,000	125,000-130,000	2,500-5,000 2,500-5,000	25,000-30,000 20,000-25,000	305,000	386,000	64,000
Jennifer Ryans (Head of Dispute Resolution)		65,000 – 70,000	18,000	85,000-90,000	25,000-30,000	0-2,500 -	5,000-10,000 -	59,000	73,000	7,000
Jackie Feeney (Communications Manager)		50,000-55,000	15,000	65,000-70,000	95,000-100,000	0-2,500 -	5,000-10,000 -	63,000	82,000	13,000
Tracey Hindley (Head of Human Resources)		65,000 – 70,000	18,000	85,000-90,000	80,000-85,000	0-2,500 -	0-5,000 -	27,000	43,000	9,000
Gillian Day (Director of Finance & Corporate Services from 01/03/21)	4	5,000-10,000	11,000	20,000-25,000	N/A	0-2,500 -	0-5,000 -	N/A	5,000	5,000
Rebecca Reed (Head of Insight and Development from 1/11/2020)	5	25,000-30,000	8,000	35,000-40,000	N/A	0-2,500 -	0-5,000 -	N/A	5,000	2,000

The capitalised value of individual pension entitlements have been calculated in accordance with IAS19.

1. Andrea Keenoy was appointed as Chief Operating Officer on 01 July 2020. Previously she had held the post of Interim Chief Operating Officer.

2. Rosalind D'Cruz's temporary acting-up appointment to the role of Interim Director of Finance and Corporate Services ceased on 31 March 2021 following the appointment of a permanent post-holder with a hand-over period of one month. She resumed her substantive role as Head of Commercial Services on 1 April 2021.
3. Joyce Adu was promoted to the role of Director of Dispute Support and Resolution on 1 August 2020. Previously to that she held the post of Director of Dispute Resolution. Her year-end FTE salary is in the band £80-85k.
4. Gillian Day was appointed to the role of Director of Finance and Corporate Services on the 1 March 2021. Her FTE salary is in the band £80-85k.
5. Rebecca Reed was appointed to the role of Head of Insight and Development on 1 November 2020. Her year-end FTE salary is in the band £65-70k.

Single total figure of remuneration and pension disclosures 2019-20 (subject to audit)

	Notes	Single Total Figure of Remuneration				Pension Entitlement Details				
		Salary and fees	Pension benefits	2019-20 Total	2018- 19 Total	Real increase in pension and related lump sum at pension age	Accrued benefits at end of year & related lump sum	Cash Equivalent Transfer Value (CETV) at start of year	CETV at end of year	Real increase in CETV
<b>Ombudsman &amp; Senior Managers</b>		In bands of £5,000	To the nearest £1,000	In bands of £5,000	In bands of £5,000	In bands of £2,500	In bands of £5,000	To the nearest £1,000	To the nearest £1,000	To the nearest £1,000
Richard Blakeway (Housing Ombudsman from 1/9/19)	1	65,000-70,000	21,000	90,000-95,000	N/A	0-2,500 -	0-5,000 -	-	14,000	6,000
Andrea Keenoy (Interim Housing Ombudsman until 31/8/19, Interim Chief Operating Officer from 1/9/19)	2	100,000 - 105,000	74,000	175,000-180,000	120,000-125,000	2,500-5,000 -	5,000-10,000 -	73,000	95,000	8,000
Rosalind D'Cruz (Interim Director of Finance and Corporate Services)		80,000-85,000	N/A	80,000-85,000	45,000-50,000	N/A	N/A	N/A	N/A	N/A
Emma Foxall (Deputy Ombudsman)		80,000-85,000	90,000	170,000-175,000	110,000-115,000	2,500-5,000 2,500-5,000	20,000-25,000 10,000-15,000	277,000	306,000	14,000
Joyce Adu (Director of Dispute Resolution)		65,000 – 70,000	57,000	125,000-130,000	85,000-90,000	2,500-5,000 -	20,000-25,000 15,000-20,000	281,000	305,000	11,000
Jennifer Ryans (Head of Dispute Resolution from 11/11/19)	3	25,000 – 30,000	3,000	25,000-30,000	N/A	0-2,500 -	5,000-10,000 -	N/A	59,000	2,000
Jackie Feeney (Communications Manager)		50,000-55,000	42,000	95,000-100,000	40,000-45,000	2,000-2,500 -	0-5,000 -	44,000	63,000	14,000
Tracey Hindley (Head of Human Resources)		60,000 – 65,000	16,000	80,000-85,000	55,000-60,000	0-2,500 -	0-5,000 -	13,000	27,000	7,000
Simba Maposa (Head of Finance until 29/2/20)	4	90,000-95,000	N/A	90,000-95,000	20,000-25,000	N/A	N/A	N/A	N/A	N/A

The capitalised value of individual pension entitlements have been calculated in accordance with IAS19.

1. Richard Blakeway was appointed as permanent Ombudsman from 1 September 2019 and his FTE salary is in the band £115,000-£120,000.
2. Andrea Keenoy held the post of Interim Housing Ombudsman until 31 August 2019 and became the Interim Chief Operating Officer from 1 September 2019. Andrea is a permanent HOS employee and her year-end FTE salary is in the band £100,000 - £105,000.
3. Jennifer Ryans took up post as Head of Dispute Resolution on 11 November 2019. Her FTE salary is in the band £65,000-£70,000

4. Simba Maposa held the post of Head of Finance until 29 February 2020. Simba was seconded from the Department for Transport and was not an employee nor remunerated by the Housing Ombudsman Service. The amount paid to his employer was £93,317. His FTE salary was in the band £60,000 to £65,000.

The capitalised value of individual pension entitlements have been calculated in accordance with IAS19.

## Explanation of terms used in the Remuneration and staff report

### Salary

'Salary' includes gross salary; overtime; and any other allowance to the extent that it is subject to UK taxation. This report is based on payments made by HOS and thus recorded in these accounts.

### Fair Pay disclosure (subject to audit)

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce. Agency staff have been excluded from this calculation.

	2020-21 £	2019-20 £
Band of highest paid individual's remuneration*	115,000-120,000	115,000-120,000
Median remuneration of staff*	40,491	45,822
Ratio between median remuneration and mid-point of banded remuneration of highest paid individual	2.9:1	2.6:1
*Salaries are annualised staff remuneration		
The range of annualised staff remuneration (excluding the Housing Ombudsman)	24,000-100,000	24,000-100,000

In 2020-21, nil employees received remuneration in excess of the highest-paid director (2019-20: nil).

Total remuneration includes salary. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

The fall in median remuneration reflects the slightly higher increase in staff at lower pay scales than higher ones following our change programme and has led to the slight increase in the reported ratio.

**Staff costs (subject to audit)**

	Permanent staff	Temporary staff	2020-21 Total	2019-20 Total
	£'000	£'000	£'000	£'000
Wages and salaries	3,811	1,470	5,281	3,712
Social security costs	422	-	422	314
Pension service costs	1,126	-	1,126	921
<b>Total Costs</b>	<b>5,359</b>	<b>1,470</b>	<b>6,829</b>	<b>4,947</b>
Secondments into HOS	-	-	-	93
Recoveries in respect of outward secondments	(72)	-	(72)	(72)
<b>Total Costs</b>	<b>5,287</b>	<b>1,470</b>	<b>6,757</b>	<b>4,968</b>

HOS is an Admitted Body to the City of Westminster Pension Fund, a defined benefit scheme. The Pension Fund is operated under the Local Government Pension Regulations 1997.

A 2019 triennial review has been undertaken to set contributions for the period from 1 April 2020 to 31 March 2022. The actuary recommended an employer's contribution rate of pensionable salaries for THO as follows:

Year Ended 31 March	Contribution Rate %
2021 onwards	27.6%

Employee contribution rates range from 5.5% to 12.5% depending on salary. More details can be found in Note 14.

**Staff composition**

The permanent Housing Ombudsman is not treated as an employee of HOS.

HOS had nine employees (excluding the Housing Ombudsman) classified as senior managers during the year as detailed in the Remuneration Report. HOS had a full time equivalent total of 120.9 staff in post as at 31 March 2021, of which 71.9 were female and 49.0 male.

### Staff numbers (subject to audit)

The average number of employees (including part-time employees, agency workers, and secondees) during the year was 93.7 (2020: 72.5), engaged in the following duties:

	Permanent Staff	Seconded-in Staff	Temporary Staff	Total HOS Staff 20-21 FTE	Total HOS Staff 19-20 FTE
Ombudsman	1.0	-	-	1.0	1.0
Dispute Support and Resolution	60.2	-	21.0	81.2	57.5
QED and support staff	9.5	-	2.0	11.5	14.0
				<b>93.7</b>	<b>72.5</b>

### Staff Turnover

	2020-21	2019-20
Permanent Staff	7.5%	20%

### Sickness absence

During the year employee sickness levels were recorded as 0.03% in respect of short-term sickness and 0.01% in respect of long-term absence.

### People strategy and staff policies

The most significant staffing activities in-year were supporting the switch to remote working and remote recruitment processes as we entered the first national lockdown and advertised for the new roles enabled by our new operating model. Our HR team rose to these challenges, successfully supporting continued delivery throughout the year and full recruitment.

Internal colleague opportunities included promotion, secondment and temp-to-perm opportunities for existing colleagues as well as extensive external recruitment. Altogether 11 staff were promoted, 14 were confirmed in post and 33 new colleagues joined us.

Bringing in a high number of new joiners to the Dispute Support and Dispute Resolution functions was managed through the creation of temporary incubation manager posts. The managers intensively trained a cohort of 4-6 colleagues each for a short period, before releasing them to their team and restarting immediately with a new group. This was overseen remotely as a consequence of the pandemic and was a popular approach with all colleagues who went through the process.

As a result of the numerous promotions and new starters, the internal learning and development programme was focused on on-the-job training and successful completion of probation. External learning and development opportunities were limited as a result of the pandemic as suppliers switched to online provision.

Our focus for 2021-22 will be on providing a comprehensive and exciting offer of internal and external development opportunities for all colleagues to ensure they can deliver at their best.

Supporting colleagues' health and wellbeing during the pandemic was another significant area of work and took a variety of forms throughout the year. One aspect of this work was to develop policies to support effective homeworking for colleagues through the provision of equipment, a homeworking Display Screen Equipment assessment, a guidance document for working through the Covid 19 pandemic and enhancing our home working guidance. Another was providing training to help colleagues maintain a healthy work/life balance.

Individual support was provided to colleagues by managers and HR where they were mental or physical stress throughout the period. Professional Support was also provided to those individuals dealing with challenging conversations on our phone lines. Collective support was provided through incorporating messages on the importance of maintaining health and wellbeing in our regular breakfast briefings. Messaging was underlined through visible leadership support for these initiatives and a half-day all colleague event, held in mid-February, dedicated to ways to maintain physical and mental wellbeing as well as raising awareness of the support available.

We instituted regular pulse surveys to obtain feedback on how colleagues were feeling about working at home, the level of support available and the effectiveness of corporate communications. This gave positive responses of over 80% across all measures throughout the year and action was taken where any individual indicated they were facing challenges. To underline our commitment to this area, we also requested an internal audit review of our activities in this area just before year-end which received a substantial assurance rating.

We regularly seek colleagues' views through colleague events, open meetings and project working groups. During the year we increased the frequency of our breakfast briefings to fortnightly to ensure all colleagues were kept up to date on corporate developments. We took the opportunity at these briefings to individually welcome all new starters and to recognise colleagues who had received positive customer feedback or internal endorsement. We also held a number of drop-in events on specific topics and opportunities to speak with senior leadership to replace the lack of informal engagement caused by remote working.

The final significant area of emphasis during the year was embedding our new vision and values. These were revised with the support of a representative working group and reflect the ambitions of our new operating model. A launch event was held at the start of July 2020 to introduce these to all colleagues, and we have worked to embed these with a quarterly focus on our values, taking each in turn. This comprises of a range of learning events centred on the value, a review of related policies and colleagues talking through examples of their work that demonstrate the value at our breakfast briefings. Relevant external speakers are invited along, and colleague recognition is also based on demonstrations of the related value.

## Gender

Within the service, for our permanent staff, 62% of colleagues are female and 38% are male.

The tables below show that 71% of the colleagues in the upper earnings quartile are female. The lowest quartile is also predominately female at 64%.

Our 'mean gender pay gap' is -4%, meaning that, on average, women are paid 4% more per hour than men.

There is no difference between the median male and median female employee's hourly rate as shown in the 'median gender pay gap' table (page 9).

### *Percentage of men and women in each hourly pay quartile*

<b>% in each quartile</b>	<b>Upper (%)</b>	<b>Upper Mid (%)</b>	<b>Lower Mid (%)</b>	<b>Lower (%)</b>
<b>M</b>	29%	48%	40%	36%
<b>F</b>	71%	52%	60%	64%

## Diversity and Inclusion

As a service, we respect and value the contribution of a diverse workforce to the delivery of our business aims. Our commitment to equality and diversity is translated into practice through our policies and procedures, and the open and transparent way they are applied. We are committed to ensuring that no discrimination occurs in recruitment or employment, and that we provide equality of opportunity in all aspects of employment including recruitment, promotion, opportunities for training, pay and benefits. We ensure there is equality of access to employment opportunities for people with disabilities including making any reasonable adjustments for applicants who have a disability to ensure they can give their best in the selection process, and for existing employees who become disabled during their employment.

This is demonstrated through the 17 recruitment campaigns we ran in 2020-21; of the successful candidates, 63% were female and 22% identified as BAME.

We also ran training for all staff on unconscious bias this year, and as part of our commitment to equality and diversity, we are looking to get our disability confident badge and commit to the scheme. This will involve exploring how we can be an inclusive organisation, what the standards entail, and how we can continue to embed inclusion into the operations, culture and strategy of the organisation.

In acknowledgment of the Black Lives Matter campaign, given prominence by the murder of George Floyd in the summer, we held our inaugural Diversity and Inclusion Group (DIG) meeting. At this meeting, colleagues of colour shared their personal experiences of racism, and this was a very moving event. The DIG continued to host events and share information throughout the year to raise awareness and promote understanding.

## Expenditure on consultancy

HOS did not incur any consultancy costs for off-payroll staff during 2020-21 (2019-20: nil). In 2019-20, we paid £39,060 to one company to assist with the development of HOS's new operating model.

## Off-Payroll engagements

There were no off-payroll engagements for more than £245 per day that had lasted for longer than six months as at 31 March 2021 (2019-20: none).

No. of new engagements, or those that reached six months in duration, between 1 April 2020 and 31 March 2021	0
of which.....	
No. assessed as caught by IR35	0
No. assessed as not caught by IR35	0
No. engaged directly (via PSC contracted to department) and are on the departmental payroll	0
No. of engagements reassessed for consistency/assurance purposes during the year.	0
No. of engagements that saw a change to IR35 status following the consistency review.	0

For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2020 and 31 March 2021:

No. of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year.	0
Total no. of individuals on payroll and off-payroll that have been deemed "board members, and/or, senior officials with significant financial responsibility", during the financial year.	4

As the Housing Ombudsman is a corporation sole, we have no board members. The four individuals disclosed above are the Housing Ombudsman, the Chief Operating Officer and both the permanent and interim Directors of Finance and Corporate Services.

## Reporting of exit packages (subject to audit)

There were no exit packages in 2020-21 (2019-20: nil).

## Parliamentary Accountability and Audit Report

### Regularity of expenditure (subject to audit)

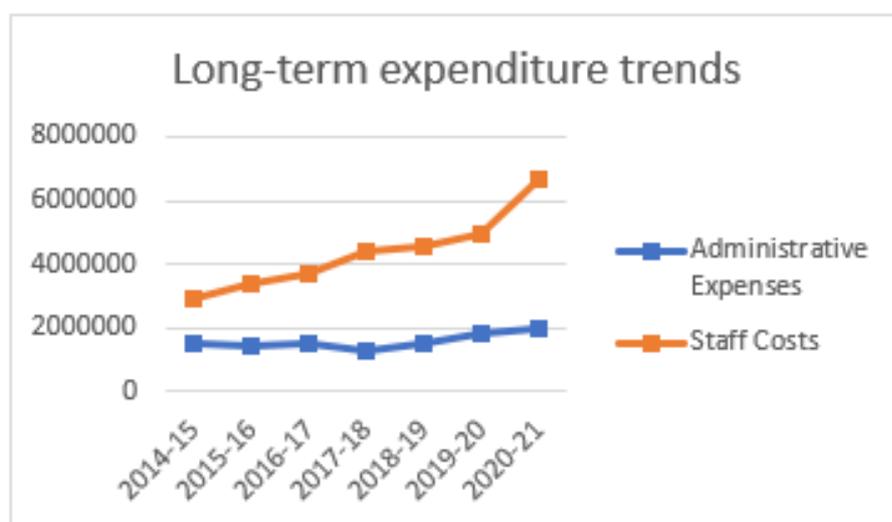
There were no losses, special payments or gifts during 2020-21 that require disclosure in the Annual Report and Accounts.

### Fees and charges (subject to audit)

HOS is fully funded by a per housing unit subscription fee on members, set in line with the requirements of the Housing Ombudsman Scheme. The costs of delivering the service are recorded as expenditure in the accounts.

The annual membership subscription fee in 2020-21 was £2.16 per housing unit (2019-20: £1.25) and this is prorated if a member joins during the year. The total income received in the year from subscriptions was £10.4m (2019-20 £6.0m).

### Long-term expenditure trends



During 2020-21 we undertook the recruitment planned as part of the transition to our new operating model which resulted in an increase to staff costs from £5.0m to £6.8m, with most new starters joining in the second half of the year. Administrative costs remained broadly consistent with prior year spend, the small increase is attributable to increased recruitment and IT licence costs, offset by reductions to IT implementation cost related to our new finance system incurred as a one-off expense in 2019-20.

Overall staff costs increased by 36% and administrative expenditure saw an increase of 6%. The resulting year end surplus after tax of £1.6m (2019-20: deficit of £0.9m) is attributable to the increased subscription rate fee and the delays to recruitment caused by the pandemic and affecting salary costs. This will not recur in subsequent periods as a full year of expenditure will be incurred for all new starters.

### Remote contingent liabilities (subject to audit)

There are no remote contingent liabilities (2019-20: none).

**Auditor remuneration (subject to audit)**

The audit fee for 2020-21 is £36,750 (2019-20: £32,000). No remuneration was paid to the auditors for non-audit work.

**Richard Blakeway**  
**Housing Ombudsman and Accounting Officer**

1 November 2021

## The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament

### Opinion on financial statements

I certify that I have audited the financial statements of The Housing Ombudsman for the year ended 31 March 2021 under The Government Resources and Accounts Act 2000. The financial statements comprise: the Statements of Comprehensive Income, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes, including the significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards as interpreted by HM Treasury's Government Financial Reporting Manual.

I have also audited the information in the Accountability Report that is described in that report as having been audited.

In my opinion, the financial statements:

- give a true and fair view of the state of The Housing Ombudsman's affairs as at 31 March 2021 and the surplus after taxation for the year then ended; and
- have been properly prepared in accordance with The Housing Ombudsman Scheme as approved by the Secretary of State under the Housing Act 1996, and with the Secretary of State directions issued thereunder.

### Opinion on regularity

In my opinion, in all material respects the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

### Basis of opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2019. I have also elected to apply the ethical standards relevant to listed entities. I am independent of The Housing Ombudsman in accordance with the ethical requirements that are relevant to my audit and the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## Conclusions relating to going concern

In auditing the financial statements, I have concluded that The Housing Ombudsman's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on The Housing Ombudsman's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

## Other information

The going concern basis of accounting for The Housing Ombudsman is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

The other information comprises information included in the Annual Report, but does not include the parts of the Accountability Report described in that report as having been audited, the financial statements and my auditor's certificate thereon. The Accounting Officer is responsible for the other information. My opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

## Opinion on other matters

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with the Housing Ombudsman Scheme as approved by the Secretary of State under the Housing Act 1996, and with the Secretary of State directions issued thereunder; and

- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which I report by exception**

In the light of the knowledge and understanding of The Housing Ombudsman and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Reports. I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the parts of the Accountability Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual are not made; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

### **Responsibilities of the Accounting Officer for the financial statements**

As explained more fully in the Statement of Accounting Officer's Responsibilities, The Housing Ombudsman, as both the Accounting Officer and the corporation sole, is responsible for:

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- internal controls as The Housing Ombudsman as Accounting Officer determines is necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error; and
- assessing The Housing Ombudsman's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless The Housing Ombudsman as Accounting Officer anticipates that the services provided by The Housing Ombudsman will not continue to be provided in the future.

### **Auditor's responsibilities for the audit of the financial statements**

My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act 2000.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or

error, and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud.

My procedures included the following:

- inquiring of management and those charged with governance, including obtaining and reviewing supporting documentation relating to The Housing Ombudsman's policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including The Housing Ombudsman's controls relating to the Government Resources and Accounts Act 2000 and Managing Public Money;
- discussing among the engagement team, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition, posting of unusual journals and accounting estimates;
- obtaining an understanding of The Housing Ombudsman's framework of authority as well as other legal and regulatory frameworks that the audited entity operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of The Housing Ombudsman. The key laws and regulations I considered in this context included the Government Resources and Accounts Act 2000, Managing Public Money, Employment Law, Pension and Taxation regulations, data protection laws, the Housing Act 1996 and the Housing Ombudsman Scheme.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;

- enquiring of management and the Audit and Risk Assurance Committee concerning actual and potential litigation and claims;
- reading minutes of meetings of the Senior Leadership Team;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.
- ensuring that income charged is in accordance with the fee approved by the Secretary of State under the Housing Ombudsman Scheme.

I also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my certificate.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the income and expenditure reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

### **Report**

I have no observations to make on these financial statements.

**Gareth Davies**  
**Comptroller and Auditor General**

**Date: 4 November 2021**

National Audit Office  
157-197 Buckingham Palace Road  
Victoria  
London  
SW1W 9SP

## Financial statements

### Statement of Comprehensive Income for the year ended 31 March 2021

	Notes	2020-21 £'000	2019-20 £'000
<b>Revenue</b>			
Subscriptions	1b	10,353	6,007
		<u>10,353</u>	<u>6,007</u>
<b>Expenditure</b>			
Administrative expenses	2a	(1,967)	(1,856)
Staff costs	2b	(6,757)	(4,968)
<b>Surplus / (Deficit) from operations</b>		<u>1,629</u>	<u>(817)</u>
Net Interest payable	3	(15)	(44)
<b>Surplus / (Deficit) before taxation</b>		<u>1,614</u>	<u>(861)</u>
Taxation	4	(3)	(5)
<b>Surplus / (Deficit) after taxation</b>		1,611	(866)
<b>Other comprehensive income</b>			
Net actuarial (loss)/ gain on pension fund	14c	(1,113)	1,716
<b>Total Comprehensive Income</b>		<u><u>498</u></u>	<u><u>850</u></u>

All operations are classified as continuing. Items of other comprehensive income are not potentially re-classifiable to profit or loss.

The notes on pages 69 to 82 form part of these financial statements.

## Statement of Financial Position as at 31 March 2021

	Notes	31.03.21 £'000	31.03.20 £'000
<b>Non-current assets</b>			
Property, plant and equipment	5	88	66
Intangible assets	6	120	125
		<u>208</u>	<u>191</u>
<b>Current assets</b>			
Trade receivables and other current assets	7	382	231
Cash and cash equivalents	8	5,174	3,457
<b>Total current assets</b>		<u>5,556</u>	<u>3,688</u>
<b>Current liabilities</b>			
Trade payables and other current liabilities	9	765	712
Current tax liabilities		2	2
<b>Total current liabilities</b>		<u>767</u>	<u>714</u>
<b>Total assets less current liabilities</b>		<u>4,997</u>	<u>3,165</u>
<b>Non-current liabilities</b>			
Provisions	10	20	-
Net pension liability	14f	3,218	1,904
<b>Total non-current liabilities</b>		<u>3,238</u>	<u>1,904</u>
<b>Assets less liabilities</b>		<u>1,759</u>	<u>1,261</u>
<b>Reserves</b>			
General fund reserve		4,977	3,165
Pension fund reserve		(3,218)	(1,904)
<b>Total reserves</b>		<u>1,759</u>	<u>1,261</u>

The notes on pages 69 to 82 form part of these financial statements.

**Richard Blakeway**  
Housing Ombudsman and Accounting Officer

1 November 2021

Statement of Cash Flows for the year ended 31 March 2021

	Notes	31.03.21 £'000	31.03.20 £'000
<b>Cash flows from operating activities</b>			
Surplus/(Deficit) from operations		1,629	(817)
Depreciation and amortisation charges	5,6	77	64
Increase/(Decrease) in provisions	10	20	(15)
Pension scheme service and admin costs	14a	1,126	921
Pension scheme contributions	14e	(958)	(684)
Increase in receivables		(168)	(103)
Increase in payables	9	53	96
Cash generated from operations		1,779	(538)
Bank and other interest received		35	19
Corporation tax paid	4	(3)	(5)
<b>Net cash (outflow)/inflow from operating activities</b>		<b>1,811</b>	<b>(524)</b>
<b>Cash flows from investing activities</b>			
Purchase of tangible and intangible assets	5, 6	(94)	(36)
<b>Net cash outflow from investing activities</b>		<b>(94)</b>	<b>(36)</b>
<b>Net (decrease)/increase in cash and cash equivalents in the period</b>		<b>1,717</b>	<b>(560)</b>
Cash and cash equivalents at the beginning of the period		3,457	4,017
<b>Cash and cash equivalents at end of period</b>	8	<b>5,174</b>	<b>3,457</b>

The notes on pages 69 to 82 form part of these financial statements.

## Statement of Changes in Taxpayers' Equity as at 31 March 2021

	General Fund £'000	Pension Fund £'000	Total £'000
Balance as at 1 April 2019	3,721	(3,310)	411
Total comprehensive income	850	-	850
Transfer between reserves in respect of pension fund liability	(1,406)	1,406	-
<b>Balance as at 31 March 2020</b>	<b>3,165</b>	<b>(1,904)</b>	<b>1,261</b>
Total comprehensive income	498	-	498
Transfer between reserves in respect of pension fund liability	1,314	(1,314)	-
<b>Balance as at 31 March 2021</b>	<b>4,977</b>	<b>(3,218)</b>	<b>1,759</b>

HOS reports two reserves: a general fund reserve and a pension fund reserve.

The general fund reserve represents the cumulative surplus of income over expenditure as at the date of the Statement of Financial Position.

The pension reserve represents the liability arising from HOS's participation in the Local Government Pension Scheme, as determined by the scheme actuary.

The notes on pages 69 to 82 form part of these financial statements.

## Notes to the financial statements for the year ended 31 March 2021

### 1. Accounting policies

#### a) Basis of accounting

The financial statements are prepared in accordance with International Financial Reporting Standards as adapted by the Government Financial Reporting Manual (FReM) following a direction issued by the Department for Levelling Up, Housing and Communities under the Housing Act 1996 and the Housing Ombudsman Scheme. The accounts have been prepared under the historical cost convention. The accounting policies are set out below and have been consistently applied.

#### Going concern

These accounts have been prepared on a going concern basis. HOS's Statement of Financial Position as at 31 March 2021 shows net assets of £1.8m. This includes pension liabilities falling due in future years. The Ombudsman's role is statutory and membership subscription fees are mandatory. Payment of fees to date is slightly ahead of the budgeted profile and Covid-19 has not had an adverse impact. HOS maintains sufficient reserves to cover four months of expenditure at all points during the year and our cashflow forecasts for the next 12 months show we expect to meet all liabilities as they fall due. Therefore there are no known material uncertainties or conditions that may cast significant doubt over our ability to continue as a going concern.

#### b) Subscriptions

Subscriptions are the annual amount payable by member landlords of the Housing Ombudsman Scheme for the financial year. These amounts are considered to be contracts with customers under the FReM interpretation of IFRS 15. Subscription fees are set at a standard per housing unit charge applied to the number of units owned or managed by member landlords. HOS recognises subscription revenue on a monthly basis over the year to reflect HOS's fulfilment of its performance obligations for provision of dispute resolution services throughout the year. Any subscriptions paid in advance are treated as deferred income.

Subscription charges for 2020-21 increased, with the approval of the Secretary of State, to £2.16 per home (£1.25 2019-20).

#### c) Property, Plant and Equipment

HOS invests in enhancements to its rented property which are capitalised as building improvements and valued at depreciated historical cost. Management consider that, in the absence of a readily obtainable market for such items as they cannot be marketed separately from the building, this provides a suitable approximation for current value in existing use.

Non-property assets are considered to be of sufficiently low value and short useful life for the adoption of depreciated historical cost basis as a proxy for current value in existing use.

The capitalisation threshold for property, plant and equipment is £5,000.

Property, plant and equipment are disclosed at cost less accumulated depreciation. Depreciation is provided on all property, plant and equipment on a straight-line basis calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life as follows:

- Leasehold improvements (fixtures and fittings) - period of the lease
- Computer equipment - 5 years
- Building lease – period of the lease

### **d) Intangible assets**

Intangible assets comprise computer software, our website and our intranet, and are stated at cost less accumulated amortisation. Amortisation is charged on a straight-line basis over the estimated useful economic life of the software (five years), or website and intranet (three years). The impairment of intangible assets is considered annually, or whenever events or changes occur. The valuation policy for intangible assets is to use amortised cost as a proxy for current value in existing use as all assets are short life and low value.

The capitalisation threshold for intangible assets is £5,000.

### **e) Financial assets**

HOS recognises financial assets in accordance with IFRS 9. For HOS, these financial assets are primarily trade receivables in the form of outstanding member subscriptions from social housing landlords including Housing Associations and Local Authorities. The trade receivables are not impaired due to the status of the entities charged ensuring complete recovery of all income either in the current or subsequent financial period.

### **f) Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand and balances with banks. These are liquid investments that are readily convertible to known amounts of cash.

### **g) Pension costs**

HOS participates in a multi-employer funded defined benefit scheme. HOS is exposed to actuarial risks associated with their current and former employees' membership of the fund. The actuary has been able to perform a notional allocation of HOS's share of the Fund and therefore has performed an actuarial valuation at 31 March 2021 using IAS19 principles.

The effect of this accounting policy is to recognise a pension liability in the Statement of Financial Position. Current service costs, past service costs, gains and losses on settlements and curtailments, interest and the expected return on pension scheme assets are charged to the Statement of Comprehensive Income. As detailed in note 14, pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis and discounted at a rate equivalent to the current rate of return of a high quality corporate bond of equivalent currency and term of the scheme liabilities.

### **h) Operating leases**

Rentals payable under operating leases are charged in the Statement of Comprehensive Income on a straight-line basis over the lease term.

### **i) Changes in accounting policy**

HOS has considered, in accordance with IAS 8, whether there have been any changes to accounting policies arising from IFRS and the FReM which have an impact on the current and prior periods or may have an effect on future periods.

There have been no changes to accounting policies during 2020-21.

**j) Standards issued but not yet effective**

HOS has also reviewed new or amended standards issued by the IASB that are not yet effective, to determine if it needs to make any disclosures in respect of those IFRS's that are or will be applicable. We anticipate that there are no new standards which will impact the financial statements for 2021-22.

**IFRS 16 Leases (effective from 2022-23)**

This standard will not impact The Housing Ombudsman in the first year of implementation as the remaining lease will be less than one year at 01 April 2022.

**k) Key sources of estimation uncertainty**

As disclosed in Note 14, HOS is an admitted member to the City of Westminster Pension fund, a defined benefit scheme. The valuation of the scheme assets and liabilities is based on a range of assumptions made by management, based on advice from a professional actuary, and are reviewed annually.

**l) Reserves**

HOS operates and reports two reserves: a General Fund reserve and a Pension Fund reserve. HOS maintains sufficient liquidity within its General Fund reserve to meet future liabilities and maintain its status as a going concern. General Fund reserves can be used to mitigate increases in the annual membership fee. When expenditure is financed from reserves it is charged to the Statement of Comprehensive Income.

The Pension Fund reserve is based on the actuarial valuation of HOS's share of the Pension Fund assets and liabilities. The Department for Levelling Up, Housing and Communities has provided a letter of comfort to HOS which states it will "make sufficient resources available to the Housing Ombudsman to meet its pension liabilities, should the Housing Ombudsman be unable to cover the liabilities as they fall due from time to time. The Department would not expect the Housing Ombudsman to maintain a level of reserves to cover the value of its long-term pension liability."

## 2a. Administrative expenses

	2020-21 £'000	2019-20 £'000
Staff Support Costs	16	34
Learning and Development	28	33
Human Resources	130	41
Accommodation	344	313
Operational Costs	66	62
Sector Development	24	3
Governance & Regulation	100	77
Information Technology	522	610
Dispute Resolution	370	352
First Contact Services	290	267
Depreciation and amortisation	77	64
	1,967	1,856

The audit fee for 2020-21 is £36,750 (2019-20: £32k). No remuneration was paid to the external auditors for non-audit work in 2020-21 (2019-20: nil).

## 2b. Staff Costs

	Notes	Permanent staff £'000	Temporary staff £'000	2020-21 Total £'000	2019-20 Total £'000
Wages and salaries		3,811	1,470	5,281	3,712
Social security costs		422	-	422	314
Pension service costs	14a	1,126	-	1,126	921
<b>Total Costs</b>		<b>5,359</b>	<b>1,470</b>	<b>6,829</b>	<b>4,947</b>
Secondments into HOS		-	-	-	93
Recoveries in respect of outward secondments		(72)	-	(72)	(72)
<b>Total Costs</b>		<b>5,287</b>	<b>1,470</b>	<b>6,757</b>	<b>4,968</b>

## 3. Interest receivable/(payable)

	Notes	2020-21 £'000	2019-20 £'000
Bank and other interest receivable		18	29
Interest cost on pension obligation	14d	(389)	(430)
Interest on pension scheme assets	14e	356	357
		(15)	(44)

#### 4. Taxation

HOS is only subject to tax on its interest receivable.

The tax assessed for the period is the standard rate of corporation tax in the United Kingdom of 19%

	2020-21 £'000	2019-20 £'000
Interest received before corporation tax	18	29
Tax paid on interest received	<u>3</u>	<u>5</u>

#### 5. Property, Plant and Equipment

	Leasehold Improvements Fixtures and Fittings £'000	Information Technology £'000	Office Equipment £'000	Total £'000
<b>Cost</b>				
As at 1 April 2020	107	109	24	240
Additions	-	50	-	50
<b>As at 31 March 2021</b>	<u>107</u>	<u>159</u>	<u>24</u>	<u>290</u>
<b>Depreciation</b>				
As at 1 April 2020	58	104	12	174
Charge for the year	16	8	4	28
<b>As at 31 March 2021</b>	<u>74</u>	<u>112</u>	<u>16</u>	<u>202</u>
Net book value:				
<b>As at 31 March 2021</b>	<u>33</u>	<u>47</u>	<u>8</u>	<u>88</u>
	Leasehold Improvements Fixtures and Fittings £'000	Information Technology £'000	Office Equipment £'000	Total £'000
<b>Cost</b>				
As at 1 April 2019	107	109	24	240
Additions	-	-	-	-
<b>As at 31 March 2020</b>	<u>107</u>	<u>109</u>	<u>24</u>	<u>240</u>
<b>Depreciation</b>				
As at 1 April 2019	43	102	7	152
Charge for the year	15	2	5	22
<b>As at 31 March 2020</b>	<u>58</u>	<u>104</u>	<u>12</u>	<u>174</u>
Net book value:				
<b>As at 31 March 2020</b>	<u>49</u>	<u>5</u>	<u>12</u>	<u>66</u>

All assets are owned by HOS.

## 6. Intangible assets

	<b>Computer Software £'000</b>	<b>Website &amp; Intranet £'000</b>	<b>Total £'000</b>
<b>Cost</b>			
As at 1 April 2020	470	180	650
Additions	34	10	44
<b>As at 31 March 2021</b>	<b>504</b>	<b>190</b>	<b>694</b>
<b>Amortisation</b>			
As at 1 April 2020	363	162	525
Charge for the year	34	15	49
<b>As at 31 March 2021</b>	<b>397</b>	<b>177</b>	<b>574</b>
<b>Net book value:</b>			
<b>As at 31 March 2021</b>	<b>107</b>	<b>13</b>	<b>120</b>
	<b>Computer Software £'000</b>	<b>Website £'000</b>	<b>Total £'000</b>
<b>Cost</b>			
As at 1 April 2019	434	180	614
Additions	36	-	36
<b>As at 31 March 2020</b>	<b>470</b>	<b>180</b>	<b>650</b>
<b>Amortisation</b>			
As at 1 April 2019	335	148	483
Charge for the year	28	14	42
<b>As at 31 March 2020</b>	<b>363</b>	<b>162</b>	<b>525</b>
<b>Net book value:</b>			
<b>As at 31 March 2020</b>	<b>107</b>	<b>18</b>	<b>125</b>

All assets are owned by HOS.

## 7. Trade receivables and other current assets

	<b>31.03.21 £'000</b>	<b>31.03.20 £'000</b>
Member subscriptions	313	209
Staff loans	2	5
Prepayments	67	2
Other receivables	-	15
	<b>382</b>	<b>231</b>

## 8. Cash and cash equivalents

	31.03.21 £'000	31.03.20 £'000
Cash balances with bank	5,174	3,457
	<u>5,174</u>	<u>3,457</u>

All balances are held with a commercial bank.

## 9. Trade payables and other current liabilities

	31.03.21 £'000	31.03.20 £'000
Trade payables	104	-
Other payables	135	240
Tax & NI payables	150	83
Accruals	376	389
	<u>765</u>	<u>712</u>

## 10. Provision for liabilities and charges

	Buildings £'000	Total £'000
As at 1 April 2020	0	0
Created in- year	20	20
<b>Balance as at 31 March 2021</b>	<u>20</u>	<u>20</u>

Provision had been made for probable dilapidation costs in line with HOS's commitments under the accommodation lease agreement.

## 11. Operating leases

At the Statement of Financial Position date, HOS had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which are due for payment over the following years:

	£'000	2020-21 £'000	2019-20 £'000
		Buildings	Total
Within one year	151	151	149
Within two to five years	138	138	289
	<u>289</u>	<u>289</u>	<u>438</u>

The lease on HOS's current premises expires on 27 February 2023.

## 12. Financial Instruments

HOS uses various financial instruments which include cash, trade and other receivables and trade and other payables that arise directly from its activities. The main purpose of these financial instruments is to raise finance for HOS's activities and manage its working capital requirements.

The existence of these financial instruments exposes HOS to a number of financial risks namely, credit risk, liquidity risk and market risk. The Ombudsman as advised by the Audit and Risk Assurance Committee has reviewed and agreed policies for managing each of these risks to ensure that exposure is to an acceptable level.

### Credit Risk

HOS exposure to credit risk is limited to the carrying amount of financial assets recognised at the Statement of Financial Position date. The risk on cash balances and deposits is managed in a risk averse manner, being held with UK clearing banks with high credit ratings assigned by international agencies.

The Ombudsman considers that all of the financial assets are of good credit quality. The trade credit risk is mainly attributable to subscription income. There is no concentration of risk in this area, as income is diversified over a large number of subscribing members.

### Liquidity risk

HOS's business model, with subscription fees falling due annually results in the majority of working capital requirements being received in the first quarter of the financial year. This results in a high proportion of the organisation's asset base being cash on deposit. These deposits are actively managed to ensure that working capital requirements are met at all times.

### Market risk

Income and expenditure relating to HOS's activities are fully sterling dominated and hence exposure to exchange rate volatility is nil.

HOS does not actively engage in the trading of financial assets for speculative purposes nor does it write options.

## 13. Related Parties

HOS is a Non-Departmental Public Body sponsored by the Department for Levelling Up, Housing and Communities (DLUHC). Any other bodies sponsored by DLUHC are considered to be related parties. During the year, HOS has had no material transactions with DLUHC.

Under IAS 24, the Local Government Pension Scheme is defined as a related party to HOS.

The Ombudsman, senior management and ARAC and Panel members are considered related parties and have not undertaken any material transactions with HOS during the year. Panel and ARAC members were remunerated for attending meetings.

## 14. Pension

HOS is an Admitted Body to the City of Westminster Pension Fund, a defined benefit scheme. The Pension Fund is operated under the Local Government Pension Regulations 1997 (as subsequently amended) and provides for the payment of benefits to employees and former employees based on career average revalued earnings. These benefits include retirement pensions, early payment of benefits on medical grounds and payment on death benefits where death occurs either in service or in retirement. HOS pays different contribution rates compared to other employers participating in the Fund and is exposed to actuarial risks associated with their current and former employees' membership of the Fund. The contributions are determined by an independent, qualified actuary at Barnett Waddingham. The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments, discount rate, contributions paid to the fund and benefit payments.

Participating in a defined benefit pension scheme means that HOS is exposed to a number of risks:

- Investment risk: The Fund holds investment in asset classes, such as equities, which have volatile market values and while these assets are expected to provide real returns over the long-term, the short-term volatility can cause additional funding to be required if a deficit emerges.
- Interest rate risk: The Fund's liabilities are assessed using market yields on high quality corporate bonds to discount future liability cashflows. As the Fund holds assets such as equities the value of the assets and liabilities may not move in the same way.
- Inflation risk: All of the benefits under the Fund are linked to inflation and so deficits may emerge to the extent that the assets are not linked to inflation; and
- Longevity risk: In the event that the members live longer than assumed a deficit will emerge in the Fund. There are also other demographic risks.

In addition, as many unrelated employers participate in the City of Westminster Pension Fund, there is an orphan liability risk where employers leave the Fund but with insufficient assets to cover their pension obligations so that the difference may fall on the remaining employers.

All of the risks above may also benefit HOS e.g. higher than expected investment returns or employers leaving the Fund with excess assets which are eventually inherited by the remaining employers.

Assets and liabilities for all employers in Local Government Pension Scheme (LGPS) funds are identifiable on an individual employer basis. There are no minimum funding requirements in the LGPS but the contributions are generally set to target a funding level of 100% using the actuarial valuation assumptions. Any deficit on withdrawal is required to be paid by the withdrawing employer and any surplus is retained by the fund.

Following the 2019 triennial review the actuary assessed that the HOS's contribution rate of pensionable salaries should be as follows:

Year Ended 31 March	Contribution Rate %
2021 onwards	27.6%

Under the scheme which came into effect on 1 April 2008 employee contribution rates changed from 6% of pensionable salaries to a rate ranging from 5.5% to 12.5% depending on salary.

The Actuary has advised HOS that its additional contributions in previous years have been taken into account when determining the HOS's share of the assets at the valuation date.

The choice of assumptions is made following advice from the actuary. The assumptions chosen are the best estimates from a range of possible actuarial assumptions which may not necessarily be borne out in practice.

The principal assumptions used by the actuary were:

	At 31.03.21	At 31.03.20	At 31.03.19	At 31.03.18	At 31.03.17
RPI Inflation	3.15%	2.65%	3.4%	3.3%	3.6%
CPI Inflation	2.85%	1.85%	2.4%	2.3%	2.7%
Rate of increase in salaries	3.85%	2.85%	3.9%	3.8%	4.2%
Rate of increase of pensions in payment/deferred pensions	2.85%	1.85%	2.4%	2.3%	2.7%
Discount rate	2.05%	2.35%	2.45%	2.6%	2.8%
Life Expectancy from Age 65 (years)					
- Retiring Today					
- Males	21.6	21.8	23.4	24.5	24.4
- Females	24.1	24.4	24.8	26.1	26.0
- Retiring in 20 years					
- Males	22.9	23.2	25.0	26.8	26.6
- Females	25.3	25.8	26.6	28.4	28.3

HOS's average weighted duration is estimated as 25 years.

HOS's notional share of the assets in the scheme and the expected rate of return together with the net funding position were:

	<b>31.03.21</b>	<b>31.03.20</b>
	<b>£'000</b>	<b>£'000</b>
Equities	15,619	10,384
Property	1,343	1,676
Other Bonds	2,820	2,403
Cash	738	214
	<hr/>	<hr/>
Total assets	20,520	14,677
	<hr/>	<hr/>

**Assets break down as follows:**

		Quoted (%)	Unquoted (%)
Corporate bonds	UK	-	-
	Overseas	13.7%	-
Equities	UK	0.00%	-
	Overseas	70.7%	-
Property	All	-	4.1%
Others	Private Equity	-	-
	Multi Asset Credit	-	5.4%
	Cash/Temporary Investments	3.6%	-
	Infrastructure	-	2.50%
<b>Total</b>		<hr/> <b>88.0%</b> <hr/>	<hr/> <b>12.0%</b> <hr/>

HOS utilises a building block approach in determining the rate of return on fund assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principles. The assumed rate of return on each asset class is set out within this note. The overall expected rate of return on assets is then derived by aggregating the expected return for each asset class over the actual asset allocation for the fund at 31 March 2021.

To maintain a fair value of plan assets greater than the benefit obligation, the Fund employs the use of derivatives for efficient portfolio management purposes and to reduce certain investment risks, in particular foreign exchange risk. All uses of derivatives are outsourced to the Fund's external asset managers which must adhere to the detailed requirements set out in their investment management agreements. The Fund uses interest rate futures to hedge some of the non-Sterling interest rate risk and forward foreign exchange contracts to reduce the foreign currency exposure from overseas bond holdings that are within the portfolio.

**a) Analysis of amounts charged to the operating deficit**

	2020-21 £'000	2019-20 £'000
Service cost	1,110	909
Administration costs	16	12
Total	<u>1,126</u>	<u>921</u>

**b) Net finance charge on pension scheme**

	2020-21 £'000	2019-20 £'000
Net interest charge on the defined liability	<u>33</u>	<u>73</u>

**c) Re-measurements in other comprehensive income**

	2020-21 £'000	2019-20 £'000
Return on plan assets in excess of interest	4,586	(1,291)
Other Actuarial gains	-	480
Change in financial assumptions	(6,229)	2,051
Change in demographic assumptions	291	659
Experience gains/(loss) on defined obligations	239	(183)
Actuarial gain / (loss) recognised	<u>(1,113)</u>	<u>1,716</u>

**d) Changes in the present value of liabilities**

	2020-21 £'000	2019-20 £'000
Opening present value of liabilities	(16,581)	(17,310)
Current service cost	(1,110)	(909)
Interest cost	(389)	(430)
Changes in financial assumptions	(6,229)	2,051
Changes in demographic assumptions	291	659
Experience gains/(loss) on defined obligations	239	(183)
Estimated benefits paid net of transfers in	299	(260)
Contribution by other Scheme Participants	(258)	(199)
Closing present value of liabilities	<u>(23,738)</u>	<u>(16,581)</u>

**e) Changes in the fair value of scheme assets**

	2020-21 £'000	2019-20 £'000
Opening fair value of scheme assets	14,677	14,000
Interest on assets	356	357
Return on assets less interest	4,586	(1,291)
Other actuarial gains	-	480
Administration expenses	(16)	(12)
Contributions by employer	958	684
Contributions by Scheme participants	258	199
Benefits paid net of transfers in	(299)	260
	<hr/>	<hr/>
Closing present value of scheme assets	20,520	14,677

**f) Movements in deficit during the year**

	2020-21 £'000	2019-20 £'000
Deficit in scheme at beginning of the year	(1,904)	(3,310)
Movement in year:		
Past and Current service cost	(1,110)	(909)
Net interest cost	(33)	(73)
Change in financial assumptions	(6,229)	2,051
Change in demographic assumptions	291	659
Experience gains/(loss) on defined obligations	239	(183)
Return on assets	4,586	(1,291)
Other actuarial gains	-	480
Administration expenses	(16)	(12)
Contributions by employer	958	684
	<hr/>	<hr/>
Closing present value of scheme liabilities	(3,218)	(1,904)

The projected pension expense for the year ending 31 March 2022 is £1.9m. The projected employer contributions are £953k.

**g) Reconciliation of funded status to Statement of Financial Position**

	Value as at 31.03.21 £'000	Value as at 31.03.20 £'000	Value as at 31.03.19 £'000	Value as at 31.03.18 £'000	Value as at 31.03.17 £'000
Fair value of assets	20,520	14,677	14,000	12,773	12,118
Present value of funded defined benefit obligation	(23,738)	(16,581)	(17,310)	(15,907)	(15,465)
Net liability recognised on the balance sheet	(3,218)	(1,904)	(3,310)	(3,134)	(3,347)

**h) Sensitivity Analysis**

	£'000	£'000	£'000
Adjustment to discount rate	0.1%	0.0%	-0.1%
Present Value of Total Obligation	23,175	23,738	24,315
Projected Service Cost	1,770	1,845	1,922
Adjustment to long term salary increase	0.1%	0.0%	-0.1%
Present Value of Total Obligation	23,766	23,738	23,711
Projected Service Cost	1,846	1,845	1,844
Adjustment to pension increase and deferred revaluation	0.1%	0.0%	-0.1%
Present Value of Total Obligation	24,283	23,738	23,206
Projected Service Cost	1,921	1,845	1,771
Adjustment to life expectancy assumptions	+1 Year	None	-1 Year
Present Value of Total Obligation	24,652	23,738	22,858
Projected Service Cost	1,922	1,845	1,770

**15. Events after the reporting period**

The accounts were authorised for issue by the Housing Ombudsman as Accounting Officer on the date they were certified by the Comptroller and Auditor General. There are no other significant events after the reporting period.

## Annex

### Ombudsman Association service standards

The Ombudsman Association has a Service Standard Framework setting out the public commitments and service standards that can be expected when using an Ombudsman Service. The Framework provides measures on five commitments:

- a) **Accessibility**
- b) **Communication**
- c) **Professionalism**
- d) **Fairness**
- e) **Transparency**

Adherence to the framework is not mandatory. However, members of the Ombudsman Association are expected to assess and report on their performance towards meeting the service standards and publish this on a regular basis, at least annually.

#### Accessibility

Standard	Met?
<p><b><i>Members' service should be free to complainants</i></b></p> <p>Our service is free to complainants.</p>	✓
<p><b><i>Members should ensure that their procedures are customer focused</i></b></p> <p>We aim to place customers firmly at the heart of what we do and our policies and guidance aim to deliver our statutory functions whilst retaining our customer focus. Our policies and guidance are available on our website and we seek customer feedback to track performance here.</p>	✓
<p><b><i>Members should work with complainants to understand their needs, in order for complainants to access their service early</i></b></p> <p>Our dispute support and dispute resolution teams work with complainants to identify how best to assist them in accessing our service.</p>	✓
<p><b><i>Members should make reasonable efforts to support access to their services for any user, including working with representatives and others to support complainants through their service, and publish their procedures for doing this</i></b></p> <p>We maintain a variety of access routes into our service and we make reasonable adjustments to enable access. Complainants are able to bring complaints to us via a representative of their choosing. This is clearly stated in the Housing Ombudsman Scheme and on our website. During the year we began a trial of the use of webchat as another route into our service.</p>	✓
<p><b><i>Members should listen to what complainants want from them and ensure they understand their complaint. If a complainant is complaining about an organisation or issue that the member cannot consider complaints about, where possible they should</i></b></p>	✓

<p><b><i>direct the complainant to the relevant Association member, or another organisation who may be able to help.</i></b></p> <p>Our enquiries team listens to complainants and ensures that they are signposted to the organisation most likely to be able to assist with resolving the dispute if this is not us. We have a memorandum of understanding with the Local Government and Social Care Ombudsman allowing information sharing to ensure that complaints are considered by the correct ombudsman. Caseworkers will speak to complainants and consider all the evidence provided to ensure that they fully understand the key issues of the dispute and define this appropriately.</p>	
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## Communication

<b>Standard</b>	<b>Met?</b>
<p><b><i>Members should treat service users courteously, respectfully and with dignity</i></b></p> <p>One of our dispute resolution standards is ‘We always treat you professionally and with respect’.</p>	✓
<p><b><i>Members should communicate with complainants through complainants’ own chosen method where possible</i></b></p> <p>We ask complainants to identify their preferred method of communication. This is logged on their casefile and followed.</p>	✓
<p><b><i>Members should explain their role to service users</i></b></p> <p>Caseworkers will explain to residents what actions we are able to take at each stage of our process. They will explain the Ombudsman’s role and purpose, ensuring that they are managing customers’ expectations in relation to outcome and reach.</p>	✓
<p><b><i>Members should let complainants know what they can and cannot do, and, if they are unable to help them explain why</i></b></p> <p>One of our dispute resolution standards is ‘We listen to what you want from us and explain clearly what we can do for you. We also explain if we cannot help’.</p>	✓
<p><b><i>Member should clearly explain to service users their process for handling complaints about organisations and likely timescales</i></b></p> <p>Each stage of the casework process is explained to our customers along with the actions that we can undertake at each stage. Once a complaint is accepted in our formal remit, the customer will be advised of this and given an approximate timescale for the investigation.</p>	✓
<p><b><i>Members should keep service users regularly informed of the progression of their case, and how long things are likely to take</i></b></p> <p>On receipt of a formal complaint, caseworkers will contact the resident to establish the outstanding issues and the outcome sought and the best path to resolution. On allocation, the Adjudicator will introduce themselves to the resident and remain in touch as the case is investigated.</p>	✓

<p><b>Members should tell service users who they can contact if they have any questions at different stages in handling of the case, and how they can do so</b></p> <p>For complaints that we investigate, an Adjudicator is assigned and the resident is advised who they are.</p>	✓
<p><b>Members should be accurate in their communications with service users using plain and clear language</b></p> <p>We have a style guide to ensure that all our correspondence is written in plain and clear language that the customer will understand and promotes plain English.</p>	✓

## Professionalism

Standard	Met?
<p><b>Members should ensure that the staff who consider complaints have the relevant knowledge, training and skills to make decisions, or have access to suitable professional advice</b></p> <p>Annual learning and development programmes ensure that staff knowledge and expertise is kept up-to-date. Legal advice is available for complex cases.</p>	✓
<p><b>Members should deal with complaints in a timely manner, taking into account the complexity of the case</b></p> <p>We are committed to dealing with complaints in a timely manner with KPIs to support this. We achieved an annual average of 5.2 months in 2020-21.</p>	✓
<p><b>Members should ensure that remedies are appropriate and take account of the impact any identified faults have had on the complainant</b></p> <p>Our approach to remedies is consistent with this standard and is set out in our guidance which can be found on our website.</p>	✓
<p><b>Members should use the outcomes of complaints to promote wider learning and improvement to the service and the sector complained about</b></p> <p>We published two ‘Spotlight on’ reports to share our learning from complaints in 2020-21 - on leaseholders, shared owners and new build, and on heating, hot water and energy. We also provide free e-learning and webinars for landlords based on the most common causes of complaints we see.</p>	✓
<p><b>Members should ensure their record keeping is accurate and that they hold data securely</b></p> <p>Information security is a corporate and operational risk and appropriately managed. This is also reviewed as part of our quality assurance process.</p>	✓
<p><b>Members should ensure that if and when sharing of information is necessary, it is done appropriately</b></p> <p>How we handle information is set out in our privacy notices which are available on our website.</p>	✓

<p><b><i>Members should follow their published processes when dealing with complaints about their own service, and they should acknowledge and apologise for any mistakes they make</i></b></p> <p>This standard is captured in our guidance for dealing with complaints about our service which is available on our website.</p>	✓
<p><b><i>Members should actively seek feedback about their service and use it to improve</i></b></p> <p>We seek customer feedback from residents and landlords and act on this to drive improvements to quality.</p>	✓

## Fairness

Standard	Met?
<p><b><i>Members should work with service users without discrimination or prejudice</i></b></p> <p>We make reasonable adjustments for users to access our service. This is confirmed through our quality assurance processes. The information we collect through our equalities monitoring is not visible to those dealing with individual cases.</p>	✓
<p><b><i>Members should make decisions on cases based on their independent and impartial evaluation of the relevant evidence</i></b></p> <p>We have an ongoing programme of learning and development to ensure impartiality. This is confirmed through our quality assurance processes. We seek annual confirmation of conflicts of interest to ensure independence.</p>	✓
<p><b><i>The reasons for decisions should be documented and explained to relevant parties</i></b></p> <p>Our investigation guidance captures these standards and is on the website. This is also tested through our quality assurance processes.</p>	✓
<p><b><i>Members should publish information concerning any opportunities that may exist for service users to challenge their decisions</i></b></p> <p>Every decision letter informs both landlords and residents of the right to request a review. The related policy is available on our website.</p>	✓
<p><b><i>Members should make clear to service users their approach to unacceptable behaviour</i></b></p> <p>Our unacceptable behaviour policy and guidance is on our website. This is provided to customers if we find their behaviour to be unacceptable.</p>	✓

## Transparency

Standard	Met?
<p><b><i>Members should publish information about the most senior staff in charge of decisions on complaints within their organisation, including the rules under which members operate</i></b></p> <p>Information about the members of our Senior Leadership Team, including those with responsibility for complaints, is available on our</p>	✓

<p>website. The Scheme sets out the rules under which we operate and is available on our website.</p>	
<p><b><i>Members should have procedures in place to deal with any conflicts of interest around the handling of complaints</i></b></p> <p>We have a conflicts of interest policy which requires annual reconfirmation from all staff, and is available on our website.</p>	✓
<p><b><i>Members should be transparent about their investigation with the relevant service users</i></b></p> <p>We inform both parties at all stages of our process. An investigation decision is sent to both residents and landlords setting out the key issues identified, the evidence relied upon, the conclusions drawn and our reasoning.</p>	✓
<p><b><i>Members should publish the learning that can be drawn from the complaints they handle in order to drive service improvement across the sector</i></b></p> <p>Landlord specific learning is identified in our determinations and sent to both the landlord and the complainant. Wider learning is shared via our range of online tools and reports.</p>	✓
<p><b><i>Members should provide service users with information explaining the approach they take to handling complaints about their own service</i></b></p> <p>This is sent out in our Complaints about us leaflet and policy which are available on our website or upon request.</p>	✓
<p><b><i>Members should explain to complainants the procedures in place about what action can be taken if remedies are not implemented by the organisation complained about</i></b></p> <p>Our policy on dealing with non-compliance with the Ombudsman's orders is available on our website and sets out the action we may take.</p>	✓

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