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| **Name of meeting** | Purpose Committee | | |
| **Report title** | Annual Complaints & Service Improvement Summary 2023/24 | **Agenda item** | 9 |
| **Date of meeting** | 1 May 2024 | | |
| **Author & job title** | Natalie Rose, Director of Customer Experience | | |
| **Report status** | Assurance | | |
| **Confidentiality** | Non-Confidential | | |
| **Appendices** | 1. Housing Ombudsman Service Self-Assessment. 2. Draft statement for publication | | |

**Purpose of report**

* 1. To review complaints performance for 2023/24 and to provide assurance of compliance with the Complaint Handling Code as directed by the Housing Ombudsman Service (HOS) through the annual self-assessment.
  2. The new HOS code sets out information that must now be included in the annual summary. HOS say:

Landlords must produce an annual complaints performance and service improvement report for scrutiny and challenge, which must include:

1. the annual self-assessment against this Code to ensure their complaint handling policy remains in line with its requirements.
2. a qualitative and quantitative analysis of the landlord’s complaint handling performance. This must also include a summary of the types of complaints the landlord has refused to accept.
3. any findings of non-compliance with this Code by the Ombudsman.
4. the service improvements made as a result of the learning from complaints.
5. any annual report about the landlord’s performance from the Ombudsman
6. any annual report about the landlord’s performance from the Ombudsman; and
7. any other relevant reports or publications produced by the Ombudsman in relation to the work of the landlord.
   1. To share the learnings and service improvement activities, identified through complaint handling, to address areas of underperformance and improve customer and experience.
   2. As referenced in the Purpose Committee Chair’s update, the content of this report has been scrutinised by Committee on 1 May 2024 and assurance confirmed.

**Recommendation**

2.1 Board is asked to:

1. Discuss complaints performance for 2023/2024 and confirm assurance with the detail of the report.
2. Approve the finding from the Housing Ombudsman Self-Assessment that Plus Dane complies with the Complaint Handling code.
3. Approve the accompanying statement from Board to be published alongside the Housing Ombudsman Self-Assessment or delegate to Board Champion to finalise with Chief Executive Officer following Member feedback.
4. Note the final performance data following completion of the Tenant Satisfaction Measures validation exercise that was highlighted as pending at the time the paper was originally presented.

**Complaints Performance 2023/24**

* 1. **Volumes**
     1. We received a total of 803 complaints across all tenure types between 1 April 2023 and 31 March 2024, an increase of 66 (+9.0%) complaints from the previous year, with 108 of these complaints escalated to stage 2. This equates to a total 59.48 complaints per 1,000 homes. This figure includes all complaints made to Plus Dane and is not the same as the figure reported through the TSM measures as those measures reference low-cost rental accommodation (LCRA) and low-cost home ownership (LCHO) only.
     2. In their 2024/25 business plan consultation, HOS reported a 91% increase in their casework to the end of quarter 3 (Q3). Whilst this includes all types of customer contact with the service, not solely formal complaint investigations, it highlights the sustained increase in dissatisfaction across the sector. 2023/24 benchmarking is yet to be published by Housemark, however, against prior year benchmarking, our annual performance sits between the median and quartile 3. Given the increase in volume reported across many organisations, we would expect the benchmarking volumes to shift further to the right, meaning our performance is likely to move closer towards the median position this year.

A graph of a number of complaints

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* + 1. Of the 803 complaints received, 57 stage 1’s and 12 stage 2’s remained open as of 31 March 2024. Analysis of complaint outcomes within this report will focus on the 746 stage 1 complaints and 96 stage 2 escalations that were opened and closed within the period.
    2. The 803 stage 1 complaints were raised by 712 individual customers, with 73 customers (10.3%) raising more than one complaint. The majority of customers who raised more than one complaint in the year live in our General Needs homes in line with our tenure profile. Freehold and Leasehold are the tenure type with the highest percentage of customers who raise more than one complaint, of all the customers with that tenure type who raised a complaint of that 20% raised more than one. This analysis will inform our 2024/25 service improvement plans.



* + 1. Given the nature of our core landlord services, repairs remain the leading service area in terms of complaint volumes, accounting for 58% of overall resolved complaints.



* + 1. The cost-of-living crisis continues to put pressure on household finances, increasing customer focus on service charges and value for money. This has shifted the volume of complaints by service area, with grounds maintenance and compliance entering the top five. A service charge is payable for communal gardening, and we struggled to meet our usual standards whilst navigating challenges such as broken mowers and extreme weather. Customers held us to account for this service until the issues were resolved. In addition, 40% of complaints linked to the compliance service area were in relation to door entry issues. This is another provision that attracts a separate service charge and is attracting additional scrutiny. Learnings in these areas are reflected in section 3.4 of this report.
    2. Four complaints were formally rejected within the year as the issue related to an exclusion listed within our policy. These were:



* 1. **Complaint Outcomes**
     1. The HOS is clear that a high number of complaints should be seen as an indication of an open and transparent complaint process and not as an indication of a poor organisation. Similarly, in isolation, a high proportion of upheld complaints should not be considered as an indication of concern as it demonstrates a wider positive relationship with customers, with complaints being made in valid circumstances alongside a fair and transparent complaint handling approach. However, when taken together, high volumes with a high upheld rate can indicate underlying performance concerns.



* + 1. In addition, 90% of stage 2 complaints have been upheld, highlighting a need to improve stage 1 complaint handling. We have recognised the impact of our upheld rates and have regularly reported service improvement actions to Committee throughout the year. In the last quarter we have seen an increase in escalations relating to dissatisfaction with the amount of compensation offered, however a key driver for complaints escalating to stage 2 is actions from stage 1 not being completed and customers not being kept informed of progress. We have taken steps to address this through an internal campaign led by our Chief Executive Officer of six clear non-negotiables which include recording every contact, being clear on who is leading the next steps and looking for solutions. This campaign has enabled individual performance conversations with colleagues, embedding our culture of taking ownership.
    2. Having identified the increasing number of upheld complaints a taskforce was established in April 2023 to gain a deeper understanding of performance, with the aim of improving service delivery to reverse the trend. The taskforce ran for six months and reviewed complaint handling practices alongside overall service failure themes within complaints.
    3. A key outcome was a recommendation to evolve our complaint handling approach from a service led complaints function to a central led complaints function. This not only provides an opportunity for clearer oversight and control of our complaint handling, but also generates capacity within our service areas for colleagues to embed learnings from complaints in a consistent and timely manner. An additional four full time colleagues joined the Customer Relations Team in March 2024, including a newly created senior officer role. A review of processes and procedures is underway to enable the full transition of the service and to improve efficiency and effectiveness of our complaint handling.
    4. A total of £85.1k was awarded as part of the complaint handling process in 2023/24. This is significantly higher than the £38.2k awarded in the prior year. The increase is as a result of:
* An increase in the number of upheld complaints across both stages – from 584 (79%) last year to 709 (84%) this year.
* An increase in HOS determinations.
  1. **Key themes** 
     1. Complaints are categorised against a high-level theme. Poor service delivery generated 63.3% of complaints, with quality of repair generating 11% of complaints. ‘Service Delivery’ comprises of a number of subcategories, with timeliness and communication identified as key drivers of these complaints. ‘Quality of Repair’ includes references of repeat visits being required to fully resolve issues and not taking sufficient care of the rest of the home when completing a repair.



* + 1. While the volume and complexity of service requests mean that we are not always able to meet timescales as we would like, we know there is more to do to bring our service back in line. As well as investing in a catch-up programme to complete outstanding repairs, the Executive Management Team have approved a transformational Homes project to streamline our operations, identifying process, capacity and capability improvements. Progress against these actions will continue to be reported to Purpose Committee throughout 2024/25.
    2. A significant number of complaints include an element relating to communication, referencing a failure to reply to correspondence and requests for contact and a failure to keep customers updated. This is particularly evident when reviewing complaints that have escalated to stage 2. It is clear that some of the complaints would not have escalated if we had discussed findings and outcomes with the customer before closing the complaint. In contrast, we have seen examples where we have taken time to provide the right engagement at the right time and this has not only made customers feel heard, but also enabled colleagues to make better decisions.
  1. **Learnings from complaints**
     1. Feedback and insight taken from customer complaints created a case for change within Plus Dane. Learnings taken from the complaint taskforce review created a series of actions to improve customer experience, including:
* Transition to central led complaints service.
* Review of complaint handling procedure.
* Review of Customer Complaint and Feedback policy.
* Mandatory Equality Diversity and Inclusion training for all colleagues.
* Commissioning of a Damp and Mould task force to strengthen our damp and mould protocol.
  + 1. In addition to the lessons identified as part of the taskforce, wider service design changes have been influenced by customer feedback and insight gathered from complaints. This includes:
* Customer complaints and feedback policy has been updated to provide clarity around management of service charge queries and dissatisfaction with Choice Based Lettings schemes. This ensures customers are clearly signposted to the most appropriate route for their complaint.
* New software platform introduced for calls and digital interactions. Delivering improved reliability, functionality and reporting to improve call wait times.
* New workforce management tool to manage resources and deployment within CAT to provide more consistent call handling across all day parts.
* Volume recruitment approach trialled to mitigate the period of time impacted by vacancies within CAT.
* Job Manager software upgrades, ensuring that operatives have visibility of recent repair history, to reduce repeated, unsuccessful, repairs.
* Process changes to increase the number of appointments that can be scheduled at first point of contact, ensuring customers have clear information to prevent missed appointments.
* Quality Management System to quality check telephone calls as a coaching tool to improve communication with customers.
* Complaint handling overview added to the new corporate induction to increase awareness of roles and responsibilities.
* A gardening services information leaflet has been shared with customers to provide additional transparency.
* Targeted face to face briefings in supported schemes prior to the publication of annual rent letters to address issues raised during the April 2023 rent increase.
* Service charge taskforce to improve transparency and accuracy, leading to the creation of a service charge board to oversee ongoing management.
* System training has been rolled out to operational colleagues to re-familiarise colleagues with the full functionality of our housing management system and to support the ‘non-negotiable’ set by our Chief Executive.
  1. **Compliance with the Housing Ombudsman Complaint Handling Code**
     1. The Code sets out timescales for the handling of complaints. This year, the requirement to achieve those timescales were incorporated into the Tenant Satisfaction Measures (TSM) and performance is reported via the TSM’s. The definition of within timescale includes the permitted extension periods. We have seen an increase in complaints requiring extensions due to the complex nature of the complaint, however occasions have been identified where a timelier response could have been provided to customers and we will seek to reduce timescales in those instances. 13 stage 2 complaints required additional time beyond the permitted extensions. This was due to the time required to fully assess the customer experience to ensure the complaint outcome considered all components of complex complaints. Customers were kept informed of progress throughout.

Committee were presented with the TSM performance as of 31/03/24 alongside an explanation that an update on a final position would be presented once the TSM end of year validation exercise was complete and all complaints that remained open at that date were resolved.

* + 1. Further updates to TSM guidance were issued by the Regulator in April 2024 for the end of year validation exercise, including more detailed guidance on how to determine whether a complaint was responded to within timescale. No further narrative accompanied the guidance to provide rationale for the update, however, as the updated guidance coincides with the HOS complaint handling code becoming a statutory requirement, it is likely that the TSM guidance updates are in response to queries raised by providers during consultation on the new HOS code which included queries on whether ‘within timescale’ was to be considered overall, or by stage.
    2. The additional guidance stated that for a complaint to be considered as handled within timescale, it must be considered against the maximum timescale set out within the Code for each phase of the complaint; (a) acknowledgement/logging and (b) responding, rather than against the maximum permitted time across the end-to-end complaint process as had previously been reported. The relevant extracts from the April 2023 and the April 2024 guidance are:



* + 1. As noted within the Board meeting minutes, this report has been updated to reflect the final TSM performance for 2023/24 following the validation exercise approved by EMT in June 2024. 87% stage 1 complaints handled within timescale, including agreed extensions, against a previously reported 97.3%. 46.8% of stage 2 complaints were handled within timescale, against a previously reported 84.1%. Key impacts to note are:
* **TSM guidance change** – If complaints aren’t acknowledged in timescale, our approach has been to amend the date for a response to ensure that the end-to-end timescale is still within the limits set by the code. The new guidance states that if complaints are not acknowledged in timescale, they are considered to not to have met the Code timescales, even if the delay is mitigated in the response phase.
* **Handling of complaints opened in March and closed in April** – A technical fault with the website led to 40 online complaint forms being held in quarantine for up to five days. Once the issue was identified, all 40 were released at the same time, which led to a number being acknowledged out of target. Under the new Housing Ombudsman Code that became effective on 1 April 2024, we will now be able to report these types of incidents as an event to the HOS, detailing the exceptional circumstance for not being able to comply with the code for a period of time, alongside any corrective actions for transparency.

**Submitted Stage 1 TSM Performance (LCRA only)**



**Submitted Stage 2 Performance (LCRA only)**



* + 1. The HOS did not publish a performance report for Plus Dane in the period as the number of determined complaints from 2022/23 did not meet the five-complaint threshold set by the HOS. This year, the Service has determined eleven complaints, and an annual performance report for Plus Dane is likely to be published by the HOS next year if the threshold remains at prior year’s levels.
    2. In July 2023, the HOS issued a determination of severe maladministration. This finding was shared with Committee and Board at the time. The HOS has closed the case, noting full compliance with the order. The HOS published a summary report of the case within their first ‘Learning from severe maladministration’ publication in April 2024.
    3. A total of 31 separate determinations were reached by the HOS across the 11 complaints, with 11 (39%) of those determinations finding either reasonable redress, or no maladministration. In all cases, orders were complied with fully and in a timely manner. We have not been the subject of any Complaint Handling Failure Orders. The HOS has previously chosen to write to landlords with a maladministration rate of over 50%, if they choose to repeat that exercise, Plus Dane would fall inside that category for 2023/24.



* + 1. We are required to complete an annual self-assessment against the Complaint Handling code. It is to be reviewed by the governing body and published on our website. As of the 1 April 2024 the Code became a statutory requirement, and the self-assessment must also be submitted to the HOS by 30 June 2024. Purpose Committee reviewed the self-assessment (Appendix a) and supported the recommendation to work with all members of the Board to draft a statement of reflection to be published alongside the self-assessment.
    2. Our complaints policy and complaint handling complies with the Code. We received 6 determinations from the HOS of service of failure/maladministration in complaint handling throughout the year, demonstrating instances where we failed to follow our policy fully when handling the complaint. 10 of the 11 complaints determined by the HOS this year exhausted Plus Dane’s internal complaint process prior to April 2023, with only 1 of the complaints exhausting the process in 2023/24. That complaint received a determination of reasonable redress for complaint handling, highlighting the positive impact of the improvements being implemented to strengthen our controls to ensure consistency of our approach to the application of our policy. In addition, the complaint handling timescales published as part of our TSM performance have demonstrated a need to focus on the speed and quality of acknowledging complaints. The Complaint Handling Code permits timescales to increase beyond those used for the TSM calculation providing delays or further extensions are acknowledged, discussed, and agreed with the customer. Performance of less than 100% does not indicate non-compliance with the code.

1. **Link to Corporate Objectives**
   1. **Customer Experience**
      1. We promote a positive approach to complaints, acknowledging the role they play in helping deliver great services for customers. The Customer Experience strategy was approved by Board in March 2024 and progress against the objectives and strategic aims will be monitored and reported through to Purpose committee.
   2. **Vibrant Communities**
      1. Wellington Road, Toxteth received the most complaints by street with 10 complaints throughout the year. Seven of these complaints relate to components in communal areas, such as roof, entry doors and windows. A Section 20 consultation has recently been completed to start major roof repairs and it is anticipated this will have a positive impact on overall customer perception by improving building quality.
      2. More broadly, L8 in Merseyside and CW12 in Congleton received the highest number of complaints by postcode. This is reflective of the geographical split of our homes, with L8 and CW12 have the highest concentration of homes, both accounting for over 11%, and accounting for 11% of overall complaints each. There are no immediate underlying themes, although challenges with the gardening service in Cheshire have contributed to complaint volumes across the region. As detailed in section 3.4, we have taken a proactive approach to sharing information around the gardening service this year to demonstrate learning from feedback last year.



* 1. **Sustainable organisation**
     1. Compensation payments have increased significantly year on year. It is anticipated that the large-scale changes planned for 2024/25 will reduce the compensation awarded in the coming year as service improvement plans begin to embed.
     2. The HOS is currently consulting on their 2024/25 business plan and have indicated that in addition to proposing an increase in fees from £5.75 to £8.03, they are considering a ‘polluters model’ which could significantly increase costs associated with complaint handling. This has been included as a risk as part of our budget management process.
  2. **Colleague experience** 
     1. The volume of complaints, coupled with the sustained increase in demand for services has created additional pressure for operational colleagues throughout the year. Engagement with the taskforce throughout the year was positive, with colleagues’ keen to play an active role in increasing standards and improving customer experience.
     2. The transition to a central led service is a significant change for the organisation. Colleagues will be supported through a series of dedicated training sessions, briefings, and tailored communications to ensure the new approach is successfully adopted and delivers the desired outcomes.

1. **Equality, diversity & inclusion**
   1. An Equality Impact Assessment was completed as part of the Customer Complaint and Feedback policy review. No barrier’s to accessing the complaints process were identified when reviewing the policy as multiple channels and methods are available. Opportunities were highlighted to improve the timeliness of complaint handling for customers who report complaints via methods other than e-mail or online forms, which go directly to the Complaints team. We have identified avoidable delays in some complaints that were raised directly with colleagues across the business and have added additional training to our induction programme to ensure colleagues are aware of the complaint definition and what action to take when customers express their dissatisfaction. The HOS spotlight report on attitudes, rights and respect has been reviewed by the EDI steering group and will be considered throughout the ongoing management of the action plan.
   2. Our EDI action plan sets out our approach to improving data quality to support the shaping of our services. Whilst we progress these actions, our data governance team have completed a data quality review to help us make the most effective use of the information that we do currently have. The below extract from the report is based on a small, validated sample, however it clearly highlights a potential link between our vulnerable and disabled customers and customers who make multiple complaints. Our insight in this area will evolve as we progress through our EDI action plan and improve the data that we hold.A blue pie chart with text

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   3. Following feedback linked to the severe maladministration determination issued by the HOS, we commissioned an external EDI expert to help us identify whether we could do anything differently in future. A key action from the review was to deliver mandatory EDI training for all colleagues. When listening to calls as part of our Quality Management System, we heard evidence of missed opportunities to adjust our response to requests in order to make services more accessible. A small number of interactions reviewed indicated that customers felt that the inflexible response they received was due to discrimination, and whilst our independent review did not find any examples of discrimination, we do recognise the need to increase colleagues’ awareness and approach to reasonable adjustments. We chose to deliver the EDI training through face-to-face immersive training, where actors create a safe space to explore scenarios based on those issues specifically raised by customers and colleagues. The training has been received positively by colleagues and will be completed by the end of quarter one.
2. **Risk appetite**
   1. We have a cautious risk appetite towards complaint handlings and performance currently sit outside of this, contributing to SR05 Quality Homes and SR18 Core landlord services. Complaint taskforce actions will help to bring these risks into target.
3. **Legal or regulatory implications** 
   1. The Complaint Handling Code became a statutory requirement on 1 April 2024. Key changes to the code include the strengthening of the requirement for Board oversight of complaints and specific instruction on detail to be included within the Annual Complaints summary. This report meets those requirements and evidences our compliance with the code, alongside opportunities to improve our service provision.
4. **Conclusion** 
   1. Our complaints service is now in a period of transition following an intensive and thorough review across the organisation which focussed on actions required to prevent complaints occurring through improved services as well as actions required to improve overall handling and complaint outcomes. This report evidences the focus and scrutiny of complaints to identify learnings and to deliver meaningful change for our customers.

**Natalie Rose**

**Director of Customer Experience**