

Memorandum to the Public Administration and Constitutional Affairs Committee (PACAC) by the Parliamentary and Health Service Ombudsman

December 2016

The purpose of this Memorandum is to provide a review of progress against strategy at the end of the third year of our five year strategic plan. Where appropriate, we have provided the most up-to-date information available since the end of the reporting period for our Annual Report 2015-16.

We have made significant progress towards our overall goal of having more impact for more people where public services fall short. We have done this by lowering the threshold for investigating complaints to meet demand, using insight from complaints to help others improve their services and through thematic reports for PACAC to support the Committee in holding Government to account for learning from mistakes. We have started to deliver an improved service and have launched a Service Charter to be clear about what we do, how we make decisions and what people can expect from us. Good progress towards reforming the legal framework governing our work has been made through collaboration between ourselves, LGO, PACAC and Government. Where we still have most to do is in the development of the organisation itself, supporting our staff to deliver to the best of their ability through better engagement, and introducing fit for purpose systems, processes and controls.

Introduction

1. The Parliamentary and Health Service Ombudsman was established by Parliament. We make final decisions on complaints that have not been resolved by the NHS in England, UK government departments and some other UK public organisations. We do this independently and impartially, and our service is free for everyone.
2. Our role is to help people resolve their complaints when there has been an injustice or a hardship because an organisation has not acted properly or fairly or has failed to put things right. We use our casework to shine a light on failures where services fall short and share this insight to help others improve public services and the complaints system overall. Last year 82% of our investigations were about the NHS in England and just over 18% were about UK government departments and some other UK public organisations.
3. We know from our own research that people can be reluctant to complain and they often think that complaining will not make a difference¹. So our vision is for

¹ See <http://www.ombudsman.org.uk/about-us/news-centre/press-releases/2015/only-one-in-three-people-complain-to-a-public-service-when-they-are-unhappy,-according-to-new-research>

everyone to be confident that complaining is straightforward, fair and can make a difference.

4. Three years ago we launched an ambitious strategy for change to achieve more impact for more people when public services fall short. We are delivering this in three linked stages:
 - 2013-15 - meeting demand for our service by making more final decisions on unresolved complaints.
 - 2015-17 - transforming and modernising our service.
 - 2017-18 - moving to a new streamlined public ombudsman service.

Delivering more impact for the public

5. Three years ago we fundamentally changed how we work to enable us to meet demand for our investigations and to deliver justice for more people. We lowered the threshold for our investigations, so that we now investigate every complaint where there is any indication of someone being let down by a public service and experiencing hardship or injustice. Before we only investigated if the evidence showed that we were likely to uphold the complaint.
6. As a result of these changes, we have moved from investigating hundreds to thousands of complaints a year: we investigated 3,861 complaints in 2015-16; ten times the number of investigations we completed in 2012-13. We fully or partly upheld 1,543 of the complaints we investigated in 2015-16, up from some 300 in 2012-13. This means that public services agreed to put things right for five times as many people - apologising to individuals and families, providing an explanation of what happened, alongside financial remedy or taking action to improve the services in question.
7. We have achieved this against broadly flat funding, by focusing resources on our investigations and final decisions. When we do not uphold complaints, people receive a final, conclusive answer to their concerns following our investigations, and we can provide assurance to those working in public services that they have done the right thing.
8. As well as providing justice for individuals, realising more impact means sharing the insight from our casework to help services improve. Our relationship with Parliament through PACAC is at the centre of this work. The Committee has been able to draw on our insight to hold service providers to account for improving services and complaint handling. Previously, the Committee's involvement was focused on those reports we published where the Government did not agree with our findings or recommendations.
9. Over the first three years of our current strategy we have identified and reported on significant public service failures, and we have secured commitments from service providers to take action to address these failures. Last year, we began to see evidence of real change in services or guidance as a result of our published reports and the Committee holding service providers to account for improvements:

- Since the Committee's hearing on our [Time to Act](#) report on sepsis our recommendations have been steadily adopted: NHS England introduced an action plan in December 2015, NICE published its first ever guidelines on Sepsis in July 2016 and a UK-wide awareness campaign was launched in August 2016 to improve recognition of sepsis.
- Publication of our [report](#) into midwifery supervision and regulation led the Nursing and Midwifery Council to vote to take direct responsibility and accountability for all activity regulating midwives. We expect the Government to lay regulations before Parliament soon to resolve the issue by March 2017.
- Our [report](#) of investigations into unsafe discharge from hospital led to an inquiry by the Committee, and its subsequent report added Parliament's authority to the need to address the social care funding gap.
- The Committee endorsed our [recommendation](#) for investigators into avoidable death and harm to be accredited, and this was reflected by the Healthcare Safety Investigation Branch's Expert Advisory Group.
- Following our [report](#) and a Committee inquiry, HS2 Ltd introduced a 24-hour helpdesk and improved the way it engages with the public.

10. We and the Committee will need to consider how best to follow up to see if the actions taken have had the intended impact on patient safety or other better service outcomes across both health services in England and UK public services.

Service Quality

11. A new approach to quality was needed to reflect the higher volume service and changing consumer expectations. We developed a new Service Charter in 2015-16 with people who use our service, our staff and the organisations we investigate. This was launched publicly in July 2016 and expresses our new quality standards. These cover keeping people informed, following an open and fair process, giving a good service and living up to our commitments. The first set of metrics assessing our progress towards meeting the commitments in the Charter will be published in 2017.
12. Underpinning the Charter is a new Service Model introduced during 2015-16. It describes each step of our casework process to give staff clear guidance of how we do things and the service we aim to offer. This helps us to be more efficient and to ensure that we treat all complaints consistently and fairly. Introducing the Service Model has meant some significant changes in the way we operate, and we are proud that our operational colleagues have risen to this challenge.
13. While assessment against the full Charter will not be available until 2017, we can report improvements based on the extensive feedback we collected as we developed the Charter and on the current quality data we have available.

Communication

14. We have moved from a largely paper based approach to one where we communicate with our complainants more regularly and over the telephone by default, enabling us to resolve many complaints more quickly. We continue to

focus on the need for regular, meaningful communication with complainants, so that they are well informed and engaged in an open and transparent decision-making process. In particular, we need to give more answers and clearer explanations to people when our assessment of their complaint means we will not investigate it.

Timeliness

15. While the time it takes from the moment someone contacts us to receiving a decision in their case is very significantly less than it was in 2012-13, moving from investigating hundreds to thousands of complaints a year has been more challenging than we anticipated and people have been waiting too long for work on their complaint to begin.
16. So far we have halved the time it takes us to assess a complaint (that means deciding whether or not to investigate it) from 53 days in 2012-13 to 27 days in 2015-16. We have also significantly reduced the time it takes us to complete an investigation, from an average of 305 days in 2012-13 to 124 days in 2015-16.
17. We have found it more challenging to allocate complaints to a caseworker as quickly as we would like this to happen. As a result, a queue built up of people waiting to have their complaint allocated, and we started 2015-16 with 2,003 complaints waiting to be assessed or investigated.
18. A project team eliminated this queue by the end of 2015-16. However, rising demand and staff shortages in operations led to further queues building up before the end of 2015-16, so that we started 2016-17 with a queue of 1,329 complaints waiting to be assessed or investigated. We cleared the queue for assessments by May 2016, and currently have about 800 investigations awaiting allocation to an investigator compared to an expected figure of around 350. We also reduced the average time people wait for an assessment from 45 days in 2015-16 to an average of 12.4 days in 2016-17 to date (end of October), and from 63.6 days to 53.9 days over the same period for investigations.
19. Managing the timeliness of our casework remains a key priority for us this year. We have embedded a model that tracks and predicts demand for our service throughout the year and the minimum resource we need to meet that demand. This will allow us to identify and address changing staffing needs more quickly in future, and together with our service model, will help us improve timeliness.

Overall satisfaction levels

20. We also use our regular complainant feedback survey to monitor and improve the quality of our service. The feedback is publicly available on our website². Satisfaction levels with our service have remained largely stable:
 - 92% of people whose complaints we upheld in full told us they were satisfied with our service last year, compared to 88% in 2014-15.

² See <http://www.ombudsman.org.uk/improving-public-service/research/complainant-feedback-survey-2015-16>

- 69% of people whose complaints we partly upheld, said they were satisfied with our service, compared to 71% in 2014-15.
- Satisfaction of those whose complaints we did not uphold was 41%, compared to 49% in 2014-15.

21. As with other Ombudsman schemes, we find that a negative outcome for complainants influences their impression of the quality of our service. However, we need to do more work to understand what may be the reason for the drop in satisfaction amongst those whose complaints we do not uphold.

Current quality assurance

22. We have developed our overall approach to quality assurance to make it fit for the higher volume service we now operate. Our managers regularly review samples of complaints from teams other than their own for the quality of service provided, the casework methods used and the final decision. Separately, quality assurance staff and external investigators carry out reviews of casework samples and a Quality Committee led by non-executive members from our Board gives independent oversight, making sure we have the appropriate arrangements in place to assess quality and drive improvement.

23. Our award winning Customer Care team deals with concerns and complaints about our service³. The insight generated by this helps us to identify where we need to improve and where there may be learning for individual staff. For example, we have changed our guidance for staff on extending the time complainants have to comment on our draft reports when we need to make reasonable adjustments for people with disabilities. We fed back our learning from these individual complaints to the relevant teams and managers and shared briefing across the organisation on how we need to consider reasonable adjustments in future.

Strengthening our organisation

24. The difficulties we experienced at the beginning of 2015-16 highlighted, for the Board, the challenges we face. Our accounts had been qualified in 2014-15. There has been a persistent lack of leadership continuity and capacity at senior executive level, which has affected staff morale. Our drive to raise both the quality and the number of our investigations indicated a need for different systems, processes and controls that matched our new ways of working, as well as enabling us to manage rising demand and to reduce our costs by 24% over the Comprehensive Spending Review period.

25. We embarked on a set of interlinked actions to develop and strengthen systems, processes and controls to make them fit for our new ways of working and the budgetary pressures we face. This work, which includes financial management, staff engagement, operational governance, casework management and workforce planning will continue through to the end of the five year strategic plan period.

³ Our Customer Care team won the Frontline Team of the Year Award at the 2016 North West Contact Centre Awards - see <http://www.callnorthwest.org.uk/tescocontent/uploads/WEBSITE-WINNERS-1.pdf>

Finance

26. Following the qualification of the 2014-15 accounts, we immediately strengthened the financial control framework to ensure robust reporting and assurance on financial matters, enabling better scrutiny by the Board. These changes have strengthened our cash management, reporting and financial control mechanism. The NAO has certified our 2015-16 accounts with an unqualified audit opinion, without modification, and has confirmed that we have made progress in this area.
27. In October 2016 we launched a revised Finance Code that reflects best practice and a new Finance Manual that codifies our finance procedures and has been promoted internally. Compliance with both is mandatory and monitored through performance management information.

Staff engagement

28. Our latest staff survey (July 2016) puts our overall staff engagement score at 52%⁴. While this is up from 49.6% in 2015, we are clear there is still some way to go to meet our ambitions for the organisation.
29. We are starting to see the impact of some of the things we are doing differently: 19% more staff than in last year's survey said that our organisation wide communications were good, and 42% more staff thought that different parts of the organisation worked well together. These improvements reflect work we have undertaken to improve how we communicate and work collaboratively across the organisation. For example, we have introduced more frequent and varied communications with staff and have used cross-team working to produce the 2016-17 corporate business plan.
30. While we are moving in the right direction, we know that we need to do much more. The scores on staff confidence in our Executive Team are particularly low. Members of the Executive Team are personally committed to addressing this - our main focus this year is to improve the visibility of senior managers and to engage in meaningful dialogue with staff at all levels about the changes we are making.
31. There are now more opportunities for managers and staff to engage face to face with senior colleagues and the Executive Team:
- We are involving staff in the development of our new operating model and drawing on the day to day experience of our caseworkers - a more collaborative approach to change.
 - A new weekly email update from the Executive Team explains the rationale behind decisions, and a new weekly email update from the Chief Executive gives her reflections on her working week.
 - We are embedding a 'you said, we did' approach across the organisation - a commitment from senior management to seek, listen and respond to staff feedback and be clear on what action has been taken as a result.

⁴ For the full staff survey results, see <http://www.ombudsman.org.uk/about-us/publications/2016-staff-survey>

- We are strengthening our staff Engagement Champions Network to provide input into how decisions are communicated and play a lead role in the follow-up to the staff survey by making sure the Executive Team are focusing on the right things and understand what's behind the results.

Workforce planning

32. Improving the timeliness of our service, managing increased demand and reducing spending have all informed the development during 2016 of capacity modelling tools to align the expected demand for our service and our staffing requirements, enabling more robust workforce planning.

Casework and knowledge management

33. During 2015-16 we developed a new casework management system which is currently being rolled out across the organisation. This will increase both the efficacy and efficiency of managing casework for our staff. In the longer term, it will enhance our knowledge management and the insight we can make available to public services and PACAC.

Target Operating Model

34. During 2016 we have been developing a new 'target operating model' to improve operational productivity as part of achieving our 24% budget savings. This has been approved by the Board in principle and we are now working with staff on the detail.

Conclusion

35. Three years after launching our new strategy, we have made significant progress in achieving more impact for the public and introducing a more people focused service. We have more work to do to implement a new operating model and to ensure long-lasting improvements to our systems, processes and controls and our staff engagement.

36. Realising our vision of a modern public ombudsman service will also require legislative change. We want to see a streamlined ombudsman service covering public services in England and non-devolved UK public services. Such a service should have modern governance arrangements, be accessible for everyone and have powers to investigate and recommend remedy for the most vulnerable members of our society. We are hopeful that legislation will be introduced soon to implement these changes and look forward to working with the Committee to realise this vision.