



Three Year Strategic Plan
2009–12

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Foreword

Every year we review and refine our Three Year Strategic Plan. We reflect on changes in the external environment in which we work and developments within the business so that the plan continues to act as an effective tool for driving improvements in the service we provide to the public.

This year, our review concluded that our strategy would remain fundamentally unchanged with the same long-term aim and vision, underpinned by our core values of excellence, leadership, integrity and diversity. Our strategic objectives remain the same.

During 2008–09 we were focused on preparing for a major development in the complaint handling landscape of this country with the launch of the new health complaint system. The new system focuses on local resolution so that people can have their complaints dealt with more quickly and effectively and that learning from complaints can take place where it most needs to, within the Health Service. With the abolition of the Healthcare Commission as a secondary stage, people who have a complaint which is not dealt with properly at local level will be able to bring their complaint direct to my Office.

We have worked closely with the Healthcare Commission and Department of Health to deliver a smooth implementation of the new system. We ourselves have prepared thoroughly for this challenge, opening a new office in Manchester and recruiting and training new staff so that we can give complainants an excellent service.

While my Office has always been the final stage for complaints about the health service and has in-depth experience of this work, the new system promises a more direct relationship both with complainants and the health service. This should enable an effective transfer of learning from complaints about health at a more strategic level and we are working with partners in the field to ensure that this will make a real difference to the quality of health care that people receive.

To ensure that we are able to capture and share learning from complaints we need to continue to develop our capacity in this area. In particular we are developing our knowledge management to support both our parliamentary and health work.

Core to the work of my Office is a body of staff who are supported to deliver the service – from initial contact through assessment to investigation. During 2008–09 we agreed a new People Strategy which clearly articulates the deal we have with our employees so that they are able to deliver an excellent service and feel truly valued for the excellent work we do.

Underpinning our work is an effective performance management system based on a balanced scorecard of performance indicators, including ten 'Key Performance Indicators', against which we monitor and report on our success in delivering our strategic objectives and our enabling objective.

In summary, we continue to focus on the needs of our customers and the core of the Strategic Plan has proven its worth in delivering benefits for them. It is always important to remember what has not changed. The statement of my role as Parliamentary and Health Service Ombudsman remains, as do our core organisational values of excellence, leadership, integrity and diversity, strengthened by our commitment to the *Ombudsman's Principles*.

Delivering our objectives will be challenging, but I believe that they are framed with the necessary clarity and realism and look forward to working with all of my staff to achieve them.

Ann Abraham

Parliamentary and Health Service Ombudsman
15 July 2009

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Role, vision and values

The Office of the Parliamentary and Health Service Ombudsman (PHSO) exists to:

Provide a service to the public by undertaking independent investigations into complaints that government departments, a range of other public bodies in the UK, and the NHS in England, have not acted properly or fairly or have provided a poor service.

Our aim and vision is:

To provide an independent, high quality complaint handling service that rights individual wrongs, drives improvements in public services and informs public policy.

Our values shape our behaviour, both as an organisation and as individuals working in PHSO, and incorporate the *Ombudsman's Principles*.

Excellence

We pursue excellence in all that we do in order to provide the best possible service:

- we seek feedback to achieve learning and continuous improvement;
- we operate thorough and rigorous processes to reach sound, evidence-based judgments; and
- we are committed to enabling and developing our staff so that they can provide an excellent service.

Leadership

We lead by example so that our work will have a positive impact:

- we set high standards for ourselves and others;
- we are an exemplar and provide expert advice in complaint handling; and
- we share learning to achieve improvement.

Integrity

We are open, honest and straightforward in all our dealings, and use time, money and resources effectively:

- we are consistent and transparent in our actions and decisions;
- we take responsibility for our actions and hold ourselves accountable for all that we do; and
- we treat people fairly.

Diversity

We value people and their diversity and strive to be inclusive:

- we respect others, regardless of personal differences;
- we listen to people to understand their needs and tailor our service accordingly; and
- we promote equal access to our service for all members of the community.

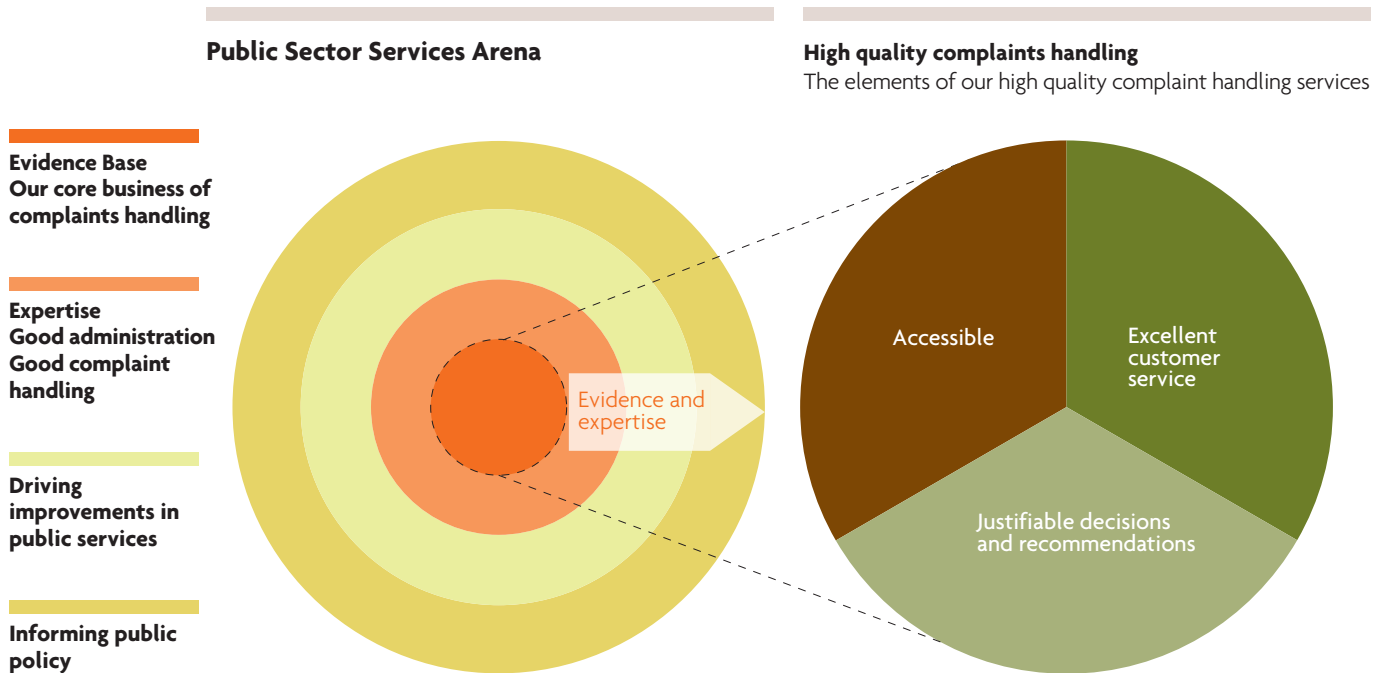
2 Strategic objectives: 2009–12

The work of PHSO has a dual aspect: individual benefit through our core business to complainants and others who have suffered as a result of maladministration or poor service; and the provision of a wider ‘public benefit’.

This wider public benefit stems from the effective use of our evidence base and our expertise in providing a high quality complaint handling service, together with an acknowledged reputation for independence and impartiality. This enables us to provide expertise in good administration and good complaint handling; drive improvements in public service delivery; and inform public policy.

This approach recognises that the purpose of PHSO is not just to provide a retrospective remedy for injustice resulting from maladministration, but also to act with a view to securing prospective improvements in the wider public interest.

We must also recognise that there are various stages of influence in the wider public sector arena, and that it is through a joint focus on our core business and a sound external relations strategy that we will enable our influence to spread. This dual aspect of the work of PHSO (internal and external) is demonstrated in the following model:



The model clearly shows our two strategic objectives. These are described below, together with a description of the measurable outcomes that we will use to demonstrate success in meeting those objectives.

Individual benefit

Strategic objective 1

To provide an independent, high quality and accessible complaint handling service that rights individual wrongs

Outcome

- People who need us come to us at the right time for the right reason
- Excellent customer service
- Our decisions are clear, soundly-based and impartial
- Good outcomes for enquirers and complainants are achieved as a result of our interventions and our investigations

Public benefit

Strategic objective 2

To drive improvements in public services and inform public policy

Outcome

- We are recognised as the authority on good administration and good complaint handling
- Bodies in jurisdiction apply our *Principles* in the design and delivery of public services
- Improvements in public services are secured as a result of our reports and recommendations
- Specific policies are informed by our work

Good management of the business and of people is a key objective of any organisation and is at the heart of enabling successful delivery of our strategic objectives. We have summarised this in what we describe as our 'enabling objective', together with the measurable outcomes we will use to demonstrate success in this area.

Enabling objective

To equip our people with the skills, knowledge, systems and resources to deliver our strategic objectives

Outcome

- We effectively manage our business and our financial resources to secure maximum benefit
- We have a well-led, diverse workforce with the motivation, capability and capacity to deliver. We live our values and meet or exceed our corporate statutory responsibilities
- We are effective in sharing our knowledge and in managing our information
- We have effective and efficient systems and a positive working environment

Each year we review our business priorities to ensure that we can make demonstrable progress towards delivering our strategic objectives. These priorities can be found in our published annual Corporate Business Plans and they provide the framework and structure for the activities and deliverables in those plans.

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Measuring success

We have developed a range of performance measures and indicators that provide a performance framework – a ‘balanced scorecard’ that is specific to PHSO’s needs and which will:

- support decision making at a strategic and tactical level; and
- provide a monitoring and review process to demonstrate ongoing progress towards the achievement of our annual business targets, and our strategic aims and objectives set out in this Plan.

Under the performance framework, the management of PHSO will receive monthly and quarterly reports focused on core business performance and the ongoing management of the business, with a more detailed analysis of the strategic position of the organisation being provided on an annual basis.

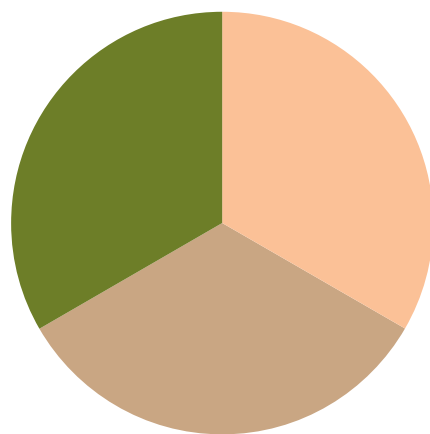
PHSO’s balanced scorecard is based on a range of measures and indicators that assess our performance in three key areas: delivery of individual benefit to complainants; delivery of public benefit; and the effective and efficient management of our business.

The assessment of the achievement of outcomes through associated performance indicators (PIs) will give a balanced view of our strategic performance and achievements over each successive year. Of these, ten have been designated as more significant ‘Key Performance Indicators (KPIs)’. Our indicators are set out in the following tables (KPIs are marked ●, PIs are marked ■):

**Strategic objective 1:
Individual benefit**

Outcome	Performance indicator
People who need us come to us at the right time for the right reason	<ul style="list-style-type: none"> ● Public awareness of our service ● Comparisons of demographic profiles ■ Proportion of premature, out of time and out of remit enquiries
An excellent customer service	<ul style="list-style-type: none"> ● Performance against customer service standards ■ Performance on complaints about our service ● Customer service satisfaction ratings
Our decisions are clear, soundly-based and impartial	<ul style="list-style-type: none"> ■ Outcome of legal challenges (applications for judicial review) ■ Outcome of judicial reviews ■ Performance on complaints about our decisions ● What enquirers and complainants say about our decisions ■ What bodies in jurisdiction say about our decisions
Good outcomes for enquirers and complainants are achieved as a result of our interventions and our investigations	<ul style="list-style-type: none"> ■ Percentage of interventions with a positive outcome for the complainant ● Percentage of recommendations accepted ■ What complainants say about the outcome of our interventions and investigations

PHSO's balanced scorecard



Delivery of individual benefit

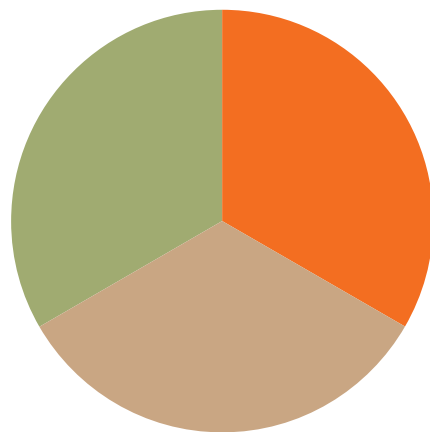
Delivery of public benefit

Effective and efficient leadership and management of PHSO

**Strategic objective 2:
Public benefit**

Outcome	Performance indicator
We are recognised as the authority on good administration and good complaint handling	<ul style="list-style-type: none"> ■ Extent of recognition of authority on good administration by bodies in jurisdiction ■ Extent of recognition of authority on good administration by the 'wider community' ■ Extent of recognition of authority on good complaint handling by bodies in jurisdiction ■ Extent of recognition of authority on good complaint handling by the 'wider community' ■ Public profile statistics
Bodies in jurisdiction apply our Principles in the design and delivery of public services	<ul style="list-style-type: none"> ■ Bodies applying our Principles
Improvements in public services are secured as a result of our reports and recommendations	<ul style="list-style-type: none"> ● Impact of our reports and recommendations
Specific policies are informed by our work	<ul style="list-style-type: none"> ■ Public policies informed by our work

PHSO's balanced scorecard



Delivery of individual benefit

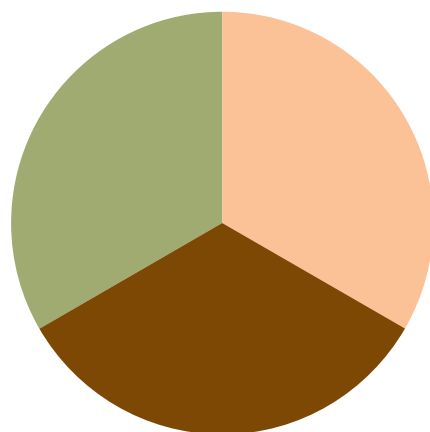
Delivery of public benefit

Effective and efficient leadership and management of PHSO

**Enabling objective:
Effective and efficient leadership and management**

Outcome	Performance indicator
We effectively manage our business and our financial resources to secure maximum benefit	<ul style="list-style-type: none"> ■ Audits of financial accounting and reporting systems ■ Financial performance measures ■ Value for money audits ● Audits of our governance
We have a well-led, diverse workforce with the motivation, capability and capacity to deliver high performance	<ul style="list-style-type: none"> ■ Investors in People accreditation ● Engagement index from the staff survey ■ Comments from the staff survey ■ Workforce statistics ■ Performance management assessment ● Diversity of our workforce
We are effective in sharing our knowledge and in managing our information	<ul style="list-style-type: none"> ■ ICT performance statistics ■ Effectiveness of the working environment ■ Case management system performance
We have effective and efficient systems and a positive working environment	<ul style="list-style-type: none"> ■ Public policies informed by our work
We live our values and meet or exceed our corporate statutory responsibilities	<ul style="list-style-type: none"> ■ Compliance with our statutory responsibilities ■ Values (incorporating the <i>Ombudsman's Principles</i>)

PHSO's balanced scorecard



Delivery of individual benefit

Delivery of public benefit

Effective and efficient leadership and management of PHSO

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Governance and risk management

The Parliamentary and Health Service Ombudsman (the Ombudsman) combines the two statutory roles of Parliamentary Commissioner for Administration and Health Service Commissioner for England, whose powers are set out in the *Parliamentary Commissioner Act 1967* and the *Health Service Commissioners Act 1993* respectively. The Ombudsman is solely responsible and accountable for the conduct and administration of all work carried out by the Office and for the decisions made in each case.

The PHSO Advisory Board

To enhance the governance of this Office, improve the transparency with which it operates and bolster the independence of the role, the Ombudsman has appointed a non-statutory Advisory Board. This comprises the Ombudsman herself (as Chair and Chief Executive in line with her statutory accountability), and four non-executive external members who bring an external perspective to the Office's work. With the exception of another Ombudsman as a member, all PHSO Advisory Board members are appointed through a process of fair and open competition. In addition to the Ombudsman, the other members of PHSO's Executive Board are also in attendance at the Advisory Board.

The role of the Advisory Board is to act as a 'critical friend', to provide support and advice to the Ombudsman in providing leadership and good governance of PHSO and to bring an external perspective to assist in the development of policy and practice. The Advisory Board provides specific advice and support on:

- purpose, vision and values;
- strategic direction and planning;
- accountability to stakeholders, including stewardship of public funds; and
- internal control arrangements and risk management arrangements.

The PHSO Advisory Board has two formal sub-committees – an Audit Committee and a Pay Committee – which have key roles in supporting the effective governance of PHSO. The Audit Committee is comprised of an external Chair, two further external members and the Ombudsman. The Committee is responsible for providing advice and assurance on the Office's internal control arrangements as evidenced by the Office's audit programme. The Pay Committee is comprised of the Ombudsman and two of the Advisory Board members, and provides advice on the Office's pay arrangements and determines the pay of senior staff.

Executive Board

An Executive Board – chaired by the Ombudsman and including the Deputy Ombudsman, Deputy Chief Executive and the Director of Communications and Policy – exercises management of PHSO's functions and activities. The Executive Board is responsible for the delivery of PHSO's strategic vision, policies and services to the public and other stakeholders.

The Executive Board meets regularly and is responsible for co-ordinating activity across the organisation. It is the primary forum for making executive decisions about operational, resource, communications and other administrative matters in order to deliver the Business Plan, and for monitoring performance. The role of the Executive Board in decision making carries with it a recognition that, on occasion, there will be some issues for which the decision maker must be the Ombudsman alone.

Governance

The Office's Governance Statement sets out the basis on which the Office of the Parliamentary and Health Service Ombudsman (PHSO) has been established, the way in which it is governed and managed, and how it is accountable for what it does.

The Governance Statement can be found at:

http://www.ombudsman.org.uk/about_us/governance/governance_statement.html.

Risk management

The risk management framework sets out the Office's risk policy, risk appetite and management approach. The framework is based around simple, non-bureaucratic processes reflecting best practice. The key aim is to encourage staff at all levels to identify and respond to risks in a positive way, which supports effective delivery, innovation and improvement – within a systematic framework of analysis, evaluation and review.

The full risk management framework is available on request.

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Resources

On 12 April 2007, HM Treasury sanctioned PHSO's next three year funding settlement, which covers the period 2008–09 to 2010–11. The settlement provides for annual net resources of £24.026 million and capital investment funding of £1.600 million per annum. In addition, under End-Year Flexibility arrangements, PHSO can utilise resource and capital underspends from previous years; the value of these reserves for 2009–10 will not be confirmed until the 2008–09 Resource Account has been laid before Parliament in July 2009.

In 2008 PHSO sought to reopen the three year settlement for the years 2009–10 and 2010–11. This was to allow for additional resources required to address increases in caseload arising as a consequence of the *Health and Social Care Act 2008*. Under this Act, the then three stage NHS complaint handling system would be replaced from 1 April 2009 with a two stage system following the abolition of the Healthcare Commission. On 26 March 2009 HM Treasury ministers sanctioned for 2009–10 additional net resources of £10.200 million (bringing the annual net resource requirement for 2009–10 to £34.226 million) and a further £0.500 million capital. Discussions on PHSO's requirement for 2010–11 continue.

PHSO received a 'flat-cash' settlement for the period 2008–09 to 2010–11, which means that, other than for the specific increases to address pressures arising from the consequences of the *Health and Social Care Act 2008*, salary and other inflationary pressures will be met through savings, rather than being funded through taxation.

We remain committed to managing our resources effectively and to securing good value for money through sound and appropriate financial and governance arrangements. At the same time, we seek to be responsive to changes in demand for our services. In allocating budgets across PHSO our aim has been to ensure that we support the achievement of our strategic and business objectives. Specifically, we will:

- operate within the public funding sanctioned by HM Treasury and approved by Parliament;
- closely monitor the use of our resources and implications of changes to our workload over the year;
- effectively manage financial pressures and risks to achieving our business objectives, through reallocation and utilisation of contingency arrangements where necessary and discussing with the HM Treasury at an early stage any major new demands requiring additional resources;
- ensure that we make sound and cost-effective investment in new technology, systems and infrastructure which support improved customer service in the future; and
- invest in our staff development.

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