

Housing

Ombudsman Service

Commercial Strategy

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Welcome to the Housing Ombudsman’s Commercial Strategy which outlines our commercial strategic aims, how we will achieve them and how we will know that we have been successful.

The audience for this strategy is primarily HOS’s senior leaders, its staff and key stakeholders. Our commitment and aspirations for the next three years will be communicated to the public through the publication of our Business and Corporate plans via a variety of channels so they know what to expect from us and can hold us to account.

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Introduction

Our current financial circumstances are healthy. We are funded from landlord member subscriptions and our sponsor Department has authorised a significant uplift in our subscription fee ceiling until 2025 to enable the Service to continue to deliver for the public and for our members. However, we are aware of the continued financial pressures faced by both local authorities and housing associations.

All members are facing numerous budget pressures including inflation, maintaining aging stock, compliance with building safety and reaching net zero carbon emissions. As part of our 2022 -25 Corporate Strategy we have recognized that it is incumbent on us to deliver value for money whilst achieving the aims set out in our 3-year Corporate Plan.

Our commercial goals are to become more commercially focused, developing strength and depth in our activity and creating commercial returns which underpin the delivery of our crucial core services.

This Commercial Strategy aligns closely with other key strategies including the Medium-Term Financial Strategy, Transformation programme, capacity and volumetric planning , IT & Digital Strategies and incorporates our subscription fees Policy and our Procurement framework.

Through this strategy, the Organisation is signalling an intention to enter a new phase of commercial growth. We will work with our strategic supply partners who share our ambition and values, and we shall continue to put the best interests of our members and customers at the heart of everything we do.

Strategic programmes & Priority Outcomes 2022-2025

- Deliver a Centre for Learning
- Raise Awareness of our service
- Support efficient local resolution within Landlord processes

Key Enablers

- Digitise appropriate services
- Develop our employer Brand

Priority Themes 2022 -2025

- Taking an IT long term view to our delivery approach for our customers
- Developing intelligent use of forward-looking data to deliver insights
- Developing a highly skilled workforce that works in the ways that matter to customers
- Developing strength and depth in our commercial practices

Commercial Vision

Our commercial vision is to develop a range of commercial activities which deliver a value for money return by becoming an organisation which uses its assets and skills to support delivery of our core services for those who need it.

Our ability to deliver this vision will depend on a number of external and internal factors including how well we use our powers and delegations within Dispute Resolution to drive inhouse outcomes; securing continuing or new strategic supply arrangements; our capacity to implement change effectively; and capitalising on opportunities as they arise.

In this strategy, commercialism includes:

- maximising value for money from contractual relationships.
- making robust decisions on a consistent basis with evidence and a sound business case.
- thinking about the return on investment for every pound we spend.
- collaborating with our strategic supply partners to develop alternative models for greater return.
- maximising use of our income

We shall adopt a commercial approach which promotes creative thinking, robust consideration of options, limits risk and foster a collaborative relationship with the business.

Governance, management and performance of new commercial contracts will continue to be robust to ensure that we adhere to our statutory responsibilities and that public money continues to be appropriately used and accounted for.

Commercial Themes

This strategy applies whenever we spend money with external suppliers, enter into or manage our commercial arrangements, or make a commercial decision. Whilst the Finance & Procurement function will lead on delivery, it will work in partnership with all service teams across the organisation and externally with supply partners. The 2022-25 Commercial Strategy prioritises three themes for this period:

Contract management, and procurement

- Short term focus on contract re-negotiations, and contract management.
- Social Value generation - approach to procurement and management of supply relationships
- Increase benefits realisation by pursuing post contract innovations and minimise leakage

Contribution and funding

- Develop a clear view of baseline position of all commercial activities particularly ROI.
- Ensure that income from subscription fees is optimised.

IT Investment

- All IT spend decisions should focus one of the following:
- Invest to save - for example, proposals to introduce new technologies which increase efficiencies and/ or reduces resource demand
- Invest to improve service provision to the public - for example, proposals that will raise service awareness and service access for those that need it.

Commercial Objectives

Objectives

The Organisation's Commercial Strategy identifies a number of key objectives that are directly linked to commercial activity;

- An overarching increase in return from commercial activity to support delivery of core services
- A reduction in spend across contracted activity wherever possible; "more for less"
- An embedded commercial culture across the organisation

Measures of success (KPIs)

These objectives will be measured in a number of ways via the Finance and Performance Report;

- Procurement delivery/contract management meets business objectives and validated by Business owners
- Procurement and Contract savings are identified and tracked
- (%) of eligible workforce who have completed commercial & contract management training

Appendices

1.1 Business Case Methodology

To ensure that commercial return is optimised and that public money is appropriately used, it is crucial that decision making is robust and consistent and is always based on a sound business case. The methodology which will be used to develop business cases for all commercial proposals will be taken from HM Treasury guidance on how to appraise and evaluate policies, projects and programmes – known as ‘The Green Book’.

Business cases will always reflect financial value AND social value and will be built on Five Case Model Methodology which is applicable to programmes and projects and comprises of five key areas:

- **The Strategic Case:** makes the case for change and demonstrates how the project will deliver against strategic priorities.
- **The Economic Case:** shows that the project will deliver best public value (financial and social) to society.
- **The Commercial Case:** demonstrates that the preferred option will result in a well-structured deal between the Ombudsman and its providers.
- **The Financial Case:** demonstrates the affordability and funding of the preferred option, including the support of stakeholders and customers.
- **The Management Case:** details robust arrangements for the delivery, monitoring and evaluation of the project.

<https://www.gov.uk/government/publications/the-green-book-appraisal-and-evaluation-in-central-government>

1.2 Commercial Assets

The Organisation has a number of assets which can be classified as:

- **Workforce:** Using the knowledge and skills of our workforce to create & deliver commercial value
- **Infrastructure:** Using/developing infrastructure assets such as digital platforms and IT highways
- **Business intelligence:** Using our vast amount of business and service data intelligently to create new commercial opportunities and better service delivery models.
- **Supply relationship:** Using and selecting the most appropriate strategic partner to deliver the organisation’s objectives
- **Data intelligence:** Using our commercial and business data to inform strategic decision making and to build robust and sensible specifications for key procurements

1.3 Social Value

Housing Ombudsman has published its approach to Social Value generation with its third party suppliers and this policy can be found on our website @ [Housing-Ombudsman.org.uk](https://www.housing-ombudsman.org.uk)

This strategy aligns to our published objectives in our current 3-year corporate plan and is intended to support our accountability aims in transparent public sector expenditure.