On the cusp of change:  
The future of housing management in London

Cross-sector social housing research
First stage:  September 2016
## Contents

Executive summary ............................................................................................................. 3

1. Introduction ..................................................................................................................... 5

2. Research Methodology ................................................................................................. 5

3. Findings .......................................................................................................................... 6
   3.1 Impact of government policy ..................................................................................... 6
   3.2 The Customer Service Offer .................................................................................... 8
      3.2.1 Reviewing the customer service offer ................................................................. 8
      3.2.2 Customer Satisfaction ....................................................................................... 10
      3.2.3 Offers by Customer type/product ..................................................................... 11
      3.2.4 Digital Offer ..................................................................................................... 11
   3.3 Improving service efficiency .................................................................................... 12
      3.3.1 Reviewing Customer Service Models ................................................................. 12
      3.3.2 Digital Service Delivery .................................................................................... 14
      3.3.3 Resident involvement ....................................................................................... 16
      3.3.4 Staff competencies, recruitment and training ..................................................... 17

4. Conclusions .................................................................................................................... 18
Executive summary

Key findings

This research, completed between February and July 2016, provides a ‘snapshot’ of how thirty social landlords in London are responding to the ‘perfect storm’ of rent reductions, continuing welfare reform, extended Right to Buy and (for authorities) the threat of forced asset sales. The landlords interviewed represent a cross section of authorities, ALMOs and housing associations working in the capital.

All landlords are continuously reviewing their budgets and housing management, one of the biggest spend areas, is under particular scrutiny. Every landlord interviewed is looking at ways of delivering housing management services at lower cost.

Another trend – a broadening of the customer base to include a greater proportion of shared owners and intermediate renters - is impacting on housing associations in particular.

Associations are deliberating on how their approach to customer service needs to change to reflect the multiple service offers they are making available.

The third significant development, the effective withdrawal of under-funded councils from adult social care, is also shaping the housing management service of the future as landlords consider what they can do to support an ageing tenant population.

It is no surprise, then, that the majority of landlords in this study are reviewing their ‘offer’ to existing tenants and other customers. Few of these providers have moved beyond the ‘thinking stage’ as yet and some are encountering practical difficulties in moving in a new direction.

However, all respondents recognised that housing management delivery will need to be transformed if service quality is to be maintained in the light of reduced resources. As the tenant offer normally includes reactive repairs, the transformation plans often couple management and maintenance.

In essence, the key elements of this new customer offer are:

- Channel shift from traditional forms of contact to digital engagement
- Greater clarity around landlord and tenant responsibilities, sometimes coupled with a desire to reduce customer ‘dependency levels’
- Reduction in the scope of the service being offered
- Increased targeting of service resources towards residents with multiple complex needs

Channel shift, mobile working and the use of new digital media are commonly cited as a means to simultaneously reduce transaction costs and make service delivery more transparent to the customer. In this context, some local authorities are better prepared than others and a long way ahead of most housing associations. Although there has (rightly) been much public debate on how to support ‘digitally excluded’ residents, the inflexibility of existing housing management/maintenance/finance systems, the inadequate state of most landlords CRM’s and the consequent lack of ‘clean good quality and up-to-date’ back-end data are of equal concern. In simple terms, providers can build a great digital service environment but if the fulfilment of service expectations fails due to poor quality data then the digital transformation will fail.

Increasingly, landlords are recognising the importance of quality data on service delivery and, in particular, on customers. As a result, there is increasing investment in ICT staff and data analysts.
Where providers are seeking to engender greater clarity in respect of landlord/tenant responsibilities, the primary aim is to reduce the level of service demand by either withdrawing from non-statutory repairs or to ‘nudge’ residents towards taking greater responsibility for their own problems. One landlord, for example, had reduced ASB demand by 20% by clarifying what it will/will not get involved in.

In some cases, however, landlords are either delaying planned maintenance costs often through ‘component replacement re-profiling’ or (in a minority of organisations) consciously withdrawing from non-core services such as resident involvement, community engagement or ASB. Most providers are increasing housing management patch sizes or restructuring to make their operations more commercial. However, as yet, few are ready to adopt the shift from ‘social landlord focus’ to ‘property portfolio focus’ that their more radical peers are seeking to adopt.

Many organisations were reviewing the overall role of the housing officer. This is particularly pressing for those associations with a significant social care portfolio or a high proportion of elderly residents – where a mix of management and care skills are required. In general, it is proving very hard to find employees with this breadth of skill and one association has concluded that it needs to ‘twin’ housing and care-focused staff at a neighbourhood level.

**Next steps**

This is merely ‘snapshot research’ – commissioned by HouseMark to ascertain the current position and determine whether there would be interest in a more ‘in depth’ research project.

We holding an event in London on 8 October - involving the participants in the research plus other social landlords – to:

- explore priorities for further research and how it might be funded
- hear from the leaders of organisations which are developing distinctive new models for housing management

An invitation to this event is attached to the email containing this report.
1. **Introduction**

This HouseMark research into the *Future of Housing Management* amongst social landlords has the following objectives:

- Understand the impact of government policy on resources for housing management
- Collate the sector’s emerging response in terms of service delivery and the customer offer
- Capture intelligence, trends and innovation which we could disseminate to members to support work programmes
- Gauge potential sector interest in further on-going research

2. **Research Methodology**

This research study is a snapshot, undertaken between February and July 2016, of where organisations are at with housing management services at this point in time and what they are planning to do going forward.

The research was carried out by a HouseMark Consultant, Neha Sawjani, who has worked within social housing for over 10 years within the policy, performance and research field.

Organisations were interviewed using specific lines of enquiry around key themes:

- Impact of government policy
- The customer service offer
- Improving service efficiency

Contributors were largely senior staff consisting of CEOs, Housing Directors and senior members of Policy teams. The study was conducted in confidence to allow honest contributions to be put forward. Case studies highlighting specific examples from organisations have been showcased with their agreement.

The research focused on the London region, involving thirty social landlords - thirteen local authorities (LA) /ALMOs and seventeen housing associations.

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<thead>
<tr>
<th>Local Authority/ALMO</th>
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<tr>
<td>Barnet Homes</td>
<td>Amicus Horizon</td>
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<td>Homes for Haringey</td>
<td>Catalyst Housing Association</td>
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<tr>
<td>London Borough Croydon</td>
<td>Circle</td>
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<td>London Borough of Brent</td>
<td>Croydon Churches Housing Association</td>
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<tr>
<td>London Borough of Ealing</td>
<td>East Thames Homes</td>
</tr>
<tr>
<td>London Borough of Enfield</td>
<td>Family Mosaic</td>
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<td>London Borough of Hackney</td>
<td>Genesis Housing Association</td>
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<tr>
<td>London Borough of Hounslow</td>
<td>Islington and Shoreditch Housing Association</td>
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<td>L&amp;Q</td>
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<td>Metropolitan Housing</td>
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<td>London Borough of Wandsworth</td>
<td>Network Housing</td>
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<td>Royal Borough of Greenwich</td>
<td>Notting Hill Housing Trust</td>
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<td>Sutton Housing Partnership</td>
<td>One Housing</td>
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3. Findings

3.1 Impact of government policy

The majority of social landlords are maintaining financial viability despite the fiscal challenges they are facing. Some nineteen organisations, primarily housing associations, said that the 1% rent cut had not had a major impact on day to day business due to the financial strength of their organisation. Others are still modelling the full impact of the cut. The financial impact of the 1% rent cut ranges from £11 million to £60 million lost income over the four year period for housing associations and ALMOs. For local authorities, the impact ranges from £19 million to £100 million lost income over the four year period.

However, the rent cut, combined with future uncertainty, is forcing all social landlords to become leaner and focus more heavily on the minimising cost and maximising revenue than ever before. Organisations want to ensure that any further cuts are absorbed without detriment to services. All organisations were having to conduct a root-and-branch review of budgets. Even where organisational finances are strong, the rent cut has prompted an increased focus on efficiency.

One authority cited that, historically, the housing service had been inefficient the current fiscal challenges presented a positive opportunity to tackle this issue. More typically, another authority said that although it had been driving efficiency through the Housing Revenue Account (HRA) for a number of years, the impact of the cuts had taken them back to the starting point.

The impact of the Voluntary Right to Buy on associations, the sale of high value council assets on authorities and further welfare reform are all is largely unknown and will need to be further modelled.

Some landlords are treating these fiscal pressures as an opportunity to undertake, in their view, a long-overdue transformation of frontline housing management services. Across the board, there is an appetite to cut waste, re-engineer service delivery, innovate and modernise services.

Of course, the re-engineering of housing management is far from the only landlord response to current financial pressures. The focus here is on direct management changes which impact the delivery of housing management. This report does not cover other initiatives such as asset management and mergers.

A number of corporate measures are being taken to increase efficiency and reduce operating costs.

Organisational

- Associations consolidating group structures
- ALMOs being brought ‘in house’ in some cases
- Merging teams and departments to reduce overheads. For example, some authorities are merging housing with adult care or social care or environment or communities departments in response to the tighter financial framework.
**Finance**

- Setting tough budgets – either reducing budgets or freezing them for four years
- Not filling vacant posts
- Reducing the number of agency staff – one authority is looking at setting up its own recruitment agency to save costs
- Increased focus on procurement efficiency and cost reduction
- One authority spoke of outsourcing caretaking and estate services to reduce costs

**HR/Personnel**

- Freezing pay, reviewing staff terms and conditions, reducing benefits
- Closing offices
- Restructuring staff teams to reduce headcount
- Reducing number of management posts

**Commercial activity to increase revenue**

- Setting up services that can generate income, such as facilities management and ground rent companies. A small number of organisations talked about commercialising services to market for sale/profit. For example, one authority is proactively generating ICT investment by selling ICT services to another local authority and other local organisations. One association is hoping to sell extra bulk rubbish collection and handyman service to customers and employment and training, HR, audit and finance services to smaller landlords.

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### The Barnet Group

**Embracing a Commercial Approach**

The Barnet Group which comprises Barnet Homes (including Let2Barnet), Your Choice Barnet and TBG Flex, was set-up as a local authority trading company in 2012, although Barnet Homes was set up as an ALMO in 2004. Barnet Homes has recently agreed a new 10 year management agreement with the London Borough of Barnet. With around 200 staff, Your Choice Barnet is a specialist social care organisation offering support for more than 350 service users with physical and learning disabilities from six centres, four supported living schemes and activities across the community. Let2Barnet offers a direct letting and private leasing scheme to landlords in Barnet and beyond. In 2015 the Barnet Group established TBGFlex, a recruitment company, in order to directly source staff.

Barnet Homes has been able to demonstrate significant cost reductions over the last four years, whilst also seeing strong increases in customer satisfaction. Frontline services are amongst the best in London, with 2014/15 HouseMark benchmarking exercise with other participating London LA’s and ALMO’s showing Barnet Homes as lowest cost for local authority and ALMOs in London for housing management and repairs and maintenance and top quartile performance for estate services and leaseholder services. Back office cost, however, is where the growth and diversification of the Group structure has had a major impact, with a 46% reduction in overhead costs since 2011. This has all been achieved whilst seeing overall tenant satisfaction increasing to top quartile levels and improving by 8% since 2010.

As part of the new management agreement with LB Barnet, The Barnet Group is in the process of setting up a registered provider called Opendoor Homes as a separate subsidiary of Barnet Homes, to build and own around 500 new affordable homes in the Borough through a £65m on-lending arrangement with the authority.
The Barnet Group has also, on an interim basis, taken over the management of the LB Barnet’s Street scene department - which is responsible for the refuse collection and recycling, street cleansing, parks and open spaces for Barnet’s c400, 000 residents. The Barnet Group is preparing proposals for a permanent transfer of the service in around a year’s time.

In this context, The Barnet Group is exploring the possibility of developing a building and facilities management vehicle that could deliver services to others.

**Operational efficiency**

- Reducing the average cost of repairs. Many organisations are re-procuring responsive repairs contracts or are extending DLO provision.
- Review of repairs offer with an intention to cut back on non-statutory repairs
- Reviewing asset management plans, for example, re-profiling component replacement
- A minority of organisations are working together to share services
- Move to more mobile working
- In terms of the specific focus of this research, the future of housing management, landlords are taking the following initiatives:
  - Review of customer service offers
  - Review of service delivery models
  - Increased focus on service transformation and efficiency
  - Reviewing customer engagement delivery
  - Introducing channel shift
  - Reviewing staff skills - with a focus on culture change and business transformation
  - Increasing investment in ICT and data management

**3.2 The Customer Service Offer**

Most of the landlords interviewed are reviewing their customer service offer – though few have, as yet, made significant changes. Involvement in mergers is constraining the pace of change amongst some associations. In terms of emerging options, no single approach is being adopted. Out of the thirty participating organisations, some twenty three (14 associations, 7 authorities and 2 ALMOs) are in the process of:

- Reviewing current customer offers
- Creating new customer offers
- Delivering existing offers in smarter ways
- Reviewing team structures, roles and responsibilities

**3.2.1 Reviewing the customer service offer**

Many organisations are redefining their relationship with the customer.

Some are planning to establish core and non-core offers, with non-core elements discretionary and/or at extra charge. Essentially, these landlords are seeking to eliminate activity which has become part of the offer as a result of the former inspection regime or simply partly because landlords have been lax at defining the limit of their responsibilities. A few organisations said that they felt that customer’s service expectation levels exceeded those which were available to customers in other sectors including the private rented sector.
Some ten (7 associations, 2 ALMOs and 1 authority) are refusing to fulfil customer requests that fall outside of the tenancy agreement. Significantly, four associations and two ALMOs are considering the elimination of non-statutory repairs from the offer to customers by refocusing and clarifying statutory landlord obligations.

Several organisations are planning to use digital engagement to reduce levels of reliance on the organisation and allow front-line staff to focus more on service delivery. One association, Hyde Group, has specifically stated that whilst it wants staff to be professional and helpful, it is seeking to encourage customer independence through for example, investing in self-serve technology, and creating self-help toolkits and videos.

Most landlords continue to see ASB, complaints management and neighbourhood services as a critical and core part of housing management. However, three providers are clarifying their responsibilities regarding ASB with a view to reducing the quantum of current activity. The Hyde Group has recently published guidelines which set out how the association defines ASB and the criteria that it employs when deciding whether to intervene. The new guidance allows tenants to search by ASB category and offers self-help solutions on how to deal with problems. It also sets out what types of behaviour should just be tolerated, rather than reported. This approach has resulted in a reduction of 20% in requests for assistance from the landlord.

At greater risk are housing plus services such as gardening schemes, financial inclusion, community investment and employment and training. Three associations and one ALMO are actively reviewing the ongoing viability of these services and many others are expected to do so.

A few organisations are hoping to maintain these services by repackaging them for sale to other landlords and commercial partners, with profit from commercial activity cross-subsidising overall service viability.

However, in complete contrast, a small number of landlords said that they are increasing investment in these non-statutory services as ‘healthy and happy’ customers cost the landlord less in the longer term.

For instance, Family Mosaic has carried out extensive research around linking the housing offer with health services to increase the wellbeing of its ageing customer base.

**Case Study: Family Mosaic**

**Housing and Health**

Family Mosaic believes that housing services need to be aligned with health services and council social services to address links to care and support, employment, training and health. Accordingly, it invested in Health Begins at Home, a three year research project in conjunction with the London School of Economics. The study was the first in the social housing sector to use a randomised control trial (RCT) to test the effectiveness of interventions – in this case to improve the health and wellbeing of a sample group of general needs residents aged over 50.

This pilot was carried out amongst general needs customers as data showed that the overall tenant population is largely ageing. The aim of the pilot was to sign-post residents to local floating support and other services to ensure complex needs were also being met. However, the pilot demonstrated that Family Mosaic needed to restructure its housing management operation to foster better links with local support services if the strategy was to be successful. After three years of research, Family Mosaic found that Health Begins at Home project had a positive impact on their residents’ health and, at the same time, reduced NHS usage, particularly in planned hospital appointments. This was as a result of partnership working with NHS and the close links established between housing and health stakeholders such as Public Health Islington, Public Hackney and City and Hackney Clinical Commissioning Group.
Family Mosaic estimates that if they provided these interventions to all residents aged over 50 it could result in a reduction in NHS usage equivalent to over £3 million a year. Family Mosaic believes there could be over 100,000 people across the UK aged over 50 who are living in social housing with unmet health needs, who need intensive support immediately.

The revised service offer, built on the lessons from the pilot, includes narrowing the range of interventions offered, offering support for a more clearly defined time period and better coordination with existing health services. The Health Begins at Home Project Board includes representatives from local authorities and NHS trusts to foster a collaborative approach.

Family Mosaic is now rolling out a second phase of research and plans to define a business case that works for the landlord, the NHS, and, most critically, its residents.

### 3.2.2 Customer Satisfaction

Customer satisfaction remains a key business driver for most organisations. There is increased use of transactional customer satisfaction surveys – measuring responses at the point of service delivery - to complement bi-annual tenant ‘perception’ studies. A key benefit of transactional surveys, compared to perception studies, is that the data is not anonymous and can be analysed by service area and customer type. Customer access and ease of contact are becoming popular satisfaction measures for some.

However, a small number of organisations commented that current levels of customer satisfaction were satisfactory and they wanted to focus resources on business effectiveness and improving access to services rather than on seeking even higher levels of satisfaction.

#### Case Study: Sutton Housing Partnership

**Improving the customer experience**

Sutton Housing Partnership is using ‘lean thinking’ methodology across all services to create more value for customers in the context of reduced resources. By redesigning the complaints process, SHP has ensured that residents receive high quality, quick and customer-focused resolution in respect of services delivered by SHP and its contractors.

As a consequence, SHP is now resolving complaints in a record low 3.6 working days on average (compared to over 26 days a year ago), member enquiries in just 3.4 days (compared to almost 30 days the year before) and has achieved 100% customer satisfaction with complaint handling and outcome for April and May 2016.

SHP’s customer resolution team now uses software to ensure every letter is produced in Plain English, so that its diverse range of customers can understand what to expect in response to a complaint.

Through in-depth analysis of customer complaints, SHP has already made 37 service improvements to front line services including delivering the need for disability awareness training for staff. SHP has also introduced other initiatives to improve the customer experience:

- ‘Putting It Right flash meetings’ with relevant staff and contractors across different service areas, to agree quickly what can be done to remedy recurring problems
- Real-time performance reporting across the business to improve performance management
Applying similar principles, SHP aims to deliver a highly ambitious Five Year Customer Strategy, ensuring that by 2021 the majority of customer transactions are through a self-service, multi-channel approach.

3.2.3 Offers by Customer type/product

For housing associations, in particular but not exclusively, the range of customers already covers social rent tenants, affordable rent tenants, intermediate rent tenants, shared owners and leaseholders. The proportion of non-social housing tenants is set to increase significantly in coming years.

Leaseholders in particular are a significant part of the customer base with numbers likely to grow through Right to Buy and Voluntary Right to Buy.

With the increased growth of products such as shared ownership and the special relationship that comes with outright sales customers, the needs of these customers’ present different requirements. As a result, the packaging and delivery of the customer offer is under scrutiny.

Essentially, the landlords interviewed are adopting one of two approaches:

- Delivering services in the same way regardless of the type of product or tenure – which we might term ‘tenure/product blind’
- Bespoke – delivering a level of service specifically aligned to the product. For example, a social housing customer may not receive the same type or level of service as a leaseholder

Six associations are providing ‘tenure/product blind’ service offers without plans for varying standards for different customer groups, such as social tenants and leaseholders.

However, most associations are looking to deliver bespoke offers varied by tenure/product type. One association is considering the offer of a core service at a particular price with specific customer groups, such as leaseholders, having the ability to buy an enhanced service at a higher price.

A small number of associations are adopting a more commercial lettings approach. This means providing a consistent and cost-efficient offer which staff are only allowed to vary in exceptional circumstances. The aim is to provide quality services whilst maximising the margin on housing management in order to cross-subsidise new supply.

One organisation spoke of the focus on development of stock for the private sector for outright sale and market rent with minimum growth in social housing.

3.2.4 Digital Offer

Most organisations are planning for ‘channel shift’ – in other words moving away from more expensive transactions such as face-to-face and/or telephone contact engagement by driving more interactions online. The objective of digital service delivery and increased use of new media such as apps is to reduce costs, increase responsiveness and deliver an enhanced customer service experience. Channel shift is a key element of new customer service offers.
Case Study: The Hyde Group

Transforming Services

Well before the 2015 budget, the Hyde Group had already embarked on a new programme of transformation, building on its ‘one-landlord’ service which seeks to offer a consistent service across Hyde’s geographic areas of operation. Hyde’s new model is built on creating easy-to-use landlord services with a target of 80% of enquiries being resolved at first point of contact (up from the current 75%) and with 50-70% of these moving to online ‘self-service’ over the next 12 to 18 months.

As part of the transformation work, the Hyde Group is adopting ‘lean thinking’ service reviews to identify what is needed by customers and the most efficient way of providing it. This preparatory work was considered essential to underpin the new approach to service offers. Of particular note is the way that Hyde is developing and aligning its IT systems to support more effective service delivery.

The Hyde Group has launched a suite of tenure specific Landlord Service Offers; social/affordable rent; shared ownership; leaseholder (outright sale). In doing so, Hyde has clarified landlord and tenant obligations, in order to ensure consistency of service delivery whilst encouraging customer independence. Channel shift to digital is core to the new proposition, and the landlord has delivered relatively quick wins in customer service such as the Hyde App; a new website and access through social media platforms such as Facebook and Twitter – providing digital customers with accelerated service levels to encourage online contact and actively encouraging customers to send photos and videos of housing management and maintenance queries.

The change programme is expected to deliver significant efficiencies and improved outcomes. Overall, it is anticipated that a £9 million investment will create £20 million efficiencies per annum within three years.

3.3 Improving service efficiency

3.3.1 Reviewing Customer Service Models

There is a desire across all organisations to deliver services more effectively:

- Several associations highlighted the need for offers to be delivered more consistently to eliminate duplication of resource and introduce smarter working practices
- To achieve this, some organisations planning to introduce multi-skilled staff on the ground supported by a back-office centre of excellence for complex queries
- Sixteen organisations have already completed or are in the process of reviewing staffing structures to deliver efficiencies

Patch-based housing management continues to be a relevant operating model for a majority of contributors. Twenty nine organisations are currently delivering housing management services using the ‘patch-based’ delivery model, where geographical portfolios of stock are allocated to officers. However, many organisations said that they wanted to deliver the patch based model more intelligently.

The average patch size for most providers is moving from 500-600 to around 750-1200 units per officer. In contrast, two organisations operated low patch sizes ranging in the region of 150-250 units per officer.
Patch delivery is moving towards a mixed-tenure service – for the reasons outlined above— and the role of the housing management officer is evolving.

### Case Study – Notting Hill Housing Trust (NHHT)

**All Together Better (ATB)**

This case study highlights how Notting Hill Housing successfully evolved its approach to patch based housing management and the role of the housing officer and how this is changing yet again.

The All Together Better (ATB) customer service model was introduced in 2010 to address the (then) low customer satisfaction rate of 58% amongst general needs residents.

The ATB model covers all tenure types. Residents access housing management services through a generic housing officer single point of contact. The housing officer deals with lettings, income collection, repairs, ASB, and other tenancy management tasks. Housing officers have small patches of approximately 125 properties and have high levels of delegated authority. The ATB model does not involve specialist teams or a telephone contact centre.

Since the introduction of ATB in 2010, housing management costs have reduced by over 20% to £488 per property (2014/15) and overall customer satisfaction has increased to at 80%. Performance in terms of relet time and arrears recovery has also significantly improved. NHHT run separate businesses for different tenures such as temporary housing, home ownership, private rented sector and support housing. This approach has worked until now but with the majority of schemes now being mixed tenure the approach needs to evolve still further.

Supported housing has now been integrated into general needs housing management in order to secure efficiencies.

ATB has succeeded due to the personal relationship that officers have with residents and has generated many benefits such as enhanced knowledge and data about the property and customer and a better understanding of their needs. This has helped in supporting residents who are vulnerable and/or affected by welfare reform.

NHHT is now seeking to balance this personal approach with commercial thinking – so the landlord has been looking at what residents want and reviewing current housing management processes, challenging them and putting them back together again. The aim will be to automate many processes and move to on-line services. NHHT hopes to maximise take-up of on-line services by incentivising customers to do so. At the same time, NHHT is seeking to free up housing officer time for supporting the most vulnerable. The aim is to be proactive not reactive. Patch sizes may need to change.

Increasing satisfaction is still a key driver, and NHHT wants to provide the best housing service in London. In 2015 NHHT won Customer Service Provider of the Year at the 24 Housing Awards.

To date, only one association is working towards delivering a ‘patchless’ housing management model – AmicusHorizon - though two others are actively considering doing so.
Case Study - AmicusHorizon

No Boundaries – Patchless Housing Management

‘No Boundaries’ is an innovative way of providing housing management services which has been successfully piloted by AmicusHorizon. The approach involves 80% of housing related queries being handled by the central contact centre, supplemented by a programme of proactive housing management which covers estate inspection and tenancy audits plus patchless management for reactive queries based on a customer queuing system. This way of working has proven popular with frontline service staff and has helped to reduce costs by £100,000.

Rather than using a traditional patch model, housing officer resources are pooled across a region and then directed to meet customer demands in the most efficient way. As a service request from a customer comes in, this is be allocated to the next available housing officer who is in the right location to meet this service request efficiently. If customers wish to see a specific housing officer, they can request to do so, although they may have to wait longer.

This model is similar to that used in a GP’s surgery. For example, if a patient wants to be seen urgently they can request an urgent appointment and will be seen by the first available doctor. If their request is less urgent and they wish to see a particular doctor, they can make an appointment for a future date when their preferred doctor is available. AmicusHorizon’s levels of customer data and contact management system allow any housing officer to be able to pick up any customer request and provide high levels of relationship management and service.

3.3.2 Digital Service Delivery

Delivering services through digital platforms and allowing customers to access services on-line is increasing, particularly amongst local authorities and ALMOs. All participating organisations confirmed that channel shift was inevitable for housing management services.

Some six organisations (5 authorities and 1 association) have undergone channel shift for housing management services.

Fifteen organisations (8 associations, 4 authorities and 3 ALMOs) have commenced plans and are working towards channel shift. For the remaining associations, only small steps have been taken on this journey.

It was notable how far ahead some local authorities were of others and of housing associations. Some eight organisations (7 associations and 1 authority) have not yet started planning or working on channel shift.

The research has re-emphasised the importance of ‘clean’, accurate and up-to-date back-office data on operations and customers to enable the shift towards on-line service delivery. Key customer data includes basics such as telephone numbers, household information, and employment status and income levels – yet its availability remains a challenge for many organisations.

Customer profiling is becoming a necessary requirement for all landlords in order that they can target resources towards those who need them most and who are most likely to be ‘digitally excluded’.
A majority of organisations confirmed that increasing data intelligence is a priority task in preparation for channel shift. For those wanting to move towards digital platforms, market segmentation, tailored communications and intelligent data management is vital. Data collection, management and analysis is a major challenge for most organisations. This makes it difficult for many to modernise services and move towards delivering offers on-line.

Some nineteen organisations (13 associations, four local authorities and two ALMOs) said they struggled with data driven modelling and decision-making for the following reasons:

- Lack of robust data management
- Working with outdated systems
- Data migration issues which result from transferring data from old systems or drawing data from disparate systems
- Introducing or upgrading Customer Relationship Management (CRM) systems in order to better manage customer contact and knowledge
- Lack of robust procedures for collecting data and keeping it up to date
- Difficulty in utilising live performance data for operational housing management
- Inadequate staff skill-sets – particularly data analysis capability, data collection and management

There is a clear effort across many organisations to:

- Enhance ICT systems including CRMs
- Bring disparate housing systems together
- Invest in data management

Some organisations are going down the expensive route of purchasing data about the customer and community. Others are actively carrying out routine census exercises to ensure information can be kept up to date. 'Pay to Stay' highlights how difficult it is for housing providers to model the impact of new government policy due to the lack of information on customers - most social landlords do not hold sufficient information about customer income and the number of tenants that have been affected. On the plus side, many organisations cited that property data has improved over the years.

**Case Study - Brent Council**

**Channel Shift Success**

As a result of the financial climate, services and standards are routinely evaluated to ensure that value for money is at the heart of service delivery. A stronger focus on return on investment is in place across all services at LB Brent.

A key example of this is the reduction of customer access in tandem with an enhanced on-line offer to residents, making it easy and convenient for customers to transact with the authority and to digitally-manage their own accounts such as council tax, benefits and rents.

To maximise digital engagement, the Customer Services Centre provides access to self-service PCs for those without internet access - along with assistance to use these for residents who are not confident with digital self-service. Residents also have free access to the internet in every library and via the premises of Voluntary organisations in the Borough. LB Brent is working in close partnership with these organisations to develop digital skills across the Community and ensure that every customer can enjoy the benefits of on line services and information.
All high volume services and requests can be accessed on-line, with plans to extend the range of services that are accessible digitally. For example, residents seeking housing now have access to on-line information on affordable private sector tenancies in the Borough and beyond.

LB Brent has recently carried out customer research which demonstrates that 64% of residents have the access and skills required to use on-line services.

Customer satisfaction remains a key priority and continues to drive services. The new on-line self-service approach has a built-in ‘help function’ to ensure customer contact levels are maintained.

The Community Access Strategy has underpinned the Borough’s success in achieving £1.5M savings via channel shift and making a positive impact on customer satisfaction.

Many organisations felt they were not fully utilising social media and digital apps. For those few organisations that have started to use apps, most are facing challenges linked to using old housing management systems and poor data management. Staff skillsets and attitudes are also a challenge. One organisation was frustrated about how difficult it was to get staff to utilise apps and collect and manage data. Two authorities said they lacked data analysts that could interpret data from systems in a way that could be used to drive decision making.

However, where investment in ICT and good data management is in place, organisations are seeing a return around operational efficiency from digital apps.

3.3.3 Resident involvement

The nature of resident involvement is changing in a number of organisations. Four associations and one authority are looking at revising how resident engagement services are delivered with a view to:

- Scale back and/or
- Introduce more agile methods of engagement

Some organisations are moving towards more on-line customer engagement. This involves a reduction in face-to-face meetings and increasing use of on-line forums and panels. This is attracting a different customer base and type of engagement.

However, one authority cited that now was not the time to lose contact with customers and communities and investment in tenant and community meetings will continue.

Case Study - AmicusHorizon

The Commercial Case for Community Engagement

AmicusHorizon believes that effective customer engagement is essential if a housing business is to be efficient and effective.
The association remains committed to having tenant representatives on its Board. In addition, all Board members are required to attend resident Area Panel meetings which take place four times per year. In this way, the association ensures that the customer perspective is fully considered in Board decision making. The Board and Area Panels are provided with real-time performance and satisfaction information for use in the scrutiny of service delivery and for evidence-based decision-making. This real-time information is collated from transactional customer satisfaction data uploaded by staff and contractors at the point of service delivery – for example on satisfaction with a repair job upon completion. This means that Board and Area Panel discussion is focused on what is really happening across the business and front line services.

Each week, AmicusHorizon management analyses the data collected over the past seven days. The data is granular and in-depth. So, for example, managers can break down maintenance contractor performance down to geographic area, contractor, job, operative and tenant. As a result, patterns of emerging poor performance can be tackled immediately and before they impact negatively on overall customer satisfaction.

The combined scrutiny of real-time performance and satisfaction data by management, the Board and resident Area Panels has also produced a continuous stream of ideas for making service delivery more efficient and cost-effective.

The strategic executive team is also held to account by a Residents’ Council, whose members are elected by the eight resident Area Panels.

AmicusHorizon’s success has been externally validated.

A Westminster University study funded by the DCLG and published in March 2015, *Success Satisfaction and Scrutiny: the business benefits of involving residents*, identified £2.7 million per year savings based on six years of cumulative data. In March 2015 AmicusHorizon achieved customer satisfaction ratings of 96.4, and in March 2016 98.5%.

### 3.3.4 Staff competencies, recruitment and training

Attracting the right candidates for housing management roles and retaining them is an issue for many organisations. The profile of the customer is changing for many housing providers which brings about a new set of required staff competencies.

Many associations are seeking staff who have commercial awareness and can recognise how the way they do their job supports corporate objectives. A number of associations are looking towards the private and retail sector for innovation in staffing models and service delivery.

Many organisations were reviewing the overall role of the housing officer. Frontline housing staff are often required to represent the needs of customers from diverse tenures/product types, along with supporting customers who have complex needs.

Where authorities have merged housing and support services, they are struggling to find people who can combine care skills with the housing management skill set still required of a housing officer. For some authorities, the required skillset of a housing officer now needs to covers a mix of housing, care and support care, and mental health professional competences.

For one association, its increasingly-ageing tenant population is pushing the housing management offer into two separate directions, requiring officers to have both support and property/contract management skills. Finding staff who can meet this need has proven challenging. The association has concluded that it needs to ‘twin’ housing and care-focused staff at a neighbourhood level to meet service need.
Many organisations are seeking to better equip front line staff to take more ownership, get things right, assist customers at the first point of contact and cut out multiple enquiry handling.

For many, this will require significant culture change and investment in training. Some organisations are delivering or planning transformation pieces to deliver new ways of working with some citing qualities and mind-sets from the front line retail sector or commercial asset management companies as being desirable qualities for front line staff.

This issue is well captured by the views of Islington and Shoreditch Housing Association:

“We need a greater investment in our recruitment practices. Staff with purely housing management qualifications are only part of the story, they also need outstanding customer service skills and be adaptable. Front-line staff attitudes around service remain a challenge for providers because there is a tendency to see housing as a technical expertise not a service industry. The sector is rotating the same skill-set. If we can create an environment where staff and customers both succeed then our social purpose and business objectives are delivered. The attitudes of front-line housing management staff need transforming to more like the better retail/service providers.”

A few organisations have devised a key set of attributes, skills and behaviours which define the type of person required. For example, Hyde Housing has launched the new Hyde Person description - called Playing My Part. This focuses on the attitudes needed in relation to the customer, the team and the self. This will be used (in addition to existing established set of behaviours) as a set of requirements for recruitment and in the annual and mid-year performance appraisals for all Housing Directorate staff.

There is also a trend towards recruiting staff from more commercial backgrounds into central functions such as ICT, HR, Finance, Communications and Development.

4. Conclusions

Whilst a few social landlords are well advanced in developing new models for housing management, most are still developing their strategy in this area.

However, the appetite and necessity for change is strong and substantial transformation is likely in the next couple of years. Whilst it is certainly too early to evaluate the effectiveness of the new models that are emerging, this too will become clearer over a similar timeframe.

Consequently, HouseMark is interested in working with London’s social landlords to track progress over this period through ongoing research. The idea is that emerging developments and research findings could be reported back to the sector on a periodic basis. We will explore this at our meeting in London on 8 November.