

Case study

Rent Arrears Management

HouseMark consultancy solutions

We know that our data can unlock answers and insights about what is driving your costs and performance across your business. And often reveals priority services that could be improved. Supporting you to take action from insight, our consultancy solutions arm provides the perfect next step to accelerate change and deliver your corporate ambitions to build an even better business.

Customer brief

Our customer had historically high tenant arrears and was concerned about further increases, particularly in light of Universal Credit roll-out.

They wanted to understand the likely impact on their bottom line, and whether they were optimally resourced to maximise income collection in the months and years to come.

They asked us if there was a case to take on extra staff to mitigate further increases. Would the cost of these extra staff represent value for money in terms of improved collection rates, relative to what collection rates would otherwise have been?

In the brief it was important that our customer was able to evidence the value-for-money of any decisions made with regards to resourcing.

As such, it was vitally important to understand the landlord's operating context and make sure comparisons with peers were like-with-like.

Our approach

Data analysis - how are they doing now?

Analysis of sector-wide cost and performance information, cross-tabulated with Universal Credit roll-out timelines provided us with an initial view of relative performance.

We noticed a similar arrears trajectory for landlords with similar roll-out dates and were able to factor in the landlord's individual context to understand the likely arrears path for our customer.

Resourcing deep-dive

We selected a bespoke peer group of very similar landlords to carry out a deep-dive into resourcing.

This bespoke peer group had a similar geographic and tenant profile, as well as a comparable staffing structure (i.e. rent collection mostly delivered by specialist staff with support from the contact centre).

By looking closely at income officer patch sizes and relative performance on rent collection, we were able to identify a clear trend of increased resource in this area correlating with better collection rates – up to a point.

Beyond a certain number of staff (and below a certain level of arrears) additional resource no longer pays for itself in terms of improved collection rates.

We prepared a presentation and recommendations report with our findings and proposals for resourcing changes.

Outcomes

The recommendations report was accepted and our customer recruited two additional income collection officers to improve performance and mitigate the impact of Universal Credit roll-out.

- Importantly, using the data we had provided the customer was able to clearly demonstrate the value-for-money of this investment. The two additional income collection officers cost the landlord around £80,000 p.a., but one year later the landlord had recuperated an additional £250,000 compared to what they would have collected with their existing resource.
- This performance compared favourably to their peers, who despite having a similar profile and under-going Universal Credit roll-out within a similar window, experienced greater increases in arrears.

About HouseMark

HouseMark is the leading data-driven solutions provider for the social housing sector.

Through our consultancy solutions arm, we help you accelerate change. Providing insights, inspiration, and solutions to drive and deliver performance improvements across your organisation.

Combining unrivalled levels of performance data, excellent and experienced specialists and our knowledge of current and emerging policy, we are uniquely placed to support you in your next improvement programme.

Service reviews are a natural next step to improving your performance. We have an experienced team working across:

- Voids management
- Repairs and assets
- Customer contact and complaints handling
- Estate services
- ASB management