Talking tech

| By Reni Eddo-Lodge

As the sector strives to become more efficient, what is the role of technology? *Reni Eddo-Lodge* **reports on an** *Inside Housing* **and Hitachi Solutions round table which sought to find out**

Source: Belinda Lawley

The operating environment for housing associations changed fundamentally this year.

From news that the government would require social landlords to cut their rents by 1% a year for the next four years, to the extension of the Right to Buy to housing association properties, the ground has shifted.

That naturally means that associations have had to look more closely than ever at what they do and how they are doing it.

In the heart of London, senior practitioners from the sector who are dealing with these issues directly meet to share their thoughts and explore ideas about how the sector will rise to the challenge. They are charged with discussing how technology and innovation can help landlords continue to provide excellent services, while delivering the efficiencies demanded in the current world.

The round table discussion has been convened by *Inside Housing* in partnership with consulting and systems integration firm, Hitachi Solutions, to examine associations' thinking and the responses they are currently considering, and look at how they are likely to change moving forward.

Pace of change

Steve French, executive vice-president at Hitachi Solutions, says that people just need to look at the pace of change over the last decade or so to see how quickly technology has the potential to alter the way we work and think.

Source: Belinda Lawley

Mr French illustrates his point by saying that he recently showed a cassette tape to his 11-year-old daughter.

"Her reaction was an absolutely blank look - not a clue," he states. "That shows you how fast things have moved. You'll see that among some of your clients. They expect an app for when the boiler's not working - not a number and a call centre." In other words, innovation won't just be needed because of the current policy drivers but because social landlords also need to adapt, or lag behind their own customers.

The atmosphere in the room is pretty upbeat. The meeting takes place one day after the Autumn Statement and Comprehensive Spending Review. The former kept its housing focus squarely on homeownership, with the vast majority of housing association funding aimed at shared ownership properties - but at least there are obvious opportunities for the sector.

These are certainly some of the issues dominating our attendees' thoughts. Geoff Kirk, service director - business systems at Wakefield and District Housing, states the thought processes landlords are going through most clearly. He says landlords are asking themselves: "How do we continue to deliver our ambitions in spite of the new funding climate?"

Source: [Belinda Lawley](#)

And while innovation has the potential to help landlords with this task, careful planning is needed to make sure that this happens. "If we cut in the wrong place, we'll damage our ability to innovate," says Michael Reece, group operations director at 27,000-home Aster.

Mr Reece is also cautious about the danger that some housing associations could pre-empt the future by agonising about possible future cuts publicly before any official announcements have been made. "It's almost as if we're inviting it to happen," he states.

Rob Dryburgh, assistant director of analysis at the Homes and Communities Agency (HCA), encourages social landlords to anticipate a range of scenarios, however. "If there's a potential that this could carry on, I think you've got to look at that in your planning," he says.

Despite the rent cut, the government's broader housing focus is on increasing supply of new homes. Shaun Holdcroft, director of resident services for London at Hyde Group, is quick to point this out, pressing home the question of efficiency.

Source: Belinda Lawley

"We're all absolutely clear that our job as a sector, first and foremost, is to help resolve the housing crisis. Behind that," he says, "is the question, are we really expending every single penny we can to achieve that?"

Recording data

Regardless of the approach social landlords take concerning the future of their budgets, the structure of how they record data is revealed to be an area where there could be some improvement. Mr French suggests there is a "technology sprawl" in housing that often hinders efficiency.

Sigal Hachlili Dwyer, head of digital at Peabody, says that the housing association holds huge amounts of useful data, "but it's fragmented and used by different departments".

"We have a project at the moment to look at our data quality," she says. "It's very big and very challenging. Some of it is to do with the systems that we use."

The rigidity of current systems is repeatedly raised as a barrier to efficiency. "I've never seen such bad systems [as within the housing sector generally]," continues Ms Hachlili Dwyer - a relative newcomer to social housing who has been with Peabody for the last four years, having previously worked in the environmental sector. "It's a combination of bad user interface and bad processes. All the housing management systems I've seen are very badly created, and they don't give you the freedom to customise."

Source: [Belinda Lawley](#)

The unwieldy nature of these management systems can sometimes be exacerbated by the way social landlords approach them. Andy Boyes, executive director for IT and facilities at A2 Dominion, says: "The answer up until now has been we'll have another system to do that. Actually you need to cut back from that and say let's have the one system."

Social landlords always need to keep strongly in mind what they are going to deliver as a result of innovation or the technological choices they make, he adds.

"IT is just the enabler - it's just the tool to support what we want to do as an organisation," he states.

David Potts, assistant director of asset management at Midland Heart, throws a cat among the pigeons - suggesting the sector itself has not always been great at setting out what it wants to achieve. "How good are we as clients at actually saying what it is we want, so [they] know what they're building?" he asks.

The consensus is that streamlined and integrated systems tend to lead to good data, and good data is key to social landlords understanding the needs of their tenants.

Source: [Belinda Lawley](#)

Joining up current systems can prove to be a challenge. "We've got 1,000 lifts and 300 different manufacturers… It makes driving an efficient service from point of contact to

delivery, no matter what system you're using, extremely difficult," notes Tim Mulvenna, director of customer services at 70,000-home L&Q.

When asked how the sector could be more efficient, he says, "Efficiency comes from consistency."

Wakefield and District Housing recently set up a shared boiler service, making it the contractor to another large housing association. "We're going into 12,000 different homes with 12,000 different types of boiler," says Mr Kirk.

In a bid to tackle technology sprawl, he explains: "We're now currently exploring a smart tab on every boiler that says, 'I'm this type of boiler', and pulls out the right type of manual, so when the gas operative goes in, they have the information they need."

Confusion and inefficiency

The problem of different systems displaying different information about the same subject not only hinders efficiency, but causes confusion. 57,000-home Affinity Sutton has been working to standardise its IT processes too.

"The innovation's always been there, but the focus has changed from wanting to do it, to having to do it," says Kevin Corbett, IT director at Affinity Sutton, of the current environment. "When we first went to our board with this slightly crazy idea of not having a housing system any more, and moving to an ERP [enterprise resource planning] solution, it wasn't about delivering efficiencies. It was about delivering customer service, about digitising the service, about future-proofing us in terms of the way technology is moving," he added.

The large-scale project on which Affinity Sutton is collaborating with Hitachi Solutions will take years, with the aim of replacing the landlord's old systems with one system that covers the core of the housing association's business.

"Over the last three years, we've invested quite heavily in the sector," says Ian Stanley, Hitachi Solutions' director of business development in Microsoft Dynamics. "We want to develop things we can bring to market, prepopulated, with less configuration and customisation."

Looking outside of the sector for examples of good practice, Affinity Sutton spoke to commercial companies such as BSKYB, Virgin Media, and Shell Oil. The biggest difference it found, says Mr Corbett, was the pace in which new technologies were released to their customers. "They've got to be the first to market it," he says. "We don't really have that. We have drivers around efficiency… We want to deliver our services to our customers as best we can."

Interpreting data

But even when data is collected particularly well, with high-performing systems, it can't explain everything in the social housing sector. The HCA's Mr Dryburgh was keen to

impress that data collection in itself is not a catch-all solution to efficiency. Coming up with a single answer in terms of efficiency and value for money is very difficult to do.

"In the regression analysis we did a couple of years ago, we identified a pretty wide range of operating costs per unit across the sector. An awful lot of that was down to factors that were understandable due to the nature of the business location. It's expensive to operate supported housing, it's more expensive to operate in a deprived area."

"Notwithstanding that," he continues, "still around half of the variation in the sector was unexplained. There are factors that you can't capture in the data and silent inefficiency on there that you can't review at a sector-wide level," he says, suggesting that efficiency savings can still be made.

These, he says, will be tackled with the HCA's in-depth assessments. "We're not trying to prejudge the right level of operating costs for your business. From our point of view, it's about getting the assurance that the organisations are driving down costs where it's possible. If there is an element that's unexplained, [we will be] finding out what people are doing about it."

When all is said and done, a housing association can streamline its systems, collect excellent data and turbo-charge its efficiency. But it is culture change, paired with technology, that serves as a catalyst for innovation.

Trusting the expertise of your existing staff is key to designing a product that benefits both staff and tenants. It is staff, says Peabody's Ms Hachlili Dwyer, who "really understand what the challenges are around the system - sometimes the innovation is how they've found ways to bypass the system because of their frustrations with it. We're looking at the processes and the systems, and also the people. Because if they don't help up design the change, they won't buy into it, and they won't continue to embed it in their thinking."

This was met with nods and murmurs of agreement from around the table. Change is coming as landlords must deliver efficiencies - and everyone needs to be brought into it.

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Participants

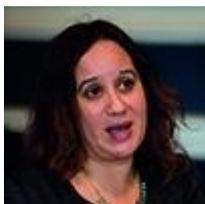**Andrew Boyes, Executive director for IT and facilities, A2 Dominion**

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