

TESTIMONIALS

SHAL Housing



Journey to winning NHF Best Financial Turnaround Hana Awards 2018

In a time of harsher budget constraints and complex sector challenges, SHAL demonstrated value for money by embracing change to deliver their tenants new homes, more property investment and greater supported services. All achieved through a new business strategy that redeployed existing resources and encouraged a culture shift with staff; a journey that led to them winning the NHF Best Financial Turnaround HANA Award in 2018.

SHAL is a community Housing Association based in Somerset and manage 715 general needs homes for those with a lower than average income. In 2015, the Chancellor of the Exchequer instructed housing associations to reduce their rent by 1% per year, for four consecutive years.

For SHAL, this equated to a budget reduction of £9M over the life of the 30 year business plan and it became clear that change was required if they were to continue delivering high quality homes and services for their tenants.

Joanne Martin, Finance & Resource Director and Deputy CEO at SHAL Housing, said: "SHAL are committed to delivering safe, warm and affordable homes to a decent standard, for people who are homeless or in housing need across Somerset. Faced with numerous arising challenges that placed greater emphasis on delivering 'more for less', we knew that we had to work differently if SHAL were to continue to fulfil its purpose. These challenges included:

- The government announcement to reduce rent by 1% per year in 2015
- Property development becoming more competitive due to skilled labour shortages as Hinkley Point C receives approval
- 'Right to buy' being extended to housing associations
- Universal Credit being rolled out

To ensure that our efforts remained focused on what mattered, we surveyed tenants to identify what was important to them. Through this, our tenants identified SHAL's priorities as an organisation should be:

- Build more homes
- Provide more investment in existing properties
- Provide extra support when times were tough
- Prepare a digital offer for tenants who wanted to self-serve

To address these priorities, SHAL's team embarked on a journey to redeploy existing resources, changing the way we work to maximise efficiency and tenant engagement. This focused approach saw SHAL increase our development programme by 100% and invest £1.4M over 3 years in improvements for our tenants' homes, which resulted in increased satisfaction.

So how did we achieve this? Our journey has shown that data, time and people were what enabled SHAL to have an increased impact on our tenant's homes and the community in which they lived, as well as improve SHAL's financial viability. SHAL worked closely with OmniLedger during this

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period, with the Pyramid Housing Management system being a key driver for tenant engagement through intelligent texting and online self-service portals.

Data:

Accurately understanding our tenants and their homes is crucial. Budgeting, resource allocations and long-term business decisions are centred around our purpose, which is why step one for us was to cleanse our data, so that any decisions and actions were based on fact.

Starting with a 100% stock condition survey, we ruled out any major expenditure that would have a major impact on our budget allocation. However, the tenancy data audit identified a number of significant deficiencies in our information. This included missing tenant forenames, email addresses and national insurance numbers.



By cleansing our data and examining how staff collected this, we were able to establish a process to ensure that data is collected and accurately maintained. SHAL now have:

- 100% of tenants full names recorded
- 100% of tenants date of birth
- 58% of tenants email address's recorded
- 66% of tenants national insurance number recorded

Data was also a major driver in determining what form of tenant engagement platform would be most suitable for tenants. Our surveys found that:

- 83% of tenants use the internet
- 80% of those who use the internet were confident doing so
- 77% of those who use the internet do so on their mobile phones
- 42% of tenants would like to be able to access their account online

Time:

The survey results indicated that our tenants would respond positively to engagement delivered directly to their smartphones. This enabled SHAL to make an informed business decision to offer an online rent portal and texting service, made possible by deploying OmniLedger's MyTenancy and Pyramid Messenger solutions.

Our tenants have busy lives, with some living off low incomes and having multiple jobs. The combination of these two digital services has enabled them to access their information whenever and wherever they want, not just from 9am to 5pm.

This includes reporting a repair, paying rent, retrieving their Allpay reference details and more. By monitoring usage, we've found that 30% of tenants are now accessing services out of hours, whereas previously they would have nowhere to go.

SHAL also has an automated service where we send a simple quality satisfaction survey via text whenever a repair is completed. 50% of tenants respond within 1 hour and we currently have a 96% average satisfaction rate. In April 2019 SHAL achieved its first ever 100% satisfaction rating.

The implementation of these digital services has resulted in a significant time saving and staff can now focus on areas where there has been negative feedback and require improvement.

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People:

We were able to achieve further efficiency savings by restructuring the housing management and maintenance teams. This process involved creating a holistic approach to housing so that staff had more shared responsibilities. At no point were there forced redundancies, as this is not something SHAL believes in.

We also streamlined internal working practices and invested in two new technology solutions for staff: BreatheHR and mobile working with Connect Mobile from Telecetera.



BreatheHR provides a centralised cloud based system for staff to manage their own holidays, expenses and employment contract information, which provides them with control over their own data for GDPR compliance and reduced the internal resources required for HR management.

To manage our repairs and maintenance team we invested in a mobile working solution provided by Telecetra. Connect Mobile is integrated into our Pyramid Housing Management system, allowing operatives to retrieve their jobs for the day, access health & safety information and send data digitally whilst onsite. This has had a very positive impact to job scheduling and travel costs. As a result, our maintenance team no longer needs to return to a central depot to collect and return paperwork, allowing us to close the site and improve efficiency by 500%.

Other key highlights:

- Ruling out potential uncapped debt from our business plan by buying out the Local Government Pension Scheme
- Refinanced our loan with Co-op Bank to secure additional funds for new homes and allow reinvestment in existing properties
- Replaced our paper-based invoicing process with a digital alternative using Pyramid Worktray
- Digitalised all our tenancy files so they are quickly available electronically through Pyramid
- Allow tenants to build a credit rating using their rent payment with Pyramid's Rental Exchange Experian Interface

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So what does did this mean for our tenants? We believe that the quality of the homes provided by social housing should be no different from those sold commercially; which is why SHAL takes that extra step to ensure the kitchens and bathrooms we fit are ones our tenants can be proud of. SHAL delivered an equivalent of two new homes a month in 2018. We also fitted 53% of our existing homes with new improvements, including:



- 51 new bathrooms
- 50 new kitchens
- 20 central heating systems
- 365 doors
- 3 roofs
- 2 oil tanks
- 1 septic tank

In addition, by providing our tenants with self-service solutions, SHAL could directly support more of those in urgent need. As a result, in the first four months of 2018/19, we helped our tenants get £8,956 of Discretionary Housing Payments to clear arrears and prevent evictions; as well as receiving £44,284 direct from Universal Credit, to prevent vulnerable tenants accumulating debt.

Therefore, does being a small social housing provider mean we are expensive and inefficient?

Certainly not. We have approximately 700 homes in management and this journey has shown that we are able to achieve performance levels comparable to a much larger organisation such as VIVID Housing, a top quartile performing association managing 30,000 properties.

SHAL wanted to prove that top quartile performance could be achieved regardless of size and worked with VIVID Housing to deliver this message. The following statistics prove this:

- Operating margin of 41% vs VIVID's 45%
- Interest Cover of 210% vs VIVID's 268%
- Gearing of 39% vs VIVID's 50%
- Operating cost per unit of £2,977 vs VIVID's £2,816
- New homes delivered of 2.2% for both associations
- Homes per FTE of 40 vs VIVID's 37

In fact, SHAL only had a budget of £15K to implement the transformation project, including capital expenditure. It was the change in culture, mind-set and the way we work that has enabled us to deliver far more for our tenants. By continuing this trend SHAL aims to increase our stock by 15% within 2020/21, develop positive solutions in response to ASB and further support financially vulnerable tenants.”

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