# Housing matters

Understand and overcome the biggest challenges in social housing



## Housing right now...

The housing sector is going through major changes with merger and acquisition activity, rapidly changing expectations of tenants, government led need for change and significant IT transformation required

### The Welfare Reform and Work Bill

The announcement of The Welfare Reform and Work Bill in July's 2015 budget shook the solid foundations of the social housing world.

In a move that will undo 2014's ten year rent settlement, rent for housing association tenants was reduced by 1% per year for the next four years following commencement in April 2016.

#### **Universal Credits**

The rollout of Universal Credit, the government's welfare reform programme that wraps six-weekly and fortnightly benefits into a monthly deposit has spurred record levels of debt among social residents.

A new pilot scheme testing the direct payment of housing benefits showed an 8% drop in rent collections with alternative figures highlighting that in communities where Universal Credit has been paid direct, renal arrears impact 90% of residents.

#### **Right to Buy**

With the extension of Right to Buy and the inclusion of housing associations, 850,000 houses are now eligible for purchase under the scheme.

Currently 221,000 of these households are in a position to buy their home. The projected cost to the sector if all tenants did decide to purchase the property would be a staggering £11.6 billion.

#### **Shortage of Homes**

Its no secret that when it comes to social housing, demand outstrips supply by a considerable margin.

In order to meet the future demand from customers, housing associations need to be building around 240,000 homes per annum. Currently the average over the last ten years has been just short of 140,000.

#### A Change in Customer

There are still 8.7 million adults in the UK who have never been online. Almost half of these – a staggering 4.1m - live in the social housing sector.

The Public Services Social Value Act 2012 is exerting pressure on housing associations to reduce this figure, with digital inclusion considered key to developing successful neighbourhoods.

### Post Merger and Acquisition Integration

As a result of the increased financial pressure, Inside Housing forecasts the amount of mergers and acquisitions within the sector will double over the next few years.

Mergers and Acquisitions have the potential to create substantial efficiencies for housing associations, however considerable amount of planning and work is required to ensure that the people, strategy, processes and systems are all aligned and integrated.

#### **New Age Employment**

Advancing technology and changing work practices have placed remote working, hot- desking and staff mobility high on the business agenda.

Housing associations are gradually embracing new age employment, however a structured and clear approach must be agreed to avoid disruption and lost productivity.



Managed proactively in a change portfolio approach the opportunities for forward thinking housing associations to progress are significant

# Key housing challenges

#### **Financial pressures**

The potent mix of rent reductions and an increase on rental arrears for some housing associations will see income reduced considerably.

To remain sustainable through these periods of uncertainty cost reduction or a change in service offering must be considered.

These legacy systems represent a huge challenge for housing association; impacting collaboration and integration and leading to general working inefficiencies and company objective misalignment.

#### **Digital**

In coming years, a new breed of resident will come to dominate. Housing associations must be in a position to deal with the new demands.

Residents will expect sophisticated communication channels to track and manage repairs, rental balances and interaction with their landlords.

#### **IT Infrastructure**

With the backdrop of market consolidation, recent mergers and high profile acquisitions, housing associations find themselves with numerous disparate systems used in silos within their organisations.

#### What else?

Change to working practices

**Political Uncertainty** 

**Policy Changes** 

'Brexit'

## Knowing where to look

#### **IT Solutions**

Arguably no other business area provides a better opportunity for savings than technology.

Upgrades to back office functions and enhanced CRM systems have the potential to reduce substantial business costs

Cloud based computing software will provide the next step in internal transformation, providing a single, integrated solution for the core functionality of finance, HR and business processes.

#### **Process Efficiency**

Many key functions within housing associations remain locked in silos rendering the most critical information required for day-to-day decision making hard to reach.

Housing associations must simplify and standardise the way they work, reducing costly duplication and fragmentation, actively aligning and reducing resources as they do so.

#### **Understanding the Market**

It is critical that housing associations constantly enhance their services and offering to meet tenants needs. To understand where to invest, save and diversify, associations must analyse key data to truly understand the customer and market

#### **Portfolio Management**

Effective portfolio management is essential. Instead of running all projects with little prioritisation and stretched resource, identify and deliver the projects that will make a real difference to the organisation.



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## **NineFeetTall**

We are a premium consultancy with proven success in the housing sector. We are famous for our excellent people, ability to deliver projects effectively and in ways which make changes stick.

#### We are proud to be different from other consultancies.

We deliver our projects with passion, openness and accountability. We focus on action, not words, and transfer our knowledge to those we work with to leave lasting value.

We work in partnership with our clients to deliver results that far exceed expectations.



# What can we offer you?



Project Management We are experienced at leading complex business change programmes from start to finish. In our hands your project is expertly delivered through project and programme management.



We help organisations to sort through their change programmes ensuring only programmes and projects aligned to business strategy remain part of the portfolio of change.



We guide your organisation and staff through change to realise their full potential and deliver untapped business success.



We help organisations achieve real operational efficiencies that last long after we are done.



We guide organisations and their staff through change to realise their full potential and deliver untapped business success.

# Our experience in housing speaks for itself

We have helped major organisations in the housing sector deliver complex transformation projects & programmes



We specialise in taking clients from where they are today to where they want to be.

We are passionate about our work, take accountability for what we deliver, produce excellent work and are open and honest with clients.

We quickly enable clients to become more efficient and effective working in partnership to deliver lasting positive change.

Nine Feet Tall stand out by the way they build strong relationships with our staff. They enthusiastically embraced our internal culture at Phoenix. That meant rather than just a group of consultants coming briefly into the business, it felt like we had a new, high performing internal team.

David Westworth,
Director of Customer Services, Phoenix Community Housing

We have had a Nine Feet Tall Project Manager working for us on a six month contract, supporting a number of business critical projects. His calm, professional approach has ensured that strong progress has been made. His depth of experience has meant that he has been able to support others in the organisation and has become a trusted advisor over his time at Hanover. Well done!

Will Walker,
Head of Portfolio and Change Management, Hanover
Housing Association

Nine Feet Tall helped us at critical time when resources were stretched and composure essential. Their ability to take complex situations and bring clarity to them was a real asset at a crucial time.

Donna Baddeley, Executive Director of Corporate Services, Curo Group

# Enough about us.

Let's talk about you and your business needs

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