oneAdvanced

Housing Pioneer Summit 2024

30 Euston Square, London
September 19

Preparing for Change

In September 2024, OneAdvanced hosted the Housing Pioneer Summit, an event that brought together leading experts and key decision makers from the UK housing sector.

Chaired by journalist and broadcaster Denise Mahoney, the panel consisted of Simon Parker, IT and Change Manager at Home Group, Anna Moore, founder and CEO of Domna, Stuart Brown, lawyer and procurement specialist at Trowers and Hamlin, and Mark Reddy, Global Director of Growth at OneAdvanced.

In this report, we look at the challenges discussed by the panel, including preparedness for the imminent Procurement Act, digital transformation, AI, difficulties surrounding maintenance and repairs, and the growing need for retrofit. An on-demand video of the panel discussion can be viewed here.

We also held a series of roundtables, providing employee-led insight on the most pressing issues of the day. The roundtables highlighted a range of opinions on topics including the Procurement Act, financial sustainability, and customer engagement. You can read our summary of the main points in our 'View from the Coalface' section on p6.

Completing the summit were presentations from Anna Moore, who talked in depth about the need for retrofit and how to maximise funding streams for sustainable builds; Simon Parker, who highlighted the challenges of digital transformation; and Philip Fumey from Microsoft, who outlined the capabilities of AI-embedded software for enhanced communication. Read more detail on the presentations in our 'Expert Insight' section on p7.

Panel Discussion Summary

Getting ready for the Procurement Act

The upcoming Procurement Act is intended to boost oversight and transparency in public procurement. It has been pushed back to February 2025 due to the transition of the new government.

The Act is designed to streamline processes while allowing for flexibility. Transparency is central to the new regime, requiring multiple notices throughout the procurement lifecycle. This includes publishing contracts over £5 million to help eliminate practices such as those seen during the pandemic.

The Act should bring increased engagement with SMEs and innovators, encouraging contracting authorities to align more closely with private sector procurement. This presents new opportunities for housing associations (HAs), especially in terms of shared visibility and collaboration – not just between IT and procurement teams, but also with other housing providers. The Act also means HAs can now consider best overall value, rather than focusing on Most Economically Advantageous Tender (MEAT). However, there are concerns about whether current teams have the digital maturity and infrastructure needed to adapt to these new requirements.

"The idea is to have a golden thread that runs through every public contract"

Stuart Brown, Trowers and Hamlin

Digital transformation: Dealing with data

Digital transformation is key when it comes to data accuracy and availability, especially for issues like damp and mould in housing. Outdated systems have led to inaccurate data, affecting decision-making and results. The goal is to clean and automate data collections for more efficient analysis, reducing the need for constant surveys and on-site assessments.

By tapping into data, HAs and other housing organisations can generate accurate, cost-effective energy consumption estimates, speeding up results, compliance, and tenant experiences. The focus is on smart data usage to enhance decision-making, manage complaints, and align with new government initiatives.

"You can get a lot out of your data without sending people on site, without spending all of that money on the ground"

Anna Moore, Domna Homes

Maintenance and repairs: Communication matters

The Social Housing (Regulation) Act 2023 brings stricter rules surrounding repairs and maintenance, which could mean extra costs for providers managing ageing stock. Effective contract management and pre-market engagement are critical to tackling underperforming contracts and improving first-time fix rates.

The complexity of repairs demands tech integration and better communication across departments. Contracts need to be designed for integration, promoting seamless interactions between retrofit and regular maintenance teams. At the same time, supplier relationship management and category management are essential for optimising procurement processes. Regular supplier engagement and understanding market options are crucial for effective lifecycle management.

"Repairs and maintenance is about as complex as it gets... the tech can help massively if we apply it correctly"

Simon Parker, Home Group

Sustainability through retrofit

Sustainability is now a core part of procurement, with a focus on decarbonisation in social housing through initiatives like the Great British Insulation Scheme. Retrofitting existing homes is a cost-effective solution compared to new builds, offering immediate living condition improvements. Decarbonisation and retrofitting should arguably be prioritised over new builds, given the cost and complexity of large-scale construction. To meet sustainability goals, HAs need to optimise their funding, strategically use grants, and prioritise retrofitting. This will make homes more sustainable and cost-effective for tenants while reducing environmental impact.

"There are nearly a million homes that are vacant, that we could retrofit, renovate, put back on the market – cheaper than building new homes"

Anna Moore, Domna Homes

View from the Coalface: The Roundtables

Afternoon roundtable discussions brought housing professionals together with the team from OneAdvanced to cover key topics, including readiness for the Procurement Act, digital transformation challenges, financial sustainability, and repairs, maintenance, and customer engagement. It was an excellent chance for housing professionals to share best practice and benchmark their operations against peers.

The Procurement Act

Attendees pointed out a siloed approach to current procurement practices due to poor communication between departments. Time is a big issue for many, who are having to juggle the demands of the new Act with existing workloads. Procurement processes are often seen as inadequate, with data that is unavailable or hard to access. Contract management is a major concern; there is an urgent need for robust systems and greater integration with Finance to streamline operations. While the Procurement Act is viewed as crucial, HAs are struggling to find the time and resources to properly implement the necessary changes.

Challenges to digital transformation

Digital transformation is slowed down by integration issues, as disconnected systems fail to communicate effectively, impacting key areas like finance. The technical challenge of digital transformation is often compounded by cultural resistance, with employees hesitant to adopt new systems. While training has been successful for some, widespread adoption remains inconsistent. Although progress is visible, significant efforts are still needed to fully capitalise on the advantages of digital transformation.

Financial sustainability: Doing more with less

Housing associations are striving to achieve more with fewer resources. Tools like Dynamic Resource Scheduler (part of OneAdvanced's Field Service Management portfolio) are enhancing the efficiency of maintenance and repairs. Further gains are being seen through improved planning, with decisions informed by data analytics, and improving processes such as Universal Credit checks with AI-enabled software. Across the board, HAs are committed to embedding financial sustainability within their operations by harnessing technology for greater efficiency.

Repairs, maintenance, and customer engagement

Customer satisfaction remains a priority for all housing associations, with providers dedicated to outstanding service delivery. This customer-centric focus involves maintaining diverse communication channels to engage customers and meet their needs. Where possible, these channels are digital, with many HAs utilising AI and automated technologies. In some cases, human interaction is the most effective means of communication.

In some organisations, predictive maintenance techniques are being adopted to address potential issues, speeding up delivery. By gathering customer feedback through surveys and panels, organisations can make informed maintenance and repairs improvements. There is a significant focus on understanding and addressing customer experiences to ensure improved satisfaction levels.

Expert Insight

The summit saw presentations from industry experts Philip Fumey, Account CTO and Digital Strategist at Microsoft, Anna Moore, CEO and founder of Domna Homes, and Simon Parker, IT and Change Manager at Home Group.

Domna Homes: Retrofit - Balancing the Books

Societal and economic importance

With 6.5 million UK households in fuel poverty and the housing sector accounting for nearly a fifth of CO2 emissions, retrofitting is vitally important. Retrofitting has the potential to cut household fuel bills by 40% while creating 500,000 new jobs, significantly benefiting tenants and the economy.

Financial challenges and solutions

The retrofitting sector faces a substantial funding gap, requiring £75 billion in social housing and £530 billion across UK housing as a whole. This is set against the limited existing funding from schemes like SHDF and ECO/GBIS. Strategies to close this gap include:

- **Blended Funding:** Leveraging funding more effectively with opportunities including SHDF Wave 3 and ECO/GBIS.

- **Cost Management:** Partnering with providers who help obtaining SHDF funding and ensuring cost efficiency with the reuse of surveys.

- **Carbon Credits:** Utilising carbon credits, such as those offered by HACT. These can be applied for retroactively for builds since 2022.

Uplift and private sector partnership

"There is a huge amount of private finance that wants to go into the sector, but struggles to be connected"

Housing associations should explore the financial benefits of property valuation uplift, which can be as high as 20%, improving financial health and attracting additional lending. This strategy is underutilised in the social housing sector but embraced by private clients, presenting an opportunity for more systematic application.

Funding for Acquisition: Innovative Joint Venture (JV) structures can acquire and retrofit properties, then return them to local authority ownership, creating self-funding models through valuation gains.

Disposals: With substantial capital in ESG funds, there's potential for disposing of assets to investors interested in brown-to-green transitions.

ESG Lending: Leveraging valuation uplift can reduce borrowing costs, aligning with ESG investment strategies and improving balance sheet health.

Innovative approaches and data utilisation

To ensure accurate modelling, it is crucial to evaluate whether the service provider has a comprehensive external data library and utilises the latest technologies. Machine learning, for example, provides efficient and cost-effective modelling solutions, eliminating the need for outdated Excel-based methodologies.

Housing providers should prioritise accurate unit-level modelling over archetyping, leveraging the available data and machine learning capabilities to provide precise results. This approach allows for flexible outcomes, catering to various targets such as EPC goals, CO2 emissions reduction, and energy cost savings.

Conclusion

The social and economic benefits inherent in retrofitting underline its vital importance, providing an effective answer to the challenges of climate change and sustainable housing. As we move forward, collaboration and innovative funding solutions will be key in bridging the financial gaps within the sector, ensuring a sustainable and greener future.

Home Group: Are We Nearly There Yet?

Thinking about digital transformation

Digital transformation is a term frequently mentioned, yet it is worth questioning what it means and where it leads us. More than merely adopting new technology, digital transformation encompasses a cultural shift that prioritises agility, constant learning, and the customer taking centre stage. The central idea is not about converting everything to digital but rather about enhancing existing systems to improve efficiency and customer experience, driving value through strategic innovation.

Digital misunderstanding

Initiatives labelled as digital transformation often lack depth, merely involving the upgrading of digital systems. True transformation, however, delves into the integration and improvement of business processes, seeking to enhance the customer journey. This improvement does not mean physical approaches should be replaced indiscriminately. A comprehensive approach requires aligning organisational culture and strategy with technological advancements to realise the full potential of digital transformation.

Flexible communication

While digital channels can offer numerous benefits such as broader reach and improved efficiency, they do not negate the importance of human interaction. In sectors like customer service, the trust and personal connection that face-to-face interactions build remain invaluable. Companies must balance digital efficiency with a personal touch to foster customer loyalty and satisfaction.

Transformation realities

- Transformation is an ongoing journey without a fixed endpoint – a series of evolutions rather than sudden change. This journey demands perpetual responsiveness to market needs and a willingness to evolve. Organisations can draw from past technological shifts to shape adaptive strategies that avoid stagnation and instead fuel sustainable growth.

- Legacy systems can serve as both a foundation and a hindrance. Historical precedents, like the transition from letter to email, demonstrate that initial innovations can later inhibit progress if over-relied upon. Digital transformation demands a continuous renewal of processes, ensuring that infrastructure can cope with the integration of emerging technologies.

Understanding customers

True digital transformation is about centring customers in every initiative, with a focus on deeply understanding their evolving needs and preferences. This requires direct and proactive engagement with customers to uncover insights that data alone might miss. By implementing feedback and fostering open communication channels, organisations can maintain relevance and enhance the customer experience.

Diversity and inclusion

Diversity is not merely about representation; it is essential for developing unbiased and effective tech solutions, such as facial recognition software. A diverse workforce brings varied perspectives that better align with and respond to the needs of a comprehensive customer base. Inclusive practices ensure that technological solutions are ethical, accurate, and customer centric.

Adoption Challenges

Transitioning to new systems is not just about technological implementation; it involves overcoming human resistance and achieving optimal adoption. Engaging employees and customers early in the process, offering training and support, and creating an environment that welcomes and adapts to change are critical components. Effective communication and change management strategies play a crucial role in easing transitions and leveraging new tools.

Measuring progress

It is vital to establish metrics to assess the success of digital transformation initiatives. Ongoing adjustment and improvement can be made my measuring system usage rates, and through qualitative feedback obtained through polls and surveys. Regular evaluation ensures that strategies remain aligned with customer expectations and organisational goals, enhancing accountability and fostering a culture of continuous improvement.

Conclusion

In pursuing digital transformation, organisations should aim for comprehensive developments deeply rooted in understanding human needs and strategic objectives. Instead of focusing merely on the technologies themselves, emphasis should be on leveraging these tools to improve customer experience and organisational efficiency. It is about creating value that resonates with customers and delivers long-term success.

Microsoft: Leveraging AI

AI in the UK housing sector

Artificial Intelligence (AI) is reshaping the UK housing sector by addressing core areas, including talent retention, employee wellbeing, personalised customer experiences, service accessibility, and innovation in housing design.

Talent retention and employee wellbeing

AI enhances talent retention and employee wellbeing by delivering tailored career development and training programmes. These programmes are aligned with individual needs, leading to greater job satisfaction and lower employee attrition. The role of AI in monitoring employee wellbeing is pivotal, using predictive analytics to assess stress levels and encourage a balanced work-life environment.

Personalised customer experiences

In customer experience, AI provides tailored interactions by using data to customise services and experiences for tenants, improving tenant satisfaction. AI is critical in reducing access barriers; technologies like natural language processing make services more accessible and inclusive.

Service accessibility and efficiency

AI-driven self-service platforms boost service accessibility and efficiency by offering 24/7 multilingual support, quickly resolving tenant queries without human input. The optimisation capabilities of AI significantly shorten application timelines.

Design and innovation

AI technology extends to inclusive housing designs, accommodating the diverse needs of elderly populations and individuals with disabilities. This leads to the development of holistic environments responsive to the needs of all residents.

Conclusion

Innovative, AI-led applications in the housing sector are forging new paths for heightened customer and employee engagement while redefining efficiency and accessibility. This transformation heralds a more inclusive and intelligent housing market in the UK, enhancing living and working experiences.

In Summary

Housing associations are at various stages of Procurement Act preparation. However, the Act represents the opportunity to engage with SMEs and local suppliers, and streamline processes. This has driven the need to invest in infrastructure and training, ensuring digital transformations align with the government's vision for transparency and efficiency.

The discussions at the summit were not only enlightening but also highlighted the immense potential for positive change. Digital transformation marks a cultural shift towards smarter, data-driven decision-making within housing. By automating data collection, the sector can manage energy estimates and maintenance with precision, improving tenant satisfaction. Aligning technology with a customer-centric focus is crucial. Clear communication and feedback are enhancing service delivery and customer engagement.

Moreover, the summit provided a platform for sharing best practises and innovative strategies, making it a valuable experience for all attendees. Sustainability should be central to operations, from procurement to maintenance. Retrofitting offers a cost-effective and eco-friendly alternative to new builds, improving living conditions and tenant satisfaction. Financial obstacles can be overcome through innovative funding and strategic partnerships, while stronger collaboration will lead the housing sector towards a more sustainable, efficient, and customer-focused future.

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OneAdvanced is one of the UK's largest and most respected providers of sector-focused business software and services. Based on long experience and understanding of local government and other public sector service providers, our solutions help deliver regular savings while continually improving efficiencies. Our designed-for-purpose digital solutions help get finance and budgeting under control, provide sight of all procurement and contract activity, and help organisations stay within planned budget. They help people get their jobs done more effectively and efficiently, allowing government organisations to focus on delivering the very best services to their communities.

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