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Article

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Social Value investment is not just about pounds and pence

Housing associations need to have a commercial focus to drive profit and value creation. But they also need to deliver social value with affordable and well-maintained housing and support for some of the most vulnerable people in society. It's a delicate balance.

Digital transformation is the buzzword of today. And like most other industries, housing associations use technology to drive improvements, both for their operational capabilities and assets and to offer their residents digital channels. But identifying the right technology first of all needs investment to understand needs and behaviours.

Not understanding our customers has serious consequences. Just ask Sir Clive Sinclair. He had a multi-million-pound business that delivered remarkable breakthroughs in technology. But when he launched his electronic pedal car, he forgot about a vital piece of data. There was no market for it. Sinclair failed to check if customers wanted to buy it. There were several problems with the C5, from the poor design to its lack of practicality. But above all else, it was the failure to understand customers that cost him the most.

The journey our customers take through our business is something we need to get better at understanding. We have so much data at our fingertips, but we don't always use it to identify what matters most to our customers or find all the places we interact with them. Right now, our customers are remote. Those businesses that have a solid online presence can interact more easily with customers. But what about social housing, where that's not as easy?

The Social Housing Green Paper in 2018 raised concerns about residents feeling they were not being listened to enough. Some reported positive experiences, but others felt that their landlords didn't pay sufficient attention, and when things went wrong, subsequent complaint-handling was poor. Data is part of the answer - asking your residents how they feel and what they need is a massive step in the right direction - but the other part is acting upon the insight.

There are other concerns we need to consider. Social housing residents are not always as digitally literate as customers in other sectors, with a high prevalence of vulnerable people. We know that residents are getting older as well.

By 2045, older people living in the UK will be the largest age group for the first time in history. 80% of this group want to age in one place, so their experience needs to be reflective of housing that can change with their needs. When providers develop their housing stock, this needs to account for a fairly diverse customer base. Our social housing communities need to be inclusive and have the right services and engagement to support residents' unique needs. And that circles back to the customer journey.

If we want to transform, we need to be more dynamic in our interactions with residents and agile in accessing the insight we need. We need to speak to residents more; listen to what they have to say, and we need to use external data better to underpin our decisions. This industry has an abundance of information and trends already available to give us a view of future directions. Our strategies need to be able to adapt to ever changing regulations and allow us to be proactive rather than reactive. Asking residents for feedback is not a one-off activity, and it's not about just measuring satisfaction with the service they are receiving. Satisfied residents are not necessarily fairly treated residents. We need to dig deeper to get to the areas that can transform social housing to create new experiences.

> Research conducted by Social Housing, in partnership with Mazars, reveals that around 80% of businesses believe that the social housing sector could better demonstrate how they deliver fairness and social value for residents. The focus seems to lean towards activities that have financial worth rather than social impact. But surely, we need to balance pioneering new experiences for residents with delivering value for the business?

Our vulnerable residents can be more exposed in the current environment, and we need to make sure we provide appropriate support when it becomes increasingly harder to interact with them. It is even more necessary to provide them with an experience that mirrors face-to-face contact. The challenge is quite stark. Especially when we need to do all of this and safeguard residents by providing quality accommodation and effectively maintained, inspected, and repaired housing assets. With so many competing priorities, how do social housing landlords know where to focus efforts?

Some residents are reluctant to embrace change - not because they don't want to, but because they don't know how to. And with the aging population, providers need to think carefully about adoption of any digital trends. Self-serve resident portals and intuitive asset management systems that can anticipate repairs and replacements have clear benefits both commercially and for residents. But maybe we need to ask our residents what they want and then give them the skills they need to build collaborative resources and connective digital spaces. Otherwise, like Sir Clive, we are also at risk of investing in the wrong things.