

Case Study North Wales Housing Association

North Wales Housing Association introduces Star Club loyalty scheme - an innovative new system to manage and reward loyalty for housing tenants.

The background

One of the greatest challenges that housing providers face is the need to reduce negative expenditure - the cost of managing problems such as arrears collection, re-let expenditure, and tackling anti-social behaviour. This is twinned with the pressure to build positive relationships with all tenants.



To tackle these demands, North Wales Housing Association (NWA) has introduced an innovative solution to both reduce negative expenditure and improve relationships with tenants. In April 2005 NWA launched a reward scheme for tenants, supported by technology partner IBS OPENSystems.

The foundation for NWA's loyalty scheme was a report issued by the Office of the Deputy Prime Minister, following the successful implementation of a similar scheme by Irwell Valley Housing Association. The report, "Incentives and Beyond: The transferability of the Irwell Valley Gold scheme to other social landlords", concluded that similar loyalty schemes could help reduce negative expenditure for housing providers across the UK.

The challenge

To launch the "Clwb Seren", which translates from Welsh as "Star Club", NWA required a strategic technology partner who would understand its needs and provide the necessary software, support and advice. In November 2004 NWA approached IBS,

which already provided housing management and financial systems to the Association. NWA asked IBS to develop a software module to manage the administration and management of the Clwb Seren loyalty scheme.

NWA had challenging requirements: it needed to ensure that each of its tenants is managed and rewarded through the lifetime of his/her relationship with the housing association. The scheme needed to have a motivational effect on staff by reducing the negative aspects of their work such as arrears collection. It also had to serve as a marketing tool for the Association by introducing best practice principles of customer service.

So the software had to be able to manage relationships with housing tenants, store details on the history of an individual's membership, and automate the identification of eligible members. NWA also needed to be able to run analytical reports from the software, so that it could gauge the success of the scheme.

Jane Parry-Evans, Information Systems Manager for NWA, commented:

"The software needed to meet our detailed criteria and yet be easy to use. Just as arrears stages are used to record courses of action against tenants who are in debt, we needed to be able to set-up new stages to identify tenancies that are eligible for membership. It was also important that we could track any breaking of the membership criteria."

The solution

Responding to NWA's needs, IBS developed a Loyalty module. The Loyalty module was created especially for NWA's Clwb Seren scheme, and will become an integral feature of IBS's system for housing organisations. Following beta testing, it is anticipated that the module will be in Live use at NWA from July 2005.

The Loyalty module links with IBS's arrears processing function, so that the system can identify tenancies that are in credit as well as those in debit. Using the IBS Loyalty module, NWA will be able to maintain and record the whole membership history of the tenant. The IBS Loyalty software records and stores all the necessary data, automating the administration and management of the scheme, of which the main incentive is a 'Count Down' card that provides discounts for goods and services for tenants.

The software will also facilitate the management of prize draws and competitions and 'Housepride' awards, which are issued to tenants for carrying out improvements in homes and gardens, as well as community and good neighbour awards. It can track reward schemes such as low cost home insurance packages and education grants/scholarships and if a tenant property is left in good condition, record the issue of a 'Golden Goodbye'.

Affordability and cost justification

NWHA had to justify the financing of the project and be confident that the system would create cost savings in the long term.

Paul Diggory, Chief Executive of NWHA, comments: "Although the majority of the costs for the Clwb Seren scheme will be met within existing budgets, the investment still has to be justified. The only upfront expenditure that is directly attributed to Clwb Seren is the IBS Loyalty module, and the setup costs to cover publications and Countdown cards. We anticipate that these costs will be met by savings in negative expenditure.

The software had to demonstrate that it was able to track successful incentive schemes and identify those creating the best savings. From this, we hope to be able to formulate attractive loyalty schemes that will influence behaviour."

The Loyalty module will also be used for handling communications with other groups of residents, such as resident participation groups. Furthermore, it will manage feedback in the consultation of Best Value initiatives. This involves consulting local people to provide better quality services at reasonable cost.

The future

NWHA is confident that IBS can support its future needs, and provide the support and development it requires as the loyalty scheme evolves over time.

Jane Parry-Evans concludes, "The Loyalty module will link in to all of our supporting IT systems, so our partnership with IBS will be pivotal to our exciting plans for the scheme. An example of a future development of the Clwb Seren is to give an enhanced repairs service to members.

One of the great advantages of the IBS system is that it will initially allow us to trial different approaches. For this and other future projects we have no doubt that IBS will be ready, willing and able to support our needs".

OPENHousing, OPENContractor and OPENFinancials solutions, formerly from IBS OPENSystems, now belong to Capita Software Solutions.

Please contact your Capita Housing Account Manager for further details.

2 West Mills
Newbury
Berkshire
RG14 5HG

Telephone +44 (0)1635 550088
Facsimile +44 (0)1635 550505

cssenquiries@capita.co.uk
www.capita-software.co.uk

CAPITA