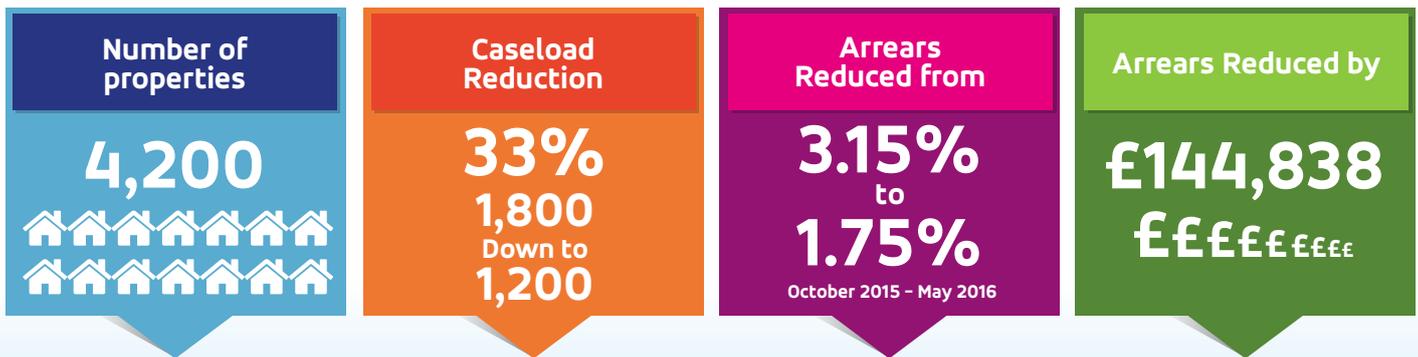


## About Merthyr Valleys Homes

Merthyr Valleys Homes (MVH) is a mutual housing association in South Wales with over 4,200 homes. The organisation was set up in 2009 following a stock transfer from Merthyr Tydfil County Borough Council (MTCBC). Their properties are concentrated in a small geographical area, but the region itself is diverse as it straddles both urban and rural communities.



Merthyr Tydfil has a rich industrial heritage in steel and coal however, since the demise of the mining industry in the 1980s, it has struggled to find sufficient quality employment opportunities for its local communities. A recent survey by the Money Advice Service placed the area 3rd on a national list for most indebtedness at 24.1% when the national average is around 16%. A further legacy of the area's mining heritage is that there appears to be a higher level of sickness and disability amongst the older generations in the area.

The organisation and its partners are working hard to improve the economic and social outlook for its residents, in particular through the provision of income and benefits advice, in order to mitigate the effects of the UK Governments welfare reforms, which are having a significant impact.

The Welfare Reforms, starting with the removal of the Spare Room Subsidy (commonly known as Bedroom Tax) have affected approximately 1,000 of their tenants; cuts to the ESA (Employment Support Allowance) and changes from DLA (Disability Living Allowance) to Personal Independence Payments (PIP) also have a disproportionate effect in the area, where over 60% of the rent is collected through Housing Benefit.

As a result, MVH have changed their collection processes and systems to mitigate the effect that the welfare reforms would have on their revenue streams and service delivery if rent arrears rose unchecked. They analysed their income function and found that their Housing Management System (HMS) was flagging too many cases and their income officers could not get through their

caseload, at a time when they were facing increasing resource pressures.

**“The system was flagging every case in arrears, so for example all the monthly Housing Benefit cases were being listed,”** explains Lyn Moore, Income Team Leader at MVH.

This meant that the team of 3 officers were facing an unmanageable workload of around 1,800 cases a week, and were spending time reviewing cases that required no action. With ongoing welfare reform and Universal Credit looming there was **“a real need to address the arrears situation and create capacity to deal with the changing environment,”** according to Lyn.

As a result they invested in Rentsense, which immediately reduced the caseload to 1,200 for the three officers and ensured they were focusing on the right cases by prioritising them for action. Before Rentsense was implemented, officers had to estimate as best they could on the relative importance of each case, and the temptation was always to sort by the biggest debt first.

“Rentsense sorts and prioritises the cases for you,” explains Nick Lyons, an income officer at MVH. “So no matter what the outstanding rent is we focus on the most important cases first. They may be some that are under £50, whereas before the team would not be able to get down to that level - we now feel that we are preventing arrears from increasing to unmanageable levels.”

As the income team are working smarter and more effectively it is also easier to manage performance. “Rentsense has focussed the approach of the income team, but also I can also see how we are performing at an individual level,” comments Lyn. “It has given me more time to look at modelling and analyse how our tenants will be affected by different elements of proposed welfare reform so we can begin to plan and mitigate those effects now.”

Now Merthyr Valleys Homes are chasing the debt they need to collect and speaking to the right tenants when they need to. It has also freed up the officers’ time and allows them to better manage Universal Credit cases.

Much of the employment in Merthyr is based on zero hour contracts, which means people’s benefits are constantly changing. So rather than having to wait for a letter from the Local Authority advising that tenant’s entitlement and income has changed, Rentsense notices the change and flags it for the income officer to call immediately. “This is one of the reasons Rentsense is invaluable - it gives us the heads up every time something changes,” explains Lyn.

**Too Good to be True?**

Initially there was scepticism to what Rentsense could deliver and they were worried that Rentsense would miss cases.

“In the early days I was checking and double checking,” explains Lyn. “But it soon became apparent Rentsense was picking up all the cases that needed attention”.

“We are now targeting debt under £250 and this is helping us to prevent arrears. It also serves to remind tenants that even small amounts will be chased.”

The team explain there are so many other benefits to Rentsense, from a quick and simple deployment, incredibly easy to use, to making it very easy to pick up a colleagues work when people are off.

“On the first day the team came straight out of the presentation and straight into using it, it was that quick and easy. Beforehand we were concerned about the change for officers, but every member embraced it and could see the benefits from day one,” comments Lyn.

In less than twelve months, Rentsense has helped Merthyr Valleys Homes protect their revenue stream, reduce their arrears and mitigate welfare reform. Arrears have fallen from 3.15% in October 2015 to 1.75% in May 2016 saving £144,838 in the process and according to Lyn, “Rentsense is a business critical application.”

Lyn also credits Rentsense in helping MVH mitigate welfare reform by creating time for the officers to address the correct cases but also it has changed the organisation’s practises to foster more engagement with their customers and in having good engagement the team are able to support tenants through the changes.

