About First Choice Homes Oldham

First Choice Homes Oldham (FCHO) is a housing association that looks after 15,500 homes in the Oldham area of Greater Manchester. It was originally an ALMO for Oldham Metropolitan Borough Council but underwent a stock transfer in 2011.

Number of properties	Arrears Reduced from	Arrears Reduced by	Income Officer Capacity created
15,500	**2.05%** to **1.6%** 2015 – 2016	**£207,713** ££££££££	**5**

Before installing Rentsense FCHO used their Housing Management System (HMS) to manage their income function. However in 2012 the department underwent a root and branch review, lead by Sarah Aldred, Head of Income. At that time there were no real performance management or targets in place, this was compounded by officers' caseload being burdened with too many cases, many of which that required no contact.

"Our HMS was producing lots of pending actions and morale was low and my team were not getting through the workload," explained Sarah. "We needed to take a different approach. Team and individual targets were put in place along with new processes and we made the decision to invest in Rentsense."

Rentsense was installed in 2012 and helped to make an immediate impact. It helped focus the income team and reduced their caseload significantly. "Beforehand the income team were looking at too many cases that required no action. With Rentsense they knew every account they were looking needed a payment and it allowed them to be focused."

Rentsense helped improve the morale and performance operationally but also enabled management to become more strategic, as Sarah explains.

"It (Rentsense) allowed me to think more strategically rather than getting bogged down with the operational information.

There was less firefighting and we are now in a position where we are speaking to the tenants we need to."

Leading an Income Revolution

Rentsense has helped enable a revolution in income management at First Choice Homes Oldham and they have been able to address this step change that welfare reform and Universal Credit have enforced.

"Income collection has changed. Customers are being squeezed every which way and they do not have additional money to give you. The calls are getting more difficult and it is getting harder for the income officers. We are applying for more DHPs (discretionary housing payments) from the local authority. It is about educating the customer, looking at their debt and teaching them how to budget. We can't help them maximise their income, it is maximised but we can help them budget better." Comments Sarah.

This has meant income needs to become more proactive and the aim for Sarah and the team is not to chase arrears but preventing tenants from falling into arrears in the first place.

They look at circumstantial evidence around every case, what can they do to prevent accounts in credit balance from dropping into arrears? An example of this pre-empting changes in circumstances which will affect benefit payments.

"We are working on picking up relevant family birthdays for those people on Housing Benefit (HB). An example is we are giving residents notice that a child is approaching a birthday that affects their HB. We tell them that HB are going to want to know and encourage them to pass this information across ahead of time so their benefit does not stop or get suspended."

By taking this fully rounded approach to collection and arrears, of which Rentsense is a key tool, FCHO have continually driven and improved performance, in 2015/16 arrears fell by around £207,713, from just over £960,297 (2.05%) to £752,584 (1.6%), in spite of having a large number of UC cases, at the last count it was 525, although it has been as high as 800. They also post collection rates that are consistently in the upper quartile.

First Choice Homes Oldham is an example of how the income collection function has changed and is continuing to do so.

Using the same tools, systems and processes as before will not help address or mitigate welfare reform as landlords need to fundamentally change their outlook if they are to be able to continue to collect rent and protect revenues as they once did.

The next stage in this revolution of income collection for First Choice Homes Oldham is identifying patterns of behaviour that prompt a positive outcome, which would be a payment or an agreement. What type of communication, or the timing of, prompted that successful outcome.

Income Maximisation

With technology, like Rentsense which is freeing up the equivalent capacity of 5 officers time, Sarah and the income team are changing the way they work. "Rentsense has given us that focus that has freed up time so we can start looking and planning ahead and ensure we are maximising our income." Highlights Sarah.

firstchoice HOMES OLDHAM

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Find out more about Mobysoft's Rentsense system...

Mobysoft's Rentsense cloud application helps housing organisations maximise revenues, protect revenues and create much needed efficiencies.

Rentsense is a series of complex algorithms that analyses a housing organisation's tenants' transactional history that is coupled with a predictive analytical application that then predicts which tenants will and won't pay their rent.

It then produces a list of tenants, in priority order, that need contacting that week regards their rent. This enables officers to contact the right tenants at the right time in the right order helping to drive down arrears.

Rentsense is compatible with all leading Housing Management Systems. To find out more please visit www.mobysoft.com