

Communicating Service Charges to customers

Every New Year brings new challenges and if investment plans for social housing materialise Housing Associations will see tenant numbers increase adding to the complexities of property management.

Communicating information explaining Rents, Service Charges, Sinking Funds, and Section 20 notifications, is often seen as a 'chore' when needing to explain details on how money is being spent. There is a growing demand from customers for greater transparency to ensure they are receiving 'value for money'. Developing a strategy for this is also important with a continued challenge for 'doing more with less'.

This dichotomy is being addressed today by:

- outsourcing services
- developing shared services
- mergers driving economies of scale.

However, there is an alternative that retains internal expertise for capture, allocation and dissemination of service charges but then use a specialist third-party service provider to generate data driven 'customised' communications for the customer communication element. It's Shared Managed Service that integrates with existing IT/ECM infrastructures.

It works by having a 'framework agreement' with a 'consortium' of Associations. The delivery of Service Charges is something that all Housing Associations need to comply with and although this is a simple requirement the processes capturing data can be complex, drawing on a number of different resources.

Once data has been verified, communicating information to customers generates challenges

for multiple stakeholders within the organisation. This was highlighted at the 2018 NLG annual conference, where a large Housing Association (in excess of 60,000 properties) indicated it involved 40 people to calculate, process and deliver information to customers – all within a tight timeframe. Effectively this is the same type of information all housing associations are having to report on, yet it's not perceived today as a Shared Service due to the insight required to manage the cost allocations.

Adopting Shared Managed Service through a third-party has benefits, such as;

- Access to expertise, knowledge and skills bringing objective best practice to document content, design and format by;
 - Simplifying content taking account of brand guidelines, tone of voice, and delivery channel providing the opportunity to tailor communications to each recipient, providing only relevant information, contributes reduction of inbound customers queries.
 - Rethinking the format of documents to A5 booklet, rather than multiple A4 sheets, reduces production costs whilst enhancing customer experience.
- The opportunity to spread costs for development set-up and ongoing production with multiple Housing Associations;
 - advanced document creation and delivery technologies with no software licences
 - improved delivery processes, from data through to mail carrier, reduces internal resource allowing them to focus on core activities
 - data validation built into the business process to act as a control mechanism reducing potential errors coming from spreadsheets.

- the right technology delivering the right outbound communication – types of digital printing and fulfilment options along with a joined-up process for bounced email supported by automatically reverting to paper delivery when hard/soft-bounces occur.
- secure electronic delivery managed with a customer authentication process which provides two-way communication and archive.
- audit/reporting trail satisfying compliance requirements with a centralised system that traces work through the end-to-end processes.
- Impact to the bottom-line from a number of aspects;
 - changes in processes
 - value from consolidated services
 - improving customer experience reducing customer calls
 - addressing digital transformation with multi-channel delivery
 - reductions in debt recovery
 - traditional savings in materials and postage.

Shared Services can still be a solution but bringing two (or more) Associations together to take advantage of potential cost savings can be a challenge. Core activities, such as calculating service charges and allocation, remain with the in-house skill set with the improvement in processes and delivery to customers undertaken as a collaborating team.

Moving to Shared Managed Service gives access to experts with a wider knowledge of digital technology to drive effective customer communications, supporting a digital transformation strategy with insight and experience to develop a best in class approach.

Without this approach Housing Associations are building, managing and producing the same core product – the communication of service charges to customers – but with a siloed mentality providing some cost benefits but not maximising on delivering greater services.

Longer-term Shared Services can be complicated, especially if one organisation is developing faster than the other with challenges for funding improvements, or where the expertise and responsibility sit for ensuring processes and technology are current and relevant for common benefits to be maintained. With Shared Managed Services, it's for the supplier to ensure it maintains its position as the 'centre of excellence' across technologies being mindful of the business interests of the client.

Governance is a key aspect not only for reviewing performance but sharing respective strategic positions. With a common basis around the services being provided and developing core elements under a framework still provides the opportunity for any individual organisation to bring their own brand style, tone of voice and other customer relationship messages into play with marginal cost.

The results being a VfM solution for several Associations with skills and expertise across a collaborating team delivering improved process with the outcome being improved customer experience.



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