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HOUSING INTELLIGENCE

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What Can Predictive and Big Data Analytics Deliver?
Derek Steele | Mobysoft
Adele Mathews & Tony Blows | Sovereign

About Mobysoft

A New Sovereign

- Sovereign and Spectrum merged in Nov 2016

- Good fit – Similar geography and culture

- Largest HA in South and South West of England

- Providing over 55,000 homes for people in housing need

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Sovereign in Numbers

55,000 HOMES FOR **130,000** RESIDENTS

That's roughly the same as the population of Oxford

REVENUE OF **£350 MILLION** A YEAR

That's the same as Manchester City Football Club

£10 MILLION SAVING FROM YEAR THREE

We can reinvest this in more homes and services

STRONGEST IN OUT SECTOR

| A1 | MOODYS RATING |
| A+ | STANDARD AND POORS RATING |

HOMES AND COMMUNITIES AGENCY RATINGS

| G1 | V1 |

1,800 EMPLOYEES

15,000 NEW PROPERTIES OVER THE NEXT **10 YEARS**

£88 MILLION INVESTMENT

We'll spend this on making our homes great places to live

- Digital Age – Technology proliferation

- Ever expanding Digital Universe = 45 trillion GB by 2019*

- Current Sovereign footprint 150TB

- The cusp of 'mining value'

*CyberCoders

Results

- Organisations will be 20% more profitable*

- £220bn efficiency savings**
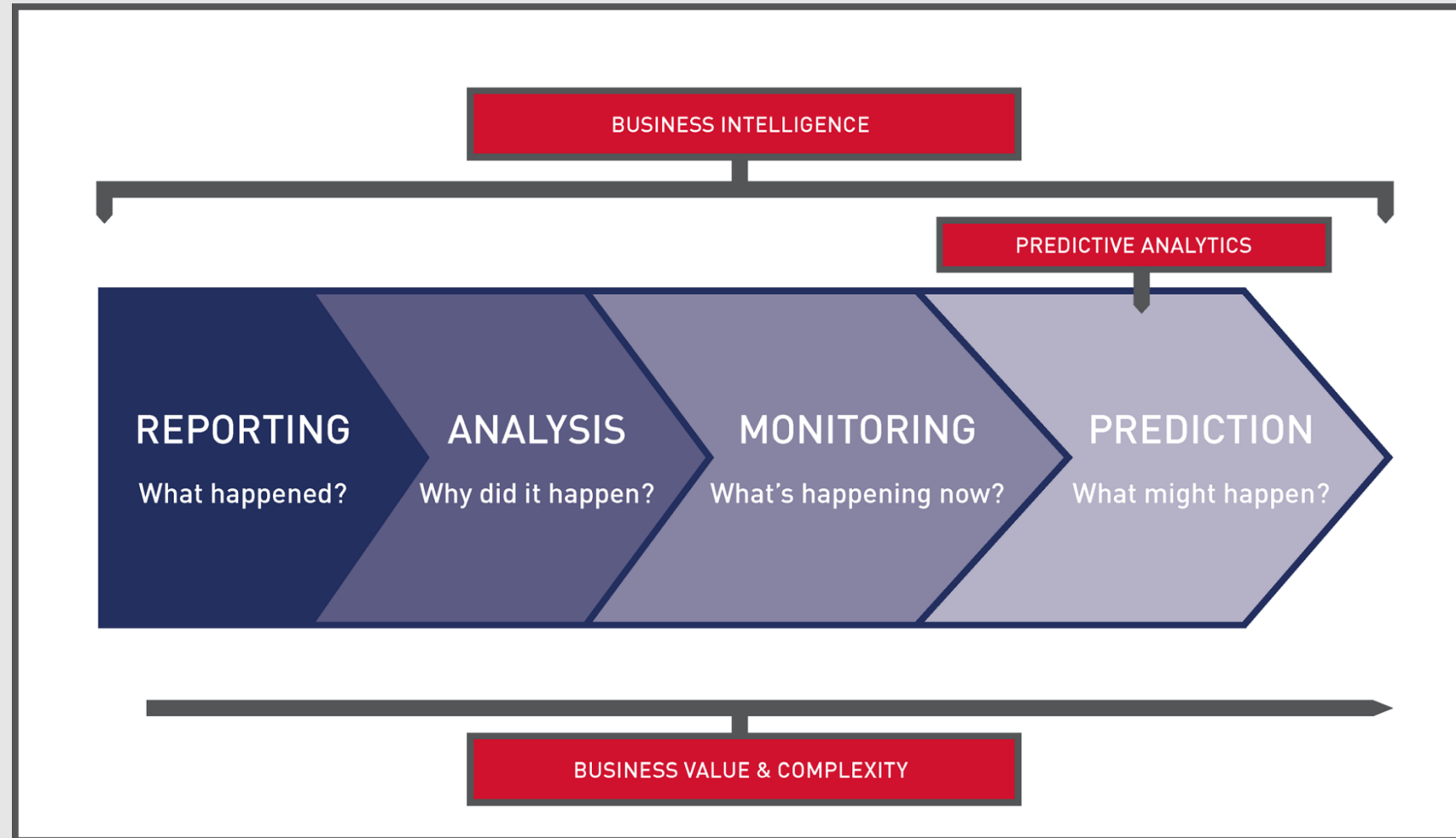
- More data greater accuracy

* Gartner

** CEBR

Predictive & Big Data Analytics

> **"** Firms with predictive analytics in place will be 20% more profitable than those without by 2017. **"**
>
> **Gartner**

> **"** By 2020 big data analytics will deliver £220 billion in efficiency savings to the UK economy. **"**
>
> **CEBR**

BUSINESS INTELLIGENCE

PREDICTIVE ANALYTICS

REPORTING	ANALYSIS	MONITORING	PREDICTION
What happened?	Why did it happen?	What's happening now?	What might happen?

BUSINESS VALUE & COMPLEXITY

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Housing Technology Environment

Invest in Internal Development

Invest in Pre-Packaged Predictive Analytical Solutions
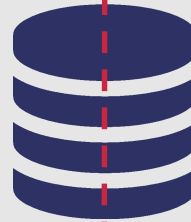
Requirements

- Infrastructure
- Data Scientists
- Machine Learning Tools
- Development Time
- Specialised Developers

Benefits & Risks

- Offers opportunity for broad approach
- Unproven & high failure rate

HMS / CRM

Requirements

- Access to the cloud
- Data Governance
- Clear Objective

Benefits & Risks

- Benefits in specialist areas
- Only invest if proven

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Predictive Analytics

Insurance
Predict with 85% accuracy

Customers that will leave

Failed Tenancies
Predict with 85% accuracy which tenancies will fail

Component Failure
Predicting component failures

Based on tenancy profile and boiler usage

Income Management
Predicts payers and non-payers

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Why RentSense

theguardian
website of the year

Benefit cap on social housing will leave thousands homeless, landlords warn

Up to 82,000 specialist homes for most vulnerable residents, including domestic violence victims, at threat of closure

24 housing
More than bricks and mortar

86% of UC claimants in rent arrears

Two and a half years on from its implementation, problems experienced by Universal Credit (UC) claimants have not subsided, but have in fact dramatically worsened.

theguardian
website of the year

Changeover to universal credit is driving people into long-term debt

Waits of more than seven weeks for the first payment create arrears that can plague claimants for months or years

"Supporting tenants on Universal Credit costs 500% more than tenants on legacy benefits"
Bolton at Home

NATIONAL HOUSING FEDERATION

Bedroom Tax: 29% of associations believe rent arrears have increased

PublicFinance
NEWS & INSIGHT FOR PUBLIC FINANCE PROFESSIONALS

Fitch: Budget rent cuts threaten creditworthiness of social landlords

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Sovereign Consolidated Results

- **Released Capacity equivalent to 13.08 FTE (11.73 was target)**

- **Actual Caseload Reduction of 45.94% (41.19% was target)**

- **Both Sovereign & Spectrum achieved their lowest ever arrears figures after 1 year of using RentSense**

- **Reviewed and enhanced our processes**

- **Sovereign collected in excess of £500K in additional rent**

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Evidence

Genesis

10.47
Created 10.47 Income Officer Capacity

£2m+
Arrears Reduced in 2015/16

ssha
your local housing provider

UC
Protecting Position against UC

1.64%
Arrears

1.5
Created 1.5 Income Officer Capacity = 20% of their team

EQUITY HOUSING GROUP

101.1%
Collection rate

1.2%
Arrears down to 0.67%

75.68%
Caseload Reduction: 1,028 to 250

MAGENTA — LIVING —

12,400
Properties

1.55%
Arrears down to 1.25%

3
Income Officer Capacity (22.2% of 13.5 team)

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Sector

- Challenging times

- Deliver efficiencies

- Need proven technology

Rentsense

- Immediate impact

- Takes weeks to deploy

- Light touch

- Used by over 80 landlords

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