



Unpacking the challenges:

# Why digital transformation efforts in the housing sector still lag behind

**SPINDOGS**

# Introduction

Against the aftermath of the pandemic and the backdrop of a cost of living crisis, housing associations are now more eager than ever to seek out ways to cut costs, generate additional income and find efficiencies within their existing business models.

To the expert, digital transformation is a natural fix for many of these issues, but for those heading up housing associations, facing daily challenges, and needing support and insight to roll out digital strategies, it is a far more overwhelming prospect.

During the Housing Expo 2022 and 2023, we sought to understand what the key digital challenges delegates were anticipating over the next 1-3 years. Through one-on-one discussions, we identified crucial hurdles that the housing sector experienced in its digital transformation journey including financial, data and technology, and accessibility.

This report examines the barriers to adopting digital transformation in more detail, including further external research data and case studies, to help us all understand what pressures housing associations continue to face as tenant demands and investor expectations grow. It also offers a helping hand, based on over 18 years of experience in the housing sector, to getting started.





'Digital transformation' is a phrase that seems to have been around for a long time, with increasing digital adoption among tenants a familiar and recurring challenge for most housing associations. While we applaud the clear commitment across the sector to better engage with and serve their audiences, the approach and methodologies utilised are regularly compromised by a lack of digital understanding. Sometimes implementation is inconsistent, budget is a challenge, occasionally there is a lack of vision but, most often and more importantly, there is a lack of knowing what's possible.

At Spindogs we recognise the will of the housing sector to engender change, and are focused on not only providing first-class digital solutions, but on holding your hand while you get there. Understanding your audiences, their pain points and online behaviours is the crucial, but often overlooked, first step on the journey. How can you begin to serve your tenants effectively without understanding how they engage with technology, adapt to their accessibility needs or their preference for a more familiar language?

We have seen housing associations make strides with digital tenant engagement and investors, when they have started from an audience-centric position. When combined with technical expertise, user-focused functionality and brand-led experiences, the results are dramatic. Tenants feel a greater connection with their housing association, their ability to quickly find appropriate content is increased, and the need for more traditional (and time-consuming) communications is significantly reduced. Resulting in tenant satisfaction and an increased confidence from investors.

This report confirms the adoption challenges that the sector is facing, but what is both concerning and reassuring is that many of the challenges you are facing are consistent sector-wide. You are not alone, and the success stories demonstrate that, with the right approach, successful digital transformation is within your grasp.

**Daniel Lewis - Strategy Director, Spindogs**

# Addressing financial challenges: budget, funding and resource constraints

Our conversations with delegates revealed that the key financial concerns were as follows:

## 1. Budget

Lack of funding

## 2. Time and resource

Shortfall of resource holding back digital transformation plans

We looked at wider industry research to dig deeper into the concerns raised by the delegates at Housing Expo 2022 and 2023. An Inside Housing survey in partnership with Futr (2021) revealed that nearly a third (32%) of respondents felt a 'lack of investment' was the main barrier holding back digital transformation plans. In the first instance,

housing associations are faced with an immediate lack of funding and budget constraints. Time and resources remain extremely expensive and indeed rare commodities. More than half (54%) of the respondents in the same survey cited a lack of internal digital skills and resources as holding back digital transformation plans.

32%

of respondents felt a 'lack of investment' was the main barrier holding back digital transformation plans

54%

of the respondents in the same survey cited a lack of internal digital skills and resources as holding back digital transformation plans

77%

reduction in staff mileage claims by eliminating commuting to offices, a trend positively impacting workplaces throughout the UK

Platform Housing Group reduced their office space from nine to two, resulting in an annual saving of

£900k

Remote working is an area experiencing noticeable progress and impact, influenced by the pandemic and the growing focus on sustainability. The financial implications of this shift are evident, as landlords are increasingly interested in promoting flexible work arrangements to reduce costs and carbon emissions. Platform Housing Group, a catalyst for change in the housing sector, serves as a prime example. Previously operating nine offices in 2018, they now operate with just two in

2023, resulting in annual savings of approximately £900,000. The pandemic has not only spurred the transition to remote working but has also revealed additional benefits in terms of environmental impact. Platform estimates a remarkable 77% reduction in staff mileage claims by eliminating commuting to offices, a trend positively impacting workplaces throughout the UK and will continue to do so with hybrid working options here to stay.

# Data and technology: data accuracy, legacy systems and cultural barriers to technological integration

- 1. Technology and data**
    - Access to real-time data
    - Concerns regarding inaccurate data
    - Dated technology
    - The need for a single source of truth
    - Lack of integration of new technology
- 

- 2. Skills and training**
    - Knowledge gap with new technologies
    - Lack of access to training
- 

- 3. Organisational culture and structure**
    - 'Resistance to change' culture
- 

Data is key for housing organisations in making spending decisions. It is commonly accepted by housing associations that the data required to present an appropriate business case for digital transformation rarely exists. Looking at data from Futr, 32% of people said not enough good data and a lack of investment held back digital transformation plans. But many ask the question whether it's the case of it not existing or whether it is the fact data isn't appropriately collected in the first instance. At the same time, there is often a lack of knowledge on the options surrounding digital transformation for housing associations.

Respondents to our questions specifically cited a lack of information around how to build digital transformation projects 'safely', particularly when looking after valuable data and not disrupting existing ways of working too much. 8% of respondents to Inside Housing's survey in association with Futr said they have yet to develop or put in place a strategy, but it is their intention to do so. 48.57% of respondents to the same survey said a lack of good quality/ robust data held back digital transformation plans.

In the case of Halton Housing, when the association considered access via any device and from anywhere, it found 82% of customers have access to the internet themselves and a further 7% have access elsewhere. Thus it wasn't necessarily about the means to access the data, it was about Halton Housing ensuring it was delivering information to its tenants in appropriate formats and locations - particularly mobile.



**of respondents said they have seen an increase in resident demand for digital products in the past 18 months**

In Inside Housing's research in collaboration with Futr, 80% of respondents said they have seen an increase in resident demand for digital products in the past 18 months. This is a key milestone for landlords in ensuring they don't get left behind and respond in the best way possible to staff and tenant demands.

Feeding into financial concerns, the cost of delivering training for new digital systems was cited as an issue for those at Housing 2022 and 2023. The concern therefore is not only in driving digital transformation initiatives but the subsequent costs associated with bringing an entire organisation, and its clients, up to speed on new systems.

There is limited evidence to suggest social housing landlords are taking a strategic approach to their use of data, but most acknowledged opportunities created by proactively managing a tenant insight process to reduce cost and improve service provision as part of a continuous improvement approach. A report by CIH 'Going digital', cites the use of data modelling to predict the likely impact of policy change on tenants and their organisation's financial viability.

What housing associations find is that their systems frequently don't talk to each other. In Inside Housing's Capita report 'Behind the Curve', 25% of housing associations say they use six systems or more to manage processes and at the same time a cultural problem of "it's how we've always done it" exists as a further barrier to change or integration. Likewise, despite the aforementioned stats of tenant internet access, only one quarter of tenants are fully using digital systems, with 50% of tenants not digitally included at all.

# Accessibility: inclusivity, engaging vulnerable groups and the digital divide

Our conversations with delegates revealed that the key accessibility concerns were as follows:

## 1. Accessibility and inclusivity

- Making the user experience barrier-free and user-friendly for all demographics, including people with disabilities
- Making content accessible to everyone
- Engaging vulnerable members of society

## 2. Tenant engagement and support

- Improving onboarding and interaction
- Engaging tenants and improving response times
- Providing different content for different demographics i.e young families, the elderly.

## 3. Communication and outreach

- Getting key messages out via social media
- Enhancing communication channels



Accessibility remains a hot topic alongside an eagerness for housing associations to offer a service that is as user friendly and non discriminatory as possible. It still remains that tenants are at the mercy of traditional working patterns with residents not being able to contact landlords beyond these times to report issues that wouldn't be considered an emergency. Similarly, tenants are demanding increasing choice in how to contact their landlords. Housing associations continue to strive to offer different content for

different demographics whilst doing their utmost to engage and interact with all tenants equally and fairly. Where this falls down however, it can all too often prove to be one way. CIH reports that 82% of housing associations have less than 50% of their current services available via self-serve. Clients instantly lack autonomy or the independence to access services they continue to crave. This further adds to the issue of tenants feeling alienated and it is proving harder again for housing associations to engage with them.

CIH reports that:

82%

of housing associations  
have less than...

50%

of their current services  
available via self-serve

From an equality and diversity point of view, some housing associations are working harder to specifically engage an elderly demographic and access to digital resources may come less naturally to this group, therefore before training is given on a new system, it would be a big job in itself to break down immediate barriers to adoption. Families, especially those with limited resources, often encounter difficulties in obtaining the necessary tools and technologies for digital connectivity. The cost of devices, internet services and relevant training can present significant barriers for these

families. Consequently access to digital resources may not come as naturally to them, further widening the existing digital divide. Considering these factors is essential to address the immediate barriers to digital adoption that groups such as vulnerable people or those from disadvantaged backgrounds face. Housing associations must consider this and take proactive measures such as providing necessary resources and offering affordable access to technology, giving every tenant equal opportunity to engage with digital resources.

# The next steps towards digital transformation

Digital transformation is not just nice to have, it's a necessity and a crucial step for housing associations to improve their performance, meet customer expectations, and stay competitive in a fast-changing environment.

However, embracing digital requires a clear strategy and understanding and commitment from senior leadership, therefore involving the board from the outset is essential, as they can provide the necessary oversight, guidance and resources to make digital transformation happen.

To formulate a digital strategy, it's important to ask the right questions and address key issues. The questions listed below provide a helpful framework to guide the conversation and ensure all relevant aspects are considered. By answering these questions, the board can gain better understanding of the opportunities and challenges presented by digital transformation, and developing a roadmap that aligns with the organisations goals and priorities:

1. What will it take to meet our customers' digital expectations?

---

2. Do our business plans reflect the full potential of technology to improve our performance?

---

3. Is our portfolio of technology investments aligned with opportunities and threats?

---

4. Do we have the capabilities required to deliver value from the technologies?

---

5. Who is accountable for digital and how do we hold them to account?

---

6. Are we comfortable with our level of digital risk?

In addition to these questions, it can be useful to involve external stakeholders, such as tenants and experts who can provide insights and best practices from other organisations. Furthermore, it's also important to communicate the digital strategy to all stakeholders and ensure they are engaged in the process. This can help build support and momentum for the transformation journey, and lead to better outcomes and benefits for all involved.

The digital landscape has shifted quickly and tech capabilities and tenant expectations are changing just as rapidly. Digital transformation strategies ultimately need to ensure housing associations have a better, tenant-centric, digital user experience - that means that repairs get fixed on time, rent balances are displayed at the swipe of a finger, and answers can be found without having to pick up the phone. This opens the door to better internal operations, more effective communication with tenants and drives efficiencies through closer operational relationships.



Organisations that are not afraid to interrogate what already exists, can challenge and be challenged, end up with much more robust and clear strategies for their website. I've also seen some great insights come from organisations who speak to their own customers to understand their needs and what they respond well to. Planning and preparation are key – and content should never be an afterthought!

- Hannah Cook, Programme Manager, Spindogs

It all starts with finding the right digital partner with the credentials and expertise to power your journey. Spindogs has helped some of the UK's front-running housing associations overcome individual challenges, including Yorkshire Housing, Notting Hill Genesis, United Welsh, and Southern Housing. Together, we've eased pressure points, given tenants the ability to self-serve, initiated cost savings, better utilised resources, streamlined tenant journeys and created bespoke systems to directly produce solutions to specific problems.

To find out more about our work with Housing Associations, take a look at our Housing Association sector page, download our Housing Sector paper or get in touch. We'd love to chat about your challenges and how we can help shape the future of your housing associations through digital transformation. We encourage you to experience a digital partnership the way it should be.



e [Info@spindogs.com](mailto:Info@spindogs.com)

t 02920 480 720

w [spindogs.co.uk](http://spindogs.co.uk)