

## Digital Inclusion

### The Business Case for Digital Inclusion

The Northern Housing Consortium will, over the coming months, be releasing a series of digital inclusion briefings highlighting the best practice from organisations across our membership about how they're using digital inclusion to drive change.

There are many facets to digital inclusion – the business case, the social case as well more practical considerations such as the technology of digital inclusion and its integration in communities traditionally resistant to change. In the coming months, these briefings will touch on these ideas; presenting research and best practice from across our membership.

### Why the Rush?

Digital Inclusion is often a misunderstood term. In sectors where it is prevalent, speaking to those unaware of its meaning can often illicit a confused look or worse, the sceptical look of someone who equates anything with 'digital' in its title as either a waste of time or an excuse to spend all day on the internet. For clarity, digital inclusion is often defined in terms of:

- **Digital skills** - being able to use computers and the internet. This is important, but a lack of digital skills is not necessarily the only, or the biggest, barrier people face.
- **Connectivity** - and access to the internet. People need the right infrastructure but that is only the start.
- **Accessibility** - services should be designed to meet all users' needs, including those dependent on assistive technology to access digital services. Accessibility is a barrier for many people, but digital inclusion is broader.<sup>1</sup>

Thankfully the housing sector is generally more *au fait* with the term. Many housing providers are actively pursuing a digital inclusion strategy to recoup income lost through the impact of welfare reform as well as the general economic downturn as well as combat social and economic isolation. Some associations have incorporated their digital skills training through other pre-existing areas of their work in employability and skills.

There are many key business drivers for registered providers. The efficiency savings generated by increasing the number of online transactions mean that housing providers can then spend more time, and divert more resources, to improving the quality of services to those most in need. A greater digital presence also helps providers not only improve access to their organisations to current, new and emerging customers but also to use this digital presence as a communication tool to raise awareness of services and increase the profile of providers.

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<sup>1</sup>Government Digital Inclusion Strategy', <https://www.gov.uk/government/publications/government-digital-inclusion-strategy/government-digital-inclusion-strategy>

Other business drivers include the need, in an era of welfare reform, to help and encourage tenants to maximise their household income through the effective take up of benefits online as well as using digital technology to achieve savings on household bills and other spending. Additionally, a wide-ranging digital inclusion strategy can help to boost skills and provide the experience to access training and support as well as promoting health and wellbeing among isolated communities (particularly among older people).

At the outset of the welfare reform initiative, an [Ipsos MORI/University of Cambridge poll](#) found that most housing associations feared “a significant rise in rent arrears” and that “residents had little or no idea how welfare changes ... would affect them”. The poll further found that eight out of ten respondents thought rent arrears would jump by an average of 51% which, the report states, would be an equivalent of £245m in rent arrears.

The potential savings of an effective digital strategy have been produced by both Price Waterhouse Cooper (PWC) and the Society of Information Technology Management (SOCITM). PWC, working in conjunction with the Department for Communities and Local Government (DCLG) found that social housing providers could save more than **£340m a year** if using more cost-effective online communications to communicate with their 9.5m residents.

Both PWC and SOCITM have shown in their research the relative costs per transaction:

Source	Face to Face	Telephone	Online
PWC	£3.39	£13.10	0.08p
SOCITM	£5.00	N/A	0.17p

While many registered providers were keen to weather-proof their revenue streams, it was also clear from the outset of the new Government’s tenure that many of the new initiatives would have a heavy emphasis on digital technologies.

The [Universal Credit](#) scheme, launched in 2013, would combine 6 benefits in one single payment and the entire scheme would be expressly online. Claimants would apply online and manage their claims online. Set against the fact that almost half the adult population in the UK who do not use the internet live in social housing<sup>2</sup>, it became clear that the significant shortfall in digital skills among social housing tenants would cause serious problems for social housing tenants and social landlords.

In light of a widely held perception that many housing associations would lose significant revenues as a result of changes to the welfare system; housing associations across the North began to evaluate their working practices and identify future needs, not just of their tenants, but also of their businesses if they were to remain functioning.

But the changes anticipated by welfare reform are not the only driver of housing associations take up of the digital agenda. Many house providers recognise the business

<sup>2</sup> <http://www.northern-consortium.org.uk/connectedcommunities>

case in equipping their tenants with IT skills to help further skills and employability. Other housing providers have acknowledged that while weather-proofing their organisations from a fall in revenue and boosting the skills of their customers is important, others have recognised the importance of the internet as a money saving tool.

## **Welfare Reform**

### **Case Study: Digital First, Halton Housing Trust**

It was clear that for many housing providers, welfare reform was major driver of change. In response to the changes anticipated by Welfare Reform, Halton Housing Trust (HHT) established the Digital First initiative. Their CEO, Nick Atkin and his team, have embarked on a radical realignment of the Trust which aims to shift the focus of their work from face-to-face contact centres to digital means so that changes associated with Welfare Reform will have a net nil impact on both the Trust and their customers so that the Trust can focus their resources on those customers that need the most support.

The targets are ambitious. The Trust hopes, through its Digital First strategy, to have 90% of its day to day customer interactions online. Day to day interactions can include anything from paying rent; reporting repairs or anti-social behaviour and it is envisaged that the majority of these will be achieved through a HHT app, available across platforms, which will make these activities simple and straightforward.

### **How does this work?**

The Trust's most recent survey of their tenants (July 2014) found that of the customers who replied to their survey that stated they weren't comfortable using the internet (c.42%), only 29% had someone to help them and 71% didn't. This is, in a nutshell, the most difficult part of HHT's initiative: how to target help at the digitally isolated.

HHT recognised the need for extensive targeting of their target audience. Nick Atkin cleverly contextualises the Digital First initiative as a tsunami of change and thus breaks his identification down to three categories: the swimming instructors, those who require a lifejacket and those who require a lifeguard.

For the swimming instructors, those that are digitally savvy or those that are comfortable using computers, tablets or smartphones (which Halton estimate to be around 70% of their customer base), there is general advice and basic training available. These initiatives will be for a limited time as once customers are up to speed, they will be relatively self-sufficient.

The second wave of identification of the customer base is identifying those who require a lifejacket i.e. those with a limited, working proficiency who may struggle with certain elements of using new technology (approximately 20% of their customer base). For these customers, the Trust aims to provide more detailed information and support as well as on going, ad hoc support as specific circumstances arise.

The third wave is perhaps the most important for the success and viability of the project. For those requiring a lifeguard i.e. those who have no digital skills and/or lack connectivity, the aim is for an intensive system of training and support delivered by HHT staff as well as other support such as digital champions on an ongoing basis.

## Channel Shift

In an ambitious plan such as this, it is obvious that traditional working practices are changed. Traditional customer service teams in essence become digital advisers while retaining elements of the customer service teams. Their role becomes about helping customers to help themselves: the skills they impart – accessing the internet, using email, registering for products and services online – are not limited to Halton Housing Trust's work but transferable in their everyday lives.

In addition to this, initiatives such as a [Digital Champions](#) provide a community-focused and community-assisted support network outside of HHT which is something the Trust are keen to utilise.

Halton have ensured that innovation is at the heart of the delivery of this programme and not just in its conception. It is the aim of the Trust to provide some customers with basic tablet devices. They are currently trialing cheaper tablet computers with relatively inexpensive 3G-only contracts ([of which we will learn more later in this series](#)).

## The Future?

The ambition of Halton's project is mirrored in its 2016 deadline. But the success of the project isn't necessarily limited to that deadline. Many social landlords take an interest in the digital agenda as a means of investing in the social capital of their communities and Halton is no different. While the driving force behind this project is to enable the Trust to continue working as normal in light of the changes brought about by Welfare Reform, the benefits of training and refreshing digital skills among social housing tenants – typically some of the most digitally isolated people in the UK – can reap [huge social dividends](#).

In the spirit of the digital age, the project's future is probably best followed through Twitter. Both Nick ([@nickatkin\\_hht](#)) and Carole ([@CaroleG\\_HHT](#)) regularly tweet information and updates about Halton's Digital First initiative, but also tweet more widely about the digital skills agenda.

## **Employability and Skills**

### **Case Study: Tristar Homes/Fabrick Group**

In 2012, Tristar Homes, a Stockton-based social landlord with over 10,000 homes now part of Thirteen Group, began their digital inclusion strategy based on boosting basic online and ICT skills for tenants as well as minimising the impact of welfare change on their income streams.

The initiative to equip customers with IT skills was multi-faceted: it responded to customer demand for IT skills training; it would go some way to establishing more cost effective ways of customer contact and would respond to the moves toward migrating many Government services online.

From the outset, they knew – through their Survey of Tenants and Residents (STAR) survey - that 58% of their customer base did not have access to the internet which represents an above average figure. This high level of lack of access made it important for Tristar Homes not only to deliver the digital skills training with other partner organisations and local colleges but also to collect information and establish local partnerships with organisations where free internet access was available.

### **Delivery of the Project**

Tristar, working in collusion with Fabrick group had their initial investments of £20,000 each match funded through the Department for Work and Pensions' 'Digital Deal scheme'. The majority of the project's ICT skills training, support and access for customers looking to improve their ICT skills is delivered through pre-existing employability initiatives such as Pathways which provides 1-to-1 support for customers who are actively looking for employment.

Customers ICT skills are assessed by Personal Advisors, and where gaps are identified customers are encouraged to attend local courses at community venues or more formal training through colleges. The digital inclusion initiative utilises the expertise of staff already working in the Pathways employment support office. Practical ICT skills are then encouraged through work placements and engaged customers have been supported with training via the ICT team as well as more formal college-based training.

Outside of the aims on employability and skills, the project hoped to increase ICT skills for customers and staff and target specific customer groups to ensure a marked increase in the use of online services as well as general ICT awareness, ensuring more customers have the opportunity to become digitally included.

Kay Glew, Head of Housing Area 1, has commented on her desire to go bigger with the digital inclusion strategy in the future, noting that with 30,000 homes as part of the newly-formed Thirteen Group, the scope to achieve real, lasting changes in people's IT skills was huge and that any investment in digital inclusion strategies would have to be substantial.

## Economic and Social Isolation

### Case Study: Wakefield District Housing

Wakefield District Housing (WDH), a 31,000 property social landlord, have approached the digital inclusion agenda from a different angle. They recognised that digital isolation often equals financial isolation. Indeed, research from the National Housing Federation has found that offline households miss out on savings of around £560 a year because of their digital exclusion<sup>3</sup>.

### Tackling Economic and Social Exclusion

Additionally, WDH were keen to stress the lifestyle benefits of digital inclusion whether that is using email to stay in touch with friends and family; using social media websites, software such as Skype or accessing general information. They recognised that even something relatively small, such as using social media to keep in touch with friends, could thus save money on land line and mobile phone bills and, in some cases, stamps and envelopes.

The driving force behind WDH's digital skills initiative is the potential savings made by customers. The idea is simple: those customers who save money on goods and services have more disposable income and more disposable income means customers are better able to manage their finances.

Furthermore, WDH have delivered their digital inclusion programme, particularly its focus on using the internet to save money, by actually demonstrating how websites can help them save money on utility bills and shopping as well as offering one-to-one support for tenants that – importantly – works at a speed tenants are comfortable with. This has been achieved through a mix of WDH staff delivering this training and Digital Champions volunteering with customers.

Outside of these schemes, WDH also offer online courses as part of their community learning programme as well as a Switch and Save programme, which mixes face-to-face interaction and online-only interaction. To date, it has helped residents save over £176 a year each on dual fuel bills.

To date, WDH have recycled some 250 PCs at a cost of about £30,000 and have distributed about 85 PCs to date to tenants groups and local social enterprises as part of a wider drive to ensure that customers have access to IT equipment but can also make the most of the opportunities brought by access to it.

The digital agenda, by its definition, can never be completed because the rate of technological innovation is unrelenting. As with the other case studies, we have seen that as an organisation's digital inclusion agenda moves on, it more often than not absorbs other functions.

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<sup>3</sup> <http://www.housing.org.uk/policy/investing-in-communities/federation-support-for-community-investment/digital-inclusion/>

WDH's digital agenda was no different as they realised that as more and more Government services were becoming digital by default, it was imperative to get their customers online both for the customer's ability to use the services they need and for the organisation's ability to operate as a functioning business.

## **Online Webchat**

### **Case Study: Orbit Housing**

Orbit Housing, a national social landlord with around 38,000 properties, have recently started offering a live webchat service through their website to help customers chat in real time with customer contact centre advisors to resolve issues & ask questions.

As with most registered providers, the webchat initiative was part of Orbit's broader digital initiative and represented Orbit's commitment to digital transformation across the organisation. Orbit has committed to a target of 75% of customer contacts to be on line by 2020 and see the webchat initiative as playing an important part in achieving this. It also fits with Orbit's wider agenda of choice: some 76% of their tenants are online with concentrations of online households in some communities\tenure types being at 95%. Orbit have recognised the importance of choice and hope that the webchat scheme will be another string in the bow of their offer to customers.

The webchat feature itself has only been 'live' since the middle of June so, at the time of writing, the long-term data and trends about the success of the initiative weren't available.

However, there were some short term statistics that pointed to a gradual, but notable take-up of the service among tenants. After seven weeks of being operational, Orbit's customer contact staff were dealing with around 200 webchats per week and David Leach, Director of Digital and Customer Operations, stated that Orbit has dealt with over 2,000 webchats in the first 6 weeks of the initial going live.

David, went on to say that before the launch of our new website and the webchat initiative, around 3% of customer queries were resolved/initiated online, after 7 weeks that had increased to just over 10%. As well as being liked by customers, importantly the service has been well received by customer service staff who like using the service and recognise the benefits to customers.

Operationally speaking, establishing the webchat initiative has coincided with broader organisational changes such as a total redesign of Orbit's website and establishing a contact centre based social media team.

The operation of the webchat itself is relatively simple: all webchats go directly to customer contact centre with the ultimate aim being to remove barriers and ensure that the idea of "getting it right first time" is paramount. Orbit want a highly informed and ultra-efficient service and envisage a situation in the future where one customer services advisor could be dealing with multiple online queries at a time.

Because of Orbit's strategy of establishing the webchat as part of wider organisational changes, the webchat initiative has been very cost effective. The reorganisation of Orbit's social media team, a day's awareness training and the wider re-design of the Orbit website were the main hurdles in implementing this project which have been achieved.

## **Conclusion**

Too often innovation is seen as something undertaken by other people. Banks have lead the way in revolutionising the way in which customers communicate with businesses. Online webchats, 24/7 customer care through a range of mixed media (phone, text message, Twitter) as well as the ability to manage accounts via the Internet and smart phones are something that many now take for granted.

It is clear that across the sector there are many organisations providing varied and interesting digital inclusion initiatives. These initiatives react to a range of issues facing the sector: the squeeze on rental income, the implementation of welfare reform, increasing pressures on housing associations to deliver services such as training and employability. It is apparent that while housing associations are under pressure to offer such services, they are doing so with aplomb.

The ambition behind a lot of the projects shows that housing providers are serious about making sure their services adapt alongside technological innovations. Orbit Housing's online webchats seem simple but have the potential to revolutionise the way tenants communicate day-to-day with landlords. Many housing associations are using the ease and simplicity provided by the Internet to empower customers to make savings on their utility bills, food bills and other consumer spending. This not only saves customers money but, in the long run, helps businesses save money by ensuring customers are more financially secure.

Furthermore, it is clear that a good, innovative digital inclusion strategy can help housing providers weather various storms whether that is welfare reform or an increasing take-up of technology among tenants. There remains room for bold manoeuvres such as providing free or cut-price Wi-Fi to tenants that many housing associations are beginning to act on (and something these briefings will touch upon in due course). What is obvious is that many housing associations now recognise the business case for a digital strategy and many are now acting on it.