Castleton HousingBrixx Newsletter

January 2018

CASTLETON

Contents

Introduction

Happy New Year!

All the best to you for a happy and prosperous 2018.

It was great to meet those of you who attended the [Castleton Customer Conference in Milton Keynes](#) and we look forward to meeting more of you in the forthcoming user groups.

We have had a number of changes at HousingBrixx and there are many more to come so we will be keeping you informed of those changes and letting you know what to expect from the HousingBrixx team and services in the coming months.

Staffing

Following on from the announcement last September, Soren Krarup is still working closely with the HousingBrixx team as a sub-contractor alongside his new consulting business.

Our team is also growing with the addition of Achie Gyedu which many of you will be introduced to over the coming months. Achie has previously worked at Lloyds Register and Fujitsu with a wealth of experience as a Business Analyst and Trainer. He is studying for CFA level 2 and is a three times British finalist in natural bodybuilding! He is currently training up on the company's processes and procedures but most importantly, is getting to know the HousingBrixx system inside and out so that he can provide support, consulting, training and solution-scoping services.

Achie's arrival allows us to make up for the staff attrition over recent years; share the growing workload and gives us the opportunity to change the roles of the team to play to staff strengths. This is the first step in our continuous plan to deliver more advanced, new and better products and customer services.

One of these initiatives, arriving this quarter, is to set up working groups to scope, develop and deliver new HousingBrixx functionality in close collaboration with the user base – more on that later.

Internal IT changes

We have made a number of changes and replacements to the old and outdated IT systems that were present in HousingBrixx to bring them into line with the Castleton set up.

This affects all HousingBrixx customers in the following ways:

- Salesforce.com has already replaced the old CRM, billing and mailing systems which improve our efficiency and most importantly you need to be aware that all communication will now come from that source. Please ask your IT administrators to add housingbrixx.admin@castletonplc.com to your company's list of safe senders.

- In the coming months, a new Castleton-wide forum will supersede the existing HousingBrixx forum. Here you will be able to download the software and updates plus interact with the rest of the HousingBrixx user community. Watch this space.
- A support ticketing system will be introduced behind the existing support email address. This will be designed to allow you to submit tickets via the same conventional email method and also through a web-portal to upload plans and check the progress of your support query. A knowledge-base is also planned to allow you to search or be directed to the answers to FAQs for instant self-service. This system is already in use by the rest of Castleton and we are currently undertaking changes to cope with some specific HousingBrixx requirements.
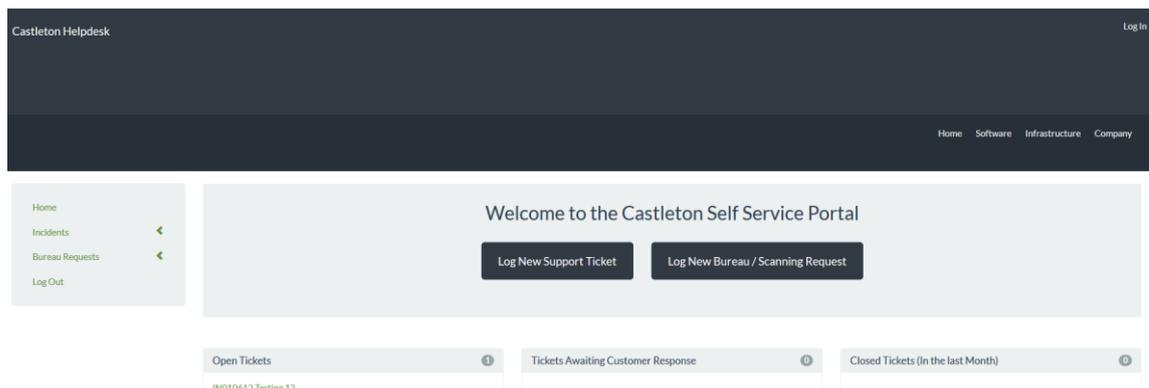
Hosting options

At the user conference in November, you told us that a centrally-hosted version of HousingBrixx would be really useful.

Castleton Managed Services is a major part of Castleton plc that provides end-to-end outsourced IT services, including hosting.

In order to alleviate customer IT issues and expand our range of services, we intend to offer a multi-tenanted, hosted version of the HousingBrixx system where all updates will be done automatically on release and customers will be able to open their plans in a chosen version of the system. You simply log in; choose your version; open your plan and work as normal. The system is available 24/7 from any location with an internet connection. Plans are backed up automatically and disaster recovery systems are in place as standard.

A server spec' has been identified and we are now setting up a "sandbox" environment for testing this true Software-as-a-Service delivery method.

Costs will be subject to demand since a greater number of customers allows us to reduce the costs accordingly. Following the Customer Conference, we already have a healthy number of customers who are interested in exploring this further.

If you think that this could be of benefit to your organisation and would like to explore further on a no-obligation basis then email and we'll be in touch when we have the testing environment established.

3

Licensing

Fifteen years ago, when HousingBrixx was conceived, the licensing model for the solution element (not the Planner part) was charged on a per-company basis.

### 2003 – Individual organisations

As housing associations merged into group structures, this reduced our number of customers so the licensing model was changed in the mid-noughties to one that charged for Stock-Holding Legal Entities (SHLEs) within the same organisation (see below).

2006 – Numerous entities in one housing group
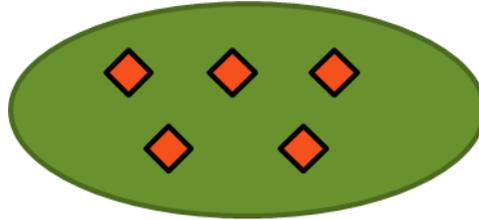
The above schematic licensing model has prevailed for over ten years but during that time, the sector has morphed again such that group structures are collapsing into single entities.

Today – entities have collapsed into one SHLE
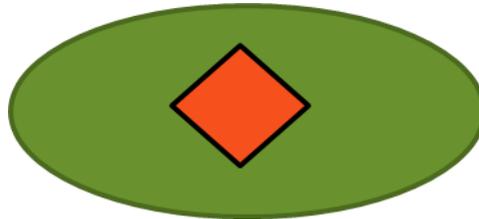
Also, as more RPs join existing large RPs, they join as part of the same legal entity – and the level of merger activity in our sector has risen sharply over recent times.

The effect of this is a major reduction in the number of HousingBrixx customers even though there are more units being modelled in HousingBrixx and more individual users than ever before. Likewise, revenues are diminishing to the tune of around 15% per annum on a like-for-like basis.

This archaic licensing model based on SHLEs is now outdated due to these changes in the sector. It is also unfair and unsustainable.

Unfair

There is currently a HousingBrixx customer with 380 units and two legal entities paying almost twice as much p.a. for the HousingBrixx solution as numerous housing groups of over 20,000 units which are amalgamations of many legal entities (which have consolidated into single stock-holding entities).

Unsustainable

As a business, we need to sustain and grow our revenues in order to be able to get better at what we do and what we deliver to you. Continuous revenue reductions would eventually affect the service we are able to offer. Furthermore, it's reasonable to assume that sector merger activity will continue and if we extrapolate the effect of this on HousingBrixx revenue then, under this ten-plus-year-old solution licensing model, we would reach a point of unsustainability.

This is easily fixed by moving to an equitable pricing model which:

- Will restore revenues to their previous level
- Will allow us to deliver the same or better levels of service
- Will guarantee the future of the HousingBrixx system on the latest Windows platforms
- Will fund development of the new functionality that you request and enhanced modules within the solution

New licensing

After much thought and modelling, we are moving to an equitable pricing structure from April 2018 where we will charge for the HousingBrixx solution licence according to the number of units under management. This figure will be taken from the previous year's Statistical Data Returns (or equivalent regulatory report).

Another criticism of the older licensing method was that the price for smaller housing organisations was rather high and this was a barrier to uptake. Therefore we are lowering the basic price slightly for organisations of 1000 units or below. There are currently not many small organisations using the system so this does not have a major impact on revenues but we hope that it will make the solution more accessible to these smaller organisations.

Above 1000 units we are adopting an equitable pricing model where every organisation will pay the same for their units regardless of their overall size. There is a sliding scale so that the larger the organisation, the less they pay per unit in the higher brackets but they pay the same for their lower-end units. Put another way, if you have 1001 units in your organisation, you will pay the same for your thousand-and-first unit as a 100,000-unit-organisation pays for their thousand-and-first unit.

How will this affect my organisation?

As a result of this, some organisations should expect increases and some should expect decreases post-April but the over-riding ethos is that this is a fairer mechanism.

We have looked at the effect of this across the user-base and whilst there will, of course, be exceptions (and it depends on the current size and number of SHLEs in your organisation), broadly the following will apply:

- 1000 units or fewer - annual solution cost will decrease slightly
- Mid-range organisations – costs are expected to remain largely the same but increases should be expected for the larger organisations in this bracket. Increases or decreases in this bracket are the most affected by the existing number of SHLEs
- Larger organisations with many existing SHLEs may experience a slight decrease in their annual solution subscription
- Larger organisations with some SHLEs are expected to change, some up and some down depending on the number of units under management
- Larger organisations with few stock-holding legal entities will experience an increase – often re-establishing levels to where they were for the total of the individual entities pre-merger and consolidation.

What next?

We will be explaining this in more detail at the forthcoming user groups in Glasgow, Cardiff and Manchester (all welcome) and then our primary contact for every organisation will receive an individual communication informing them of their organisation's updated costs at next renewal (and the month of that renewal). This is an important point to note because the new pricing structure takes effect for all renewals post April 1st 2018. So if your normal month of renewal is September then the new cost for your organisation will apply from September 2018 onwards.

In recognition of the cap applied to rent-increases across the sector, Castleton will maintain the same solution price for the following renewal year as well. Therefore there will be no rises to the solution until at least April 2020.

This delivers a fair and truly equitable pricing system that aligns with the unit-based pricing model of the HCA.

Products and delivery

Regulatory returns

Our next release of the HousingBrixx solution will deliver the FFR 2018 and we are currently working on this. We have preliminary sight of the new return and are liaising with the HCA to ensure we deliver according to the requirements.

New products

Currently, there are no graphing or dashboard tools in the HousingBrixx system and this will be addressed with the addition of a tool called Avido. For those of you who were able to attend the Castleton Conference at the end of November, you will have seen this very powerful and flexible tool in action.
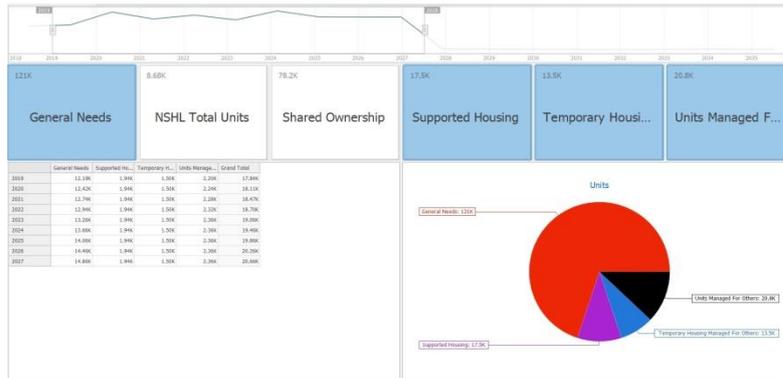
Rob Howling, in the Henley office, is working with Avido to generate sophisticated graphs and dashboards to enhance the graphical offering in HousingBrixx. Initial work has gone well and whilst we are still in the proof-of-concept phase, we are already producing some useful outputs.

Work is continuing on this project and we are aiming for a release in autumn 2018. In the meantime if you have any dashboards or outputs that you regularly use or need to send to board then please email a dummy-example in to Rob. Whilst we won't be able to cater for everyone's precise needs, this would provide us with the information that would be useful to provide a generic set of outputs (which could then be tailored by company at a later date).

Also, if you are interested in joining a working-group on this project to provide input and feedback during the development cycle then please let Rob know by emailing housingbrixx.admin@castletonplc.com.
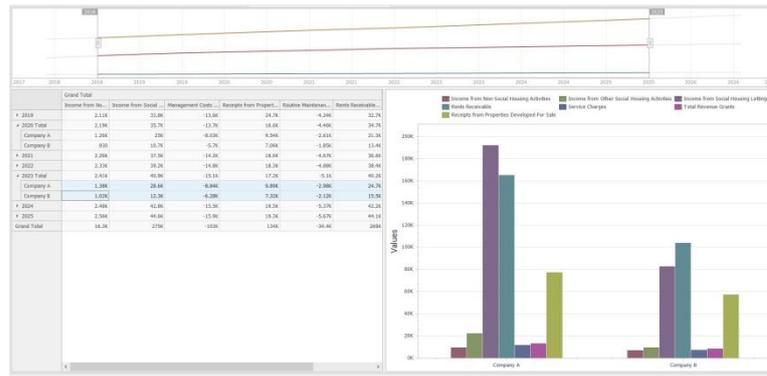
Training manuals

Training manuals are undergoing a refresh by Nicola Power to encompass latest updates, including the December 17 functionality, and will be available shortly on the forum.

Importer

HousingBrixx contains an Importer which is used by a small number of customers to import large tranches of development data into plans. It suffers from the problem of being a very specialised "bolt-on" product which few people use and, whilst it does the basic job, it could be improved enormously.

The overwhelming response from the User Group session in Milton Keynes was to develop this tool and turn it into a proper, licensed product which is maintained, supported and developed according to a roadmap which is published and whose contents are driven by the user-community.

Under this project, headed up by Jason Cooke, the tool could be extended to any area of data import saving users a lot of time and avoiding the double-keying of data. If you would like to become part of the steering group for this project then please contact Jason on this email stating that you would like to join the Importer project.

Future functionality

Replenishing the HousingBrixx team allows us to dedicate more time to working with you to establish the future functional requirements of the HousingBrixx solution. This is a more hands-on and structured investment in the development of the system and we will be establishing working groups for all areas of the product. Nicola and Achie will be involved in collecting the requirements from the user community, translating that into technical development specifications, testing and delivering back to beta sites. Some of these working groups are underway but once again, if you would like to be involved in one or more of these mini-projects then let us know through the email address above.

HousingBrixx 2018 dates for your diary

11th January – User Group in Scotland, New Gorbals HA, Glasgow, all welcome, sign up here

17th January – Meeting for large & complex associations in the North, Sutton Coldfield

18th January - User Group in Wales, Hendre HA, Cardiff, all welcome, sign up here

23rd January - User Group in North of England, Great Places, Manchester, all welcome. sign up here

30th January – Day 1 (Foundation) training, open course, Henley, sign up here

31st January – Day 2 (Advanced) training, open course, Henley, sign up here

1st February – Report Writer open course, Henley, sign up here

20th February – Day 1 training, open course, Sutton Coldfield, sign up here

21st February – Day 2 training, open course, Sutton Coldfield, sign up here

20th March – Day 1 training, open course, Henley, sign up here

21st March – Day 2 training, open course, Henley, sign up here