

Spectrum Housing Group



With 18,000 homes to manage and the centralisation of its different accounting systems, Spectrum Housing Group needed to produce a more consistent and efficient financing operation throughout the Group. Repairs invoices, a new purchase ordering process and electronic scanning and filing were further areas that needed to be streamlined. Spectrum found that the Integra finance system from Capita IB Solutions provided the best solution for these comprehensive requirements.

Centralising the Group's Finance Operations

As a result, tenants and management are now assured of a more efficient and professional service, and the Group is better able to help finance new homes for a growing population.

Established in 2007, Spectrum Housing Group works in partnership with local authorities, health trusts, statutory bodies, a range of voluntary organisations and higher education establishments. The Group owns and manages approximately 18,000 homes across the South of England.

Sandie Williams, Business Implementation Manager, for Spectrum Housing Group, said: "Our objective is to run the Group as a business but we do not trade for profit. We plan to make surplus income each year and this is all reinvested in the work of the subsidiaries, to maintain existing homes and help finance the building of new ones."

The Group Board is responsible for the overall strategy and direction of the business, and is made up of independent members and representatives of each subsidiary.

These subsidiaries work to their own operational plans, agreed with the Group Board, and have direct responsibility for all service delivery to tenants and residents in the areas they cover.

Prior to the Group's merger in 2007, Spectrum Housing Group had always been made up of several separate entities, and as a result, operated three different accounting systems. This meant that one of the first tasks was to centralise the Group's finance operations. After this was achieved, a common finance system was required to provide consistency, opportunity for further efficiencies, and a more effective financial operation.

Detailed Requirements Created

Sandie Williams explains: "We needed a common chart of accounts for all companies, which would provide consistent processes applied to transactions and reporting across the Group. Enhanced management information, and support for our customers in understanding and reporting on the financial aspects of the operation, were also important."

She continues “We required our volume-driven processes (such as accounts payable) to be centralised so we could achieve benefits from economies of scale and from the functionality of the new finance system. We also needed the new system to support scanning, optical character recognition (OCR) and electronic filing of invoices in order to improve efficiency and transparency and to allow managers to drill from reports all the way down to copies of the invoice.”

In addition, Spectrum Housing Group needed to start a programme for the roll out of purchase order processing (POP) across the Group, where appropriate.

Enabled by the new technology, and after moving from production of accounts, it was felt that management accounting staff would be able to add value by helping managers to understand and act upon the information, enabling greater visibility across the Group.

Comprehensive Selection Process

Five software suppliers were invited to present their systems to a group of senior finance staff, after which a short list of three was agreed, based on the overall functionality and fit with Spectrum Housing Group’s high-level requirements, the product road map and the ability of the organisations providing the solution to implement and support the software across the Group.

“The shortlisted companies were invited to respond in writing to a detailed systems specification, and to present their solutions in more detail to the finance group,” explains Sandie Williams. “Each presentation lasted between a half and a full day and gave the group of senior finance staff the opportunity to probe how each system would deal with specific situations.”

Following the presentations, the group assessed the positives and negatives of each system and of the organisations which supplied them. Across the range of criteria, Integra from Capita IB Solutions came out as the preferred solution. Sandie Williams adds, “As well as meeting our detailed specification, the Integra solution met our strategic objectives of consistency and financial visibility across the Group. We could see numerous potential savings and, at the same time, the ability to become a more efficient and effective organisation.”

Implementation

Implementation was achieved by a two-phased rollout covering two sites over a period of 18 months. This was quickly followed by a third site.

Training was delivered to the Spectrum Project Team by the Capita IB Solutions business consultant using a “train the trainer” approach. The Spectrum finance users (approx 30 people) were trained by the Spectrum Project Team on the core finance functionality, then key finance users trained approximately 200 business users on the eSeries functionality.

Sandie Williams explains, “Throughout the implementation, Capita IB Solutions had to overcome a number of challenges:

- 1) Interfaces to our housing system for rent and repairs transactions, which required a software upgrade and new interfaces to be built by our housing system supplier within the project timeline.
- 2) Customised developments to the Integra fixed asset module relating to the modification of the Take-ons, Additions and Disposals options in FAM and enabling the system to cater for the entry and processing of grants. (This was developed by the Integra FAM product owner.)
- 3) The ability to handle inter-company postings by the Integra modules, for which Capita’s consultants specifically designed inter-company extractions.”

Repairs Invoicing

The volume of repairs invoices and the need to match invoices to repair orders meant that the organisation required an interface between its housing system, on which the repair orders are raised, and the new finance system. Essentially, the interface used in the previous systems needed to be replaced by a new one.

Repairs invoices are received by the finance team and are registered on the Purchase Ledger. They then need to be authorised in the housing system and interfaced back into the finance system, along with the appropriate general ledger coding and authorised status, to be posted to the purchase ledger for payment to the suppliers. Sandie Williams explains, “Capita IB Solutions delivered the new interface and it works in the way we requested. The key benefit is that documents can be easily tracked from either system due to housing system Purchase Order Numbers and Integra Invoice Registration numbers being held in both systems.”

Overall, the standard purchase ledger workflow, together with document scanning, means that very few documents leave the finance department and finance has an instant view on who in the organisation has been requested to approve an invoice or has approved an invoice. At any time, users can drill down through the company accounts to document level and display a scanned image of the invoice. This is particularly useful when comparing actual to budget variances or during the next year’s budget setting process.

Sandie Williams concludes, “Spectrum Housing Group is very pleased with its decision to purchase the Integra solution from Capita IB Solutions. We have increased our efficiencies; the integration between our operations means we can produce much better and more comprehensive reports, and at the same time, we see more visibility throughout the business. Furthermore, Capita IB Solutions’ support throughout the project has been very good, and their overall responsiveness and capabilities in ensuring a successful implementation were excellent.”