



Simpson Associates
The Data Analytics Company

Orbit: Service Charges

Case study: Budgeting, forecasting and accounting



Client Overview

Orbit is a leading housing provider with a portfolio of over 42,000 homes; providing high quality, good value homes to thousands of customers in the Midlands, the East and South East of England.

“The service charge solution delivers reports which we can use to create journals in our finance system, saving time and effort”.

– **Sara Allen, Finance Manager**



Orbit offer a choice of properties and tenures to suit their various customers' individual needs, whether that is affordable rent, private rent, part buy or full ownership.

They are a commercial organisation with a strong social purpose, who reinvest profits to improve the quality of their homes and services and to build much needed new affordable homes.

The costs of maintaining and managing shared facilities such as communal gardens and facilities such as lifts are charged to customers through service charges. More than three quarters of their customers receive chargeable services, with costs totalling over £16m.

“Our service charges collectively account for over £16m, costs which have to be accounted for at individual property level. The service charge solution enables customers to be provided with consistent and clear information about the charges that apply to their homes”.

Martin Chuter,
Director of Property Management

The Problem

Service charges relate to the costs of services which customers receive that are not covered by their rent or ground rent. What can be recovered and when is linked to what services a customer receives and the costs of delivering those particular services, what is in the customer's tenancy or lease agreement and a number of different laws.

This means that each of the 31,000 properties receiving services likely pay different costs for those services. Like many housing providers, Orbit's finance systems report on only a cost code level, whilst the charge to the customer needs to be specific to the property they're in and the type of agreement they have with them. Customers are charged through their housing management system.

As a result, the service charge process of budget setting would be performed using Excel spreadsheets, which proved hugely resource intensive for both the building of the spreadsheets and the budget setting process. Whilst the finance system could be used for monitoring

expenditure against budgets throughout the year, the production of the year-end accounts required additional spreadsheets, formula and complex macros to work out what the actual cost was per property and customer.

This also resulted in spreadsheets taking time to load, save changes or crashing.

In addition to the issues of inefficiency, the spreadsheet had problems with version control and auditability of changes and reporting out of the spreadsheets without creating more formula, pivots or macros. Off the shelf products had been considered but could not fully meet Orbit's requirements.

Due to the finance and charges review cycles, it meant there were time restrictions on implementation of any solutions in order to maximise the benefits.

The Solution

Simpson Associates met with Orbit to discuss their requirements and consider if the finance, budgeting and forecasting tool could be modified to meet their requirements or if we could propose alternative solutions.

Whilst it was agreed the budgeting and financing tool being implemented for the wider finance and business budgeting could be developed to meet the requirements, the time to do so and the cost of licences did not make this an attractive proposition.

Simpsons proposed an alternative solution - a bespoke .NET solution built by Simpsons to match Orbit's specific requirements.

“Simpsons understood our requirements and the solution delivered on these in the agreed timeframes and to the agreed budget”.

Amanda Newton,
Project Manager

“The service charge solution delivers reports which we can use to create journals in our finance system, saving time and effort”

Sara Allen

Finance Manager



Planning, Budgeting & Forecasting



The increased efficiency would allow for the project costs to be recovered within the first year.

Key Benefits

A bespoke solution meant that Orbit's individual requirements could be satisfied for:

- Single structure across weekly, monthly and annual outputs.
- Dramatic improvement in reliability vs linked spreadsheets.
- Greater confidence in business decision making.
- More robust forecasts/budgets integrated with actuals.
- Rapid adoption via intuitive interfaces and Excel integration.

The .NET solution has no licence costs, meaning that any future changes to the operating model would have no impact if the number of users increased. Once initial development costs were met, it could be supported by internal IT resources, but with an option for additional on-going support if required.

The increased efficiency would allow for the project costs to be recovered within the first year.

The .NET solution could be developed for two key sets of functionality; budget setting in phase one and actuals monitoring and year-end accounting in phase two. This meant the phased implementation could be planned around the accounting and charges change calendar to maximise subject matter experts' availability to take part in the project.

“Working with Simpsons has given us the opportunity to tailor the system to our specific needs. Through the regular ‘show and tell’ sessions, we fed back on the look and feel of the system as and when each part was demonstrated. Simpson’s agile approach to their development allowed them to capture our feedback and translate this into the system design”.

Tristan Hopper,
Service Charge Operational Manager



Simpson Associates – the data analytics company – is a software and services consultancy who have been delivering value to the public and private sectors for over 21 years. We give data-driven organisations the confidence to make fully informed decisions.

A Microsoft Gold Partner for Data Analytics, Data Platform and Cloud Platform, a Gold IBM Partner and a Premier Board MIT Partner, we work in a wide range of industry and commerce – all organisations that have a number of key business information systems and processes and want to use the data contained within them to become more productive and gain further insights.

We understand the importance of data – to underpin decision making, to support operations and to demonstrate improvement and compliance.

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