Valuing 'public value' in considering an IT investment: the Home Connections project

In early 2002, several local councils in central London were considering a proposal to develop Home Connections, a project that would introduce information technology to encourage client involvement in the allocation of public housing. The proposed system would integrate Internet, mobile phone text messaging, and automated telephony. Clients could use any of these interfaces to explore their eligibility for public housing, search and apply for suitable properties, monitor the progress of their application, and receive feedback on outcomes. Council housing officers would continue to set the criteria for eligibility, confirm the assessment of need, respond to queries, and determine property allocations.

Home Connections was intended to improve the quality of information available, give clients more control over when and how to look for properties, increase overall client satisfaction, and create trust in the council and its housing officers. While these were all desirable outcomes, the council managers who were responsible for making decisions about IT investments were unsure how to place a value on them. Home Connections was not aimed at reducing costs, increasing efficiency, or developing new services, all of which would have been easier to value from a financial perspective. The question facing the councils was how to decide whether to go ahead with Home Connections, and how to compare it with other proposed investments in information systems. Although the new system would not be very costly, the funds available to councils were limited, and the councils wanted to be confident that they were making the right decision.

The allocation of public housing

Across the UK, local councils owned housing that was allocated to those in need. About 20 percent of UK families lived in council housing, for which they paid below-market rents.

Most councils had a housing department that administered their housing stock in the public interest. Allocations were made on the basis of factors including the size of the family, employment, health, and the presence of disability. The client group for public housing was very diverse, and in most locations the demand for public housing was far greater than the supply, to the point that most of those seeking accommodation would have to wait for a considerable time, and might not succeed in getting public housing at all. Earlier attempts to involve clients in the housing allocation process had not been completely successful. Many UK councils had adopted choice-based letting (CBL) schemes that encouraged clients to consider alternative forms of housing and even alternative locations, including areas in which demand for public housing was lower. Typically CBL schemes, which were generally supported by paper-based systems, had difficulty maintaining client engagement, trust, and satisfaction.

The decision

The more councils that participated in Home Connections, the more effective the system would be, because it would contain more information about public housing options in more areas, as well as more information about private sector alternatives. There was therefore some consideration of what features would make the system more attractive to both councils and clients, and of how to measure the costs and benefits of such features. There was also some discussion of how to measure the impact of the system once it was installed.

It was decided that the new system should allow clients to self-assess their eligibility for housing, using the scoring systems developed by the councils. Homeseekers were scored on the basis of age, current accommodation, living circumstances (homelessness, threats of violence, etc), family circumstances (pregnancy, disability, number of people, etc), and other factors. The system would calculate the score and compare it to the number of points required to bid on a property of the type being sought. Homeseekers who scored less than the minimum required would be offered information on other housing options. Those who completed an application would be able to track its progress through the steps of verification, evaluation, and decision. It would also be possible to search for and view properties on the basis of location, type, accessibility, number of bedrooms, and other criteria.

Clearly client satisfaction would be an important measure of the system's success. It was less clear how to measure either the existence or the value of increased client control and trust, two of the other goals of the proposed system. Intuitively, the system made sense – but the councils preferred to have a more objective basis for making a decision and evaluating the outcomes.

Questions for discussion

1. How would you suggest a council should go about making a decision on whether to proceed with the Home Connections project?

2. If the Home Connections project went forward, how would you suggest measuring its benefits?

3. Describe your own organisation's approach to making IT decisions. What are the strong points of your approach? Are there any areas for improvement?