



Failing in housing, failing to learn:

Discover how to improve service, reduce costs
and eliminate waste in housing

*“everything you need to change and improve your system
already exists within your organisation”*

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Introduction

In my experience of working with Councils and Social Landlords throughout the UK, the typical problems they have with housing include: increasing demand, increasing costs, failing to hit targets, high complaints and low morale. Housing managers are under pressure from Government and Regulators to become more efficient, do more with less, make savings and at the same time: improve service, reduce waiting times for allocations and repairs and delight customers. Over the years I have seen a multitude of different approaches to try to improve the various parts of the housing service, mainly voids, allocations and repairs, with differing levels of success and I want to save you the time and pain other managers have gone through by discussing a few of them here.

Typical Solutions

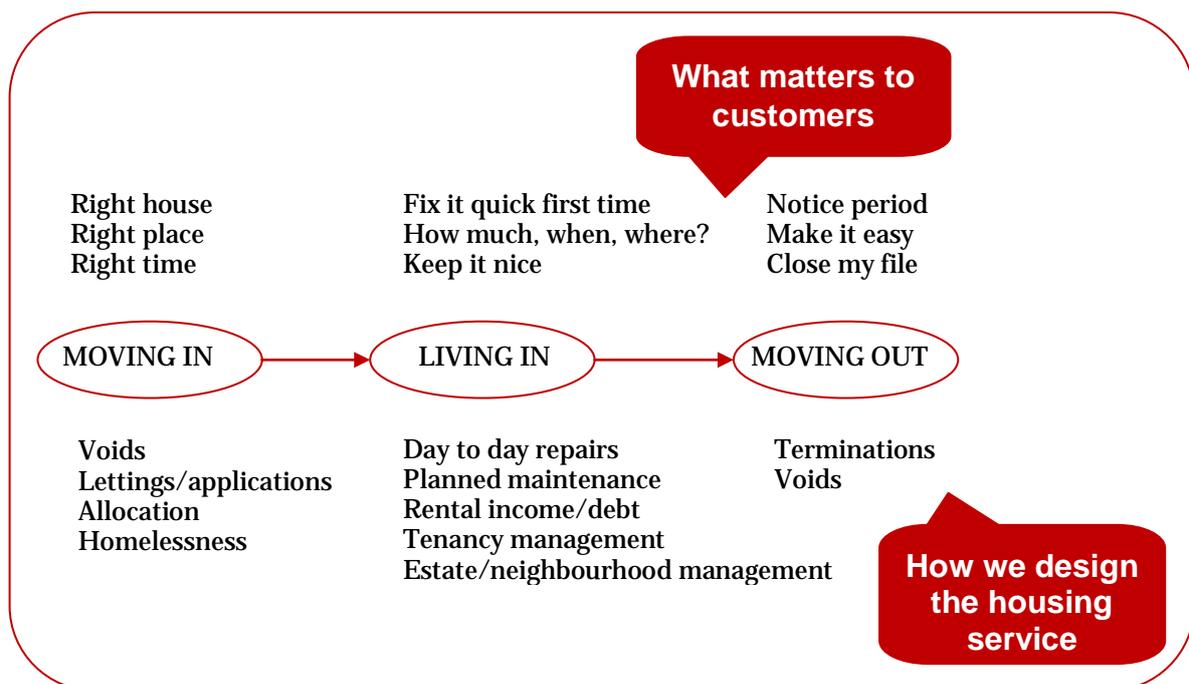
One of the most common 'solutions' to inefficiencies and delays in Housing is I.T. Whether it's a CRM system ("Oh hello again Mrs Rodgers, I can see you called us yesterday and the day before and the day before that with the same problem...") or a housing management database, or a performance management tool that bolts on (hopefully) to an existing system, there is a general feeling that if we get a bit of I.T. investment that'll help. Won't it? The truth is, putting I.T. onto a system that is already inefficient and slow simply makes it even more difficult to remove the waste at a later date. Customers are not impressed that you know how many times they have complained in the past. If you want to impress them you need to stop the complaints coming in.

Another common solution, particularly around housing repairs and void repairs, is to outsource service delivery. If a private sector company promises to do it faster, better and cheaper, that's a good thing. Isn't it? Well, in general, when you build in a hand-off between organisations, service gets worse and costs increase. The biggest issue in repairs is around getting a good diagnosis in the first place and then getting that information to the tradesperson who is going to do the repair. And the diagnosis issue cannot always be solved with scripts, diagnostic tools and real-time interfaces (see I.T. solutions above).

What's the problem with typical solutions?

The problem with most of the solutions I've seen people try in the Housing sector is that they make one huge, flawed assumption. They assume that the policies and resulting processes are sound; so all that's required is a few tweaks or something to make things go a bit faster. They are wrong. The problem lies in the design and management of the work. We use the wrong perspective to write the wrong policies, to design the wrong processes, then we use the wrong measures to monitor performance and when we can't achieve our targets we find ways to 'massage' the data to make sure we don't get paid attention to. Instead of trying to make changes to an already broken system what we need is to have a complete rethink of the Housing system. It sounds hard to believe but if you design your service to do what matters to customers and only that, you will improve service and reduce costs. I have seen it happen. It involves taking a fresh look at your organisation or service as a system from the customer's perspective. When you do it you will be amazed at the hidden waste and costs, and the potential for rapid and sustained improvement.

Housing as a System



According to a Housing Regulator, one of the things that really matters to those waiting to be housed is that they are kept informed, treated with respect and provided with good quality accommodation that meets their needs. Once they become a tenant one of the key factors they measure their landlord on, is how well they handle repairs – how often can they fix problems fast and right first time. Once you get a good understanding of what matters from the customers perspective you can design your system – policy, procedures, structure and measures – to deliver that in the most efficient way possible. If you completely rethink the way you design and manage the work, you can make remarkable and lasting improvements in service whilst saving money and improving morale.

Case Study

Before I show you some of the results Councils and Registered Social Landlords (RSLs) have achieved by taking the customer's perspective and using it to redesign the work I need to explain that the results were a by-product of the change in thinking and culture that process brought about. These organisations did not go and benchmark with others, there was no need – everything you need to change and improve your system already exists within your organisation. They did not spend a fortune on an IT solution. The senior managers simply realised that fundamental change was required, and that meant them getting involved and changing their thinking.

So, let's look at housing repairs. In this case a Council, delivered huge benefits for both the customer and the organisation:

- End to end time reduced from up to 70 days to up to 12.5 days (from the first call to the completion of the repair)
- First time fix rate increased from 71% to 97%
- Reduction in no access dropped from 5% to less than 2%
- Significant reduction in failure demand (mainly progress chasing) (47% to 2%)
- 14% less time spent on repairs by tradesmen
- 1 hour per day freed up for tradesmen through removal of paperwork & queuing for stores
- Jobs rejected at post-inspection reduced from 55% to 2%

One of the largest RSLs in Europe delivered huge improvements in their voids and allocations service:

- Void rate has fallen each period to 1.3% for the year to date
- Average void time down by 44% (from 56 days to 31 days)
- Projected saving of £1.2m in lettable lost rent
- Lets within 4 weeks has risen from 49% to 67%

Significant attention is now also being paid to making sure new tenants are set-up correctly – can they afford the rent and other bills, getting benefits checks done early on to prevent arrears (reduction in arrears of over £1 million in one year).

How to Do It

If you want to start changing your service from traditional to Systems Thinking there are a few things you could do.

- Go to the place where demand comes in to your service and spend a day understanding it. What are customers asking for? Sort demand into 2 types: Value demand (demand you are there to deal with, like “I need a repair”, “I want to apply for a house”) and Failure demand – caused by a failure to do something or do something right (“what’s happening with...”, “I don’t know how to...”, “I don’t understand...”)
- Pick a common failure demand and find the root cause – be aware it may be something you have designed – but if you put it in place, you can remove it!
- Map the flow of a value demand. At each step find out if anything goes wrong, and if so what it is and how often it happens. This is waste. Then look at the flow and ask yourself what steps genuinely add value from the customer’s perspective. Everything else is also waste.
- Get end to end measures of what matters to customers – this is not always as easy as it sounds! Take the last 100 repairs completed, or houses let, and find out when the process started. Does it look like your statutory targets? Is it good enough from the customer’s perspective?

If you follow these simple steps they will give you a flavour of how things are working today. From there, use the experts within your organisation to improve things. Where will you find them? At the front line! The people who work in your processes and with your customers every day are the best people to help you design things from the customer’s perspective.

Changing your perspective makes sense – if you find hidden waste and remove it, you will speed up the flow. Your customers will be happier. You will get less failure demand. You will free up capacity. Your staff will be happier. Improved service, reduced costs, improved morale. Why wouldn’t you?

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Caroline has worked with police forces, courts, housing associations, councils, Scottish Enterprise and the Scottish Executive, improving systems in housing, social work, planning and building standards, contact centres, finance, HR and I.T.

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