AW16

Reducing void turnaround – can lean thinking help?

Speakers: Andrew Schofield / Roger Parker
Partners
Lean Housing Solutions

Greg Lakin
Head of Maintenance Services
Solihull Community Housing

Chair: Rachel Fisher
Head of Homes and Land
National Housing Federation

www.housing.org.uk
Voids - A lean perspective
Voids – some context

Voids and lettings typically cost 5% of Revenue

For a 8000 property business…

£2000 repair cost

28 day turnaround

£2.5 million per annum
Targets in Voids and Lettings

Targets – do they help or hinder

Opportunities to improve –

Benefits - For everyone
What are targets for

To give direction

Right Targets Right direction

Wrong Targets ??!!
Measure and Behaviour

What get measured, gets managed

Measurement Drives Behaviour

Can Drive *Wrong* Behaviour!

Departmental Targets drive Departmental Behaviour – and conflict!
What’s wrong with Turnround Time?

Turnround time is an *Indicator* – a reflective measure, and good for comparison.

When set as a target… many ways to achieve:
- Ways of measuring
- Include / exclude
- Lower the quality

Doesn’t challenge – “Why does it take 28 days? – Why is the repair cost so high?”
What’s important

Whole picture – end to end
Pace and direction of travel (improvement)

Balance
  • Customer (s)
  • Business (es)
  • Staff
Target Setting and the improvement process

Ideal Target?

Current Performance?

Interim Target? 50 / 20

Continuous Improvement Target? 10% p.a.
Customer First - Customer Value in Voids

? Customer

New tenant

? What do they value

Sign up & keys

? How long

1 hour

? Perfection

Back to back no cost
Deployment and Accountability – who ‘Owns’ the target?

<table>
<thead>
<tr>
<th>Measure</th>
<th>Target</th>
<th>Housing</th>
<th>Lettings</th>
<th>Repairs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Empty Homes</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Terminations</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Time to let</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Time to Repair</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Repair Cost</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tenant Satisfaction</td>
<td></td>
<td></td>
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</tbody>
</table>
Opportunity – 50 / 20

Halving the Turnaround Time

Halving the Repair Cost

Do it 20% more efficiently
Reducing void turnaround – can lean thinking help?

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NHF – Asset Management and Maintenance Conference 2013

Reducing Void Turnaround, Can Lean Thinking Help?
Session Overview

- Solihull Community Housing Profile.
- Void Delivery Profile - Context
- Our Lean Journey
- Key Outcomes from the Process
- Going Forward 2013 /14
- Discussion
Solihull Borough

- Southern Edge of West Midlands
- A Borough of significant contrasts
- 3 distinct areas – North Regeneration zone, Urban West, West Rural area
- North has some wards amongst the most deprived nationally
- Other areas of the Borough are amongst the most affluent nationally
- Population = 201k
- Total number of homes = 87,948
- Owner occupied: 79%, Council rent: 12.2%
### Solihull Community Housings - Managed Stock

<table>
<thead>
<tr>
<th>Type</th>
<th>Count</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bungalow</td>
<td>1758</td>
<td>17%</td>
</tr>
<tr>
<td>House</td>
<td>2294</td>
<td>33%</td>
</tr>
<tr>
<td>Low Rise flat</td>
<td>3035</td>
<td>30%</td>
</tr>
<tr>
<td>Maisonette</td>
<td>71</td>
<td>1%</td>
</tr>
<tr>
<td>High rise flat</td>
<td>1953</td>
<td>19%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>10,211</td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

- Flats make up 50% of the stock
- 70% of the stock in the north of the Borough
- 60% of the stock is of non-traditional construction
- 67% of the stock built between 1967 - 1975
Void Delivery - Context

- Mixed delivery model – in-house and Specialist Contractors
- Delivery focus - no internal Client / Contractor split.
- Number void properties 2012/13 - 947

Unless stated to the otherwise SCH voids include for:

- All works to return the property back to a fit to let condition.
Void Delivery - Context

- Customer satisfaction with relet properties 92%
- Average turn around time 18 days May 2013
- Repairs turn around time 9 days May 2013
- Average unit cost range £1695 - £2126
- DLO Expenditure Per Void £593.00
- Productivity: 105 voids per operative per year
- DLO Resource - 9 Operatives
Our Lean Journey (Turnaround Days)

Keys to Keys

Average Days End to End
- 58 (2006)
- 35 (2007)
- 28 (2008)
- 29 (2009)
- 22 (2010)
- 19 (2011)
- 22 (2012)
- 17 (2013)
Our Lean Journey (Turnaround Days)

Keys to Fit to Let

Average Days Repairs
- 25 (2006)
- 16 (2009)
- 16 (2010)
- 12 (2011)
- 12 (2012)
- 13 (2013)
- 11 (2014)

Years:
- 2006
- 2007
- 2008
- 2009
- 2010
- 2011
- 2012
- 2013
- 2014
<table>
<thead>
<tr>
<th>Average Turnaround Time in Days</th>
<th>Average rent per day</th>
<th>Completed Void Properties</th>
<th>Estimated Current Rent Loss</th>
<th>Potential Rent Loss Reduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>22</td>
<td>£11.45</td>
<td>950</td>
<td>£239,395</td>
<td></td>
</tr>
<tr>
<td>21</td>
<td>£11.45</td>
<td>950</td>
<td>£228,513</td>
<td>£10,882</td>
</tr>
<tr>
<td>20</td>
<td>£11.45</td>
<td>950</td>
<td>£217,631</td>
<td>£21,763</td>
</tr>
<tr>
<td>19</td>
<td>£11.45</td>
<td>950</td>
<td>£206,750</td>
<td>£32,645</td>
</tr>
<tr>
<td>18</td>
<td>£11.45</td>
<td>950</td>
<td>£195,868</td>
<td>£43,526</td>
</tr>
<tr>
<td>17</td>
<td>£11.45</td>
<td>950</td>
<td>£184,987</td>
<td>£54,408</td>
</tr>
<tr>
<td>16</td>
<td>£11.45</td>
<td>950</td>
<td>£174,105</td>
<td>£65,289</td>
</tr>
<tr>
<td>15</td>
<td>£11.45</td>
<td>950</td>
<td>£163,224</td>
<td>£76,171</td>
</tr>
</tbody>
</table>
Our Lean Journey (Turnaround Days)

Average Days End to End
- 2007: 58
- 2008: 35
- 2009: 28
- 2010: 29
- 2011: 22
- 2012: 19
- 2013: 22
- 2014: 17

Impact of Step Change
- £326,460
- £119,702

£326,460
£119,702

2006 2007 2008 2009 2010 2011 2012 2013 2014

Solihull community housing
Our Lean Journey Savings (The Big Hits)

Lean Reviews (Where was the waste)

- Strong working relationship with Solihull Homes Options Team. (One Team Approach)
- Weekly target resetting and monitoring.
- Real Time Monitoring.
- Introduction of hand held technology
- Workforce undertook surveying function to meet SCH’s relet standard.
Our Lean Journey Savings  (Big Hits)

Lean Reviews  (Where was the waste)

- Surveyors started to undertake pre-termination visits. Include disrepair survey for recharging.
- Remapping workforce and staff areas of responsibility.
- Introduction of trained tenant Inspectors.
- Voids Team develop DIY Course with Local College.
- Stop the process flags.
Our Lean Journey Savings

Lean Reviews (Fire Precautions Work)

- Change in SCH’s Fire Precautions Policy resulted in increased costs and time for preventative works within high and low rise flats.
- Lean process were instrumental in reviewing resource approach and specialist materials to mitigate overall impact.
- Outcome forecasted £180k budgetary overspend reduced to £89k through “Plan, Do, Check, Act” process. Targeted operations manual for teams.
Key Outcomes from the Process

- Lean thinking is being used as the norm as a C.I tool.
- Tangible service improvements for our customer in terms of product quality and delivery
- Reduction of rent loss.
- Review of materials expenditure (Right Product, Right Place, Right Time)
- Meaningful monitoring.
- Workforce empowerment and cultural shift.
- Tenant Inspectors: Voids used as a stepping stone to improving employment prospects of voluntary tenant inspectors.
- Benefits of engagement with customer base.
- Progressive reduction in turnaround times. (14 days target 2014)
- Reduced dependency on Lean Solutions consultancy
Going Forward 2013/14

- Voids Review Planned for February 2014 to enable a 14 day turnaround time.
- Assess the impact of Welfare Reform on void patterns and property type.
- Investigating the benefits of post voids works
For Further Information:

- **Greg Lakin** – MRICS, MCIOB, PgDMS

Solihull Community Housing

Head of Maintenance Services Team

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## Some Statistics  The billion £ business – in England

<table>
<thead>
<tr>
<th>Category</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rent Loss</td>
<td>£100 million</td>
</tr>
<tr>
<td>• 25,000 homes at £4000 per year</td>
<td></td>
</tr>
<tr>
<td>Repair costs</td>
<td>£400 million</td>
</tr>
<tr>
<td>• 200,000 at £2000</td>
<td></td>
</tr>
<tr>
<td>Staff Costs</td>
<td>£75 million</td>
</tr>
<tr>
<td>• 3000 at £25,000</td>
<td></td>
</tr>
<tr>
<td>Local Authority Cost</td>
<td>£400 million</td>
</tr>
<tr>
<td>• 25,000 bed and breakfast nights at £45</td>
<td></td>
</tr>
<tr>
<td>Tenants</td>
<td>Discomfort, anxiety, confusion</td>
</tr>
</tbody>
</table>
Opportunity – 50 / 20

So – what are we going to do next?

Get the right measures in place

Get in control of repairs

Work with Housing – reduce the need to do the repairs!
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