



Lean Housing Solutions

Case Study - Gas Servicing

Increase compliance at lower cost



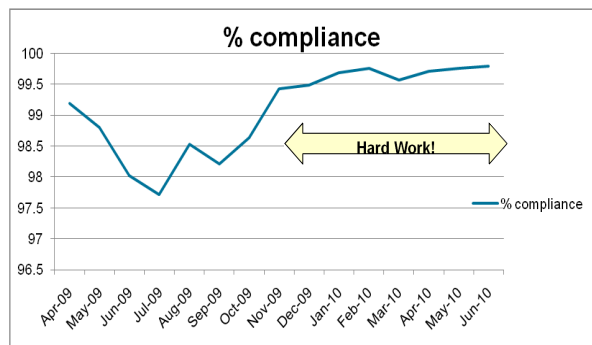
Redbridge Homes is an Almo which is going places. It has made considerable improvements in all areas of the business, and has made significant progress in Income Management and Voids through the application of Lean Methodology. Overall during 2009/10, efficiency savings of £618,000 were achieved. £205,000 was ploughed into increased spending in areas chosen by residents with an overall saving of £413,000 or 6.6% of the total management fee.



Chief Executive, Sharon Standell has been closely involved with the Lean projects and says: "We have worked with our partner, **Lean Business Solutions**, and those projects have delivered substantial bottom line benefits. We recently had an excellent inspection, which recognised our sizeable progress, but one of the suggested areas for improvement was Gas Servicing. We had good compliance levels, but we recognised that this was achieved at a high cost of effort, both by our contractor, Morrison, and internally."

Most organisations report good compliance on Gas Servicing by reporting the number of inspections overdue at any one time as a percentage of the total stock, which actually disguises the real issue and makes us look too good! Our actual numbers of properties that were overdue on the certificates during the course of the year were somewhat higher than the compliance figure suggested, which puts both the tenant and the organisation at risk."

Compliance





Sharon explains: "We decided to look at the Gas Servicing process from a lean perspective. We mapped the process from end to end, from the list of properties due for inspection, to legal actions. We discovered some really surprising issues. We had a thorough rethink of how we did things, from the design of the letters, to the actions to be taken. The hidden cost of the process was in reworking, as, on average, it took one and a half visits to do a single service. Compliance was achieved through starting the process earlier and earlier – effectively costing more than 10% extra."



Sharon continues: "The procedures adopted have significantly improved first time hit rate and reduced the internal costs of the process, thereby freeing up neighbourhood resources to do other things. It has also improved tenant satisfaction as the tenant values the service much more."

The tradesmen were also happier. First time fixes have a positive impact on their job satisfaction as well as their earnings.

The changes have resulted in a Win-Win-Win process that is better for the tenant, the tradesmen, and Redbridge Homes."

Sharon Standell concludes: "Even apparently well performing processes can benefit from a lean intervention. Often good delivery performance is being achieved at a high cost. Looking at processes from a lean perspective and working with **Lean Business Solutions** has made us challenge our thinking. We are now working with a process which will not only deliver compliance, but will also improve efficiency, reduce cost, and deliver better Value for Money."

Results Achieved:

- Increased compliance. Lower risk.
- Lower costs - better first time hit rate
- Internal resources freed up for neighbourhood development.

For an informed discussion about how using lean techniques can benefit your business, contact Andrew Schofield at:



LEAN BUSINESS LLP

Hilltop, Parkway, Ledbury, Hereford HR8 2JG. Tel: 01564 205019
Mob: 07977 929570 Email: andrew@leanhousing.com