



Lean Business Solutions

Case Study - Income Management



The Customer: Stafford and Rural Homes

The Challenge: Continue reduction in arrears and do more with the existing team



The Solution: Lean Intervention



The Results: Arrears continuing to reduce and more resources devoted to sustainable tenancies



Following the successful work on rent arrears, resulting in top quartile performance, the team wanted to demonstrate its capability by taking on more work whilst continuing to improve collection of the current rent. It was able to do this because it had become much more efficient by taking the waste out of its old processes.



Having learned the principles from the first Lean Thinking project, the team was able to apply the lean principles to the other income streams of the business:

- Former tenants' arrears
- Rechargeable repairs
- Garages
- Supporting People
- Lifeline /Telecare
- Miscellaneous debt

In addition it was able to appoint a Financial Inclusion / Benefits Advisor from within the team to work on creating more sustainable tenancies.

In order to then take more waste out of the process the Income Management team assumed responsibility for:

- setting up new tenancies and completing terminations
- posting cash
- processing benefits received.

The Lean approach, understanding the value stream, and then making it flow, has transformed the team.

By redesigning the end-to-end processes, and revising roles and responsibilities, and then managing and improving them in real time, everyone in the value stream now understands the importance of their role and the value of them fulfilling this – right first time, every time, all the time.

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Results Achieved:

- Collection of all income streams already in the top quartile is improving
- Dramatic improvement in team morale
- More resources allocated to sustainability
- Payment in advance
- Reporting is now in real time and uses less resources.
- The service is well on the way to 3-stars, top quartile performance and will continue to improve in the future

Significant and sustained improvements

	2006/07	2007/08	2008/09	2009/10
Income Collection	98.79%	104.88%	99.14%	99.30%
Rent Arrears	5.58%	2.08%	1.98%	1.75%
Voids - lost rent	3.70%	1.49%	0.84%	0.60%
Void turnaround days	103	59	31	15

"This second phase of Lean Intervention proved that we could continue to improve performance at the same time as freeing up resources so we can spend more time on what we're really here for. Team morale has soared and we are really looking forward to what we can achieve in the future. Lean Thinking has enabled us to raise our game to a level we did not think possible."

Kathryn Bradbury, Income Manager, Stafford and Rural Homes



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