

NHMF award submission

for
Most innovative DLO

 **PROPERTYCARE**

proud member of

housingplus
together for the right reasons



Background

Property Care is the DLO of South Staffordshire Housing Association (SSHA), which is a proud member of the Housing Plus Group. SSHA was formed following a transfer of 5,500 homes from South Staffordshire District Council some 12 years ago.

By 2007 we were in the top quartile for resident satisfaction, our costs were good, and through the use of motivated staff and mobile technology our productivity was excellent.

Since then, the goal for us has been to go from very good to great!

Our key innovation has been to introduce 'Lean Efficiency' methodologies across the whole organisation in order to surpass customer expectations and not primarily to reduce costs. We have seen that living our values – passion, trust, learning and customer focus – enables us to realise financial savings, but that vice versa does not hold true.

- A medium-sized organisation, we complete more than 20,000 jobs a year.
- Our productivity is £91,560 per operative against an upper quartile peer group equivalent of £76,003.
- Our customer satisfaction for operatives on-site is 99.3%.
- Our customer satisfaction for responsive repairs is 97.4%.
- Our customer satisfaction for planned programmes is 92.5%.
- Planned kitchen replacements are installed in just 2.5 days with 99% customer satisfaction.
- Completions on time in all three categories of responsive repairs are higher than top quartile averages.
- Appointments are kept 99.68% of the time.
- Overall satisfaction is 97%.
- Our costs are some 20% below the peer group average, with responsive repairs at just £80 and kitchens at £3,700, indicating close control of high value work.
- We have exceptionally low levels of sickness absence at 2.4% and our operatives' average earnings are higher than the median.
- Average void costs are £1,213.00.
- Property Care has had no redundancies since the formation of the Housing Association.

1. Our innovation

We have introduced Lean Efficiency - a management philosophy with a bottom-up approach that is dedicated to eliminating all types of 'waste', including unnecessary actions. It is a programme developed from the Toyota Production System which we used to build on the passion and capability of our workforce.

As an organisation working in rural and semi rural areas our workforce is part of the communities we serve. Our operatives know the residents as neighbours, people they say hello to in the shop or the pub. If a job is well done, the hello is a pleasant exchange. The local knowledge – current and historic – held by our staff is invaluable. We recognise this by involving staff at every level, empowering everyone to both identify problem areas and suggest improvements.

At the time of introducing Lean Efficiency, we were already using bespoke and innovative software which enabled us to be exceptionally efficient in managing our repairs. We were already working in accordance with Housing Corporation best practice and were in the top quartile for every measurement often at the extreme high end. So, already ahead of the game, we decided to use Lean Efficiency to look again at three key areas:

- Customer service: we want tenants to be more than satisfied with our service, we want them to be delighted!
- Money: we were completing jobs cheaply, but in some areas productivity was being slowed by our systems. We wanted better.
- Staff: knowing that the service was already good, staff creative energy was often used to find ways round problems instead of solving them. We wanted to excel.

We wanted to use the methodology to unlock creativity across the organisation so that we could provide the best possible service to our customers. Our clients' residents want and deserve the best possible service for the rent they pay. With this in mind:

- We engaged with Midlands Excellence to take advantage of their Lean workshops.
- We needed staff support for Lean Efficiency, so we needed to show it would improve their day jobs, not add to them.
- We sent a strong message to staff that anyone could effect change. Instead of sending senior people, we asked for volunteers from the workforce to attend Lean efficiency workshops and then act as ambassadors to their teams.
- We asked the volunteers to identify just one issue in their daily work which made it difficult to give the best possible service: each one a small project, but together making a big difference.
- We set out to develop Lean systems which emphasise the inter-dependency between teams and share targets; using joined up thinking.

In the first year, the four projects staff identified as problem areas were:

1. Each time kitchen replacement programmes were announced there was an extremely high volume of phone calls from tenants who had a multitude of time-consuming questions.
2. An inefficient materials-ordering system was making it difficult to give tenants clear information about when uncommon jobs would happen.
3. The transfer of job completion information was laborious and inefficient.
4. Taking on new projects, like shared-ownership properties, was being undermined by a lack of understanding of roles and processes.

To start with, the four volunteers gained the views of client and residents and these were also fed into the identification of problems and the way we designed solutions. These solutions are explained in section 2 of this submission.

Subsequently, we have initiated a voids review and a customer insight review.

We expected that making small changes would create more customer satisfaction and save small amounts of money. However as residents and the workforce trusted they would be listened to, and saw the direct result for the community at large, each small change rippled out to have a much wider effect. There were immediate cash savings; productivity improved and morale went up – both in the workforce and in the customer base.

As a result of staff and residents suggestions, we have not bought off the shelf solutions and tried to make them fit. Instead we have continued to work in partnership with our software providers and our own ICT section and developed and refined an already highly-effective repairs management system. This seamlessly manages the flow of information for any job from start to finish, but it does not delete the value of the human element. This has been such an effective partnership that we are often asked to be reference sites for our software providers.

We know the importance of having local knowledge, of being aware of differences the weather, road works or an accident can make to a daily schedule. The human co-ordinators are an intrinsic part of a fully integrated system which allows complete transparency and produces a comprehensive audit trail, making performance monitoring easy.

Our decision to future-proof our workforce, our organisation and our residents' homes is now bearing fruit in the face of the recession and impending cuts in public services. It also places us in an excellent position not just to take advantage of new technological advances as they happen, but to be involved in their development.

The effectiveness of our innovations are monitored through resident satisfaction, staff turnover and staff productivity, costs and client satisfaction; and through our work with software suppliers in developing innovative and appropriate solutions to everyday problems.

None of the projects was undertaken as a cost-saving exercise; none of the projects incurred significant costs, but all resulted in cost savings and increased customer satisfaction.

2. Benefits to the client, the contractor, the residents and the wider community.

Being part of a housing association ourselves means we are able to understand the pressures our partners are under. While a stand-alone contractor may take a client for a pint and sympathise, we will come up with practical ways to meet performance targets and the expectations of the resident-customer base.

Our lean efficiency approach continues to reduce costs and improve speed and productivity, leading to ever-higher customer satisfaction.

After introducing the Lean Efficiency methodology, we were soon providing a better service that was also more cost-effective. We:

- Produced a tenants' pack with clear information about the kitchen replacement programme and advice on how to make the refurbishment easier for themselves by preparing in advance.
- Developed a tracking system for ordering and using materials, and provided training for its use.
- Scrapped the obsolete job completion system.
- Set up more regular meetings between clients and our own teams to promote understanding of roles, tasks and processes.
- Provided inter-departmental training on all new processes.
- Defined clear responsibilities across the organisation.

All of this was achieved through:

- Trusting our staff.
- Putting customers' needs first.
- Introducing cleaner, simpler procedures and making sure they are well understood and adhered to internally.
- Greater understanding of – and adherence to – our processes on the part of our clients and suppliers.
- Focused, motivated and constructively competitive teams;
- Increased IT literacy and confidence.
- Elimination of 'work-arounds'.
- A culture of 'right first time'.

All of which means both client and contractor can keep firm control on time, resources and money.

Our residents now have all the information they need, when they need it. They are confident that:

- For repairs, they can book an appointment for a 2-hour time slot at their own convenience and know that it will be kept;
- The operatives will be cheerful, polite and explain what they are going to do and how long it will take them.
- A pre-inspection will only happen if there is a major budgetary implication;
- They can plan for when major works will take place and understand what is involved and how it will affect them;
- Major works are completed with high efficiency – including kitchen refurbishments within 3 days;
- The job will be right first time;
- They can complete a customer satisfaction survey as soon as a job is done and their comments will be taken notice of;
- They can shape services through our focus groups and surveys.

There were also wider community benefits: We are ‘In business for neighbourhoods’ not just for individuals and we take social responsibility seriously. We are a major employer in an area of high unemployment. We are proud that Property Care has had no redundancies since we were established in 1997.

Information management has eliminated swathes of paperwork, fuel miles and downtime, making massive increases in operative availability. Instead of making people redundant, we have used that time to improve productivity, take on more work through contracts with other organisations, and provide stable employment in the area.

The supply of good manufactured joinery is a major challenge for all contracting organisations and we have kept the provision in the depot without keeping the risk. The decision to partner the stores and sell the joinery shop to a previous employee has been described as ‘an inspired business decision’ by HouseMark. The owner now has his own thriving business and has not looked back.

We also support a number of other local businesses.

We have also always run an apprenticeship programme but, since our time-savings increased, we have been able to extend the programme. We currently have 4 apprentices.

We have recently worked with one of our clients to identify potential apprentices from their own estates. The process began with an Apprentices’ Open Day held at Wolverhampton College, which attracted 70 potential recruits from a low employment area. Two successful candidates have been offered a rigorous four-year training programme with extensive college study time. This is coupled with hands-on experience working with Property Care’s highly skilled mentoring team.

To date, we have retained 100% of our apprentices in full-time jobs once they are qualified.

3. The financial costs and cashable benefits

Costs incurred are in training, much of which can be delivered inhouse. Financial benefits are measured against operative availability and response time reductions. Intangible benefits include the faster reconciliation of costs, materials usage and job completions. Turnover increased by 20% specific to activity as a result of the application of mobile technology. Productivity has increased from £78,803 per operative to £91,560. The average cost per job has fallen from £115 to £97 and is continuing to fall. This represents a saving of £360,000pa.

Staff turnover has decreased from 17% per year in 1997 to 4%, in 2008 providing savings in advertising and recruitment and loss of productivity, resulting from greater staff satisfaction due to having more direct control over the income and workload.

A revitalised and re-focused workforce is eager to keep improving. We are now overhauling our voids system. This has the potential to meet our Group aim of providing good quality homes to people in housing need more quickly and to make huge cost savings, which will in turn facilitate the provision of more homes. This is a major benefit to us, to our clients and to the communities we work within. Increasing productivity enables us to grow through external contracts, maintaining capacity and retaining our workforce. This provides a further clear benefit to the wider community through employment and well-maintained housing.

We had a value for money review in 2006 by Housemark. This was built on subsequently by HQN in 2007 and by Rand in 2009. The benchmarking information given in this submission was provided by Rand this year. Each of these reviews has concluded that we offer value for money.

Our costs are low and, as a not for profit organisation, are passed back to our clients enabling them to put more money into their core function of providing homes for people in housing need.

Overall resident satisfaction has increased from 95% to 97.5% in the last year. Within those, residents who rated the service 'Very good' has leapt from 65% to 75% in the last two years. This means our clients are meeting their targets.

Our apprentices are trained by us providing a loyal and reliable workforce and are paid for by the clients to benefit the sustainability of the clients' community. We continue to recruit them and our permanent staff from the local community and expect to continue to do so.

4. Relevance to other organisations

Lean methodologies are not limited to any single sector. The Lean Efficiency methodology comes from the highly-competitive manufacturing sector and has been applied to our own work smoothly.

Other maintenance teams could benefit from our work methods and information management systems, but so too could any organisation.

Our success in implementing joined up information systems is not dependent on our circumstances and can be used as a case study for others. Everyone can make a difference, involving all staff has improved morale and revitalised the organisation. We all need to work smarter, not harder. Crucially, we need to rectify the causes of inefficiency, not alleviate symptoms. Our staff can now clearly identify causes of inefficiency, suggest possible solutions, and implement the one most likely to have the greatest impact.

To make the programme a success, managers need the ability to 'think outside of the box' and work with, motivate and gain the support of staff. Culture change management as well as training in information software is required, but most important is a genuine commitment to the customer: a Can-Do mindset.

Most people respond well to responsibility. We trained people at the sharp end to deliver the efficiencies, rather than relying on high control software which doesn't always allow for exceptions or variables.

As early adopters of technology, we started on the continuous improvement projects without understanding the full potential of the systems being introduced. If we were to do this again, we would spend longer establishing clear benchmarking criteria both against ourselves and against others in the sector and in other sectors as well.

Anyone interested in finding out more can contact Ralph Middlemore on 01875 312 008.