

# Income Management

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## THE CUSTOMER:

Watford Community Housing Trust

## THE CHALLENGE:

Collecting the income and sustaining tenancies in the face of Welfare Reforms.

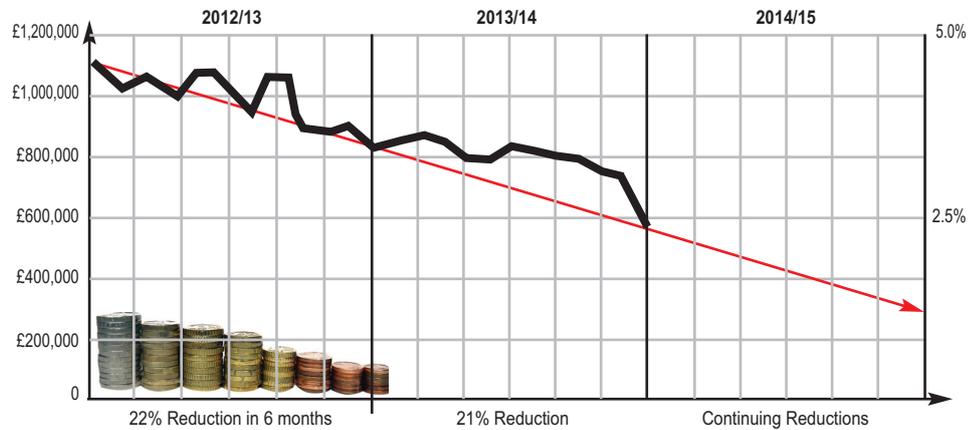
Developing the Income Team

## THE SOLUTION:

Lean Thinking

## THE RESULTS:

Reduced arrears, tenancies sustained, a great Income Team – more capable and more stable



"In addition to reducing the value of arrears and numbers of tenants at risk, the process has freed up capacity to focus on case management of complex cases as well as actively working on prevention and money management with the tenant"

The effectiveness of this approach is demonstrated by the much reduced arrears that our new and longer standing tenants now find themselves with.

Furthermore through the whole team adopting lean thinking to facilitate continuous improvement they have developed themselves into a high performing stable team."

## NEW TENANTS

"The time spent in working with new tenants on money management not only saves the Income Team time later, but it prepares these tenants to better manage in the

future impact of Universal Credit. They are much better prepared to sustain that greater degree of responsibility."

## THOSE AFFECTED BY CURRENT WELFARE REFORM – PERSONALISED SOLUTIONS

"We have freed up time to work with individual tenants to implement solutions that will help them. We have rehoused 66 families and for those tenants who are in arrears the overall debt has only increased by £10k in the whole year."

## THE INCOME MANAGEMENT TEAM

"When we started with lean, arrears were rising, the team was under pressure and there was a lack of consistency in the way things were being done. The team are now in control of their work, work consistently and come up with their own solutions to the problems they encounter."



## THE LEAN PARTNERSHIP

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**"By empowering the team to find the solutions themselves, they were able to demonstrate one of our values which is to take personal ownership to provide an excellent service. They are committed to reduce our arrears even further and have set themselves a challenging target for 2014/15, which is one of our top 5 KPIs for the year. By working with Andrew we are living our values of finding progressive and innovative ways of doing things."**

*Tina Barnard, Chief Executive*

**"Using the Lean methodology has allowed us to take a step back to see what is important to us and what was preventing us from achieving our goals. It has improved the profile of income collection within the Trust supported by the Senior Management team. This has enabled changes in the way we approach income collection. The team feel more in control of their arrears and are more confident about meeting the challenges welfare reform will bring. The Lean Methodology has given me the tools to seek continuous improvement."**

*Mike McDonald,  
Income & Lettings Manager*

## CONTEXT

There is a need for social housing providers to maintain their income in order to fulfil increasing demand on their services and fund future development. To achieve this they require really effective income management and tenancy support.

In 2012 rent arrears were increasing at Watford Community Housing and the Trust realised that it had to do something different to reverse this trend and get its income management team into good shape for the future. After research into the options it chose The Lean Partnership as its partner to help apply Lean Methodology into the service. The Lean Partnership was selected because of their reputation, pragmatic approach and the fit with and support of the values of the Trust.

## THE APPROACH

The Lean Partnership approached the project with a cross functional project team.

They delivered lean awareness training, taking the team through the application of lean principles to the Income Management "Business".

Whilst staff were excited and eager to be involved, they initially found it hard to think in a lean way, and to focus purely on delivering what the business really values i.e. collecting rent, retaining the tenants and developing the team.

The new way of working was implemented and results were seen quickly, and the pace of improvement fed into the motivation of the team, driving further improvement. A key part of the Lean approach was the transfer of skills and knowledge, which ensures sustained improvement and integration within the business.

In 2013 /14 The manager and the team applied their lean knowledge to continue the improvements and further develop the capability and strength of the team. The team has remained 100% stable since July 2012 and the individual capability has really increased.



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