

Appendix C | Council Housing Empty Property Management Briefing Note

Briefing note to: Budget and Performance Panel

In the early part of the 2017/18 financial year, Lancaster City Council's empty property management within council housing was underperforming. For example:

- 106 void properties in management (*June 2017*)
- 80.96 day standard re-let time (*August 2017*)
- Void rent loss at 2.85% at the end of quarter two (17/18) – council housing unable to collect £220,000 of rent over the two quarters.

During this period Ad-Esse were brought in to provide a lean consultancy. The aim was to help deliver sustainable performance improvements: to improve void turnaround time; enhance the customer experience of the lettings process; and maximize rental income.

The resulting diagnostic activity involved a focused effort from across the council housing and repairs and maintenance service. Problem solving and process redesign outlined that whilst most activity in the process was appropriate there were areas of inefficiency. A comprehensive action plan, setting out a range of recommended improvements, was created.

Implementation of this plan is ongoing. With this being said, the following benefits have been achieved and continue to improve:

	2017/18 Q1	2017/18 Q2	2017/18 Q3	Ad-Esse Consultation Commenced	2017/18 Q4	2018/19 Q1	2018/19 Q2	
Voids in Progress	102	58	56			37	34	31
Year End - Annual Rent Loss	£439,594 (Predicted)	£426,137 (Predicted)	£393,242 (Predicted)			£346,890 (Actual)	£167,464 (Predicted)	£165,969 (Predicted)
Median Rent Loss per Property	£684.54	£703.59	£644.56			£611.63	£465.64	£375.08

Voids in Progress: 69% Reduction (*44% reduction since Ad Esse Consultation began*)

Annual Rent Loss: 62% Reduction (*57% reduction since Ad Esse Consultation began*)

Median Rent Loss per Property: 45% Reduction (*41% reduction since Ad Esse Consultation began*)

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It is worth noting that low turnover (fewer void properties to re-let) has played a role in improved void performance. In addition, performance gains were being realised in advance of the Ad-Esse consultancy.

However, it is clear that the implementation of lean principles led by Ad-Esse has added not only significant expertise, but also focus and rigour to the process. Improvements in systems and working practices are becoming embedded, and rather than delivering a “quick-fix”, give every indication of being sustainable.

A re-let time of 27.92 calendar days at quarter two (18/19) move us towards the top fifty percent of housing organisations in performance nationally.

The project group continues to deliver the action plan, with a focus on further improvements.