CLYDE VALLEY GROUP

PROVIDING HOMES | SHAPING COMMUNITIES

Performance Management Framework

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1.   Introduction

1.1   Clyde Valley Group is committed to managing our performance effectively and proactively. Our aim is to deliver a good quality service and pursue continuous improvement within an environment that is continuously changing.

1.2   This policy aims to be consistent with the principles outlined in Scottish Housing Regulators Regulatory Standards and the Scottish Social Housing Charter.

1.3   Assessment of performance that is embedded in a landlord's culture and delivery of services is critical to achieving good outcomes and continuous improvement. We believe that this assessment of performance should be a continuous process.

1.4   We believe that such a Framework will also help us to:

- Monitor our achievement of the Scottish Social Housing Charter and that monitoring and reporting becomes an effective tool that we use for the delivery of good quality services.
- Contain risk by closely monitoring our performance in key risk areas
- More effectively self-assess to ensure that we meet the needs of internal customers to enable them to meet external customers' needs.
- Continue to benchmark our performance to learn good practice from our peers.
- Provide clarity to staff in terms of individual performance management reviews

1.5   The expected outcomes from implementing the Framework is that the Group will monitor performance effectively across a range of headline indicators and in a variety of ways, maintaining a high degree of control of the Group's affairs and continually improve performance through the identification and implementation of appropriate strategies.

2.   Measuring Performance

2.1   We seek to measure performance continuously and in a number of ways. We have a robust Performance Management Framework in place. This helps to build a rounded picture of our strengths and weaknesses, identify trends over time and allows us to address opportunities for improvement.

2.2   Some of the methods used to measure performance include:

Method	How reported/monitored
Review of Achievement of Corporate Strategy and Strategic Objectives	Reviewed annually by the Board and as part of strategic development sessions.
Review of Group Service Activity Plan which underpin Corporate Strategy	Reviewed every 2 months at CEO/Chairman briefings
Monitoring of Service Activity Plans which underpin Corporate Strategy	Monitored quarterly at 1-1's between CEO/Directors.

Method	How reported/monitored
Monitoring of Individual Activity Plans for all staff	Monitored at monthly 1-1's between Managers and all staff.
Monitoring of Key Performance Indicators (KPIs)	Monitored at monthly 1-1's with CEO/Directors and Quarterly at parent and subsidiary Boards.
Strategic Risk Register	Reviewed twice annually by the Board and quarterly by the Audit and Risk Committee. Monitored monthly by the Executive Team and reviewed by the Managers monthly.
Operational Risk Registers	Monitored monthly by Management Team and at 1-1's between CEO and Directors.
Complaints and Compliments Monitoring	Reported to Board and reviewed by all staff quarterly.
Annual Performance Report	Annual performance report received from Scottish Housing Regulator.
Annual Assurance Statement	Submitted to Regulator by September each year.
Value for Money Statement	Annually to our customers
Customer Satisfaction Survey	3 yearly survey reported to Board. Also reported to customers quarterly as part of You Said, We Did programme. Annual Pulse surveys face to face with 500 tenants and transactional surveys by SMS for customer feedback reported to staff, customers and board.
Internal Audit Programme	3 year rolling programme with reports and findings quarterly to Audit and Risk Committee.
Feedback from Customer Panel	Scrutiny reports and recommendations to the Board on an ad-hoc basis.
Board Appraisals	Annual appraisal with all Board members and Chairman/Independent Consultancy Support

3. Benchmarking

3.1 A key part of continuing to improve our performance and deliver and demonstrate value for money is by being members of organisations such as the Scottish Housing Network (SHN) and our benchmarking group called the G8 as well as the Haymarket Group on VFM

3.2 The purpose of this is to share best practice and knowledge. By benchmarking our performance against other landlords, we continually improve the quality of our services.

3.3 We also review what we do to ensure that we comply fully with the legal and regulatory regime that applies to the Clyde Valley Group, seeking specialist external advice as required. Specifically we will ensure compliance with:

- Legislation;
- Scottish Housing Regulator (SHR) Regulatory Framework;
- The Scottish Social Housing Charter;
- SHR's Engagement Plan and
- Reports from the internal and external auditors.

4. Complementary Performance Management Mechanisms

4.1 This Framework complements a number of other performance monitoring mechanisms including:

- The Corporate Strategy where we monitor the achievement of performance in relation to strategic objectives.

- The Group's budget where we monitor financial performance through management accounts and compliance with covenants.

- The Group's business plan where we compare annual budgeted income and expenditure against our 30-year business plan.

- The Group's Annual Efficiency Plan and Statement where we consider areas of process improvement and the impact of these.

- The Scottish Housing Regulator's Annual Return on the Charter (ARC) where we report on performance for the year.

- Achievement of relevant quality standards such as Customer Service Excellence.

- The Group's membership of a benchmarking club where we aim to improve performance by sharing best practice.

- The Groups annual appraisal process – ROAD to Success where we monitor individual job performance and encourage learning and development.

- The Groups annual staff satisfaction survey where we consider areas of improvement to enhance staff engagement and satisfaction.

5. Performance Management Framework

5.1 Key Elements of the Performance Management Framework (PMF)

5.1.2 In order to ensure that there is a clear understanding of the design and application of the PMF, the key elements of this are outlined below and considered in more detail throughout this paper. Essentially the framework is designed to ensure that in an annual report to the Board the Group:

(i) Confirms key performance indicators (KPI's) and sets targets against these;

(ii) Confirms definitions used for each KPI;

(iii)   Confirms reporting deadlines and schedule;

(iv)   Compares CVHA targets and outturn performance from the previous year against the current targets;

(v)   Compares CVHA outturn performance against industry peer group and benchmarking performance for the previous year (where possible);

(vi)   Confirms the manager responsible for data collection and at what frequency as well as responsibility for the collation of performance reports.

5.2   <u>Indicators</u>

The Performance Management Framework (PMF) is based upon the identification and monitoring of appropriate key performance indicators and self-assessment indicators. These will allow the Group to monitor performance and quickly identify problems allowing the organisation to analyse reasons for deviations and develop strategies to bring performance back into line.

5.3   <u>Key Performance Indicators</u>

There is a range of indicators across all of the Group's functions that assist CVG in monitoring our financial and operational efficiency, stock movements, and quality of service from contractors and exposure to risk. In general terms, these indicators focus on the higher risk issues for the Group, providing an early warning system to ensure that corrective action can be taken quickly. KPIs are monitored monthly by the Management Team, who will review variances and consider appropriate action, which will be duly reported quarterly to each Board.

5.4   <u>Definitions</u>

The definition for each indicator will come from the ARC guidance and measured in accordance with this guidance. Other non ARC indicators will be CVG defined These will be recorded and applied consistently throughout the year to allow meaningful comparisons of performance between months, quarters and years.

5.5   <u>Reporting Frequency and Schedule</u>

The schedule for reporting will be set out in an annual calendar. Performance reports will contain easily understood numerical and graphical information backed by text discussing any relevant issues relating to the current performance. The key highlights will be provided on a covering report alongside areas where action is required, the action to be taken and the timescale to implement.

5.6   <u>Comparison of Outturns</u>

When setting the coming year's targets, the Board will receive a full report of all performance against indicators for the year to date for comparison, allowing for an annual review of outturns. This report will also confirm the rationale for the targets proposed. In addition, the latest outturn average performance from the Group's peer group will be provided (where possible) to allow comparison of the Group's current performance and proposed targets against the achievement of similar organisations.

5.7   Role of Senior Managers

The annual report to the Board seeking approval of the proposed targets will confirm which senior manager is responsible for reporting on which targets along with the frequency with which performance will be collected and reported. Senior managers will be responsible for outlining reasons for variances against targets and strategies for remedying these.

6.   Managing Performance – the Board

6.1   The role of the Board in relation to performance management will be to set high level performance targets and to ask for, receive and scrutinise regular performance management reports. The Board will take action to address and strengthen any service failures and explore opportunities for improving service delivery.

6.2   The Board will be particularly keen to see that any performance issues identified by the internal auditor, external auditor and the regulator are fully and quickly addressed.

7.   Managing Performance - Managers

7.1   The role of managers will include:

- ensuring the delivery of high standards of service which accord with performance targets set by the Board and standards produced by SHR;
- setting local performance targets;
- collating performance information;
- discussing performance with employees and agreeing an action plan for improvement where required;
- preparing regular performance reports;
- identifying examples of good practice from other organisations; and
- developing proposals for continuously improving service delivery.

8.   Managing Performance - All Employees

8.1   The role of employees will include:

- delivering the service to a high standard;
- achieving the performance targets set out within each of the Clyde Valley Group's policies and procedures; and
- suggesting ways of improving performance.

8.2   Employees in all parts of the Group will be expected to play their part in ensuring the delivery of an effective service that meets the standards of performance expected by the organisation.

8.3   Employees will be kept fully aware of the performance that is expected of them and will be actively encouraged to suggest ways of improving performance.

9.   Managing Performance - Customers

9.1   We will consult customers in setting performance targets, reviewing performance and drafting proposals for service development.

10. Customer Reporting

10.1   We will report performance results to customers through our newsletter, website, our Annual Performance Report and quarterly You Said, We Did programme and by reporting our Annual Assurance Statement.

10.2   All staff will receive performance results through the dissemination of quarterly KPI's, customer complaints and compliments monitoring and feedback groups, as well as through the Annual Performance Report.