Performance Management and Service Improvement Framework

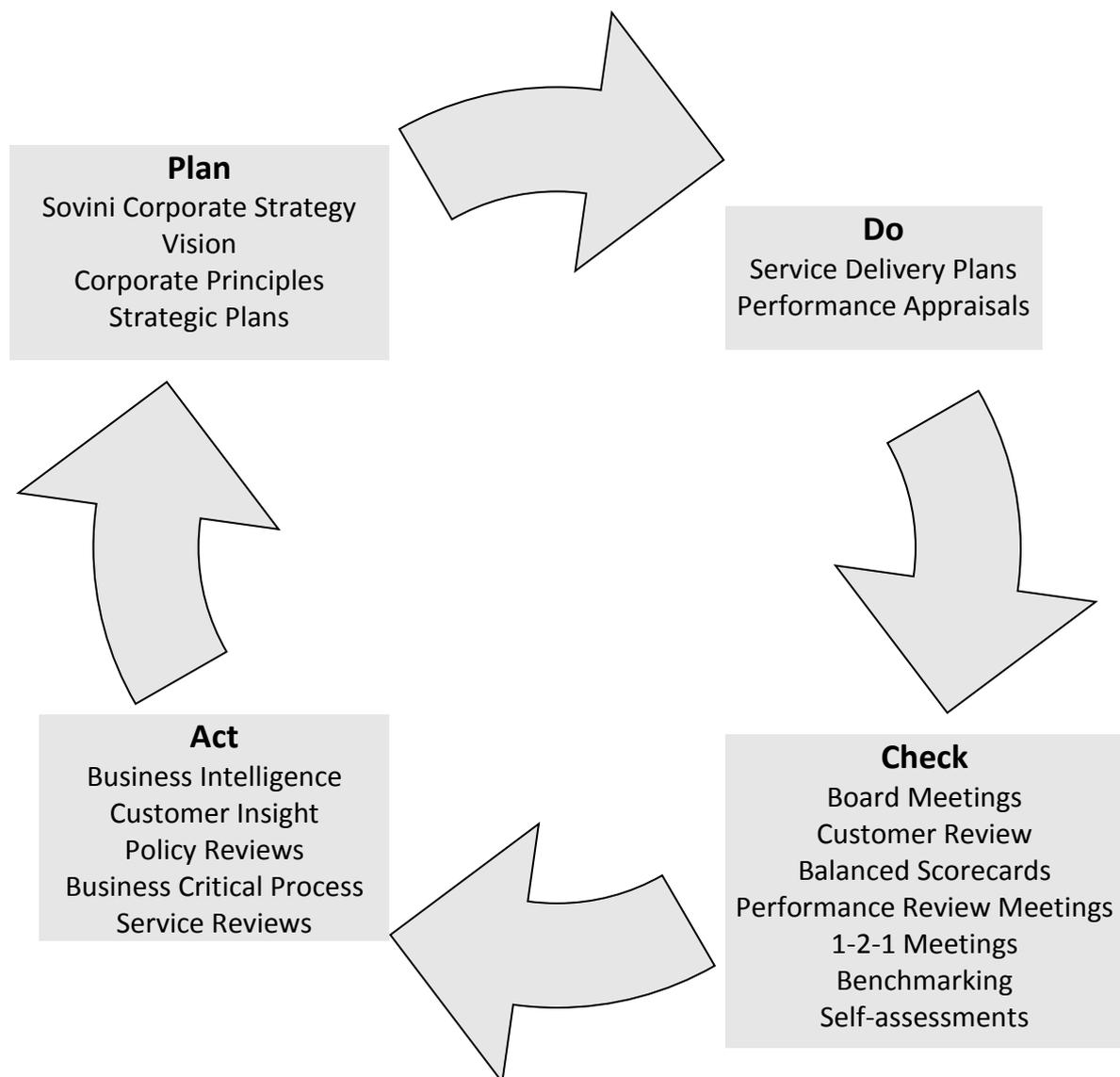| Author	Marcus Evans, Operational Director - Performance and Customer Insight
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1   Introduction

Sovini's Performance Management Framework (PMF) has been developed to support the Group in achieving its vision of creating an environment for success.

The PMF sets out the strategic planning framework and the way we monitor progress against our plans and targets through our actions, performance indicators, risks and staff appraisals. The PMF also details our approach to service improvement through a proactive culture of monitoring business intelligence and customer insight information as well as completing policy reviews, business critical process audits, service reviews and self-assessments. This approach follows the clear cycle of plan-do-check-act as shown in the diagram below.

Plan
Sovini Corporate Strategy
Vision
Corporate Principles
Strategic Plans

Do
Service Delivery Plans
Performance Appraisals

Act
Business Intelligence
Customer Insight
Policy Reviews
Business Critical Process
Service Reviews

Check
Board Meetings
Customer Review
Balanced Scorecards
Performance Review Meetings
1-2-1 Meetings
Benchmarking
Self-assessments

The PMF ensures that the monitoring and improvement activity is undertaken on a consistent basis, and that a demonstrable link (The Sovini Golden Thread) exists between operational actions delivered by the partners and the five year strategic aims of the Group.

Performance management is a key organisational tool that translates our vision into effective actions. It ensures that all staff within the Group:

- Understand how their individual contribution supports our vision and corporate principles
- Recognise what it expected of them
- Have the skills and ability to meet these expectations
- Receive feedback and support in relation to their performance
- Have the opportunity to contribute to the strategic direction of the organisation
- Understand that performance management is an intrinsic element of the day job.

The PMF is revised annually to ensure that it continues to support changes to the way we work or are regulated, with the last revision taking place in July 2014.

2   Strategic Planning Process

2. a   The Sovini Golden Thread

The PMF sets out the stages involved in translating our ideas into effective action through the Sovini Golden Thread. The following diagram illustrates the organisational Golden Thread demonstrating how we manage performance and deliver the Sovini vision alongside the objectives of each partner. Each stage is supported by a number of agreed actions, performance indicators, risks and targets.
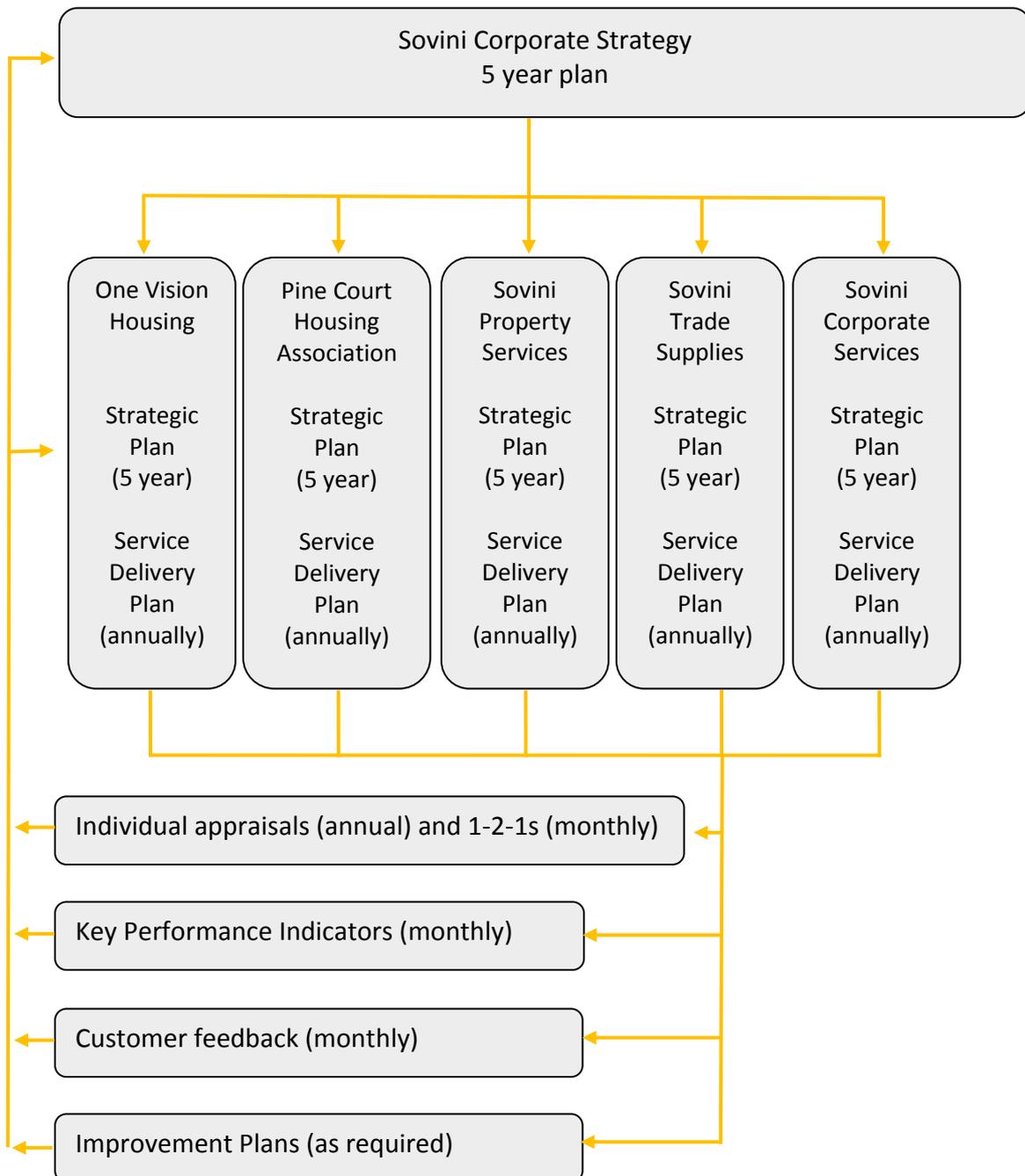
2. b   Sovini Corporate Strategy

The Sovini Corporate Strategy sets out the vision and corporate priorities for the organisation over a five year period and sits above the five year strategic plans for each partner organisation. The Strategy is owned by the Board and the Executive Management Team. The Sovini Corporate Strategy is developed through staff and customer involvement, using business intelligence and customer feedback as well as scanning the horizon for regulatory, legal and Government policy changes that could influence our business alongside rigorous financial planning.

2. c   Strategic Plans

The Sovini Corporate Strategy is supported by the following five year Strategic Plans:

- One Vision Housing
- Pine Court Housing Association
- Sovini Property Services
- Sovini Trade Supplies
- Sovini Corporate

These strategic plans give the vision, mission and values of each of the partners, followed by the aims and objectives of the organisation, all of which clearly link back up to the Sovini Corporate Plan. These plans are based on customer priorities, regulatory requirements, business needs and financial capacity.

2. d   Service Delivery Plans

To deliver the objectives with each of the Strategic Plans we use annual Service Delivery Plans (SDP's), managed by the relevant Strategic Directors. The plans contain specific actions identifying how each partner will contribute to delivering the aims and objectives of their Strategic Plan. Each Service Delivery Plan details how specific actions link with the objectives contained within the organisational Strategic Plans and the Sovini Corporate Strategy thereby maintaining the Sovini Golden Thread.

Sitting within the Service Delivery Plans are SMART actions and milestones which relate to specific tasks and are assigned to each team and individual member of staff across each partner organisation. Using actions and milestones enables managers and individuals to understand and agree their own contributions towards achieving organisational objectives.

Managers are supported by the Performance and Customer Insight team to write their service delivery plans and are encouraged to follow the checklist in Appendix 1 to help structure and evidence their action planning. By using this approach it reinforces the Sovini Golden Thread, making sure that every member of staff is empowered and accountable for performance.

2. e   Performance Appraisals

Individual performance appraisals are undertaken on an annual basis and are an opportunity to discuss progress and performance over the past year and also to set and agree personal objectives and targets for the coming year through a Personal Development

Plan. These actions and targets are linked directly to the organisational objectives in SDP's with progress discussed at monthly one to one meetings. The appraisal process is an important part of Sovini's PMF helping to identify training needs and remove barriers to improved performance through learning and development.

2. f   Key Performance Indicators

When the SDPs have been agreed the list of relevant performance indicators are agreed. These are indicators that help to monitor the impact of our services either through:
- Economy: the cost of providing a service, for example average cost of a repair
- Efficiency: the measure how a service is delivered, for example the number of repairs per home
- Effectiveness: how happy our customers are with the service, for example satisfaction with a repair

The Performance and Customer Insight Team work with Managers and teams across Sovini to shown performance trends, to understand how others perform with benchmarking and to set clearly thought through targets. Appendix 2 is the target setting checklist we use to make sure target setting is as robust as possible.

2. g   Strategic Planning Timetable

The timetable for the development and monitoring of Sovini's strategic planning processes is detailed in the table below:

Sovini Strategic Planning Timetable												
Action	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sept**
Collate intelligence to feed into the Corporate Planning Process	▓	▓	▓									
Reforecast budget using Business Intelligence and review KPI targets	▓	▓										
Prepare Sovini Corporate Strategy and Organisational Strategic Plans			▓	▓								
Sovini Corporate Strategy and Organisational Strategic Plans to Board				▓	▓							
Prepare Service Delivery Plans					▓	▓	▓					
Agree and set performance indicators and targets for achieving service objectives					▓	▓	▓					
Undertake Employee Appraisals							▓	▓	▓			
Statutory Accounts finalised									▓	▓		
Prepare Annual Report										▓	▓	▓
Report Corporate Strategy and Strategic Plan progress to Boards												▓

Throughout the year the Executive Management Teams receive regular updates on performance against SPDs and performance targets.

3   Performance Monitoring

3. a   Covalent Performance Management Software

Covalent is Sovini's Corporate Performance Management software solution which enables Sovini to effectively run its PMF system throughout the organisation by providing:

- High quality performance measurement and monitoring systems focused on primary risk areas,
- Effective reporting tools and mechanisms,
- Capacity to analyse and problem solve in order to reduce risk and maximise performance both in the long and short term,
- Clear links between actions, PIs and risks alongside personal appraisals,
- Appropriate direction of resources and actions.

The following performance measurements have been integrated within the covalent software solution.

i.   Actions

Covalent is where all the Sovini Group Plans are held and demonstrates the Golden Thread as actions are assigned down to individual members of staff. Staff are encouraged to update their actions in Covalent weekly.   The SDPs are then reviewed monthly in Executive Management Team meetings, team meetings and 1-2-1s.

ii.   Performance Indicators

All Performance Indicators (PI's) for each partner are collated, updated and produced centrally via Covalent on a monthly basis.   So every month the responsible member of staff will go into Covalent to input or review their data and update the commentary that explains their performance.

The agreed schedule for updating the PI's in Covalent is:

- By the 14th of each month PI's and commentary are updated
- By the 16th of each month service specific Scorecard reports are produced and circulated to Directors
- Around the 20th of each month Executive Scorecards are presented to Executive Management Teams
- Around the 23rd of the month the Scorecards are discussed with customers at the Service Review Groups (for OVH) and the Customer Empowerment Panel at (PCHA)
- Around the 23rd of the month the Scorecards are discussed in a managers performance meeting
- The relevant scorecards are discussed at monthly team meetings

iii. Risk Management Framework

Sovini's Risk Management Framework is held within Covalent. Strategic and operational risks are logged, assessed (scored) and prioritised for action. Risk owners are assigned and held accountable for risk improvement actions and the outputs and progress of their actions is used to discharge and provide assurance to the Sovini Board via the Group Business Assurance Committee (GBAC).

The risk management module within Covalent allows managers to:

- Identify critical risks
- Assess and assign priority to risks
- Monitor the risks and put in place control measures to reduce the risks
- Document and track the actions taken to eliminate or reduce the risks
- Link to actions and performance indicators that demonstrate a change in risk status

iv. Performance Appraisals

Monthly each employee completes an appraisal in Covalent as part of their 1-2-1 meeting with their manager. This brings together all the actions, risks and performance indicators allocated to that member of staff. In the 1-2-1 meeting the performance against targets is appraised and recorded.

3. b   Performance Review

i. Board Meetings

Partner Boards review progress against their strategic plans six monthly. They receive key performance indicators quarterly or monthly. These updates give Board assurance the Corporate and Strategic Plans are delivering as agreed.

ii. Executive Management Meetings

Every quarter the Executive Management Team (EMT) review progress against the strategic plans. Monthly EMT meet and review a suite of key performance indicators.

iii. Customer Review and Scrutiny

The Customer Empowerment Team work with the tenants that make up the Service Review Groups (OVH and SPS) and the Customer Empowerment Panel (PCHA and SPS) to train them in understanding and questioning information about the way we provide services. The groups scrutinise and review customer intelligence and performance against the service standards and targets.

These customer review groups meet monthly and managers attend to explain their teams performance. If these groups feel it is necessary they can refer any issues or concerns identified through reviewing the performance and customer intelligence information to the

Scrutiny Team. The Scrutiny Team then use these referrals to decide their scrutiny project work programme.

iv.   Managers Performance Briefing

The Managers Performance Briefing has a main function to monitor progress against targets and identify improvements, particularly those that cut across the work of different teams. This is based on performance highlighted in the Balanced Scorecards and Customer Intelligence feedback. At this meeting, performance across all key business areas is exchanged and improvement opportunities discussed.

v.   Team Meetings

Managers will talk to their teams about progress against their SDP to highlight improvement actions and recognise achievements. Following on from the manager's performance briefing, managers share the executive performance indicators with the staff in their teams as well as reviewing their own service specific scorecards.

vi.   1-2-1 Meetings

Monthly all staff have a 1-2-1 meetings with their line manager. In this meeting progress against individual actions is reviewed, as well as performance against relevant performance indicator targets.

4   Improving Performance

In practice, much of the work we do to improve our services and other aspects of performance takes place as part of our daily work. These improvements are generated by:

- Covalent flagging that a target or a deadline has been missed

- New customer needs identified through a survey or complaint feedback

- A change in legislation that we have to respond to

- Other changes in the external environment that we want to respond to

However, we complement this ongoing improvement activity by using a number of more formal ways of reviewing or auditing what we do and how we do it, to identify and deliver improvements to all aspects of services.

4. a   Policy Reviews

Our policies help to ensure we deliver the right services in the right way for our customers and in so doing, meet our legal and regulatory requirements. Therefore, it is important that our policies continually comply with changes in legislation and best practice, and are responsive to customer intelligence, performance information and the outcomes of system audits. Where necessary we will develop new policies, however we also need to ensure our existing policies are responsive to these changes so we regularly review all our policies to ensure they remain fit for purpose. The Board approves any major changes to existing policies which result from this review process. It also receives a report each year to assure it all relevant policies have been reviewed in a timely basis.

4. b   Business Critical Processes Reviews

Based on our Business Plan requirements and stakeholder needs, we have identified and created Business Critical Processes (BCP's). We regularly review these BCP's (monthly or quarterly) through the evaluation of Statistical Process Control charts, assigned to stages of each process. This allows us to assess our approach to deployment, and identifies areas for refinement and improvement. Process auditing focuses on evaluating the economy, efficiency and effectiveness of our business critical processes. This approach is supported by annual process auditing which is reviewed in an annual Quality Management Assessment and Review meeting with the Executive Management Team. The recommendations from BCPs are fed into the SDPs in Covalent.

4. c   Service Reviews

We have a service review process that we follow when we feel a full service review is required, this can be either customer (scrutiny) or staff led. So we do not keep a programme of service reviews but offer a more flexible model that can be applied when a review is required. A service review provides an opportunity to ask more fundamental questions about the services we provide. Appendix 3 gives an overview of how a service review is completed.

4. d   Self-Assessment Reviews

We have to demonstrate that we meet or comply with standards set by a range of bodies including:

- The Homes and Community Agency (HCA) – our regulators
- Our Funders
- Local Authority – strategic housing framework

We use organisations which externally award, certify or validate a range of our service through accreditations such as Customer Service Excellence, ISO9001:2008, OHSAS18001, Investors In People, Housemark, EFQM and TPAS.

In all of these cases, demonstrating our compliance involves self-assessment. These self-assessments help us to identify and implement ways of further improving our services, as well as demonstrating to our Board, customers and other partners that we provide exceptional levels of service.

4. e   Benchmarking

We benchmark our services on an annual basis through a range of settings. Benchmarking allows us to understand our performance and how we compare. It also gives us an opportunity to learn the different processes that other providers use to achieve excellent performance.

- Housemark annual core benchmarking
- Baker Tilly back office costs
- Housemark specialist benchmarking products:
  - Complaints
  - Anti-social behaviour
  - STAR satisfaction survey
  - Gas Safety
  - Estate Services
  - Repairs value for money toolkit
- Benchmarking through the national housing federation (NHF), including:
  - Income management
  - Tenancy and estate management
- Attendance at good practice groups including:
  - The Airport Group
  - TIP TOP

Feedback from these groups takes different forms, and is an integral part of policy reviews, service reviews, self assessments, target setting and business planning processes

4. e   Target Setting

Target setting is integral to an effective Performance Management Framework as it is the early warning system when performance changes. Therefore setting targets is a crucial part of the business planning process. Using our target setting process (Appendix 2) is how we

make sure are targets are set to reflect our priorities for the year ahead. The target setting process sits in line with budget setting and action planning processes so that targets are set in the wider context of the activity of the organisation, team and individual member of staff.

5   Management of Sovini's PMF

The following tables show where the different accountabilities lie for the Performance Management Framework.

Roles and responsibilities in the PMF	
Group Chief Executive	- To produce the Sovini Corporate Strategy and presentation to Sovini Board - To ensure that the individual partners performance meets the aims and objectives of Sovini and that the organisation is well managed, well governed and viable
Board	- To ensure strategic direction and establish the vision of the organisation - To approve a 5 year Sovini Corporate Strategy as well as their own Strategic Plan and Service Delivery Plans and ensure their aims are intrinsically linked - To approve performance targets - To approve regulatory returns - To ensure stakeholder promises and priorities are met
Directors	- To develop Strategic Plans and Service Delivery Plans and ensure they linked to Sovini and Partner objectives - To ensure that the actions set out in the relevant Service Delivery Plans are carried out and performance targets are met - To monitor progress of team managers in identifying problems and weaknesses whilst agreeing corrective action - To identify and allocate resources in order to achieve priorities
Heads of Service/Team Managers	- To ensure actions for their teams are within their Service Delivery Plan directly relate to the aims and objectives of their Strategic Plan - To involve every member of staff in the Service Delivery Plan production so staff understand their role, responsibility and contribution - To facilitate the monthly Team Meetings and attend customer review meetings (SRG/CEP) where appropriate - To monitor, review and update Covalent actions, PIs and risks monthly, making recommendations for improvements where necessary - To make sure all members of their team have a 1-2-1 meeting every month - To hold annual Appraisals meetings that include Personal Development Plans with all team members - To use good practice, customer feedback and benchmarking information to develop their service area, facilitating a continual process of service improvement
Performance and Customer Insight Team	- To ensure Sovini statutory and regulatory obligations relating to performance reporting are met - To co-ordinate, analyse and report on performance to all stakeholders - To manage Sovini's performance reporting through Covalent; identifying and reporting on variations between SDPs, targets and achievements - To work with Managers to draw up improvement plans derived from the business intelligence information - To ensure we are effectively tested and compared via benchmarking and mystery shopping - To act as a critical friend where appropriate and required

Individual Members of Staff	o To understand their contribution to delivering Sovini's and their Partner's objectives o To agree goals and targets for their service area and role, monitoring their performance and agreeing corrective actions where necessary o To actively participate in their own annual Appraisal, Personal Development Plans and monthly 1-2-1's

Customers	o Actively scrutinise the delivery of services that we provide. Sovini will facilitate this via:
	    • Customer Review: Service Review Groups, Customer Empowerment Panel and Scrutiny Team
	    • Service specific satisfaction surveys to tell us how we are doing
	    • Tenants suggestion schemes (individual and group)
	o Use the complaints procedure where necessary and learning from complaints
	o This information will then be fed into business planning, service reviews and team meetings to inform our decision making and continually improve

Timetable for reporting and publishing information

Theme	Report to	What is reported	Frequency
Statutory and regulatory	Homes and Communities Agency	Regulatory Returns: • SDR • Core Lettings • VFM self- assessment • Annual Report to tenants Financial Reporting: • Annual Efficiency Saving • Annual Accounts • Fraud Reports	Yearly
Governance	Boards Directors GBAC Managers Performance Meeting	Review on Corporate Strategy, Strategic Plans and Service Delivery Plans Performance Reports: OVH and PCHA SPS and STS Review of the risk register Progress on Corporate Strategy and Strategic Plan Progress Balanced Scorecards KPIs	Yearly Quarterly Monthly Quarterly Half-yearly Monthly
Customers	Tenants Service Review Groups/ Customer Empowerment Panel	Suite of KPIs: • Via the website • Annual report for tenants Balanced Scorecards Customer intelligence feedback	Quarterly Yearly Monthly

Services	Directors	Progress against the Strategic Plans and Service Delivery Plans Executive KPI Scorecards	Monthly
Teams	Heads of Service and Managers	Progress against the Service Delivery Plans KPI – Service Scorecards Progress against actions and milestones at team meetings Risk review and updates	Monthly
Individual staff	Line Manager	KPI – Service Scorecards Progress against actions and milestones 1-2-1s with line manager Performance Appraisals	Monthly Annual

Appendix 1 - Service Delivery Planning Checklist

Does the SDP have:	Tick
1. A clear vision for the service, team and individual, based on what customers are telling us? Are the actions and success factors customer focused and realistic? Have you looked at? - STAR survey results - Service specific customer feedback from surveys - Customer empowerment feedback and scrutiny recommendations - Benchmarking information - The tenant profile - The complaints and the lessons you have learnt from complaints - Performance scorecards	
2. Have you set clear targets for your team? Are your targets based on? - Previous performance trends - Benchmarking information - Changes in legislation, policy or procedure - Changes in resource levels – staffing or budgetary - Good practice from the other organisations	
3. Do the actions relate to specific objectives within the Service Delivery Plan?	
4. Have you assigned individual actions to all members of staff within your team? Do staff know which actions they are responsible for both collectively and individually?	
5. Are success factors clear and measurable? Are there clear and simple performance measures and SMART targets in place for all actions?	
6. Have constraints been properly identified? Are clear solutions to any barriers available to prevent actions or performance slipping?	
7. Have appropriate resources (financial and staff time) to achieve actions and performance been properly allocated?	

Appendix 2 – Target Setting Checklist

DEFINITIONS
Are you using a clear definition? Housemark, industry standards or clearly recorded local definitions to calculate your KPI's?

LOOKED AT TREND INFORMATION
Have you looked at data from the previous 3 years? Can you identify any trends that impact on performance?

LOOKED AT BENCHMARKING INFORMATION
Have you compared performance information both internally and externally?

ACCOUNTED FOR INTERNAL FACTORS
Have you taken account of any internal changes that may impact on achievement of targets e.g. budget approval, staff restructure?

ACCOUNTED FOR EXTERNAL FACTORS
Have you taken account of any external changes that may impact on achievement of targets e.g. changes to Government policy or the price of a resource?

CONSULTATION
Have you consulted with your staff and customers? Do they agree that the targets are achievable and meet their expectations?

SET ROBUST, CHALLENGING AND REALISTICTARGETS
What is top quartile? What is reasonable?
Do the targets support your SDP?

Appendix 3 - Service Review Flowchart

Agree the extent of the service review – what does it include and what doesn't it include?

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Agree the service review team and the project plan

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What are the performance outcomes or service standards that need to be improved as part of the review?

↓

Understand and evaluate current performance standards, what is stopping you reaching the outcomes you identified above?

↓

Research and identify alternate service delivery models. What do other organisations do both within and outside the sector?

↓

Appraise and evaluate the options you have identified throughout the review to identity the best option for the service area

↓

Implement the new service delivery option or improvement plan, with measures that assess the impact of the changes

↓

Review the new model intensively to make sure it is achieving the service outcomes you require. React and change if this model is not providing the anticipated results.