Performance Management Policy

Document Control
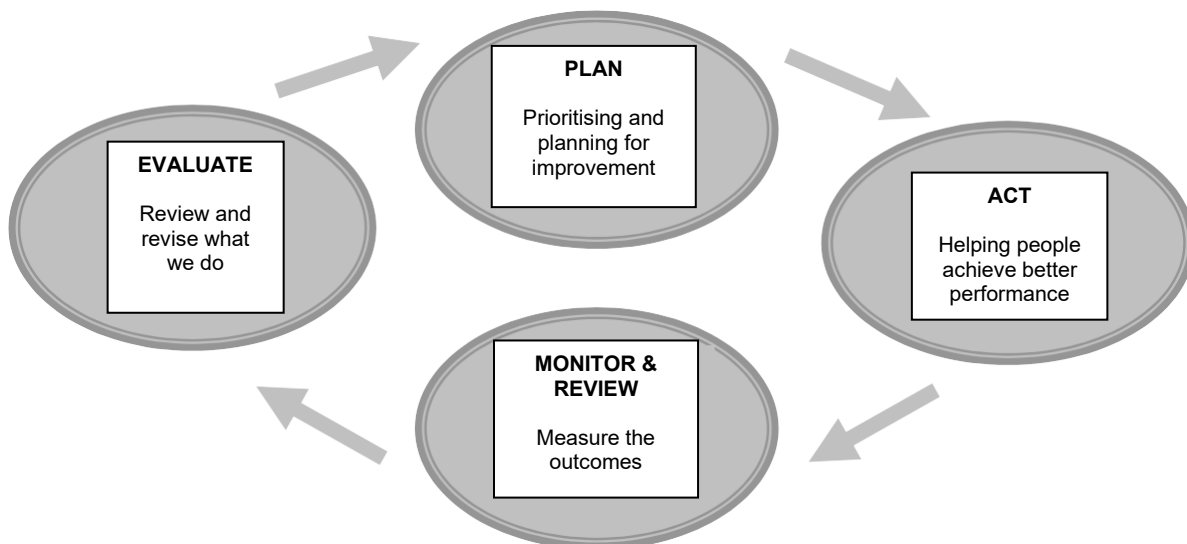
Responsible Person	Chief Executive
Review Frequency	3 Yearly
Reviewed by	Board
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	Yes		No	
Consultation Required	Yes		No	✓
Equalities Impact Assessment	Yes		No	✓
Added to Company Website	Yes	✓	No	
Associated Documents Considered	n/a			

1. Scope of the Policy

1.1. Waverley Housing strives to be a well governed, well managed and high performing organisation. The Waverley Housing approach to performance management is concerned with information used to measure the Company's progress towards achieving its objectives and establishing measures of performance to allow clear targets to be set. Performance information helps to inform management decisions and monitoring of progress towards achieving the standards of services.

1.2. Waverley Housing believes that performance management needs to operate at Company, team and individual level if it is to be effective. This means that Company objectives inform the development of team and individual objectives, but also that individuals and teams are able to feedback issues from the frontline in order to support the development of future Company objectives and plans.

1.3. The performance management framework developed by Waverley Housing encourages active involvement of Board Directors, managers, employees, tenants and customers and other stakeholders, and seeks to embed a performance management culture with appropriate support systems, including budgetary control and employee appraisal.

2. Implementation of the Policy

2.1. In defining the performance management process at Waverley Housing, in conjunction with the Business Plan, four cyclical stages are used:

EVALUATE

Review and revise what we do

PLAN

Prioritising and planning for improvement

ACT

Helping people achieve better performance

MONITOR & REVIEW

Measure the outcomes

2.2. The core document which defines what Waverley Housing wants to achieve is the Waverley Housing Business Plan.

2.3. In defining the performance priorities when producing the Business Plan for the forthcoming years the Company:

a) Evaluates the external environment assessing opportunities and threats to and for the Business. Establishing the impact of these against its aims and objectives.

b) Evaluates the internal environment assessing the resources available and previous delivery of performance.

c) Consults with all relevant stakeholders (including but not limited to tenants and customers, staff and partners) on options for delivery, i.e. customer needs, perception of the customer of the service(s).

2.4. Once objectives are set these are then translated into action plans which define how actions are carried out and also into performance indicators for the Company.

2.5. All actions and performance indicators are assigned to a lead person who has the responsibility for ensuring that the task is delivered and performance achieved.

2.6. Targets are a tool for improving performance against a particular measure over a given period of time. These are usually based around a particular performance indicator. (See appendix 1 for an in-depth look at PI's and targets).

3. Reporting and Monitoring

3.1. The monitoring of all performance indicators is carried out monthly via the management team.

3.2. Reports are made monthly to the Board on the Key Performance Indicators. These indicators are reviewed mid-yearly and annually and are subject to change. A traffic light approach has been adopted, whereby green indicates that performance is on or better than target, amber is below target, but within the defined tolerance levels, and red indicates that performance is not on target and outwith tolerance levels.

3.3. If the key performance indicator is in the red zone (i.e. not on target) in relation to one month, an explanation along with any remedial action will be given within the Monthly Performance Report.

3.4. If, through the monitoring of all other performance indicators, the management team feels that a service area is performing poorly by failing to meet its target the Chief Executive may request the responsible person prepare a separate report for the Executive Team and the Board

3.5. A performance report to the Board which is not part of the Monthly Performance Reports will be considered as a separate agenda item. The report will include reference to the performance indicator, the target, actual results, reasons for failing to meet target, remedial action and projected annual out-turn.

3.6. Targets are set for staff and Board Members following the annual review of the Business Plan which link to the overall aims and objectives of the Company. All

targets have clear links to the Business Plan, performance drivers and The Scottish Social Housing Charter.

Staff and Board Members appraisals will be carried out annually and include reference to performance objectives. This ensures that the achievement of targets by individuals is monitored and appraised annually. This will be supplemented by regular one to one meetings between managers and employees. The appraisal process will identify the need for any additional training or developmental needs to ensure that the Company has the skills base in place to support quality service delivery.

3.7.   Bi-monthly staff team meetings will be held during which performance in relation to the recognised performance indicators will be reviewed.

4. Review Process

4.1.   Where objectives have been met the Company celebrates success and gives positive feedback to the people involved.

4.2.   Where performance has not been achieved, analysis is carried out for the reason for non-achievement and where appropriate lessons learnt. Where appropriate targets are carried forward into the following year, with appropriate resources applied to achieving the target via the budget setting process. In areas where performance has not been met or goals not achieved this will be fed back into the 5-yearly review of the Business Plan.

4.3.   An annual benchmarking report is presented to the Board specifying the relevant KPI's, the benchmark group(s) being used for comparison, the purposes of this information and outlining plans to achieve any improvements required.

4.4.   When carrying out evaluation of its own performance Waverley Housing consults with stakeholders on what it has achieved in the year and seeks their views on where improvements could and should be made.

4.5.   In order to manage performance well Waverley Housing will capture and use information about actual performance – at all levels of the organisation. Reliable information means the Company can make decisions about what needs improving. The properties of a good performance management system.

i.e. the **FABRIC** of performance measurement are:

- **F**ocused in the company's aims and objectives

- **A**ppropriate to, and useful for, stakeholders likely to use it

- **B**alanced, giving a picture of what the company is doing, covering all areas of significant work

- **R**obust, in order to withstand organisational change, and individuals leaving

- **I**ntegrated into the organisation, as part of the Business planning process

- **C**ost-effective, balancing the benefits of information against costs

4.6.   Waverley Housing is committed to continual improvement in everything it does. To achieve this the Company seeks to:

- Prioritise efforts on key performance drivers

- Ensure everyone in the organisation understands how they contribute to performance improvement

- Ensure performance reporting leads to specific actions to improve performance

- Place tenants at the heart of services via a Community Engagement Strategy so that the performance culture delivers what tenants require

- Be involved in a Benchmarking group(s) for all key service areas so that comparisons can be made to other relevant organisations

- Ensure the Company is properly governed via an ongoing review of the Corporate Governance arrangements

- Maintain excellent relationships with the Scottish Housing Regulator

- Survey tenants and customers at key points of contact and report lessons learnt from those surveys to the Board.

Fulfilling these links the Performance Management Framework intrinsically to the Business Plan.

Targets and Performance Indicators (PI's)

1	**How do I create a new PI?**
1.1	When devising new PIs you need to know why you need the monitoring information. It is pointless monitoring a PI unless it is meaningful. You need to consider: • Who is the information for? • How often will the PI be reported? • Who will it be reported to? • Does it help deliver one of the Company's key objectives or a service priority?
2	**What makes a good PI?**
2.1	Good PIs should be: • **Relevant** – the performance measured should be important to staff and/or service users and relevant to the Company's objectives. • **Measurable** – the performance should be quantifiable • **Easily-defined** – the PI should have a specific definition and recorded calculation so that it can be collected in the same format each period. • **Clear** – it should be easy to understand what the PI means and why it is relevant • **SMART target** – a PI should have a SMART target (see the target setting section below) • **Useful** – the performance should only be measured if the information produced is useful to Board members, Executive Team, Operational Managers, employees, etc. • **Indicative of performance** - the data should explain how the service is performing • **Effective** – need to be realistic but challenging
3	**How do I set targets?**
3.1	Targets should be realistic and set using the **SMART** model (see section 4). Use:

		- Historical data – trends and projections
		- Consider seasonality, peaks, troughs and patterns
		- Comparisons with others (benchmarking)
		- Customer feedback
		- Partners – who else do you depend on?
		- What changes is the future likely to bring?
3.2		There are four types of target: **Qualitative targets** – these give a description of the level of service to be expected (e.g. common areas will be kept clean, attractive and safe) **Time-bound targets** – these give a one-off target (e.g. to set up the new website by a specific date) **Percentage achievement targets** – these are commitments to achieve a certain level of performance (e.g. to increase the numbers of visits to the website by 50%) **Service commitment targets (all the time)** – these promise the level of service to be delivered all the time (e.g. all phone calls will be answered within 6 rings).
4		**SMART targets**
4.1		All targets should follow the following principles: **S**PECIFIC — it needs to be underpinned by a performance measure that has a clear, stable definition so that achievement may be compared over time. **M**EASURABLE — if it is not measurable how do you know how well you are doing? **A**CHIEVABLE — but also ambitious **R**EALISTIC — it needs to relate to corporate or service objectives **T**IMELY — there needs to be a timeframe for reaching each target While the whole point of targets is that they are effective because people try and achieve them, not meeting a target is not necessarily a sign of failure. Aspirational targets may not be met but may have still led to improvement.