

Performance Management Strategy



1 Introduction

The key principles of effective performance management are to: provide the Board with the robust information it needs to meet its priorities; demonstrate that effective governance arrangements are embedded throughout all of its operations; improve the quality of service to its tenants; and achieve value for money.

Effective performance management is essential to Lafford's success in delivering improved outcomes, and it enables the Board to keep track of its progress by providing information and data to understand and interrogate performance and make informed decisions in an effective manner that is not onerous or a process-driven task. Effective performance management enables the Board to ensure that performance aligns with the Company's objectives and priorities.

Lafford uses a range of performance indicators to facilitate trend analysis and identify variances in operational and financial performance, which allows the Board to see whether performance is improving over time. Performance management also allows the Board to prioritise resources, and to determine whether it is making improvements. Tenants can also use performance indicators to hold Lafford to account.

Measuring performance helps the Board to identify its strengths and weaknesses. Once these have been identified it can then pinpoint where it needs to make changes or improvements and take appropriate action.

2 What is Performance Management?

Performance management is often described as a cycle of Plan-Do-Check-Review:

- Deciding and communicating what needs to be done (aims, objectives, priorities and targets)
- A plan for ensuring that it happens (improvement, action plans)
- Some means of assessing if this has been achieved (performance measures)
- Information reaching the right people at the right time (performance reporting) so that decisions are made and actions taken.

3 Why is Performance Management Important?

Performance management is one element of Lafford's arrangements that help it to plan, monitor and manage the delivery of its services. Effective performance management helps to:

- Review plans and policies to ensure they are focused on achieving the right outcomes;
- Improve delivery of outcomes for Tenants;
- Demonstrate value for money;
- Track progress in delivering priorities and enable the Board to take any necessary action;
- Learn from past performance and improve future performance;
- Increase tenant satisfaction; and
- Shareholders sees performance management as an essential tool for achieving priorities.

4 Link with Business Plan and Key Policies

The Business Plan establishes the overall vision and priorities for Lafford Homes. It also sets out how Lafford will manage its overall budget to deliver against these. Performance indicators are linked to financial management by aligning resources to priorities and by directing resources to areas needing improvement.

Performance indicators have a strong link with risk management because if risks are not managed effectively then Lafford may not deliver its ambitious development or on its priority to be an exemplar landlord.

5 Performance Monitoring and Reporting

At each meeting, the Board will consider a range of performance information. **Appendix 1** contains the format along with the current agreed performance measures.

In addition to Board reports, additional arrangements are in place to support transparency and accountability:

- Annual Report – a summary of achievements and progress Lafford has made during the last year against its Business Plan priorities, its performance against targets and how the budget has been spent;
- Consultation and Engagement – engagement activities undertaken throughout the year inform the Council of how residents think it is performing.

The Board will review at least annually following the establishment of its revised Business Plan all performance measures and targets to ensure they remain in line with the strategic objectives and fit for purpose for the new financial year as the most effective measures and targets to meet the key principles of this strategy.

6 Developing Performance Indicators

Performance indicators are necessary to see whether Lafford is achieving targets set. Performance indicators should concentrate on cost efficiency, focus on service delivery outcomes, measure service quality and monitor fair access to services.

Performance indicators help judge the economy, efficiency, effectiveness and value for money by measuring the inputs, processes, outputs and outcomes.

There are key steps when creating and developing performance indicators:

- What is the new performance indicator going to measure?
- Who is the performance information for?
- How often should it be reported?
- How are you going to use the information provided by the performance indicator?

In addition, effective performance indicators should be:

- Easily defined – it should be defined in a clear way which is unambiguous
- Comparable – it should be comparable with either past periods of performance or similar areas
- Attributable – it must be easily associated with the people responsible for delivery
- Measurable – it should be numerically quantifiable
- Targetable – it should have a numerical target against the indicator to enable future levels of performance to be predicted
- Timely – it should be able to produce the indicator in a timescale that allows corrective action to be taken if necessary
- Relevant – it should be something which staff and/or service users would consider important
- Understandable – it should be easy to understand what the indicator means, and why it is relevant to performance
- Indicative of performance – it should be able to tell you how the service is performing.

7 Create a Target

Robust target setting is important to ensure that Lafford is setting an appropriate level of ambition in the delivery of the Business Plan.

Targets set are analysed by the Board to ensure the priorities within the Business Plan are able to be achieved. It should be noted that it may be difficult to set a target if the indicator is in use for the first time as there is no baseline performance to refer to – this is where benchmarking data may be useful in terms of setting aspirational targets.

Targets should be ambitious, but also realistic and should take into account associated costs and what might not get done as a result of diverted resources.

8 Reviewing and Revising this Policy

Lafford Homes aims to continuously improve its approach to performance management, prompted by new ideas and the latest thinking and innovation. This Guide will be reviewed annually by the Corporate Information Team and revised to reflect any changes.

9 Review

This Policy will be reviewed annually to ensure an accurate reflection of current practice and compliance. The Board will consider and approve proposed changes.

Version	Date Approved	Title
2.0	January 2023	Performance Management Strategy
Effective From	Last Review Date	Next Review Date
March 2023	January 2023	January 2024

Appendix 1

Annual Performance Summary	as at 31 st March 20XX
Property Portfolio	
No of properties currently under construction	
No of properties in ownership available for letting	
No of empty properties available for letting	
% of tenancy turnover	
Average current tenancy duration	
Average tenancy duration (current & former)	
Average time taken to let a property	
Number of inspections completed	
Number of formal complaints	
Number of formal complaints upheld	
Income	
% of rent collected against rent roll (full minimum rent of all properties in ownership)	
% of rent collected against rent due (full rent due from all occupied properties, excludes void)	
Rent loss due to void period	
Amount £ of former tenant rent arrears	
Amount £ of former tenant rent arrears recovered	
Repairs and Maintenance	
% of repairs completed within target timescales	
Average time taken to complete repairs	
Total £ repairs spend	
Total £ service/maintenance spend	
Average £ spend per property	
% of properties for which all required gas safety checks have been carried out	
% of properties for which all required fire safety checks have been carried out	
% of properties for which all required asbestos management surveys or re-inspections have been carried out	
% of properties for which all required legionella risk assessments have been carried out	
% of properties with EICR certificate up to five years old	

Quarterly Performance Summary	Month 1	Month 2	Month 3	Quarter X
<u>Void Measures</u>				
Average Void time - monthly				
Average Void time - cumulative days YTD				
Void spend - culmulative				
Rent loss due to void periods				
<u>Income Measures</u>				
Total rent due (full rent due from all occipied properties, excludes void)				
% of rent collected against rent due (full rent due from all occipied properties, excludes void)				
Total £ current tenants arrears				
Total £ former tenant arrears				
<u>Repairs and Maintenance</u>				
% of repairs completed within target timescales				
Average time taken to complete responsive repairs				
Average service/maintenance spend				
% of properties for which all required gas safety checks have been carried out				
% of properties for which all required fire safety checks have been carried out				
% of properties for which all required asbestos management surveys or re- inspections have been carried out				
% of properties for which all required legionella risk assessments have been carried out				
% of properties with EICR certificate up to five years old				