

Title: Annual Performance Indicator Monitoring Report 2013-14	Meeting: Board	
Report authorised by: Jamie Carswell, Director of Investment Services	Date of the meeting: 23 April 2014	Item No. 10
Report author: Lesley Owen, Business Improvement Manager	Classification Open	Report type: Discussion /Information
Business Objectives: The suite of performance indicators measures performance across all key areas of service delivery. The Business Critical Indicator set, together with the Roadmap, form the basis of tracking how well we are doing in meeting Business Plan priorities.		
Impact for Customer: The business critical indicators aim to measure at a high level to what extent service delivery and outcomes for residents are improving.		
Diversity Impact: The 2013 -14 business critical indicator suite includes a number of resident feedback measures which are analysed at lower level by equality strand to monitor the diversity impact.		
Cost and Income Implications: The 2013-14 business critical suite includes income and budget measures, and a number of value for money indicators.		
Risk Management: Risks identified in the Strategic Risk register that relate are: 3 – Making a Difference 4 – Financial Sustainability		
Summary: This report updates the Board on the performance of Tower Hamlets Homes in 2013-14 on its full suite of business critical indicators, compares this performance with that of 2012 -13, and analyses where applicable why targets were not met.		
Recommendations: That the Board: Note the performance of Tower Hamlets Homes on the 2013-14 business critical indicators and the exception analysis on the indicators not meeting target.		

1. Performance for the Year

1.1 The Tower Hamlets Homes' performance management framework top level of reporting is its business critical indicators (BCIs). The 2013/14 suite now consists of 14 monthly business critical indicators, a further 9 each quarter, and a full set of 25 at year end. Over 40% of the 2013/14 BCIs are based on direct feedback from residents; all these satisfaction indicators measure the top two categories out of five, either excellent/good, or very/fairly satisfied.

1.2 Overall performance is mixed. For indicators with results calculated, annual targets have been achieved for 65% of measures, and of the indicators common to last year and the year before, 59% show improved performance.

We have maintained performance in a number of areas despite the difficult economic conditions and changes in welfare benefits and continuing to deliver our decent homes programme.

Areas of particular strength in meeting target in 2013-14 include:

- Rent collection
- Service charge collection
- The Housing Service Centre

Areas of relative weakness in meeting target in 2013-14 include:

- Decent Homes satisfaction
- Repairs measures

1.3 Our new Business Plan maintains a focus on our core business areas whilst trying to further improve the customer experience through better targeting of our services and resources, and significant investment in staff training and development.

2. Performance Data Summary 2013 – 2014

2.1 Our current performance management framework uses 25 business critical indicators. Information on performance in 2013-14 compared to target is set out in **Appendix A**. Performance is 'flagged' as green where the target has been achieved, or red to denote the target has not been achieved. Amber is used where the performance reported is the latest position and within the agreed tolerance - usually 5% - of target

2.2 **Table 1** below summarises performance in 2013 - 2014 compared to target and to the previous year on the full suite of business critical indicators

Table 1: March 2014 year end status.

Status	Red	Green	To follow	All
March 14	8	15	2	25
No. of indicators	32%	60%	8%	100%
March 13	8	21		29
No. of indicators	28%	72%		100%

- 2.3 The outturns on two indicators have yet to be calculated and are marked above 'to follow':
- Percentage of stock non-decent, and
 - Average SAP rating
- 2.4 One of the 'outturns' reported, the average cost of housing management, is the latest position, as this is reported a quarter in arrears. We are confident this measure will meet its 2013-14 target. The service charge collection outturn is subject to validation by LBTH.
- 2.5 **Table 2** below summarises the 'direction of travel' position on the 24 business critical indicators common to both years, comparing year end performance in 2013-14 to that in 2012-13.

Table 2: March 2014: Direction of travel.

Direction of travel	Improved	Weakened	Stayed the same	To follow	All
March 14:	13	8	1	2	24
No. of indicators	54%	33%	4%	8%	100%
March 13:	14	5	1	2	22
No. of indicators	64%	23%	5%	9%	100%

3. Performance comparison 2013-14 and 2012-13

- 3.1 A comparison of the 2013-14 results available with equivalent 2012-13 results shows 61% achieving target in 2013-14 with a further 2 still to be reported, whilst 72% met target in the previous year.

4. Performance analysis

- 4.1 Analysis of the 8 indicators that did not meet target in 2013-14 can be summarised as follows:

Intervention not taken swiftly enough (3)

Prevented through unprecedented/unforeseen circumstance (2)

Target pitched at an unrealistic level (2)

Other (1)

Intervention not taken swiftly enough

Repairs rated good+

Monthly performance on this measure dipped below target from September onwards. From December performance was significantly below target. Initial analysis showed plumbing and gas call outs to be the trades disproportionately attracting ratings below good. The analysis was shared with Mears and remedial action now seems to be improving performance. Improving the way we manage the Mears contract, improving the customer experience of the repairs service and increasing the number of THH staff with technical expertise are key elements of the proposed Improved Way of Working.

Repairs Right First Time

This measure only met target in three months of the year. The year end figure is outside target by 1.07%. The Service is working with Mears and British Gas on a focused Right First Time action plan which initially identified the stock supplier as the main reason for failure on this measure. The supplier has since been switched and now carries the full range of agreed standard items.

Leaseholders rating overall service as excellent/good

The reasons stated in the survey returns are predominantly that the service charges are too high/not value for money compared to the perceived lack of service: lack of maintenance of the blocks; poor communal repairs service; THH not tackling ASB/vandalism; and our inconsistency around communication. In addition some 90 blocks have had Decent Homes works during the year and this has impacted negatively on leasehold satisfaction.

Training on leasehold management will be rolled out in 2014/15 to improve the level of knowledge within the Neighbourhood Service. This, together with better joint working with Property Services, will help to improve THH's approach to leaseholders. In the longer term, we are also looking to make Neighbourhoods a more tenure-neutral service, through the Improved Way of Working.

Prevented through unprecedented/unforeseen circumstance

Gas servicing

During a routine inspection of the gas service figures in January 2014, deficiencies in the reporting of gas compliance were found. This was the result of failure of Mears' system of work and a failure of THH to reconcile the stock list required for servicing. This is currently being investigated further.

Initially 422 properties were identified as potentially at risk. Corrective actions were initiated by both parties. This includes a programme of cold

calling evenings and weekend, support from housing management and escalated legal actions. These corrective actions remain in place.

At the end of March, THH was 7 properties short of 100% compliance. The Property Services team is working closely with Mears through regular contract meetings and also through focused gas safety document inspection to return to 100% compliance.

A revised contract management approach has been established within Property Services. This aims to highlight failures and deficiencies within one week of occurring.

Improvement works satisfaction

Performance on this measure is based on the responses of residents surveyed after the completion of Decent Homes works. Performance is analysed by contractor and by reason for dissatisfaction. Respondents are generally satisfied with THH and the quality of the works. Satisfaction this year had been adversely affected by delays to the programme starting leading to large numbers of properties 'open' at the same time and consequent problems of scheduling and communication. Satisfaction also falls away steeply when the works take over 30 days to complete. The Decent Homes contractors have all produced detailed plans to improve communications, work scheduling and phasing.

Target pitched at unrealistic level

Illegally occupied homes recovered

Performance in 2012/13 was 40, and the 2013/14 target set at 50 but the monthly target was met in only three months. An analysis of the effectiveness of the recent tenancy audit action plan has been undertaken. There were teething problems with the London Fraud Hub which we recently joined to assist with identifying potential illegally occupied properties, but this remains the way forward for 2014/15.

Satisfaction with outcome of ASB

Performance on this indicator only met target in two months of the year. As well as increased management focus the Service is planning to revisit and refresh the recommendations from the Residents' Scrutiny Review.

Other A combination of Intervention not taken swiftly enough & Prevented through unprecedented/unforeseen circumstances.

Satisfaction with outcome of complaint

Performance was above target for the earlier part of the year but dipped from September onwards. Performance then improved in December and exceeded target in February and March. The overall 2013-14 performance was below target at 57% although comparable with other housing organisations in London.

- For both Decent Homes Contractors and Mears, residents felt that the only way to resolve issues was to complain formally because they were not having success with the contractor. It was harder for us to achieve a positive complaints satisfaction score with these complaints
- Not keeping on top of promises made – the Customer Resolutions team has developed a spreadsheet as an interim measure for the service areas to use for tracking follow ups. We have developed a COMINO work flow for complaints and managing promises which will be implemented in May/June, which will hopefully assist in improving performance.
- Lack of communication – From the feedback from residents it is apparent that we are not consistent in keeping residents informed. Specifically for Repairs the Contract Performance Team Leaders have been tasked with looking at all overdue repairs and keeping residents updated, and we continue to work with Property Services to ensure that all promises made are fulfilled.
- Due to the significant volume of Members Enquiries and Complaints received and some initial resourcing issues it has taken us longer to respond to some complaints, this has led complainants to be more dissatisfied and this has affected our complaint satisfaction figures.

5. Performance – Case study

5.1 The diagnosis:

Leaks at Kiln Court have been occurring for a very long time. A resident, has diagnosed the following issues with Tower Hamlets Homes’ failure, to date, to sort out the problem:

Kiln Court is a non standard building meaning that it is difficult to figure out where the leaks are coming from.

The process to address issues within Kiln Court is broken. Common issues experienced by residents on the fourth floor include:

- Jobs being closed before they are actually complete for no

- apparent reason.
- Complaints not being logged because 'we don't like to raise a complaint unless we are able to resolve the issue.
 - Appointments to come and look at issues not being kept.
 - People coming round to look at issues without confirming an appointment in advance meaning that quite often someone comes round, no one is there as they are at work, and then the job is closed.
 - People coming to look at issues who either do not have the skills/ have not had the training to deal with this kind of issue.
 - Poor management – the suspicion is that jobs are frequently closed without completion to hide the actual duration of issues impacting on everyone. Proper management attention is then not given to resolving these matters properly.

The lack of management of this process has meant that:

- Work has been attempted on a piecemeal basis, burning more resources than are necessary (e.g. scaffolding is ordered multiple times, taken away and then brought back to do something else 1 meter away).
- Proper tracking of works has not been undertaken to ensure that they were:
 - The right course of action
 - Completed correctly
 - Guaranteed to ensure that work is not paid for twice due to substandard works being undertaken initially
- The building is now in a state of disrepair, despite several works being undertaken, to the extent that the resident is concerned for his safety.

5.2 A 2-step resolution is proposed:

1. Fixing the immediate issues:

- A survey to be undertaken of the leaks ahead of determining how to fix these permanently.
- To ensure a thorough job, get quotes from three or four contractors to fix the issues and guarantee this work for at least 3 years.

2. Fixing the process that has led to this:

- Retrain staff.
- Look at computer management systems. We know that staff do not consistently use Comino, our document management/CRM system. Whilst this is partly a performance management issue, our current operating model is not data-driven, so there is no

systematic way of ensuring that data is recorded, hence the poor customer experience. We are prioritising both performance management and systems usage in this year's Business Plan.

- Ensure an escalation system at block level between repairs and major works staff, so systematic repairs issues can lead to prioritisation in the major works programmes.

5.3 Recommended next steps:

- THH to produce a high level plan of how to address these issues and when.
- A THH dedicated member of staff to keep resident updated on progress.

However, these types of complex cases require a different way of working – our current operating model makes it too easy for work to 'fall through the cracks' between different departments, and for tasks to not be appropriately recorded on systems.

6. Equalities and Diversity Implications

6.1 The business critical indicators are supplemented in lower level reporting by a range of equality and diversity indicators.

7. Implications

7.1 VfM Implications

The 2013/14 suite of BCIs includes a number of income management measures as well as specific VfM indicators on the average housing management cost and promoting channel migration.

7.2 Legal Implications

The business critical indicator suite helps support the achievement of statutory obligations including ensuring gas safety, repairing the stock and maintaining a balanced HRA.

8. Conclusion

8.1 From a total of 23 indicators with outturns calculated, 15 (65%) have achieved target. Of the 22 indicators common to 2012-13 and 2013-14, with outturns calculated 13 (59%) show an improved performance. Outturns remain to be calculated on 2 indicators.