

<b>Title:</b> Performance Indicator Monitoring Report September 2010	<b>Meeting:</b> Performance Management Committee	
<b>Report authorised by:</b> Jamie Carswell, Director of Strategy & Performance	<b>Date of the meeting:</b> 1 November 2010	<b>Item No:</b> 4
<b>Report author:</b> Lesley Owen, Service Improvement Co-ordinator	<b>Classification:</b> Open	<b>Report type:</b> Information
<b>Business Plan Objective:</b> The Tower Hamlets Homes performance framework includes performance targets to support all Business Plan objectives.		
<b>Financial Implications:</b> The business critical suite of indicators includes a number with significant financial implications for the organisation. These include average re-let time, rent and service charge collection, and the delegated budget measure.		
<b>Risk Management</b> The Audit Commission, as part of inspection, will take account of how we set targets and perform against these.  Risks identified in the Corporate Risk register that relate are: 3 – Making a Difference 4 – Financial Sustainability		
<b>Linkages to Strategies</b> The Tower Hamlets Homes performance framework includes performance targets to support all Business Plan objectives.		
<b>Summary:</b> Of the 13 business critical indicators reported monthly, 10 (77%), are now meeting or exceeding target, with 8 (62%) of relevant indicators showing improvement from August to September.  Four (50%) of the quarterly indicators are not currently meeting target.  Overall, we are on track to meet target by year end on the majority of indicators. The current exceptions are rent collection, residents seen within 10 minutes, leaseholder satisfaction, and resident satisfaction with caretaking.		
<b>Recommendations</b> That the Committee: <ul style="list-style-type: none"> <li>(i) Note the report.</li> <li>(ii) Note the proposed target for the local engagement measure.</li> </ul>		

## 1. Background

- 1.1 The Tower Hamlets Homes' performance management framework top level of reporting is its business critical indicators. The suite of indicators and targets for 2010/11 was agreed by the Board and the Council's Client Team. Some minor revisions were made to targets and tolerances following a joint review of the indicators after the first quarter.
- 1.2 PMC, the Board and the Client now receive reports monthly on 13 of the business critical indicators, a further 8 each quarter and a full set of 26 at year end.
- 1.3 Over a third of the indicators are based on direct feedback from residents in the form of satisfaction measures. The majority of these derive from phone surveys carried out regularly on our behalf by an independent market research company. This enables overall 'tracking' of performance and analysis of the results by tenure, diversity and Neighbourhood Office.
- 1.4 Performance is published monthly for staff on the IntraNet, and for residents on the website in an accessible summary format.

## 2. Performance to September 2010

- 2.1 Information on performance in September compared to both 2010/11 targets and 2009/10 outturns, is set out in **Appendix A**.
- 2.2 Performance has been colour coded as green where it meets or exceeds target by the agreed tolerance, amber where it is within the agreed tolerance of target, and red where it is more than the tolerance level below target. Blue is used to denote performance that is more than the agreed tolerance above target. For the majority of indicators the tolerances are set at 5%.
- 2.3 Service managers' comments, including corrective action being taken, are included for indicators where performance is red or amber, and where performance though meeting target is showing a downward direction of travel.

## Monthly indicators

2.4 **Table 1** below summarises performance in September 2010 compared to target and the previous month on the business critical indicators monitored monthly.

**Table 1: September 2010 current status.**

Status	Red	Amber	Green	Blue	All
<b>September 10 No. of indicators</b>	2 15%	1 8%	8 62%	2 15%	13 100%
<b>August 10 No. of indicators</b>	2 15%	4 31%	5 38%	2 15%	13 100%

2.5 **Table 2** below summarises the 'direction of travel' position on the same monthly indicators, comparing year to date performance in September 2010 to the performance the previous month.

**Table 2: September 2010: Direction of travel.**

Direction of travel	Improved	Weakened	Stayed the same	N/A	All
<b>September 10 No. of indicators</b>	8 62%	3 23%	2 15%	0	13 100%
<b>August 10 No. of indicators</b>	5 38%	6 46%	1 8%	1 8%	13 100%

## Quarterly indicators

2.6 **Table 3** below summarises the year to September position compared to target on the Business Critical indicators monitored quarterly.

**Table 3: Quarter 2 current status YTD compared to target**

Status	Red	Amber	Green	Blue	N/A	All
<b>Q2: No. of indicators</b>	2 25%	2 25%	0	2 25%	2 25%	8 100%

2.7 **Table 4** below summarises the 'direction of travel' position on the quarterly indicators, comparing year to date performance in September to that in the previous quarter.

Table 4: Quarter 2: Direction of travel YTD

Direction of travel	Improved	Weakened	Stayed the same	N/A	All
Q2: No. of indicators	5 63%	2 25%	0	1 13%	8 100%

### 3. Corrective action

3.1 Three of the monthly indicators (23%) are not currently meeting target, and urgent management action is being taken to bring performance back on track.

3.2 One monthly indicator is 'amber' indicating performance close to but below target:

#### Telephone calls answered by Tower Hamlets Homes

This new indicator combines the performance of the Repairs Help Centre, the Customer Contact Centre, Rents and Home Ownership services. Performance in September was at target – 95% bringing the year to date performance up to 94%. It is anticipated that this will be target for year to date by the end of October.

3.3 The two monthly indicators that are missing target more significantly are set out below:

#### 3.4 Percentage of rent collected

Targets for rent and service charge collection have been profiled monthly and performance is shown against these profiles in **Appendix B**.

A number of factors appear to be impacting on rent collection performance including: rigorous enforcement of the notice period on voids; delays in the legal processes; a late assignment in July adding to the rent debit figure. All aspects of the collection process are being scrutinised for efficiencies, work continues to seek payment to clear the assignment arrears and to seek permission to write off any irrecoverable debt; Saturday working continues and there is a new focus on cases of payment shortfall in partial Housing Benefit cases.

A 12-month view of rents information is included in the performance report each month. This is provided for August 2010 in **Appendix C**.

#### 3.5 Residents seen at THH offices within 10 minutes

September's performance on this indicator was 80%, bringing the year to date figure up to over 71% but still well short of the 85% target, despite the provision of a second desk at the Bethnal Green office. Daily performance reports have been requested from the Council to improve resource management but it remains unlikely, given the poor performance at the beginning of the year, that this indicator can now meet target for the year as a whole. The service aims is to be as close

to the 85% standard as possible in the remaining months of 2010/11.

- 3.6 Five of the eight quarterly indicators are satisfaction measures, and four (50%) are not currently meeting target. The satisfaction ratings are generated through monthly telephone surveys of residents. Numbers involved each month are quite low and therefore caution must be exercised around the confidence intervals associated with these results.

The repairs satisfaction survey which typically involves 400 residents a month, at the 95% confidence level has a confidence interval of  $\pm 3\%$  when reported quarterly. The monthly 'tracker' survey which involves 250 residents made up of 163 tenants and 87 leaseholders has quarterly confidence intervals as follows:

tenants	$\pm 4.5 \%$
leaseholders	$\pm 6\%$
residents	$\pm 3.5\%$

- 3.7 Two of the quarterly indicators are at 'amber':

- **Reduction in the BME/Non BME repairs satisfaction gap** – performance in quarter 2 was 5% and the year to date 6%, just below the target of less than 6%.
- **Tenant satisfaction** – performance in quarter 2 was 59%, and for year to date 60%, just below the target of 61%.

Remedial actions are set out in Appendix A.

- 3.7 The two quarterly indicators missing target more significantly are described below:

3.8 **Leaseholder satisfaction**

A range of improvement initiatives have been introduced by the service including holding leasehold workshops in October; increasing opening hours; and a continued focus on training and raising the standard of customer care.

3.9 **Caretaking satisfaction**

Remedial actions include: the introduction of a new chargehand structure increasing the number of estate based caretakers to 150; monthly inspection of all blocks with action plans for those failing or scoring only bronze; follow up inspections of blocks in the Deep Clean programme.

**4. Escalation process**

- 4.1 The Tower Hamlets Homes Board agreed in October 2008 an escalation process to manage failing performance on the monthly indicators.

- 4.2 Actions taken under the process in September 2010 are shown in Appendix A (Esc. Column).

4.3 PMC is reminded of the four levels of escalation:

**Table 5: Escalation Levels**

Level	Criteria	Forum	Requirements
1	Target missed in 1 month	1 to 1	Service manager to agree plan of corrective action with Head of Service. Summary plan to be reported as PI commentary in monthly PMC / Board report.
2	Target missed in 2 consecutive months	SMT	Service manager to attend and report plan of corrective action for agreement by SMT. Summary plan to be reported as PI commentary in monthly PMC / Board report.
3	Target missed in 3 or more consecutive months but showing upward trend	SMT	SMT to keep performance under review until target is achieved. SMT may call for further reports and updated action plans from service managers.
4	Target missed in 3 or more consecutive months and showing downward trend.	PMC	Service manager to attend and report plan of corrective action to PMC.

4.4 The results for September show the number of monthly indicators at each stage of the escalation process as:

**Table 6: Number of BC Indicators at each level of escalation**

Escalation Level	Level 1	Level 2	Level 3	Level 4	N/A
Number of Indicators	0	1	1	1	10

## 5. Target for Local Engagement Opportunities measure

5.1 It was agreed as part of the joint quarter 1 target review process with the Council to delay setting a target for the satisfaction with local engagement opportunities indicator until data for the second quarter was available.

5.2 The proportion of residents responding to the tracker survey rating the opportunities as excellent, good or fair, was 85% in the first quarter and 93% in the second.

5.3 It was agreed that the target be set as +5% of the April baseline position. April's performance was 85%, thus the 2010/11 target would be 89%, calculated as 85 + 5% of 85.

5.4 This proposed target will be put to the Client for discussion.

## 6. Equalities and Diversity Implications

6.1 The business critical indicators include a specific equality/diversity

indicator, reported quarterly, supplemented in lower level 'Vital Signs' reporting suite by a range of equality and diversity indicators.

## **7. Implications**

7.1 VfM Implications - None.

7.2 Legal Implications – None.

## **8. Conclusion**

8.1 From a total of 13 monthly indicators reported on in September, 10 (77%) are achieving target.

In comparing year to date performance in September 2010 to August's, improvement is being achieved across 62% of the applicable indicators, with 23% showing weaker performance.

Four (50%) of the quarterly indicators are not currently meeting target.

Remedial action is being taken to bring the indicators missing target back on track for 2010/11.