

Title: Performance Indicator Monitoring Report July 2010	Meeting: Performance Management Committee	
Report authorised by: Jamie Carswell, Director of Strategy & Performance	Date: 6 September 2010	Item No: 4
Report author: Lesley Owen, Service Improvement Co-ordinator	Classification: Open	Report type: Information
Business Plan Objective: The Tower Hamlets Homes performance framework includes performance targets to support all Business Plan objectives.		
Financial Implications: 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.		
Risk Management 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		
Linkages to Strategies The Tower Hamlets Homes performance framework includes performance targets to support all Business Plan objectives.		
Summary: Of the 14 business critical indicators reported monthly, 8 (57%), are meeting or exceeding target, 3 (21%) are 'amber', and 3 (21%) are 'red' (calls answered in target, percentage of residents seen at the counter within 10 minutes, and the budget measure). Only 4 (29%) of relevant indicators are showing improvement from June to July with 9 (64%) weakening during the month. Corrective action is being taken to strengthen performance on the weaker indicators and to bring the red and amber indicators back on track to meet 2010/11 targets.		
Recommendations That PMC note the report.		

1. Background

- 1.1 The Tower Hamlets Homes' performance management framework top level of reporting is its business critical indicators. A refreshed and more strategic suite of indicators and targets for 2010/11 has been agreed by the Board and the Council's Client Team.
- 1.2 In 2010/11 PMC, the Board and the Client will receive reports monthly on 14 of the business critical indicators, a further 8 each quarter and a full set of 27 at year end.
- 1.3 An increasing proportion of the indicator suite – currently 37% - is 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 - July 2010

- 2.1 Of the twenty seven 2010/11 business critical indicators, fourteen are due to be reported monthly. This report covers performance on these key indicators in July 2010.
- 2.2 Information on performance in July compared to both 2010/11 targets and 2009/10 outturns, is set out in **Appendix A**.
- 2.3 Performance has been colour coded as green where it meets or exceeds target by up to 5%, amber where it is within 5% of target, and red where it is more than 5% below target. Blue is used to denote performance that is more than 5% above target. As part of the quarter 1 review of targets, some adjustments to the tolerances on the financial indicators are being proposed.
- 2.4 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.
- 2.5 **Table 1** below summarises performance in July 2010 compared to target and the previous month on the business critical indicators monitored monthly.

Table 1: July 2010 current status.

Status	Red	Amber	Green	Blue	All
July 10 No. of indicators	3 21%	3 21%	6 43%	2 14%	14 100%
June 10 No. of indicators	1 7%	6 43%	6 43%	1 7%	14 100%

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

Table 2: July 2010: Direction of travel.

Direction of travel	Improved	Weakened	Stayed the same	All
July 10 No. of indicators	4	9	1	14
	29%	64%	7%	100%
June 10 No. of indicators	8	4	2	14
	57%	29%	14%	100%

3. Corrective action

3.1 Six of the monthly indicators (40%) are not currently meeting target, and urgent management action is being taken to bring performance back on track.

3.2 Three of the indicators are 'amber' indicating performance close to but below target as follows:

- Tenant satisfaction with repairs – the service continues to use analysis of the stated reasons for dissatisfaction to try and eradicate or reduce these as far as possible.
- Gas servicing – 6 properties currently lack a valid certificate, all under a month over target. Details of the management action being taken to gain access are set out in **Appendix B**. In addition earlier involvement of Neighbourhood staff is expected to improve performance further.
- Rent collection - targets for rent and service charge collection have been profiled monthly and performance is shown against these profiles in **Appendix C**. Performance on rent collection dipped significantly in July due to two late assignments causing an unexpected increase in the rent debit figure. Work is on-going to seek payment to clear the arrears and to assess the potential to write off any irrecoverable debt. A 12-month view of rents information is included in the performance report each month. This is provided for July 2010 in **Appendix D**.

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

3.4 **Calls answered by Customer Hub**

In July the percentage of calls answered at the Hub was 84% causing the year to date figure to fall to 89%. This was due to continuing high volumes of calls and the need for Customer Hub staff to clear a backlog of unanswered e-mails that had built up. Remedial action being taken includes the introduction in September of a new staffing model based on call volumes, as well as new processes to reduce the volume of calls being received.

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

Performance on this indicator is reported here for the three months from May, and now includes the statistics for the Roman Road office where all visitors were seen within 10 minutes. July's performance was 70% bringing the year to date figure up to nearly 64%, but still well short of the 85% target. Analysis of the statistics by office shows the volume of callers to the Cheviot and Rushmead offices to be similar, and over three

times that of Roman Road. Performance is well below target at both the larger offices but at Rushmead it was just 55% in July. The most significant remedial action being pursued is the provision of an additional counter at Rushmead from August. In addition procedures are being changed to try and reduce volumes of demand at the front counters. These measures should improve performance significantly from September but a performance of over 92% for the remaining eight months of the year is now required for this indicator to meet target for 2010/11 as a whole.

3.6 **Delegated budget forecast overrun**

At the end of June a budget shortfall of £1.1 m was forecast on the delegated budget due to the Parking and Water Income budgets being set too high, the full year forecast for leasehold service charges being below budget, and continuing pressure on the R&M budget. A remedial plan has been prepared and implemented. In addition R&M monitoring is being closely managed by SMT.

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 July 2010 are shown in Appendix A (Esc. Column).

4.3 PMC is reminded of the four levels of escalation:

Table 3: 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	<u>SMT</u> 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 July show the number of indicators at each stage of the escalation process as:

Table 4: 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	0	2	4	8

5. Action recommended by PMC

- 5.1 A summary of recommendations made previously by the Performance Management Committee is attached as **Appendix E**.

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 14 indicators reported on in July, 8 (57%) are achieving target. In comparing year to date performance in July 2010 to June's, improvement is being achieved across only 29% of the applicable indicators, with 64% showing weaker performance. Remedial action is being taken to bring the indicators missing target back on track for 2010/11.