**CLYDESDALE HOUSING ASSOCIATION LIMITED**

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| **Policy:** | **Performance Management Policy** |
| **Date:** | **28/09/22** |
| **Lead Officer:** | **Management Team** |
| **Review Date:** | **26/04/2025** |

**Standard 5 The RSL conducts its affairs with honesty and integrity.**
Guidance 5.1 The RSL conducts its affairs with honesty and integrity and, through the actions of the governing body and staff, upholds the good reputation of the RSL and the sector.

5.2 The RSL upholds and promotes the standards of behaviour and conduct it expects of governing body members and staff through an appropriate code of conduct. It manages governing body members' performance, ensures compliance and has a robust system to deal with any breach of the code.

5.3 The RSL pays due regard to the need to eliminate discrimination, advance equality and human rights, and foster good relations across the range of protected characteristics in all areas of its work, including its governance arrangements.

5.4 Governing body members and staff declare and manage openly and appropriately any conflicts of interest and ensure they do not benefit improperly from their position.

5.5 The governing body is responsible for the management, support, remuneration and appraisal of the RSL's senior officer and obtains independent, professional advice on matters where it would be inappropriate for the senior officer to provide advice.

5.6 There are clear procedures for employees and governing body members to raise concerns or whistleblow if they believe there has been fraud, corruption or other wrongdoing within the RSL.

5.7 Severance payments are only made in accordance with a clear policy which is approved by the governing body, is consistently applied and is in accordance with contractual obligations. Such payments are monitored by the governing body to ensure the payment represents value for money. The RSL has considered alternatives to severance, including redeployment.

5.8 Where a severance payment is accompanied by a settlement agreement the RSL does not use this to limit public accountability or whistleblowing. The RSL has taken professional legal advice before entering into a settlement agreement.

# Contents

# 1.    Introduction

A Performance Management framework brings together a number of issues from planning activities, to carrying out those activities, measuring how successful you are against the targets you have set, to managing individuals and groups of people.   A Performance Management framework is therefore a series of linked activities designed to improve performance and is an integral part of an efficient and effective organisation.

Clydesdale Housing Association is committed to delivering high quality services to customers and to continually improve those services based on customer feedback, the latest good practice and available guidance.   This Policy document has been produced to demonstrate Clydesdale Housing Association's commitment to continuous improvement which can only be achieved through a robust performance management framework.

# 2.    Background

2.1    Clydesdale Housing Association is a Registered Social Landlord which operates within the former "Clydesdale" region of South Lanarkshire Council.   It provides a range of services which are carried out by paid members of staff who report to the Management Committee which is made up of volunteers.

2.2    This Policy document has been developed to capture the range of activities which make up the performance management framework Clydesdale Housing Association operates within.

2.3    The Association has developed its performance management framework to ensure it covers every area of its activities by adopting a cohesive approach to its planning process.   Appendix 1 of this Policy graphically represents the Business Planning Process.   (The timing of events within this framework may change from time to time).

2.4    The planning process is backed up by a range of Policies and procedures which have been developed to produce service delivery outcomes.

# 3. Regulatory Standards of Governance and Financial Management – Scottish Social Housing Charter

3.1    The two main documents which set out the standards Registered Social Landlords needs to achieve are the Regulatory Standards of Governance and Financial Management and the Scottish Social Housing Charter.   Everything in these documents is relevant but the Regulatory Standards which is are most relevant to this policy are detailed below.

3.2    Standard 1 states "The Management Committee leads and directs the RSL to achieve good outcomes for its tenants and other service users".

3.3    Standard 4 states "The Governing Body bases its decisions on good quality information and advice and identifies and mitigates risks to the organisation's purpose.

3.4    Standard 6 states "The Management Committee and senior officers have the skills and knowledge they need to be effective.

3.5    The Scottish Social Housing Charter states "The Charter helps to improve the quality and value of the services that social landlords provide…."

# 4.    Policy Objectives

Clydesdale Housing Association's Performance Management objectives are:

4.1    To have continuous improvement embedded into the organisational culture.

4.2    To develop strategic, operational and financial plans which link together to set out the future direction of the organisation; improve service delivery and ensure financial viability.

4.3    To have a range of performance indicators which cover the key areas of activity which have challenging but realistic targets to be able to measure performance against.

4.4    To seek the views of customers as an integral part of the planning and service delivery process

4.5    To develop Performance Management reports in a concise and understandable way as required by our Management Committee, customers and other stakeholders.

4.6    To review our Policies and Procedures regularly to ensure they deliver the outcomes required as determined by the organisational objectives, performance results and customer feedback.

4.7    To develop the knowledge and skills of our Management Committee and staff.

4.8    To have systems in place which monitor organisational, departmental and individual performance through an appraisal system.

4.9    To compare our performance with our peers through a range of benchmarking activities.

4.10   To build performance management into any services we procure from third parties.

# 5.    Achieving the Policy Objectives

Measuring success against these policy objectives will be measured through the following activities:

*5.1    Continuous Improvement*
The culture of the organisation is to embrace and encourage continuous improvement.   This is achieved by:

- Self-assessing performance against all Scottish Social Housing Charter indicators that are relevant to RSLs
- Self-assessing performance against the six standards contained in the Regulatory Standards of Governance and Financial Management
- Assessing performance against examples of recognised good practice
- Sharing good practice throughout the organisation
- Keeping up to date with changes in legislation

- Ensuring Committee and staff have access to learning and development activities to enhance knowledge and skills
- Seeking the views of our customers and other stakeholders
- Acting upon information received through customer feedback and complaints
- Monitoring our performance and taking remedial action where necessary
- Benchmarking our performance against those of our peers
- Adopting efficient and effective processes which deliver the required outcomes

*5.2    Planning and Management*

The planning framework the Association operates within, is a continuous process.    It involves everyone in the organisation at different stages.    There are two key planning documents which link together, these are:

- The Business Plan
- The Long-Term Financial Plans

Part of the planning process is to carry out an environmental analysis of the issues which impact on the Association.  This is an analysis of the internal and external environments which affect the organisation.    From this analysis, the strategic direction of the organisation is formed along with objectives which are then broken down into:

- Organisational objectives
- Departmental objectives
- Individual objectives

Action Plans are thereafter developed to achieve the objectives contained in the Business Plan.    This activity is aligned with the budget setting process to ensure adequate resources will be available.

Learning and Development activities for staff and Committee are agreed which form the Organisational Learning and Development Plan for the year ahead.

Committee and Staff participate in an appraisal process primarily to determine learning and development needs for the year ahead.

The Business Objective Action Plans are reviewed and evaluated on a quarterly basis.

*5.3    Key Performance Indicators, Target Setting and Benchmarking*

When performance is measured, it generates information and stimulates discussion.    It is a key component in service delivery, and provides information on how well the organisation is currently performing across key activities and what requires to be done to improve future performance.

<u>The Annual Return on the Charter (ARC)</u>

The ARC is filled in annually and submitted to the Scottish Housing Regulator. It contains performance indicators and contextual indicators that are used by the Regulator to monitor the performance of each RSL and sector trends.

These indicators have been developed to achieve the outcomes of the Scottish Social Housing Charter. All landlords are required to complete it and the results are used for benchmarking purposes.

<u>Key Performance Indicator (KPI)</u>
A KPI, is expressed as a relationship between two variables. For example, rent arrears expressed as a percentage of gross rent receivable.

<u>Targets</u>
In order to measure how well the organisation is doing against the KPI, a target needs to be set. Targets need to be:

- Specific
- Realistic
- Challenging
- Achievable
- Time bound

The approach currently adopted to target setting by the Association is to consider the performance information contained in the ARC and to consider previous performance; external influences and customer feedback.

*5.4    Quality Control Measures*
The Association carries out quality control checks on a number of key service delivery areas. The approach adopted to the quality control work is based on risk management and proportionality.

*5.5    Customer Feedback*
The Association actively seeks the views of its customers on service delivery through a variety of methods including:

- Ongoing satisfaction questionnaires following key service delivery ares
- Postal and telephone questionnaires
- Focus Group activity
- Complaints monitoring
- Large scale customer satisfaction surveys every three years
- Registered tenants organisations
- Annual tenant conference

The information gathered is used to set priorities for improving service delivery.

*5.6    Performance Reporting*
<u>Performance Reporting to Committee</u>

The primary method of reporting performance to the Management Committee is the Balanced Scorecard method. This looks at four aspects as follows:

- o Financial
- o Customers
- o Processes
- o People, Innovation and Learning.

The Balanced Scorecard provides a much wider perspective of performance than the traditional financial aspect of most KPIs.

Customer Performance Reporting
Customers are provided with performance information through a variety of methods which include:

- o Newsletters
- o Annual Report on the Housing Charter
- o The website

Stakeholder Reporting
The Association is required to provide financial information to The Scottish Housing Regulator and its Lenders and as stated above, reports annually to the Scottish Housing Regulator through the ARC.

5.7    Reviewing Policies and Procedures
The Association has an extensive range of Policies which are underpinned by detailed procedures.    Policies and procedures are reviewed regularly but specifically when:

- o There are changes in legislation
- o Performance results are poor
- o Customer feedback indicates high levels of dissatisfaction
- o There are high numbers of Customer complaints
- o Quality control checks expose areas of risk which need to be addressed
- o The service delivery outcomes are not being met

5.8    Recruitment and Committee and Staff Development
The Association recognises that it needs to have the right people in place to deliver the range of services and activities required in running an efficient and effective organisation. The Association will from time to time review its staffing structure to ensure that it continues to achieve the organisational aims and objectives.    Building on this premise, the Association is committed to the ongoing development of its Management Committee and staff.    Learning and development is a key component in any performance management framework because it equips staff and Management Committee with the knowledge and skills required to carry out their respective roles.

The Association has the following Policies and Procedures in place to assist with these aims:

- o Recruitment and Selection Policy and Procedures
- o Membership Policy and Procedures
- o Management Committee and Staff Learning and Development Policy
- o Committee and Staff Induction Policy
- o Committee Annual Review Policy

Evaluation of the learning and development activities is reported on annually.

## 5.9. Management Committee Performance Monitoring

The Management Committee of Clydesdale Housing Association has adopted a system for managing performance which includes:

- o The introduction of role descriptions which sets out roles and responsibilities
- o Participation in an individual and collective annual review process.
- o An induction process which is tailored to meet the needs of the individual member
- o A succession plan for Office Bearers
- o Comprehensive review of Committee performance by an external facilitator from time to time
- o Feedback sessions between Management Committee members following Management Committee meetings

## 5.11 Staff Performance Monitoring

The Association has established and operates an effective staff appraisal system to:
- review and evaluate performance and training
- agree objectives and responsibilities for future performance
- identify training needs
- improve communication

The Association is committed to the principles of continuous improvement and has identified the staff appraisal system as a key stage in the business planning process that will enable a real review and evaluation of performance and training outcomes. It is envisaged that the staff appraisal system, within the overall business planning cycle, will aid the Association in identifying and meeting priority training needs and be able to demonstrate value for money from our training activities.

The system is designed to improve communication within the organisation and emphasise the role of managers in supporting and developing staff and the role of staff to develop themselves and others.

## 5.12 Principles of the Staff Appraisal Process

Clydesdale Housing Association operates an appraisal system. It should be used not only to appraise staff, but also to evolve a set of standards against which each member of staff's performance can be measured. It is recognised that a good appraisal system will improve the overall management of the Association.

The Association is aware that the operation of an appraisal system within a small organisation needs to be tackled with sensitivity. Consequently, the Association is committed to maximising consultation with staff and their representatives. It is recognised that all staff must be involved if the system is to work in the long term. The objectives of carrying out formal appraisal and the effect for individuals concerned must be made clear to all.

Just as the Association uses certain performance indicators in the fields of Finance and Housing Management and Technical Services, so too should the performance of staff be reviewed. Working relationships and work performance will be improved if all members of staff know the standards expected for each job and how these can be achieved. Regular reviews will provide an opportunity to review job descriptions and to consider potential for further training and prospects for promotion where appropriate/possible.


## 5.13 Employees' Needs

There are a number of basic questions to which individuals need to know the answer and which are not always fully answered in day to day working relationship:

*       Who is my manager and to whom am I accountable?
*       What is my job and what functions am I expected to perform?
*       What standards are expected of me and how will I know I am
        performing satisfactorily?
*       How am I doing in relation to those standards?
*       Where do I go from here and what is my potential?
*       How do I get there and what training do I need?

An appraisal system should give employees the opportunity to discuss such issues with their appraiser and the system will also form part of the continuous setting of objectives and review process. It should particularly ensure that confidentiality is strictly observed in accordance with agreed procedures in order to encourage free discussion between the appraisee and the appraiser.

## 5.14 The Association's Needs

The Association's greatest resource is its staff and it is therefore essential that performance is monitored. The existence of a formal appraisal system does not mean that any manager and/or the Chief Executive, Depute Chief Executive or the Management Committee cannot point out and correct poor performance and give praise as and when due. A formal appraisal does give the Association

the specific opportunity to direct attention to staff as individuals and to consider each person's overall performance, future development and training needs. Information on training needs assists in planning the Association's training activities and training policies. Comments and suggestions by staff can also be invaluable in improving the use of resources and the management of the organisation.

### 5.15 Requirements of the System

An appraisal system should assess an employee's performance against standards for the job and set goals for future achievement. To be successful, the appraisal system must ensure that the individual knows:

* their responsibilities and entitlements in respect of the appraisal system
* that appraisal is based on whole performance over a period (usually twelve months) rather than single incidents
* the standards against which performance is being monitored
* that the aim is to develop and improve performance and not criticise destructively
* that he/she has the chance to express his/her views
* that training needs identified and areas where improvement in performance is required, will be discussed and agreed
* that a note of the matters discussed and agreed action to be taken will be recorded in a suitable form, normally in the personal file and that he/she should be given the chance to see his/her appraisal form and record comments in the case of a disagreement
* that regular review meetings are held between appraisals in order to monitor progress in implementing the agreed action and to assist with the achievement of agreed objectives.

### 5.16 Procuring Services and Contract Management

The Association recognises that it requires to have processes in place which monitors the performance of those individuals or companies who carry out services on its behalf.

Contract documents should be quite specific about the standards expected by the Association and should include as a minimum the following:

o What is the service to be delivered
o The standard that service requires to be delivered to
o What performance information will be required, measured and reported on
o What measures are in place in the event of a dispute
o How the Association will monitor and evaluate performance within the terms of the contract
o How customer feedback will be acted upon

The Association requires certain elements to feature in any contract it enters into with a third party.  These are:

1.    A quality service
2.    Value for money
3.    Flexibility
4.    Positive customer feedback


To achieve these aims the Association will consider a range of activities for example:

1.    Partnership Agreements
2.    Price/quality tender processes
3.    Negotiation of existing contracts

This list is not mutually exclusive and a more detailed explanation of how the Association will procure services will be contained in the Procurement Policy.


# 6.    Equal Opportunities Statement

6.1    In line with the Housing (Scotland) Act 2001 CHA operates in a manner which encourages equal opportunities and observes the equal opportunity requirements described in Section 106 of the Act.

6.2    The Association also takes account of all applicable legislation, including the Equality Act 2010 and relevant Codes of Practice issued by the Equality and Human Rights Commission.

6.3    Equal Opportunities are aimed at removing barriers to access and opportunity, with positive results for individuals. Equal Opportunities refer to equality in terms and conditions of employment.  We will not discriminate on the grounds of age, disability, gender reassignment, marriage & civil partnership, pregnancy & maternity, race (including colour, nationality ethnic or national origins and citizenship), religion/belief, sex and sexual orientation nor any factor irrelevant to the ability to do the job.

# 7.    Stakeholders

The stakeholders to this Policy are:

o    The Management Committee
o    The Association Staff
o    The customers of Clydesdale Housing Association
o    The Members of Clydesdale Housing Association
o    The Scottish Housing Regulator
o    The Association's lenders
o    The Association's Contractors and Consultants

## 8.    General Data Protection Regulations

The organisation will treat any personal staff or Management Committee data in line with our obligations under the current data protection regulations and our own Performance Management Policy and Procedures.  Information regarding how your staff data will be used and the basis for processing the data is provided in Clydesdale Housing Association's Privacy Policy and Staff Fair Processing Notice.

## 9.    Responsibility

The responsibility for compliance with this Policy ultimately lies with the Management Committee.   However, the implementation of the Policy and Procedures is shared with the Chief Executive, Depute Chief Executive and Departmental Managers and all members of staff.

## 10.  Revision History

This Policy will be reviewed every three years or sooner if there are changes to legislation, performance standards or good practice which affect its content.

| Approved by the Committee of Management on: | |
|---|---|
| *Signed:* | *Signed:* |
| *Secretary/Chairperson* | *Staff Member* |

# Clydesdale Housing Association Business Planning Process

## Frequency = every 3 years

### Staff & Management Team

**Stage 1**

Environmental Analysis

Asset Management

Customer Feedback

Stakeholders

Financial Forecasts

Refine: Vision, Values & draft Organisational Objectives

Risk Assessment

Resource Planning & Budgets

Revise Financial Forecasts

Focus Group & RTO Consultation

**Stage 4**
Action Planning

**Stage 2**

_Joint Staff & Committee Organisational Conference_
1. Agree Diagnosis Conclusions
2. Agree draft: Vision, Common Values & Future Strategy Themes

### Management Committee (MC)

Balanced Scorecard Reports
_(Quarterly)_

**Stage 3**

Finalise: Vision, Values & Organisational Objectives

**Stage 5**

Final Business Plan Approval

### Staff & Management Team

Departmental Balanced Scorecard Reports
_(Monthly)_

Agree Individual & Departmental Training Plans

**Stage 6**
Set Individual & Departmental Objectives & Targets

Rent Policy Consultation