

CONTINUOUS IMPROVEMENT FRAMEWORK

INTRODUCTION:

‘Continuous Improvement’ is essential if Cosmopolitan Housing Association (CHA) is to achieve its corporate objectives. This document intends to outline the performance monitoring processes that are used by CHA to ensure targets are met and continuous improvement achieved.

In short, a range of mechanisms are in place to monitor performance and drive through improvements in service delivery. These include the following:

- Vision, values and corporate objectives
- A robust financial framework and business plan
- Best Value programme
- Self-assessment against Key Lines of Enquiry (KLOEs)
- Key Performance Indicators (KPIs)
- SMART Action / Improvement plans
- Staff appraisal system
- Internal audit programme
- Benchmarking
- Complaints processes
- Regular resident satisfaction surveys
- Modernised strategies across the business
- Up to date policies and procedures

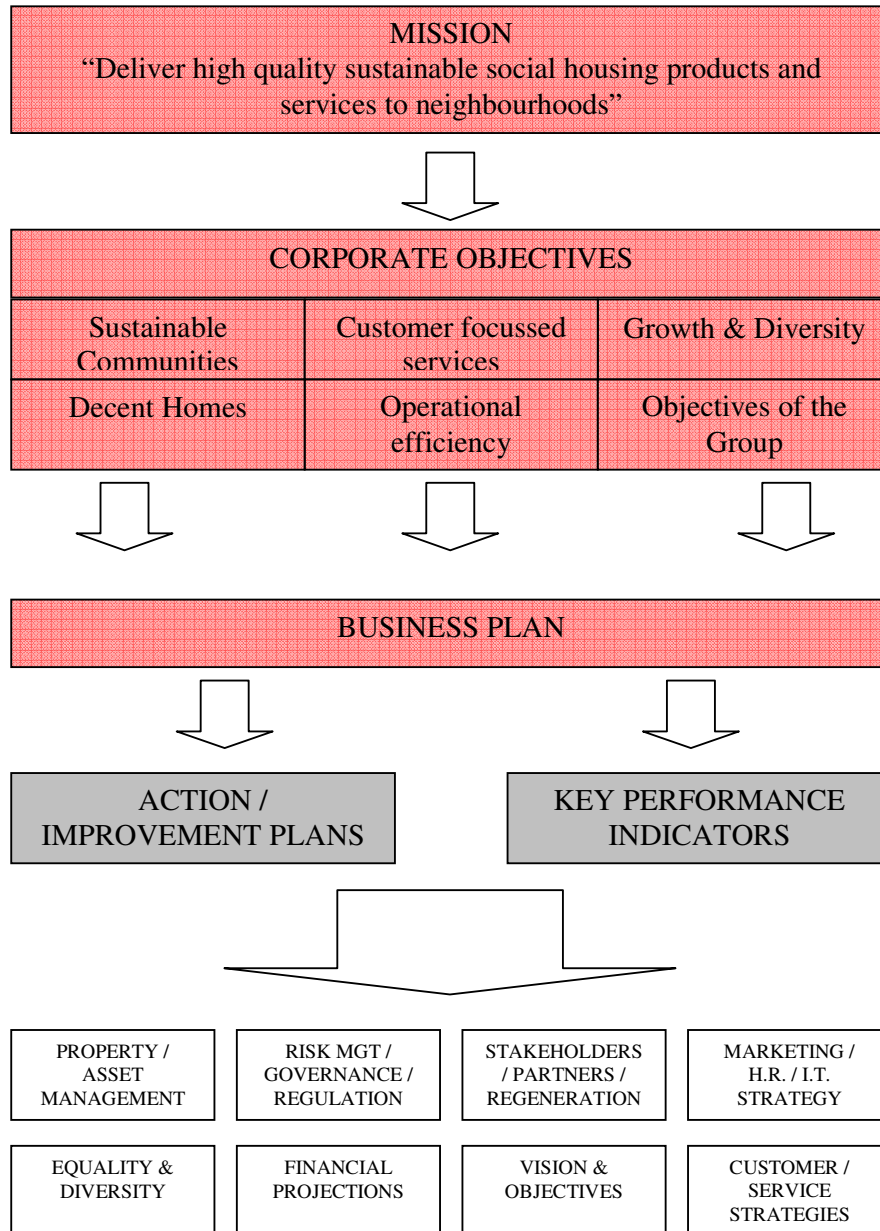
With increased emphasis being placed upon Value for Money, organisations need to move beyond a pursuit of Challenge; Compare; Consult and Compete. CHA therefore needs to set targets which drive forward continuous improvement throughout the year and from year to year.

The performance management framework needs to be understood across the organisation so that everyone can challenge the status quo and occasion increased efficiency and effectiveness. Continuous improvement is cultural; it is a way of working that should permeate all areas of the organisation in whatever activities we are involved in.

PLANNING CONTINUOUS IMPROVEMENT:

The corporate planning process creates a framework for continuous improvement. The strategic direction for the organisation is set by our mission statement and corporate objectives. They provide a clear set of statements of what CHA seeks to achieve. From this, there is a cascade which informs our planning of services and ensures there are the financial resources to achieve these improvements.

Fig. 1: The Corporate Cascade



Outputs:

Action / Improvement Plans:

The outputs of the Corporate/Business planning process are Departmental Action/Improvement Plans. Combined with the KPIs, they are the tools for monitoring and reviewing our improvements throughout the year.

These plans do not contain the only improvements that we will make throughout the year. Continuous improvements will occur in many forms throughout and at all levels of the organisation. However, the Action/Improvement Plans contain the main areas of improvement and define our corporate targets.

Planning Cycle Timetable:

The following table gives an indication of the key phases that the performance management cycle follows at a strategic level in planning actions for the future and reflecting on past improvements.

However, it needs to be understood that continuous improvement is an on-going process which is continually subject to review. It is a process which looks both into the past at trends and improvements and to the future in order to plan the improvements required.

Fig.2 – Planning Cycle

DATE	ACTIVITY
September	Commence reviewing Vision and Objectives and planning future improvements
October	6 monthly review of performance against Business Plan
December	Environmental analysis and risk assessments Service area self-assessments
January	Draft Business Plans
February	Finalise Business Plan Draft departmental Action Plans prepared
March	Approval of Corporate and Business Plans Finalise Action / Improvement Plans Staff Appraisals

April	Commence new financial year
May-August	Service delivery against targets Customer satisfaction survey (every 3 years)
August	Action planning following customer satisfaction survey
On-going	Best Value Reviews (3 per year) KPIs produced monthly and monitored by Board quarterly Action/Improvement Plans monitored and reviewed by SMT quarterly Policy review programme

Self-assessments:

Self-assessment is a useful tool which focuses attention on Continuous Improvement because:

- It enables managers to assess the strengths and weaknesses of services.
- It focuses management discussions on the key areas for improvement, and is a useful starting point for setting the improvement priorities for the forthcoming year.
- Through discussions at team briefing sessions, it enables staff throughout the company to engage with the improvement agenda.

CHA has undertaken to conduct self-assessments of services against the Audit Commission's Key Lines of Enquiry (KLOEs) on a cyclical and on-going basis to identify where improvements in service delivery could be made.

Self-assessments will be undertaken by Directors, with assistance from the Group Policy and Performance Manager. When undertaking self-assessments, the following principles will be borne in mind:

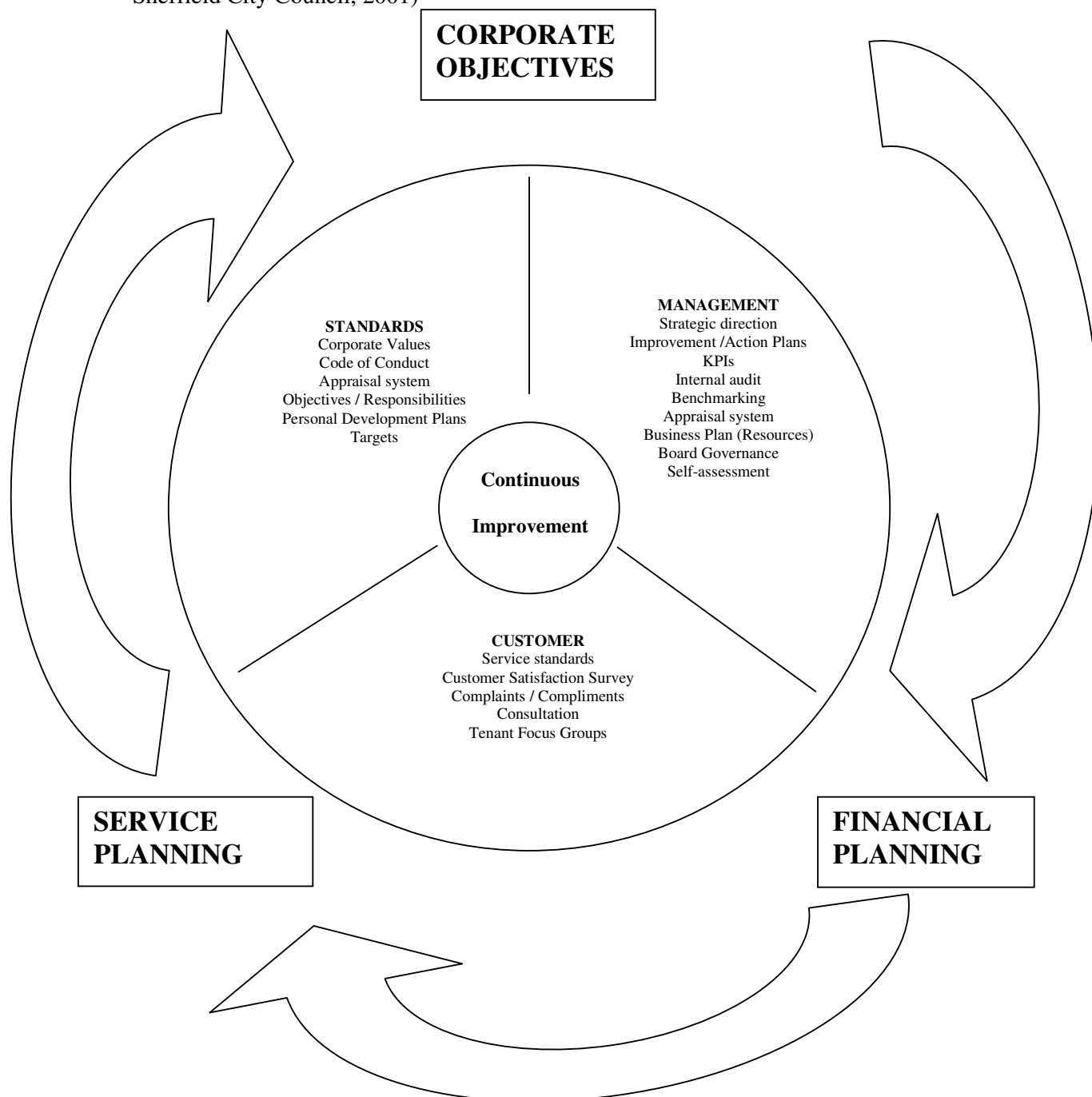
- It is not sufficient to simply think we are strong in a certain area. If we have a strength, you must also be able to evidence it.
- It is good to be aware and able to identify where weaknesses are. However, wherever a weakness is identified, it must be accompanied by an action for improvement so that something positive can be achieved.

The Planning Process:

Fig 3 brings together all the elements of CHA's Performance Management framework. It shows the cycle of how the corporate objectives, financial planning and service planning feed into each other.

It also shows the broad range of tools and activities that inform the overall process which leads to continuous improvement. It highlights the need for robust management processes, constructive customer input, and challenging standards.

Fig. 3: Planning Cycle (adapted from *Continuous Improvement Resource Pack*, Sheffield City Council, 2001)



PERFORMANCE MANAGEMENT FRAMEWORK:

The key features of an effective performance management framework are as follows:

- Sets challenging but achievable targets
- Is an understandable and accessible framework that fosters ownership from the Board, managers, staff and tenants
- Effective monitoring of performance
- Reviews of service areas
- Consultation and involvement of stakeholders

It can be seen from Fig 3 above that these all fit within the overarching performance management planning framework.

There are 2 crucial ingredients required for ensuring that the organisational objectives are achieved and drive the business forward. They are as follows:

1. Effective communication
2. Effective performance management processes

Communication:

The Actions / Improvements required need to be communicated within the organisation to all staff and to selected external stakeholders where necessary.

All actions and improvements should have a target linked to them. This sets out what the CHA needs to achieve. The contents of these need to be communicated to staff so that they are clear on what targets CHA needs to achieve, and what contribution they are expected to make to them.

The Corporate targets link to team and individual targets. One of the ways that this is communicated to staff within the Performance Management framework is through the Appraisal process. The appraisals need to link into these targets so that individual staff members are clear on what they need to achieve.

Performance Management:

Although straightforward in principle, this can become a complex process because of the multi-dimensional aspects of organisations. It requires integration of corporate, department and individual objectives and to be flexible to adjust to changing circumstances.

It is important to ensure the following:

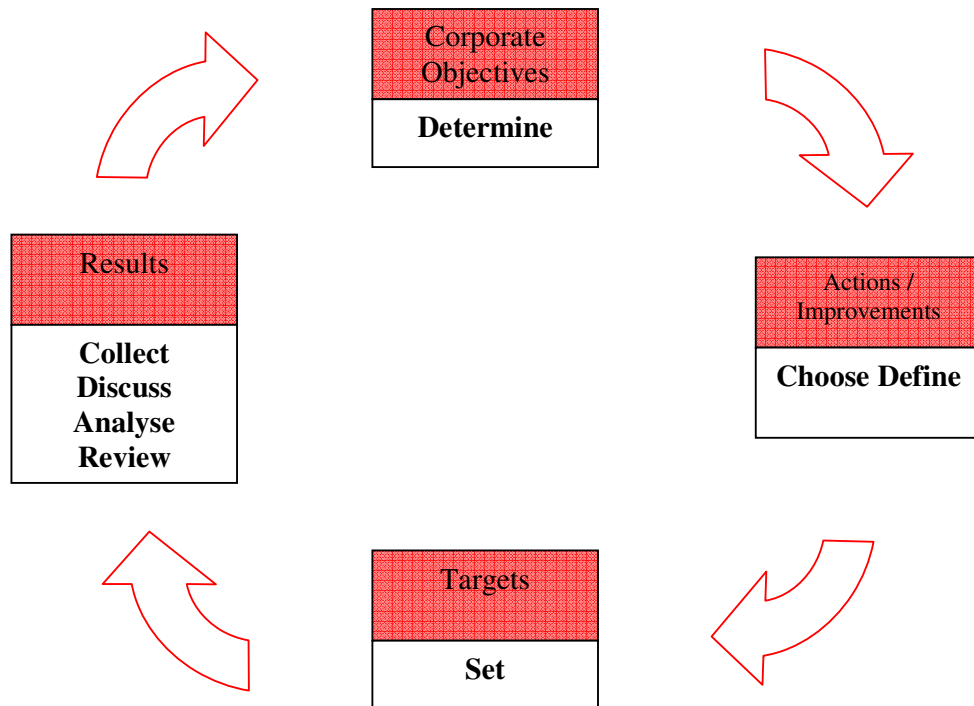
- Targets are aligned with corporate objectives
- There are not too few or too many measures

- We are measuring what counts to drive the business forward
- Our targets encourage the right sort of behaviour
- We relate to our values and understand how our targets inter-relate with each other

Achieving our targets should also mean achieving our corporate/business plan goals. All actions and improvements should be adjudged in terms of their ability to contribute to the corporate objectives. Targets are then set in order for CHA to be able to measure performance against its objectives. Finally, the performance information needs to be monitored, reviewed and analysed to learn from and celebrate success, and to identify under-performance so that it can be rectified.

An example of how this process operates is given in Fig 4 below.

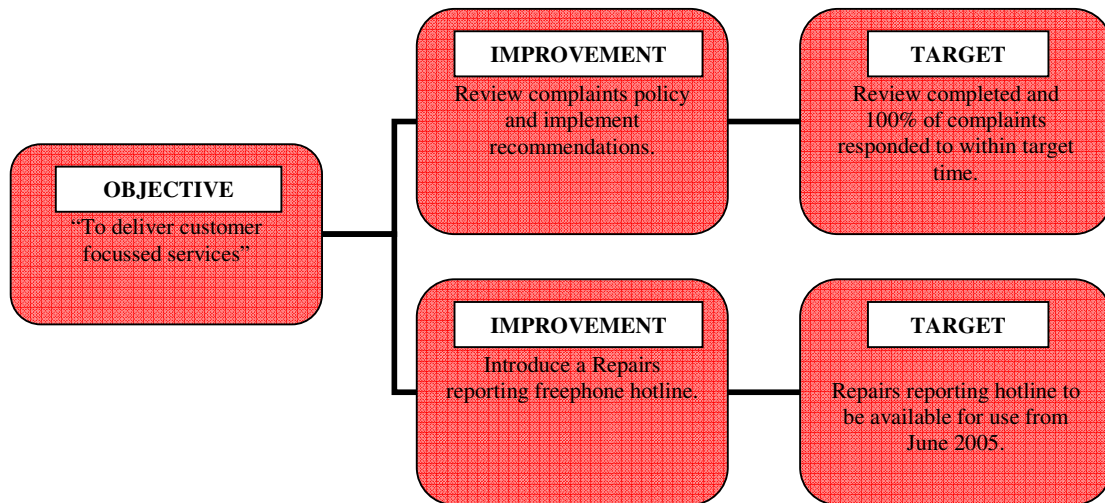
Fig 4: Performance Management Cycle



(Source: Adapted from 'Aiming to Improve', Audit Commission, 2000)

This cycle informs the development of the corporate Action/Improvement plans. An example of this is given below:

Fig 5: Improvement Actions linked to Corporate Objectives



SETTING TARGETS:

Targets set the level of acceptable performance that must be achieved in order to drive forward organisational change and raise service standards.

Organisations need to set both short-term and long-term targets. They need to fit within a framework which sets a level of acceptable performance understood across the organisation. All targets must make a direct contribution to a corporate objective, and some are also required for regulatory purposes. They assist in the allocation of appropriate resources, and they assist managers to focus attention on key priorities. It also enables the Executive to hold managers to account and for the Executive, in turn, to be held to account by the Board.

On an operational basis it allows for the continuing monitoring of services, to ensure that they are being delivered efficiently and effectively, to benchmark against other comparator groups, and facilitate a culture of performance management and continuous improvement.

All targets should follow a SMART format, that is to say, they are Specific; Measurable; Achievable; Relevant; and Timed.

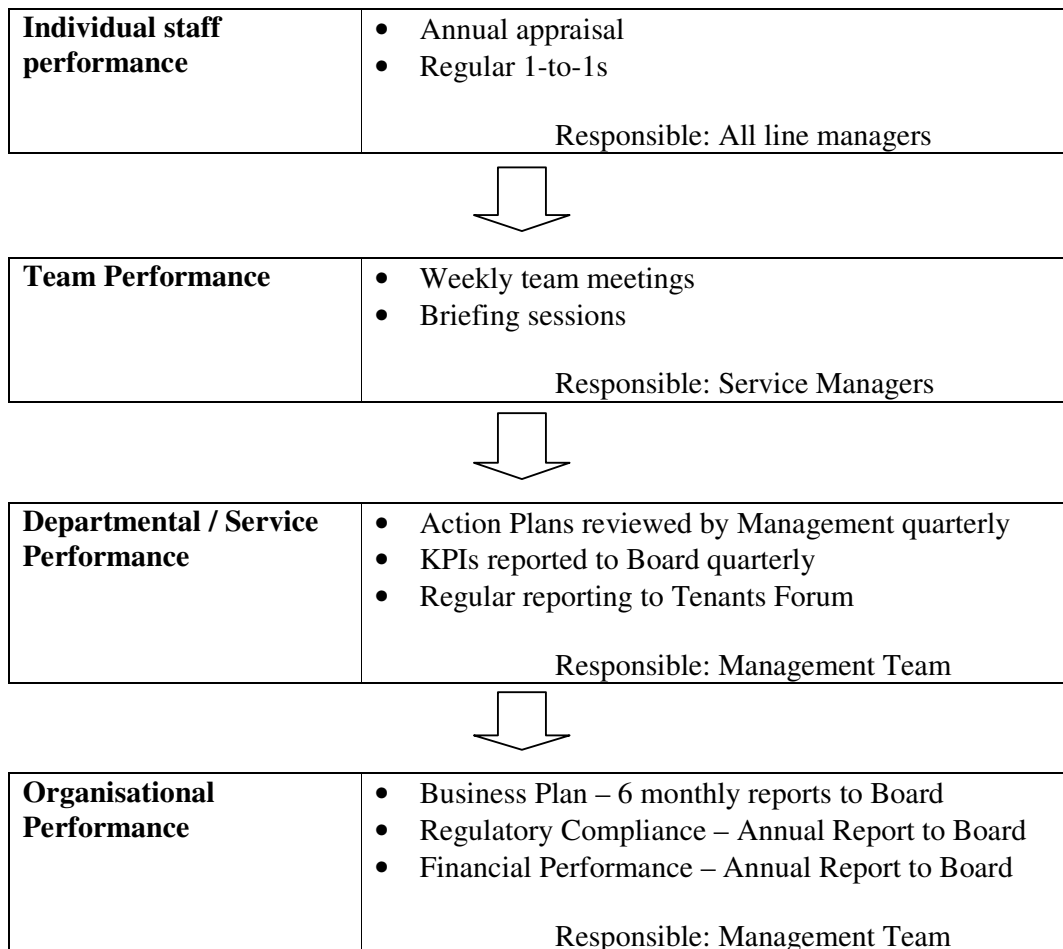
Targets should be set through a process of negotiation between senior and service managers and benchmarking with peer groups. This is important in achieving ownership of targets. It may also be that service managers need to introduce additional targets at an operational level.

MEASURING PERFORMANCE:

Performance against the targets is monitored and scrutinised regularly. This is to ensure that:

- Actual performance is in line with targets
- Under-performance is identified at an early stage
- Remedial actions may be implemented to correct any under-performance

Fig 6: Monitoring Performance



CONCLUSIONS:

This document outlines the range of performance management mechanisms that CHA operate, and demonstrates its commitment to continuous improvement.

The formal structure may be summarised below in Fig 7. However, continuous improvement is recognised to be a cultural issue that permeates all levels of the organisation. Continuous improvement is a multi-layered process which involves synthesising the corporate objectives, strong management, challenging standards, constructive customer input and robust financial and service planning.



Fig. 7 – Performance Management Framework

