



Key Performance Indicators and 2007 Targets

KPI Objectives

Please note that we will reassess all KPIs in 2007

	2003	2004	2005	2006
Governance				
Group				
Maintain compliance with the Combined Code or explain non compliance.	Yes	Yes	Yes	Yes
Health and Safety				
UK				
Measure and reduce our incident rate per thousand employees and sub-contractors for all reportable injuries.	7.0	6.8	6.6	5.3
Measure and reduce our incident rate per thousand employees and sub-contractors for major injuries.	1.3	2.1	1.9	0.9
Measure the number of category A (serious) potential incidents identified per year.*	97	54	53	67
Measure the number of category B (moderate) potential incidents identified per year.*	1,512	1,081	486	462
Measure and highlight minimum annual hours of health, safety and environmental training required for site management personnel.	20	20	20	20
US				
Measure and reduce incident rate including employees and sub-contractors.	3.98	5.58	3.08	3.98
Measure the percentage of relevant personnel who complete a 10-hour OSHA training within 90 days of employment. Our annual target will be 100%.	-	84%	95%	94%
Measure and reduce the number of major accidents per 1,000 completions.	0.27	0.45	0.00	0.00
Environment				
UK				
Measure and maximise the number of homes built on brownfield sites. (The UK Government has set a target of 60% by 2008.)	67%	68%	66%	71%
Measure and highlight the average SAP rating of new houses built each year.	92	94	95	94
Measure and reduce the tonnage of waste (t) produced per unit of housing completed.	9.7t	9.6t	7.0t	5.9t
Measure and increase the percentage of waste segregated on site.	-	83%	84%	82%
Measure and reduce the percentage of waste sent to landfill.	-	35%	30%	26%
Measure and increase the percentage of waste recycled.	-	65%	70%	74%
US				
Measure the percentage of homes completed with a Freon-free HVAC system. Our target is 100% by the end of 2006.	-	44%	79%	**79%
Employees				
UK				
Measure and improve staff satisfaction as highlighted by our bi-annual employee survey and measure the percentage of staff who rate us above average or one of the best companies they know or have worked for.	65%	62%	-	63%
Measure and reduce annual employee turnover.	22%	20%	18%	19%
US[†]				
Measure and reduce annual employee turnover.	28.5%	33%	29%	#40%
Measure and increase the average number of training hours per employee.	28 hours	29 hours	14 hours	#7 hours
Customer Care				
UK				
Measure and increase the percentage of customers who would recommend us to friends and family.	83%	86%	89%	88%
Measure and increase our overall customer care score as highlighted by customer questionnaire results.	54%	65%	69%	67%
US				
Measure and increase the percentage of customers who would recommend us to friends and family.	85%	86%	85%	86%
Measure and reduce the number of escalated customer complaints (known as 'Code Purples') per 1,000 completions.	32.5	28.0	24.4	11.5
Measure and improve the customer satisfaction rating of the overall experience.	-	76%	77%	79%

* This refers to potential as opposed to actual incidents. We do not seek to reduce this figure – it is important that potential incidents are noticed and reported.

** This figure was lower than expected due to one of our suppliers being unable to source freon free units in 2006. We are working with the supplier to resolve this situation.

Increase in turnover and training decrease due to planned downsizing in Morrison Homes reflective of market conditions. Re-investment in training is planned for 2007 – 2008.

† Due to changes in the Morrison Homes employee survey, the employee satisfaction KPI is no longer recorded.