Lots 1 to 3 (P23) Schedule 07A:

Performance Management Plan

**This schedule 07A applies to Lots 1 to 3 (P23) and supplements and amends schedule 7 as detailed in this schedule 07A**



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## Introduction

Schedule 7 section 1 applies equally to this schedule and in addition the following apply:

* 1. This Schedule 7A sets out the Performance Management Plan (PMP) to be used by the *parties* to the ProCure23 (P23) *Framework* and supplements and amends schedule 7.
  2. The PMP sets out the processes to be used by the Authority to measure, monitor and, where necessary, manage the performance of the PSCPs in delivering their obligations under the Framework Agreement.
  3. The PMP is without prejudice to the parties’ obligations under the Framework Agreement or any Scheme Agreement. Nothing in this PMP shall affect the PSCP’s responsibility to the Client for the delivery of Works and/or Services under any Scheme and/or a Project awarded in accordance with the procedure as set out in Schedule 4A to the Framework Agreement.
  4. The PMP shall extend to the PSCP’s Subcontractors where performance obligations contained within this PMP are undertaken by or impacted by the Supply Chain.
  5. The PSCP shall comply with the requirements of the PMP and participate in the processes in full within the prescribed timescales.
  6. The Authority may amend and update this plan at any time during the term of the P23 Framework.
  7. The PMP has been arranged as follows:

1. The processes to monitor PSCP performance:
   * 1. Project Reporting
     2. Project Key Performance Indicators
     3. Project End Reviews
     4. Health Checks
     5. Framework Monitoring
2. How review of PSCP performance will be undertaken.

## Management Structure

The management structure described in Schedules 7 applies equally to this schedule 7A.

## Review Meetings

The review meetings detailed below will replace those detailed in Schedule 7 section 3.

* 1. The PSCP shall prior to any Performance Review Meeting prepare a detailed self-assessment of its performance under the P23 Framework and addressing any issues notified by the Authority.
  2. The PSCP shall attend Performance Review Meetings called by the Authority, including, without limitation:

1. an annual meeting with the PSCP’s Chief Executive (or equivalent most senior executive); and
2. twice annual meetings between representatives of the Authority and suitably senior representatives of the PSCP responsible for PSCP performance under the P23 Framework; and
3. other meetings which the Authority deems necessary arising from PSCP performance.
   1. The PSCP shall prepare a written action plan detailing the actions it agrees to take at any Performance Review Meeting to remedy performance issues and the timescales within which these actions are to be completed, and submit the same to the Authority for agreement of its content. The PSCP shall provide periodic (monthly unless otherwise required by the Authority) updates on progress against any action plan.
   2. Without prejudice to any other rights or remedies arising under this Framework Agreement, if the PSCP fails to comply with any of its obligations under this PMP, the Authority may terminate for Material Default.
   3. The Authority may commission an independent report in the case of any dispute or disagreement between Clients and PSCPs. This is at the sole discretion of the Authority and envisaged only in the case of significant disputes.

## Success Measures

Section 4 of Schedule 7 applies equally to this Schedule 7A and also the processes, performance objectives and performance standard detailed in this Schedule 7A apply to Lots 1 to 3 (P23). For the purpose of Lots 1 to 3 (P23) the performance objectives and performance standards detailed in the Schedule 7A are additional *Success Measures*.

## Escalation Procedure

Section 5 of Schedule 7 applies equally to this Schedule 7A.

## Management Information

Section 6 of Schedule 7 applies equally to this Schedule 7A

## Frequency and coverage

Section 7 of Schedule 7 applies equally to this Schedule 7A

## Submission of the Monthly MI report

Section 8 of Schedule 7 applies equally to this Schedule 7A

## Defective Management Information

Section 9 of Schedule 7 applies equally to this Schedule 7A.

## Meetings

Section 10 of Schedule 7 applies equally to this Schedule 7A.

## Admin Fees

Section 10 of Schedule 7 applies equally to this Schedule 7A.

## Records, audit access and open book data

Section 13 and the Annual Self Audit Certificate of Schedule 7 applies equally to this Schedule 7A.

## Default Management Charge

Section 13 of Schedule 7 applies equally to this Schedule 7A.

## Transparency Reports

Section 14 and Annex 1 List of Transparency Reports of Schedule 7 applies equally to this Schedule 7A.

## Management Information

Section 15 of Schedule 7 applies equally to this Schedule 7A.

## Processes

* 1. This section details the formal processes to be used by the Authority and the PSCPs to collect, review and report on performance management data.
  2. Information set out in this paragraph 2 should be read in conjunction with Appendix 2 which details the required performance standards and Key Performance Indicators to be met by the PSCPs.

## Project Reporting

|  |  |
| --- | --- |
| Process | The PSCP shall, monthly and using the Monthly Monitoring System submit a Project Monitoring Report which must accurately report progress on all current active (including pre-construction and correcting of defects) Projects. Project Monitoring Reports shall:   * provide details of progress on each Project; * identify any non-compliance with the Project terms or Scheme Agreement; * be approved in writing by the Client |
| Method | Submission of a Project Monitoring Report by the PSCP onto the Monthly Monitoring System. |
| Frequency | Monthly (or less frequently if agreed with the P23 Implementation Advisors). |
| Review | The P23 Implementation Advisor may at any time inspect and review progress on any Project and/or review the PSCP’s Project Monitoring Report by way of random sampling or otherwise. The Authority shall provide a report on compliance by the PSCP with its reporting obligations including reporting accuracy, the extent to which it is performing under Scheme Agreements and Client satisfaction. |
| Report | The Authority may produce a monthly report detailing:   * Projects where no Project Monitoring Report has been completed; * Details of Projects not achieving desired performance; * Progress on each Project as compared against previous reports; * Accuracy of information [provided by PSCPs] based on sample testing by the P23 Implementation Advisors; * Comparison, by PSCP, of the fields, to produce league tabling which may be internally or externally published. |

## Project Key Performance Indicators

|  |  |
| --- | --- |
| Process | The PSCP shall submit performance data against the Key Performance Indicators set out in Appendix 2 in relation to any Project to the Website.  Actual performance data is to be input by the PSCPs directly onto the Website.  At the end of each Project a review of the PSCP performance against the Key Performance Indicators will be undertaken by the Authority and the Client. |
| Method | Submission of performance data by the PSCP onto the Website. |
| Frequency | The PSCP shall submit data to the Authority to demonstrate its performance against Key Performance Indicators within one month of:   * Acceptance of the Full Business Case; and * Completion of the Works and Services [as defined in the Project terms or Scheme Agreement].   The PSCP shall submit records of its health and safety performance in relation to all current Projects during each calendar year at the end of each calendar year in question. |
| Review | PSCP performance figures will be reviewed by the P23 Cost and Performance Manager. |
| Reports | PSCP performance against the Key Performance Indicators may be reported on by the Authority on the following bases:   * Individual Project; * Individual PSCP average/aggregate performance; * Overall ProCure2020 performance. * Comparison, by PSCP, of the fields, to produce league tabling which may be internally or externally published. |

Project End Reviews

|  |  |
| --- | --- |
| Process | Each Project shall be subject to a half day project end review to be carried out by the Client, with the assistance of the PSCP.  The parties will review and evaluate the overall Project performance and apply the lessons learned to improve the P23 processes and procedures. |
| Method | A standard process for the project end review is to be developed by the Authority with the assistance of the PSCPs following the P23 Framework award. |
| Frequency | The project end review shall be carried out within three months of completion of the Project. |
| Review | Overall Project performance figures shall be reviewed by the Authority. |
| Reports | The reporting to be carried out as part of this process is to be developed by the Authority with the assistance of the PSCPs following the P23 Framework award. |

## Health Checks

|  |  |
| --- | --- |
| Process | The Authority may undertake Health Checks (as detailed in Appendix 1) on any Scheme where it determines it is necessary to do so, to interrogate and verify the PSCP’s systems, processes and procedures. |
| Method | The Authority may undertake visits of the Site and the PSCP’s office to review relevant records and evidence and carry out interviews with the PSCP Personnel and PSCMs, as it considers necessary. |
| Frequency | Health Checks will be undertaken as often as required by the Authority. |
| Review | The Health Check report produced as part of the Health Check shall be reviewed by the P23 Programme Manager and P23 Implementation Advisors. |
| Reports | The Authority will produce a Health Check report (in accordance with Appendix 1) following the conclusion of any Health Check. |

## Framework Monitoring

| Process | The PSCPs’ compliance with its obligations under the Framework Agreement, other than its obligations as set out in this Schedule 7A, shall be periodically reviewed by the Authority.  These obligations include (but are not limited to) those set out in Schedule 15 (Governance) such as training, participation in working group and contributing to the development of standard designs. |
| --- | --- |
| Method | The PSCP shall provide the Authority annually on request with evidence of its compliance with its obligations under the Framework Agreement. Examples of the evidence submitted by PSCPs may include training plans and records, or evidence of regular attendance at working groups. |
| Frequency | The Authority shall request evidence of compliance from the PSCPs on an annual basis. |
| Review | Evidence provided by the PSCP will be reviewed by members of the Authority. |

## Appendix 1 P23 Health Checks

Objectives

* + - 1. The Authority may undertake as and when it deems necessary health checks of selected Scheme Agreements (P23 Health Check).
      2. The objectives of a P23 Health Check is to provide early and informal advice on the progress made by a Scheme or Project, as part of an assurance process.
      3. The review is both short and focussed, occurring at key points in the Project programme and provides a snapshot of the programme taken at the time of the review. Recommendations will be based on interviews undertaken and key relevant documents, and such other information as required in the circumstances of the Project.
      4. The P23 Health Check review is not an audit and is intended to be helpful and supportive to the Project programme and can be used at any point during the term of the Project. There is no limit on the number of P23 Health Checks that can be carried out on a Project.
      5. The Authority will produce a report as part of the P23 Health Check. This report will contain recommendations for the progression of the Project, will specify if any of those recommendations are to be addressed urgently and will contain an assessment of confidence in Project delivery, for information only.
      6. The P23 Health Check will also include an informal and non-attributable interview between the Project team members and members of the P23 Health Check review team (the Review Team). Typically, the interviews will be undertaken on a one to one, face to face basis. There is no need for preparation by the PSCP. The purpose of the interview is to enable the Review Team to establish the relevant participants’:

1. role in the Project,
2. contribution to the process based upon knowledge and understanding of the Project,
3. understanding of areas in which the Project is progressing well, and
4. perception of the key risks to successful delivery.
5. To deliver the greatest value from the interview process it is important that the Review Team receive the real perceptions, experiences and thoughts of the participants, in particular on the areas that they think are important to ensure the successful progression of the Project.
6. Participants will not be quoted in the report. However, the Review Team will be looking for themes expressed by the participants and will be triangulating the views expressed by those interviewed.
7. The Authority will nominate a representative to undertake the P23 Health Check that will require a Site and/or office visit to review relevant systems, records and documentation and undertake verbal discussions with PSCP and Subcontractors.
8. The nominated representative will liaise closely with the relevant P23 Implementation Advisors throughout the P23 Health Check.
9. Each PSCP will receive a feedback report on their Schemes/Projects summarising the relevant findings from the P23 Health Check. This feedback will also be used to review the P23 processes and procedures as well and inform the P23 training programme. An extract from a sample health check is provided below for illustrative purposes only

EXAMPLE HEALTH CHECK:

Health Check summary of findings

* + - 1. [PSCP] were appointed in [DATE] to deliver a [Scheme or Project]. The initial phase of the project has been concerned with the production and delivery of an Outline Business Case to Trust Board. This is a significant milestone and is being submitted for approval during September 2020.
      2. Whilst the relationship is building, there have been some frustrations during the initial phase that should be addressed so as not to adversely impact upon the production of the Full Business Case and subsequently, the move to construction.
      3. Key aspects associated with project delivery were tested, in accordance with the scope identified earlier. The project is complex in nature due to the organisations involved in the approval process and the transferring service. Plans for delivery of subsequent stages will need testing further as time progresses to ensure continued successful delivery and the requested ‘light-touch’ from the PSCP will need to be better articulated that parties are clear on expectations.
      4. Whilst the relationship between the parties appeared robust, there were weaknesses identified by the parties around individual roles and responsibilities; contractual arrangements in compliance with P23 procedures; stakeholder and clinical engagement and communication. These areas require urgent attention if successful delivery of the next phase is to be achieved successfully, although it remains unclear at this point how the ‘light-touch’ may have impacted upon this.
      5. The team is overdue Pre-Construction stage training.
      6. Following the healthcheck the review team has the following observations against each item of the scope identified previously:

1. Charter and Bid promises: There was a strong engagement proposal within the EOI submission, including personnel, which does not appear to have materialised.
2. Contract and Communications:
   * + 1. There does not appear to be a contract in place for the delivery of Stage 2 (OBC) which has completed.
       2. The MMS for July 2020 (latest) shows as Green for contractual procedures being followed.
       3. The MMS was agreed with the PSCP and Trust representative who both scored respective performance 9 out of 10.
       4. The Trust PM, on behalf of the Trust, articulated by email (22 August 2020) several issues causing concern and frustration to the PSCP. A response is awaited (POST Healthcheck note: Contact made in this regard on 10th September).
       5. Issues around accuracy and timeliness of information submission have caused frustration and would benefit from resolution before embarking upon the next stage.
3. Personnel and Training
   * + 1. The involvement of the personnel identified for engagement at selection is likely to prove beneficial.
       2. Debate and clarity of role around the introduction of/function of Design Manager; Architect; project QS and planner would be advantageous for the next stage.
       3. Pre-Construction stage training is overdue (reminder had been sent 03 September 2020, although this is the teams responsibility to arrange via their IA) and this may have contributed to the P23 process gaps.
       4. It would be helpful if the parties could better understand what ‘light-touch’ means moving forward.
4. Project costs and Payments: Information concerning the commercial element of the project was slow to materialise and frequently necessitated chasing. PQS input may alleviate this difficulty moving forward.
5. Programme and dates for completion
   * + 1. It is worthy of note that the OBC submission date of July was unlikely to have been achieved even if the funding arrangement difficulties had not been experienced.
       2. A mini-stage launch might be an appropriate vehicle to rehearsing roles and responsibilities and agreeing the way forward prior to FBC stage commencement.
6. From an overall project perspective, it was felt by the review team that the delivery confidence was Amber, meaning:
   * + 1. Successful delivery appears feasible but issues require management attention. The issues appear resolvable at this stage of the scheme/project if addressed promptly.
7. From an overall project perspective, it was felt by the review team that the delivery confidence was Amber, using the gradings below, meaning:



|  |  |
| --- | --- |
| **Colour** | **Criteria Description** |
|  | Successful delivery of the project/programme appears highly likely and there are no major outstanding issues that at this stage appear to threaten delivery significantly |
|  | Successful delivery appears likely. However attention will be needed to ensure risks do not materialise into major issues threatening delivery |
|  | Successful delivery appears feasible but issues require management attention. The issues appear resolvable at this stage of the programme/project if addressed promptly. |
|  | Successful delivery of the project/programme is in doubt with major risks or issues apparent in a number of key areas. Urgent action is needed to ensure these are addressed. |
|  | Successful delivery of the project/programme appears to be unachievable. There are major issues on project/programme definition, schedule, budget, required quality or benefits delivery, which at this stage do not appear to be manageable or resolvable. The project/ programme may need re-baselining and/or overall viability re-assessed |

* + - 1. Successful delivery appears feasible but issues require management attention. The issues appear resolvable at this stage of the scheme/project if addressed promptly

## 

## Appendix 2 KPIs

1. The table below sets out the Performance Objectives, Performance Standards and Performance Measurement.
2. It is envisaged that new KPI’s will be designed in collaboration with PSCPs, via the P23 Data Working Group. Initially the Authority expects PSCPs to work with it help design KPI’s particular to PSCP’s P23 delivery within the following topics:
3. Social value
4. Sustainability
5. Net Zero Carbon
6. The above is not a conclusive list and is expected to constantly evolve.

| **Ref.** | **Performance Objective** | **Performance Standard** | **Performance Measurement** |
| --- | --- | --- | --- |
| P1 | Provision of data on all projects. | Full dataset received within one month of relevant gateway. | Submissions received as a % of submissions required. |
| P2 | Appointment of senior person accountable for provision of data. | Nominated Individual approved by P23. | N/A. |
| P3 | Time Predictability % (completion to programme) - Phase 4 construction. | Project completed on or before the contract completion date (as adjusted by compensation events). | Actual construction duration at completion – (Anticipated construction duration at phase 4 + compensation events) / Anticipated Construction duration at phase 4. Expressed as a %. |
| P4 | Cost Predictability % (Completion to budget) - Phase 4 construction. | Project final account equal to or below the Guaranteed Maximum Price (as adjusted by compensation events). | Final Account – (Original TARGET COST + compensation events) / (Original TARGET COST)  Expressed as a %. |
| P5 | Health and Safety during construction. | Benchmark score of 50% or over (i.e. AIR equates to benchmark score of greater than 50%). | Aggregate yearly P23 PSCP Accident Incident Rate compared with Constructing Excellence ‘Companies with turnover Greater than £10m’ safety statistics/graph. |
| P6 | Design Quality | At least a score of 3 out of 5, for each of the ten main criteria | Design Quality Indicators where instructed by Clients http://www.dqi.org.uk/ |
| P7 | Sustainability (BREEAM Healthcare). | New build – Excellent  Refurbishment – Very good  Additionally, all schemes need to achieve credit ‘Tra 5 - Travel Plan’. | BREEAM Healthcare where instructed by Clients http://www.breeam.com/case-studies-healthcare |
| **Project End Reviews** | |  |  |
| PER1 | Client Satisfaction – Service. | Average score of seven out of ten. | One to ten scale, one = totally dissatisfied, ten = totally satisfied. |
| PER2 | Client Satisfaction – Product. | Average score of seven out of ten. | One to ten scale, one = totally dissatisfied, ten = totally satisfied. |
| PER3 | Defects at Completion. | Defects free (ten out of ten). | One to ten scale, one = totally defective, ten = defect free. |

Project Monitoring (stage 1 to 4)

| **Ref.** | **Performance Objective** | **Performance Standard** | **Performance Measurement** |
| --- | --- | --- | --- |
| PM1 | Completed MMS Forms with updated project details and RAG rating for areas PM 1 to PM7A submitted on time. | Forms received on every scheme within prescribed timescale. | Submissions received as a % of submissions required. |
| PM2 | Relevant stage agreement engrossed by PSCP. | agreement engrossed within one month of entry to stage. | Date of engrossment minus Phase commencement date. |
| PM3 | Framework Schedule 4 Template Scheme Agreement contractual Procedures are being followed satisfactorily. | Relevant engrossment dates entered and Time, Cost and risk questions achieve a ‘green’ score. | The answer is automatically generated based on other questions on the form. Incomplete or non-compliant data will initially display an ‘amber’ score and then a ‘red’ score if not corrected by the following month. |
| PM4 | Time performance against planned activity. | ‘Green’ = activity is running to schedule and regular updates are being provided. | ‘Green’ if achieving required standard, ‘amber’ for first month not achieving standard and ‘red’ if this persists for a second month. |
| PM5 | Cost performance against projection for phase. | ‘Green’ = regular reporting indicates that cost projections are on target. | ‘Green’ if achieving required standard, ‘amber’ for first month not achieving standard and ‘red’ if this persists for a second month. |
| PM6 | Effective risk management techniques in place and updated monthly. | Fully quantified and updated – ‘Green’. | ‘Green’ = P23 risk model is being used, quantified and updated regularly.  ‘amber’ = risk model incomplete but currently there is agreement in place for updating it.  ‘red’ = risk process is not robust and risk reporting is weak and if there are un-identified un-quantified risks outstanding. |
| PM7 | KPI information up to date. | Relates to phase 4 only, Yes up to date. | Yes or No. |
| PM7A | BIM status | BIM level 2 for relevant projects | Yes or No. |

Project Monitoring (stage 5)

| **Ref.** | **Performance Objective** | **Performance Standard** | **Performance Measurement** |
| --- | --- | --- | --- |
| SM7A | Client Satisfaction | Green =The client is satisfied | “Green” = All RAG scores are “green” or “amber” (for one month only). The project has been handed over and is defect free. All relevant information handed over to the client, all project share information has been uploaded and final account agreed.  “Amber” = There are one or more defects the PSCP is aware of. Not all operational information handed over. Only some ProjectShare and KPI information has been submitted.  Some delays in completing the final account but will be completed within a month.  “Red” Project handed over but with defects. RAG delays in excess of one month and final account issues. |
| SM9 | Defect Management | Green= There are no defects reported | “Green” = No defects found , if any reported then they are being addressed within the 2 week correction period  “Amber” = There is one/many defects but there is an agreement to fix within client expectations  “Red” = There is one/many defects that have not been rectified in line with requirements. There is an agreed plan for rectification but is taking an extended period to rectify. There is no plan for rectification, or there is a plan but is not being followed. The NHS client is negatively affected by the defects. |
| SM10 | Handover of documentation/client training | Green = All operational Manuals have been handed over as required | “Green”= Operational Manuals have been handed over in line with the P23 Zero Defects policy. All user training has been provided. BIM Model Information has been handed over in a form that can be used by the client.  “Amber” = None or some of the operation manuals have been handed over (BIM information included) Non or only some of the training that was required has been carried out but there is a plan to do so as agreed with the client within one month. There are some outstanding queries and issues  “Red” = Non or only some of the operational manuals have been handed over. |
| SM11 | Upload of Information to Project Share | All relevant information has been uploaded to P23 Projectshare system | “Green” = All relevant information is uploaded to the project share system. The Trust has requested that information is not shared through Project Share for security reasons. The Trust has requested that the information is not shared through Data Protection or security requirements.  “Amber”= Some or not all of the relevant information has been uploaded to ProjectShare, however there is a commitment to do this within one month.  “Red” = Some or not all of the relevant information has been uploaded to ProjectShare. |
| SM12 | KPI Information up to date | Green= All KPI Benchmarking Information has been completed | “Green” All KPI Benchmarking Information has been submitted.  “Amber” Non or some of the KPI Benchmarking Information has been required, but will be submitted within one month.  “Red”= Non or only some Benchmarking Information has been submitted |

## Framework Monitoring

| **Ref.** | **Performance Objective** | **Performance Standard** | **Performance Measurement** |
| --- | --- | --- | --- |
| FM |  | AUTHORITY will monitor, in accordance with the processes set out in this PMP, the PSCP’s performance against its obligations in the PQQ, ITT, tender and the Framework Agreement, including for example: payment of the P23 Framework Service Charge, participation in working groups and support for ProjectShare and P23 StandardShare. | |

## 

## Appendix 3 KPI Excel Workbook

See separate attachment.

This information can be made available in alternative formats, such as easy read or large print, and may be available in alternative languages, upon request. Please contact [nhsi.procureconstruction@nhs.net](about:blank)

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