

SCHEDULE 4

PERFORMANCE REGIME

Part 1. KPIs

1. THE KPIs

- 1.1 The KPIs (including the Incentivised KPIs) will be based on the KPIs that are set out in the table below. This table will be finalised during the Mobilisation Period and the final agreed version (signed by the Authorised Representatives of both parties) will be used to measure the performance of the Services in the first Contract Year.

The Target KPIs will be implemented from the start of the first Contract Year.

Draft Performance Monitoring Framework to be inserted here.

- 1.2 The Specification includes a requirement that the Provider demonstrate clear evidence of investment in the recovery community that impacts on long term recovery and the effectiveness of the service ("the Community Investment Requirement"). The Provider is expected to invest a minimum of 2% of the annual budget into the development of recovery communities.
- 1.3 In addition to the KPIs the Provider will be expected to provide qualitative information regarding service development, service user engagement, service delivery, staffing, compliments, complaints etc. in accordance with the Performance Monitoring Workbook.
- 1.4 The Provider's performance will be monitored against each Target KPI and the Provider shall send the Council a report detailing the Achieved KPIs.
- 1.5 The Incentivised KPIs identified in the table above will be subject to Parts 2 and 3 of this Schedule 4.
- 1.6 All of the KPIs in the table above will be subject to Part 4 of this Schedule 4.

Part 2. Incentivised KPIs and Community Investment Requirement

- 2.1 Incentivised KPI payments will be applied on the achievement of those elements of service delivery and improvement targets identified as Incentivised KPIs in the table above.
- 2.3 The Incentivised KPIs will be implemented from the start of the first Contract Year.

- 2.4 The Community Investment Requirement will be implemented from the start of the second Contract Year. The Provider will provide the Council with detail of the range of options to be implemented over the lifetime of the contract and will provide evidence of how those monies will be invested as part of the quarterly monitoring meetings.
- 2.5 The Incentivised KPIs will be subject to review and revision each subsequent Contract Year.
- 2.6 The Incentivised KPIs and the Community Investment Payments will be subject to the price adjustment mechanism set out in Part 3 and Part 4 of this Schedule 4.

Part 3. Price Adjustment Mechanism

- 3.1 The Provider will monitor their performance against each Incentivised KPI and shall send the Council a report detailing the Achieved KPIs.
- 3.2 Subject to the agreement of the Council and clause 3.3, and provided that the Provider has achieved the Incentivised KPIs, the Incentivised KPI payment will be made at the end of each Contract Year.
- 3.3 If two (2) or more of the Incentivised KPIs are labelled "red" over a rolling six (6) month period (i.e. two or more quarters) the Council may withhold payment in relation to ALL of the Incentivised KPIs (achieved or otherwise) until such time as the Council is satisfied that the issues identified have been resolved in accordance with the procedure set out in clause 4.3 below.
- 3.4 The Provider will monitor their achievement against the agreed Community Investment Requirement in accordance with this Schedule.
- 3.5 For the avoidance of doubt, the effect of clauses 3.3 and 3.4 is that the Council is entitled to withhold/clawback payments permanently if the Provider does not meet the provisions of this Part 3.
- 3.6 For the avoidance of doubt, the Ring Fenced D&A Testing is subject to clawback. Any underspend from this ring fenced budget will be returned to the Council at the end of each Contract Year. As part of the Quarterly Monitoring report the Provider will report on expenditure from this budget including where the Provider anticipates the budget will not meet expected demand

Part 4. Consistent failure

- 4.1 In this Contract, **consistent failure** means:
- (i) None of the Target KPI's are labelled "Green" over a six month period (i.e. over two or more quarters); or
 - (ii) 2 or more of the Target KPIs are labelled "Red" over a six month period (i.e. over two or more quarters); or

- (iii) Substantial variation from any of the Target KPIs labelled “Green” in a quarterly period.

AND/OR

- (b) A failure to meet the requirements set out in the Incentivised KPI set out at Schedule 4 Part 2 in respect of the first Contract Year and any revised Incentivised KPIs for subsequent contract years.

AND/OR

- (c) The Provider repeatedly breaching any of the terms of this Contract in such a manner as to reasonably justify the opinion that its conduct is inconsistent with it having the intention or ability to give effect to the terms of this Contract.

4.2 In the event of Consistent Failure the Council reserves the right to initiate a contract monitoring meeting with the Provider to address the issue (see below).

4.3 If the Provider fails to comply with any of the KPIs marked Red in the above table or the Incentivised KPIs the Council will:

- (a) Call a Contract Monitoring Meeting with the Provider to discuss the issues and set out a timetable for resolution.
- (b) If, following the Contract Monitoring Meeting, the issue is not resolved to the satisfaction of the Council, the Council may serve a Remediation Notice in accordance with this Contract (Schedule 1, clause 39 (1) (a)).
- (c) The Council reserves the right as part of the Remediation Notice to require that the Provider suspend delivery of the Services set out in the Remediation Notice for the period set out in that remediation Notice.
- (d) The Provider will not be reimbursed for services delivered that are consistent with the services in this contract during any suspension period.

CONTRACT MANAGEMENT

2. MEETINGS

2.1 Type

2.1.1 Contract Performance Management Meeting is the formal quarterly meeting between the Council and the Provider which will monitor performance and contract compliance as detailed in the completed Quarterly Monitoring Report.

2.2 Quorum

2.2.1 Contract and Performance Management Meetings – two representatives each from the Council and the Provider.

2.3 Frequency

- 2.3.1 Contract and Performance Management Meetings – quarterly post quarter close.

2.4 Agenda

- 2.4.1 Contract and Performance management Meetings – to be co-produced and circulated by the Council at least two weeks prior to the proposed meeting date. Reference must be made to the Performance Monitoring Framework and expectations about the flow of performance data prior to the meetings.

3. **REPORTS**

3.1 Type.

Quarterly Monitoring report and Performance Monitoring Workbook to be submitted at least two weeks prior to the Contract and Performance Management Meeting.

3.2 Frequency – Quarterly.

3.3 Circulation list – Designated representatives (as set out above) and/or their substitutes.