

Performance Measurement and Key Performance Indicators

1. Recommendation

That the LHC Board notes the contents of the report

2. What are the objectives of the Performance Measurement and Key Performance Indicator Project?

To develop ways of measuring the performance of the LHC regions and the projects that they have registered on a number of key themes. This will allow us to analyse performance internally and externally across the sector. This will drive improvement and efficiency in delivering products and services to public sector clients.

3. Rationale for the project

- To provide evidence that frameworks deliver an efficient procurement solution
- To provide evidence that LHC frameworks provide value and performance
- To provide evidence and thought leadership to other institutions that we have taken on board the governments construction sector strategy
- To be able to initiate and deliver further efficiencies and cost savings through our appointed companies by comparing data and analyzing where improvements can be made and so provide increased value for money to public sector clients
- To demonstrate that we are providing social benefit both through framework delivery and through our social benefit funds
- To provide clients with support and guidance in using Modern Methods of Construction MMC and assessing Premanufactured Value (PMV)

4. Timelines and progress

The project team was set up at the end of May 2019 and has met 5 times. It consists of representatives from all parts of the business. The pilot phase of data collection started on 1st October and will run for 6 months with the focus for data input and analysis being on the framework for UPVC windows and the Offsite construction of new homes and across all projects in the South West (SWPA) and Wales (WPA)

5. Performance data to be collected

- Procurement progress and timelines by framework and region
- Client and appointed company satisfaction data (This is already collected but results will be fed into the Business Information (BI) system)
- Programme and timeline
- Cost predictability
- Social value per project: Number of trainees /apprentices, number of employed people previously unemployed and locally employed labour.

6. Data inputting and reporting

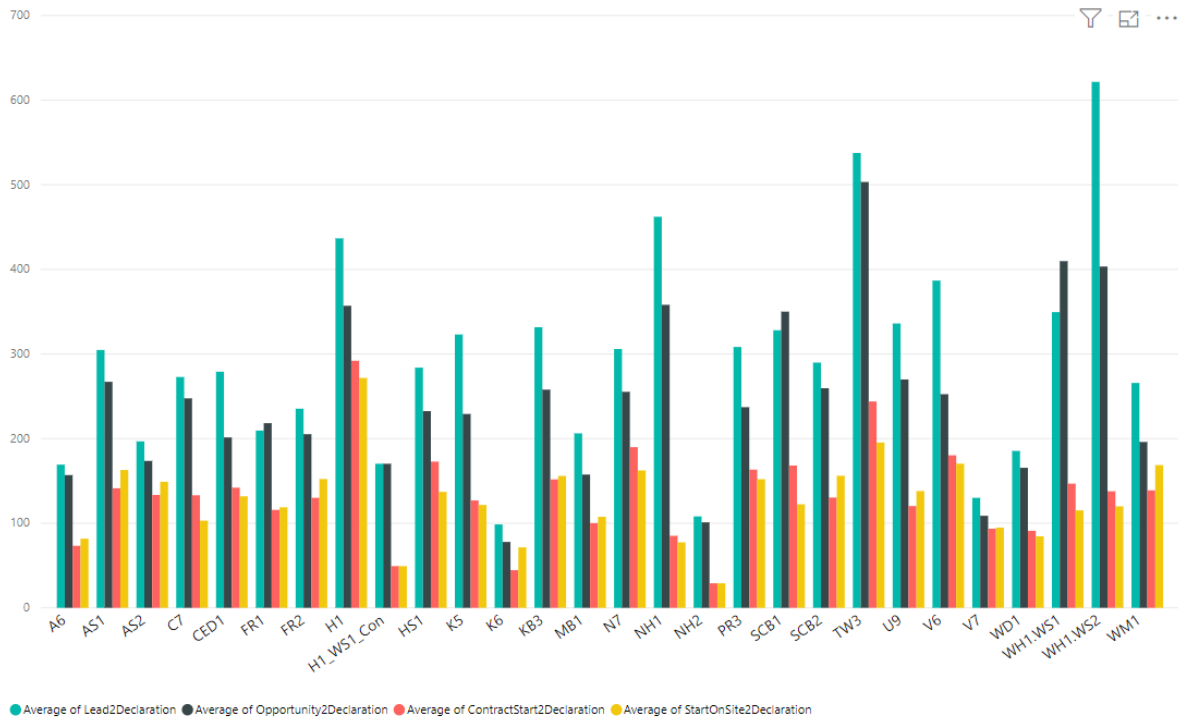
LHC has a well developed and continually updated customer relationship management system that tracks the progress of individual projects. It has only been necessary to add 3 new data fields and rename another 2 in order to collect the data for the pilot phase. Client and appointed company information that was collected and reported by excel spreadsheets will now be loaded into our Business Information System (BI) and can be

analysed in real time. Reports can then be developed in the Business Information system to show all the performance data by:-

- individual projects
- by frameworks
- by regions across all the group.

7. Reports and findings to date

7.1 Data on procurement progress and timelines by Framework.



This bar chart shows the average time by framework from when contact is first made about a project to actually receiving some income/levy in on this project. It should come as no surprise that those frameworks that are for new build / construction have the longest timelines New Homes 1 (NH1) at 462 days Traditional Housing (H1) at 436 days. The other framework with a lengthy average timeline is Whole House 1 (WH1) a general refurbishment framework that has now expired.

7.2 Outcomes of the procurement performance reports

The reports on the time taken between and initial enquiry to starting a project will be used in predicting future income and when it will be realised. These reports can also be cross referenced against lead conversion rates to provide far greater accuracy of future income flows.

8. Next steps

Review of data from pilot projects and adjustments to collection methods and reports if required. Review relevance of reports and ensure that they are useful improving performance and providing pathways to improvement and evidence of value of using LHC frameworks. Exploring the potential and usefulness of collection other performance data, in particular data on energy efficiency and embedded carbon.