



2,972 Views | 101 CrossRef citations to date | 0 Altmetric

PAPERS

Service delivery and performance monitoring in PFI/PPP projects

Herbert S. Robinson  & Jon Scott

Pages 181-197 | Received 14 Apr 2008, Accepted 11 Nov 2008, Published online: 27 Jul 2010

 Cite this article  <https://doi.org/10.1080/01446190802614163>

Sample our
Economics, Finance,
Business & Industry Journals
>> [Sign in here](#) to start your access
to the latest two volumes for 14 days

 Full Article

 Figures & data

 References

 Citations

 Metrics

 Reprints & Permissions

Read this article

 Share

Abstract

Value for money in a PFI project depends crucially on performance monitoring to provide incentives for improvement and to ensure that service delivery is in accordance with the output specification. However, the effectiveness of performance monitoring and output specification cannot be fully assessed until PFI projects become operational. There is a need to examine the role of the performance monitoring mechanism in ensuring that 'value for money' is achieved throughout the delivery of services. Based on semi-structured interviews with key stakeholders from the public and private sectors, the case studies suggest that there are low levels of performance deductions in PFI projects during the operational phase. However, the complexity of performance measurement, inadequate resources for performance monitoring and the difficulties in the interpretation of the output specification raise questions as to whether the low level of deductions truly reflect the actual level of services delivered. There is also evidence of the public sector forgoing entitled deductions in the 'spirit of partnership' and in

exchange for minor contract variations in the output specification. Both the public and private sectors are undergoing a learning process which should lead to improvements in future PFI contracts.

Keywords:

Service delivery

performance monitoring

output specification

PFI/PPP projects

Related Research Data

Theories of behavior in principal-agent relationships with hidden action

Source: European Economic Review

The impact of principal-agent relationship and contract type on communication between project owner and manager

Source: International Journal of Project Management

Relationship management in the management of PFI/PPP projects in the UK

Source: International Journal of Project Management

Information asymmetry, contract design and process of negotiation: The stock options awarding case

Source: Journal of Corporate Finance

Appraising and Evaluating PFI for NHS Hospitals

Source: Financial Accountability and Management

Private finance and "value for money" in NHS hospitals: a policy in search of a rationale?

Source: BMJ

Input versus output-based performance measurement in the NHS - the current situation

Source: Facilities

Agency theory, performance evaluation, and the hypothetical construct of intrinsic motivation

Source: Accounting Organizations and Society

Payment and audit mechanisms for non private-funded PPP-based infrastructure maintenance projects

Source: Construction Management and Economics

The economics of the private finance initiative

Source: Oxford Review of Economic Policy

Achieving best value in private finance initiative project procurement

Source: Construction Management and Economics

Economic theory and the application of incentive contracts to procure operating reserves

Source: Electric Power Systems Research

A Case in Case Study Methodology

Source: Field Methods

A Knowledge Transfer Framework: the PFI context

Source: Construction Management and Economics

Preventing post-contractual opportunism by an option to switch from one contract to another

Source: Construction Management and Economics

Private Finance Initiative – a good deal for the public purse or a drain on future generations?

Source: Policy & Politics

The Economics of Relationships

Source: Unknown Repository

A survey of the payment mechanisms for transportation DBFO projects in British Columbia

Source: Construction Management and Economics

Pump-Priming the PFI: Why are Privately Financed Hospital Schemes Being Subsidized?

Source: Public Money & Management

Institutional reform in British construction: partnering and private finance

Source: Building Research & Information

Transacting under a performance-based contract: The role of negotiation and competitive tendering

Source: Transportation Research Part A Policy and Practice

PFI is here to stay

Source: BMJ

Risk under performance-based contracting in the UK construction sector

Source: Construction Management and Economics

Linking provided by 

Related research

People also read

Recommended articles

Cited by
101

Information for

[Authors](#)

[R&D professionals](#)

[Editors](#)

[Librarians](#)

[Societies](#)

Opportunities

[Reprints and e-prints](#)

[Advertising solutions](#)

[Accelerated publication](#)

[Corporate access solutions](#)

Open access

[Overview](#)

[Open journals](#)

[Open Select](#)

[Dove Medical Press](#)

[F1000Research](#)

Help and information

[Help and contact](#)

[Newsroom](#)

[All journals](#)

[Books](#)

Keep up to date

Register to receive personalised research and resources by email



Sign me up



Copyright © 2025 Informa UK Limited [Privacy policy](#) [Cookies](#) [Terms & conditions](#)

[Accessibility](#)



Taylor & Francis Group
an informa business

Registered in England & Wales No. 01072954
5 Howick Place | London | SW1P 1WG