DWP Provider Guidance ESF (England) 2014 to 2020

Chapter 7: Performance Management and Compliance Monitoring

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Performance Management and Intervention Regime (PMIR)

7.1 DWP operates a robust performance management regime to hold providers to account for performance offers within their contract. For LEP Areas with more than one Category of Region (CoR), you will be required to provide a performance offer for each CoR within the LEP Area, in addition to the performance offer for the LEP area overall. The Performance Management and Intervention Regime (PMIR) has been developed to support the delivery of provision.

7.2 The sole aim is to ensure you meet the Minimum Performance Levels and Customer Service Standards you offered as part of your tender and, where required, take formal action against you where you do not meet such standards.

7.3 The Minimum Performance Levels are:

- 100% of referrals either Start, Did not Start and the Start or Did not Start action is recorded in PRaP within 20 working days of referral (a start is defined as someone who has had an assessment meeting with the Provider and there is an agreed Action Plan in place, signed by the Provider and the Participant);
• a minimum of 80% of referrals, measured both on an in-month basis and a cumulative basis, that are recorded on PRaP by DWP, start the Provision;
• as a minimum the number of Provision starts will never be below 85% of the cumulative starts profile;
• cumulative referral backlogs must be below 2%;
• no one will be in backlog for over 40 working days from the date of referral;
• Providers will have specified expected Short Job Outcome rates as part of the original tendering process; these are expressed as a single percentage of starts made for each monthly Cohort i.e. the same percentage for each monthly Cohort. Achievement of Short Job Outcomes for each monthly Cohort will be profiled by the Provider and each Cohort profile will become part of the contract as Minimum Performance Levels;
• Providers specified expected Sustained Job Outcome rates as part of the original tendering process; these are expressed as a single percentage of starts made for each monthly Cohort i.e. the same percentage for each monthly Cohort. Achievement of Sustained Job Outcomes for each monthly Cohort will be profiled by the Provider and each Cohort profile will become part of the contract as Minimum Performance Levels;
• all Job Outcome performance measures will include cumulative performance from day one of the contract.

7.4 There are four levels of this regime:

• **Level 1: Performance Management Regime (PMR)**
• **Level 2: Informal action - Performance Manager (PM) Led**
• **Level 3: Informal action - Nationally Led**
• **Level 4: Formal action - Nationally Led**

**Level 1: Performance Management Regime (PMR)**

7.5 DWP Supplier Managers and Performance Managers will hold regular Contract Performance Review (CPR) meetings with you which will focus on achieving contractual performance based on monthly and yearly Cohort Profiles and Customer Service Standards, and attainment of performance and delivery in line with the Contract.

7.6 Performance will be managed on both quantitative and qualitative aspects of your contract. Category Managers and staff representing Jobcentre Plus districts may also attend these meetings. You will be required to provide monthly Management Information prior to the CPR.

**Level 2: Informal action - Performance Manager (PM) Led**

7.7 If Level 1 (PMR) does not achieve the Minimum Performance Levels and Customer Service Standards you offered as part of your tender, DWP
Performance Managers may undertake informal action, by setting up a provider Action Plan.

7.8 The Action Plan will be used to capture all agreed actions for performance improvement including incremental performance and pipeline data that may lead to outcomes, review dates and the Cohort Management Information to inform the Minimum Performance Levels.

7.9 The Action Plan is to be populated by you and must fully address all the concerns so it is imperative that actions are specific about the required improvement; improvements are measurable; achievable, realistic and time bound.

**Level 3: Informal action - Nationally Led**

7.10 If the remedies captured on the provider Action Plan are unable to lift your performance in order to meet the Minimum Performance Levels and Customer Service Standards you offered as part of your tender, the DWP Performance Managers can escalate this to enable DWP to undertake further informal action from a central point within DWP Performance Management Team.

7.11 You will be invited to a meeting to discuss your performance and receive a Management letter to request that your performance improves. At this stage you will be informed that formal action could be taken in the event that performance doesn’t improve.

**Level 4: Formal action - Nationally Led**

7.12 At this stage DWP will take formal action by issuing a Performance Improvement Notice (PIN) to address failure to respond to previous intervention activities undertaken, to support you to meet the Minimum Performance Levels and Customer Service Standards you offered as part of your tender.

7.13 DWP will work with you to support the completion of a Performance Improvement Plan (PIP) and agree the forecasted Management Information you are asked to supply.

7.14 DWP Performance Management Teams and DWP Commercials will work with you to undertake activities to monitor and support improvement to your performance.

7.15 In the event that your performance does not improve to the Minimum Performance Levels and Customer Service Standards you offered as part of your tender during the PIN process, DWP may take action to terminate your contract.
Cohort Profiles and Management Information

7.16 DWP will measure your performance using a profiled Cohort measure. These are based on the information you have already provided as part of your tender. For LEP Areas with more than one CoR you will be required to provide an individual Cohort Profile, for each CoR within the LEP Area, in addition to providing a Cohort Profile for the LEP Area overall. A Cohort will relate to Starts in a calendar month, i.e. all the participants on PRaP where the start date entered falls in the calendar month.

7.17 Performance data against these profiles will be taken from the Provider Referral and Payment system (PRaP). DWP produces MI Packs on a monthly basis. The MI Pack produced comprises the data from the previous calendar month, i.e. the pack produced in December would contain data for the entire calendar month of November. MI packs are made available to you by 20th each month.

7.18 DWP are using Cohort measures as Minimum Performance Levels which are based on actual figures, rather than assumed volumes, so targets are flexible and reflect reality, removing the anomaly of comparing outcomes in a month to starts in that same month: outcomes will relate to participants who have started some time ago.

7.19 The journey through the programme takes many months so we need some indication of progress. We need to know if your performance is improving or decreasing, so we need some way of measuring progress without waiting for Cohorts to “mature”.

7.20 A model of anticipated outcomes over time is developed, which we can then apply to the number of participants who start on each Cohort. We use the information supplied in the bidding profile creating a profile for each outcome over time.

7.21 We use the expected pattern of outcomes (provider distribution profiles) – taken from your bid, and we apply that pattern to each monthly Cohort of starts.

7.22 From this, we calculate how many outcomes we would expect in a calendar month based on the anticipated outcomes for each Cohort where outcomes are expected to fall in the relevant calendar month.

7.23 This estimate of outcomes expected in a calendar month, based on layering of profiled performance from individual Cohorts, is referred to as the Cohort Profile.

7.24 Performance will be monitored using monthly, quarterly, annually and cumulative management information, for a full explanation please refer to Annex 9 - Cohort Profiles and Management Information.
Compliance Monitoring

7.25 DWP Compliance Monitoring Officer’s (CMO) perform regular evidence based checks that all ESF and Match funded providers are adhering to the delivery models set out in their contracts.

7.26 This includes checking samples of participant records to validate eligibility, activity, Minimum Service Levels and payment for these participants supported by you and, if appropriate, your supply chain. CMO’s will check Action Plans are being completed and signed and may also consider the quality of their content. CMO’s will check that the ESF Regulatory Requirements, in terms of Marketing and Publicity; Sustainable Development; Equality and Diversity; Document Retention are being adhered to. For a full explanation please refer to DWP Framework Generic Provider Guidance Chapter 11b: ESF requirements 2014 to 2020 (England only).

7.27 Please refer to Chapter 3 of this guidance for detail on how to assess and evidence an individual’s eligibility for support through ESF 2014-2020 contracts. This includes the criteria and preferred documents to use; this chapter also includes information and criteria where a self-declaration will be required for assessing and evidencing eligibility. Final (approved) compliance lists of checks to be carried out will be sent to you during Contract Award/Go Live periods.

7.28 DWP specify the location where the checks will take place and we expect them to be centralised. All records must be available on the provider system for inspection.

7.29 You are expected to have the necessary remote IT equipment, which must comply with the relevant DWP policies as defined in our Terms & Conditions, at “Schedule 6 - Security Requirements and Plan”, which you can bring to the location to enable DWP to carry out centralised checks of your systems; this includes the provision of any necessary electronic evidence that is required by the CMO to undertake the checks effectively. DWP will carry out these checks at the following locations:

- London
- Birmingham
- Sheffield
- Leeds
- Newcastle

7.30 All issues arising from CMO checks are reported to you, the Performance Management Team, Category Manager and Provider Assurance Team. Contract review meetings with DWP Supplier Managers and Performance Managers will include discussions around compliance issues identified by CMOs.

7.31 DWP reserves the right to carry out physical checks on documentation as part of this process.
Evaluation and Reporting

7.32 Independent evaluation will be an important element of your ESF provision and you will be asked to cooperate in a range of evaluations, commissioned by the DWP ESF Managing Authority and the DWP CFO.

7.33 Other interested parties and Government Departments as part of wider cross-government agendas may commission further evaluations and your assistance will be expected when required.

7.34 As part of this evaluation work, researchers may wish to visit and interview you and your supply chain, participants and employers involved in your provision. You may be asked to provide the relevant contact details and, in order to facilitate this process; you should seek advance agreement from participants to take part in evaluations.

7.35 Advance notice will be given where your cooperation is required.

7.36 An end of project evaluation report will also be required, highlighting innovative delivery practices and achievements against the cross cutting themes.

Please Note: Refer to Annex 1a (London) for additional information relating to London Employability Performance Rating.