Market Engagement
Update on performance measures for unpaid work and accredited programmes

8 July 2019
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Market Engagement – Performance measures

Agenda

▪ Session objectives
▪ Financial incentives: weightings for performance targets
▪ Summary of quality measures
▪ How we look at quality
▪ Methodology for assessing quality
▪ Building provider understanding
Session objectives

✓ We will update you on proposed performance measures, and how we’re responding to your feedback

✓ We will share the proposed weightings for performance targets attached to profit, and how they are related to profit

✓ We will explain how the quality measures are intended to work – their scope, their relationship with profit, how quality is assessed and the methodology used

✓ We want to hear your views on how these arrangements will work, and any ideas you have for alternative approaches

✓ We welcome written feedback following this event. Could you provide this by **Monday 15 July** please
Update on proposed performance measures

Thank you

For the feedback received at the session on 12 June. We are looking at it carefully. I can provide a response on key points now.

Targets to reflect what is within contractors’ control, and take account of current performance

Focus on outcomes, wider social value

Service user feedback

Reliance on NPS and whole system working

Transition/bedding in period

Ensuring timely starts of accredited programmes
## End state service levels related to profit

<table>
<thead>
<tr>
<th>Contractor Measure</th>
<th>Quality measure</th>
<th>Proposed Target</th>
<th>Proposed weight</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Starts UPW within 10 BDs</td>
<td></td>
<td>90%</td>
<td>10%</td>
<td>50% weighting dedicated to UPW measures to reflect high volume</td>
</tr>
<tr>
<td>Completes UPW within 12 months</td>
<td></td>
<td>90%</td>
<td>16%</td>
<td></td>
</tr>
<tr>
<td>UPW Delivery</td>
<td></td>
<td>G</td>
<td>16%</td>
<td></td>
</tr>
<tr>
<td>Quality of ETE provision in UPW delivery</td>
<td></td>
<td>G</td>
<td>8%</td>
<td></td>
</tr>
<tr>
<td>Waiting time for Accredited Programmes starts from programme ready referral of eligible service users</td>
<td></td>
<td>[TBD]</td>
<td>10%</td>
<td>35% weighting dedicated to accredited programme measures to reflect high value</td>
</tr>
<tr>
<td>Accredited Programme completion by eligible service users</td>
<td></td>
<td>90%</td>
<td>15%</td>
<td>Reflects importance of getting eligible service users through programmes</td>
</tr>
<tr>
<td>Accredited Programmes Delivery</td>
<td></td>
<td>G</td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td>Liaison with RO</td>
<td></td>
<td>G</td>
<td>10%</td>
<td>Apply across both UPW and Accredited programmes</td>
</tr>
<tr>
<td>Accurate Financial Reporting</td>
<td></td>
<td>100%</td>
<td>5%</td>
<td></td>
</tr>
</tbody>
</table>

**Note:** Overall weighting ratio: quality measures to service levels: 44% vs 56%
Current proposal for relating reduced profit to level of under performance

- Service levels: threshold below which no assigned profit is received for that measure: 10% below target for SLs
- Pro rata reduction in assigned profit up to that point @ 10% for each pp below target
- Quality measures – set out in slides 11-15
- Improvement plan triggered at 10% below target, and at A/R for QMs
A proportionate approach proposed to continued under-performance

- This provides an incentive for providers to focus on performance across the board and not to neglect a single measure.

- The weighting increases by 20% (x 1.2) if underperformance continues for a third measurement period (quarterly for SLs, six monthly for QMs).

- The weighting continues to increase by a further 20% for each quarter in which underperformance continues.

- Until the weighting has doubled, at which point it stays at that level.

- The ratchet effect is cancelled by two consecutive quarters in which the performance target is achieved.

- The ratchet will only apply to profit reduction, and reduction will be capped at 100% of profit.
Developing Quality Measures

We are developing four core quality measures based on the Authority’s experience of conducting operational assurance audits:

- Delivery of UPW
- Provision of ETE as part of UPW
- Delivery of Accredited Programmes
- Liaison with RO

Scores on these measures will be published as part of performance reporting. The quality of delivery in areas not covered in these audits will be addressed through Authority’s wider programme of audits.

Contract Management Teams will also look at compliance with other elements of the contract.
Weightings for quality measures

- The four quality measures have an overall weighting of 44%.
- This means that up to 44% of the available profit is linked to achieving an acceptable standard on those aspects of delivery.
- The available profit assigned to each measure is set out below

<table>
<thead>
<tr>
<th>Measure</th>
<th>Target</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delivery of UPW</td>
<td>GREEN</td>
<td>16%</td>
</tr>
<tr>
<td>Provision of ETE as part of UPW</td>
<td>GREEN</td>
<td>8%</td>
</tr>
<tr>
<td>Delivery of Accredited programmes</td>
<td>GREEN</td>
<td>10%</td>
</tr>
<tr>
<td>Liaison with RO</td>
<td>GREEN</td>
<td>10%</td>
</tr>
</tbody>
</table>

TOTAL WEIGHT 44%
Quality measure ratings

- Quality ratings correspond to the proportion of cases meeting an acceptable standard.
- The top rating (Green) means that 87% or more cases meet that standard.
- At the other end of the scale, Red means that fewer than 60% of cases meet an acceptable standard.
- In between these we have Amber/Green meaning 73-86% of cases meet an acceptable standard. Amber means 60-72% cases meet the standard.

<table>
<thead>
<tr>
<th>Quality Rating</th>
<th>Acceptable cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>Green</td>
<td>87% +</td>
</tr>
<tr>
<td>Amber/Green</td>
<td>73-86%</td>
</tr>
<tr>
<td>Amber</td>
<td>60-72%</td>
</tr>
<tr>
<td>Red</td>
<td>Up to 59%</td>
</tr>
</tbody>
</table>
How quality ratings relate to profit

- **Green**: 100% of the available profit assigned to that measure will be kept
- **Red**: No profit awarded
- Amber rating through to the Green rating: available assigned profit awarded according to the score achieved, with more profit being received for each % point improvement.
- Each percentage point within the A/G range will attract twice as much profit as a percentage point within Amber.
- A/G is the desired level of quality. The Authority wishes to reward higher A/G scores as well as reaching a Green rating.
- The table on slide 10 shows the profit awarded for each % point improvement within Amber and A/G and the range of available profit for each rating.
Quality thresholds and available profit awarded

<table>
<thead>
<tr>
<th>Thresholds</th>
<th>Profit* awarded per % point</th>
<th>Range of Profit awarded</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rating (% cases meet acceptable standard)</td>
<td>Measure attached to 10% available profit</td>
<td>Measure attached to 10% available profit</td>
</tr>
<tr>
<td>Amber (60% - 72%)</td>
<td>0.23%</td>
<td>0.23% - 3.02%</td>
</tr>
<tr>
<td>A/G (73% - 86%)</td>
<td>0.47%</td>
<td>3.49% - 9.53%</td>
</tr>
<tr>
<td>Green (87%+)</td>
<td>--</td>
<td>10%</td>
</tr>
</tbody>
</table>

- **Note:** All figures on slides 13-15 are rounded to two decimal places
## Example of scoring and impact on profit

<table>
<thead>
<tr>
<th>Quality Measure</th>
<th>Covers</th>
<th>Score (%) / rating*</th>
<th>% of profit available</th>
<th>Profit awarded</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delivery of unpaid work</td>
<td>Are service users enabled to carry out appropriate and sufficient unpaid work to complete their hours as required?</td>
<td>88% (Green)</td>
<td>16%</td>
<td>16%</td>
</tr>
<tr>
<td>Provision of ETE as part of UPW</td>
<td>Are service users enabled to carry out appropriate and sufficient ETE provision as part of unpaid work?</td>
<td>79% (Amber/Green)</td>
<td>8%</td>
<td>5.02%</td>
</tr>
<tr>
<td>Delivery of Accredited Programmes</td>
<td>Are sufficient Accredited Programmes of appropriate quality delivered in time and in a manner that enables eligible service users to make progress in addressing their offending related needs?</td>
<td>58% (Red)</td>
<td>10%</td>
<td>0</td>
</tr>
<tr>
<td>Liaison with RO</td>
<td>Does liaison with ROs support offender management, risk management, enforcement, and sentence delivery.</td>
<td>65% (Amber)</td>
<td>10%</td>
<td>1.4%</td>
</tr>
</tbody>
</table>

* Note: in broad terms this is % of cases that meet required level of quality
Improvements over time will be rewarded

- **Illustration**: available profit awarded for Delivery of unpaid work over a period of 4 Quality Measure Audits where practice is improving over time

<table>
<thead>
<tr>
<th>Audit*</th>
<th>Score for UPW delivery QM</th>
<th>Improvement</th>
<th>Available profit awarded (max 16%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>63%</td>
<td>--</td>
<td>1.49%</td>
</tr>
<tr>
<td>2</td>
<td>69%</td>
<td>+6%</td>
<td>3.72%</td>
</tr>
<tr>
<td>3</td>
<td>75%</td>
<td>+6%</td>
<td>7.07%</td>
</tr>
<tr>
<td>4</td>
<td>81%</td>
<td>+6%</td>
<td>11.53%</td>
</tr>
</tbody>
</table>

*Note: following transition to quality measures – see slide 16*
Implementing quality measures: current thinking

- QMs will be assessed twice a year:
  - In first full CY no profit will be at risk. Purpose will be to assess current performance and provide opportunities for learning through audit findings and workshops.
  - In second full CY a lower proportion of profit will be at risk of reduction.
  - At start of third full CY quality measures will be fully implemented so full amount of available profit is at risk of reduction (i.e. 44% of available profit).
How we look at quality
Approach builds on an established approach to assessing quality

- Operational Assurance has been assessing quality of delivery since current contracts started (2015)
- Based on contractual requirements / expectations – not seeking a level of performance above that expected in contract and therefore costed
- Established approach and methods
- Based on actual practice on cases (case reviews)
- Skilled and experienced team of auditors
- Transparent
- Consistency a high priority because judgement based– see later slides
- Light touch for providers. Cases are assessed offline. To provide a broader view of performance, to triangulate case review findings and to provide a more helpful report, a small number of interviews with staff will be undertaken for alternate QM audits. Audits of UPW and Accredited Programmes may involve visits to placements / training centres.
- We liaise with HMIP under our MoU, to avoid duplicate/simultaneous demands and on how our quality assessments relate to each other
What we look at – Quality Measures are based on audits answering key questions (KLOE)

- Key Lines of Enquiry (KLOE) cover key aspects of the offender journey for a sample of service users.

- The Quality Measures KLOE are not intended to address every area of contracted operational delivery – the Authority (contract management and OSAG) will continue to assure other aspects of delivery via other contract management and assurance/audit activity.

- The Quality Measures audits and KLOE will address the overarching question: Does the provider deliver (Unpaid Work and Accredited Programmes) of sufficient quality and enable Responsible Officers (ROs) to manage offenders and deliver the sentences of the Court?

- Draft KLOE for each Quality Measure is set out on following slides.
KLOE - Are service users enabled to carry out appropriate and sufficient unpaid work to complete their hours as required?

• Is the induction of service users of sufficient quality, with equality and diversity issues addressed, to ensure they are allocated to suitable work placements?

• Are service users offered suitable and sufficient work to enable them to complete their hours?

• Is the quality of UPW placements appropriate?

• Does the quality of engagement with service users support progress towards completing the hours?
KLOE - Are service users enabled to carry out appropriate and sufficient ETE provision as part of Unpaid Work?

• Are service users’ assessed ETE needs addressed appropriately within Unpaid Work?

• Are service users provided with suitable and sufficient ETE opportunities as part of Unpaid Work to enable their assessed needs to be met?

• Is the quality of engagement with the service user, and the quality of ETE provision, sufficient to enable progress in addressing ETE needs?
What we look at – Draft KLOE – Delivery Accredited Programmes

KLOE – Are sufficient Accredited Programmes of appropriate quality delivered in time and in a manner that enables eligible service users to make progress in addressing their offending related needs?

• Are eligible service users offered timely and appropriate (depending on their needs) Accredited Programme appointments to complete their sentence requirements?

• Is the quality of engagement with the service user sufficient to enable progress towards addressing offending related needs?

• Are the programmes delivered to the quality and standards required to maximise the chances of addressing offending related needs (assessed in conjunction with audit on adherence to accreditation criteria)
What we look at – Draft KLOE – Liaison with ROs

KLOE - Does liaison with ROs support offender management, risk management, enforcement and sentence delivery?

At the start of orders/licences…
• Is there timely and appropriate liaison with ROs at the start of orders/licences to ensure that; sentence plans and requirements are deliverable and that information and assessments shared with IPs are used appropriately?

During the running of orders/licences…
• Is information relevant to compliance and enforcement clearly recorded and communicated to Responsible Officers as required?
• Is information relevant to risk management clearly recorded and communicated to Responsible Officers as required?

Note: This will link with elements of the UPW and Accredited Programmes quality measures and specification, and with Quality Measures for the NPS to assure the communication and provision of information / assessments to IPs is of the required quality.
Quality measures also cover NPS Dependencies

- We are also developing core quality measures drawn directly from the current case management audit, to look at the following:

<table>
<thead>
<tr>
<th>Measure</th>
<th>Definition</th>
<th>Covers (Examples)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delivery of sentence requirements and licence conditions</td>
<td>Is the sentence of the court delivered, including licence conditions/PSS requirements, as intended?</td>
<td>Whether ROs ensure contractors can start UPW within 20 BDs of sentence by prompt disclosure of risk information whether ETE needs identified in appropriate cases</td>
</tr>
<tr>
<td>Risk management</td>
<td>Are plans to manage and mitigate the risk of serious harm implemented, and any changes in risk identified and acted on appropriately?</td>
<td>NPS response to notified risk issues</td>
</tr>
<tr>
<td>Enforcement</td>
<td>Is the RO demonstrating sound professional judgement in their decision making about an individual’s compliance, and enforcing failures to comply appropriately?</td>
<td>Response to recorded/notified failures to attend or unacceptable behaviour</td>
</tr>
</tbody>
</table>
How is quality defined?

- Definition is rooted in contractual requirements
- Some elements of quality will be directly written into the contract, or in supporting instructions such as PIs
- This will likely be supplemented by a principle similar to Good Industry Practice, which appears in the current CRC contracts. We are reviewing how this concept will be expressed in the new contracts

Good Industry Practice

As defined in Schedule 1 of the current CRC contract: Good Industry Practice means that degree of skill, care, prudence and foresight and operating practice which would reasonably and ordinarily be expected from time to time of a skilled and experienced operator (engaged in the same or similar type of undertaking as that of the Contractor or any Subcontractor) under the same or similar circumstances taking into account guidance issued from time to time.

GIP = Based on the contract, referenced PIs, data recording technical notes, National Standards, Unpaid Work Manual etc
Methodology for assessing quality
OSAG methodology is robust and evidence-based

We use a number of tests to gather our evidence. This strengthens the evidence base and the resulting comprehensive reports help providers to improve:

- **Case reviews**
  - Most important source of evidence
  - Thorough review of cases: Delius, OASys
  - Sound approach to sampling: e.g. Sample sizes of around 150 UPW cases per Contracted Provider, fewer for Accredited Programmes as numbers are lower

- **Interviews**: with different groups of staff
- **Performance data**: analysis of published performance figures (SLs etc)
- **Analysis of policies**, procedures and other key Contracted Provider documents
- **Visits** e.g. to UPW placements

**Principle of triangulation**: any finding must be evidenced by results from more than one of these sources of information

A full UPW audit as described above will be applied once per year. Burden on providers is minimal. Alternate QM audits will consist of a remote case review.
Selecting the sample for review

- The generation of a ‘Long List’ of cases (selected by the Authority) that meet the required criteria
- This is based on starts or completions (depending on the measure) in a specified period.
- A random sample of cases (of sufficient size to allow confidence in the findings*) is selected at random from the Long List by OSAG
- Sample sizes are in line with the National Audit Office and with HMI Probation methodologies (around 150 cases)
- Sample is compared to the Long List to ensure we have a sample which is representative of the caseload on key features such as risk, gender, licence/community order
- The sample of cases to be reviewed is not shared in advance

* Samples are currently around 150 cases, but this will need to be reviewed based on volumes in new contracts
Ensuring assessments are consistent - Audit Staff

- Operational and audit experience
- Significant training programme, focussed on consistency of judgements on what constitutes above or below satisfactory
- Training includes benchmarking - all auditors assess same case and results are compared and discussed
- All auditors have 5% of their case reviews reviewed again by another auditor from outside the audit team/region
- Teams of 4+ on each audit
- Mixed teams to ensure no regional differences
Ensuring assessments are consistent - Audit methodology

- Subject to rigorous development and careful construction to ensure sound assessment of practice e.g. to ensure:
  - No ‘double jeopardy’ i.e. the same practice is not scored more than once in the methodology
  - Where a question is not relevant to circumstances in a case it is excluded from testing and scoring on that question
- Extensive guidance for staff
- Criteria on which audit is based is clear and transparent
Ensuring assessments are consistent - moderation

- Scores for each auditors on the same audit are compared with peers and moderated to ensure internal consistency
- Results for each audit are moderated in a meeting of all team members to ensure consistency across that team
- Further senior management moderation panel compares results across the country to ensure same standards apply from Cornwall to Cumbria
Building provider understanding

Authority is keen to build an understanding of what is required to meet the quality measures.

Options include:

- Sharing material that supports the audits: the key questions, what practice is required for each etc.
- Running workshops that providers can attend
- Offering secondments to Contracted Provider staff to work with OSAG. These staff would bring learning back into the provider organisations
Questions for participants

? Do the weights reflect the relative value of the area of delivery?

? Are the ‘no profit’ thresholds fair?

? Is the response to continued underperformance proportionate?

? Do you have any feedback on the approach to measuring quality?