DWP Provider Guidance ESF 2014 to 2020

Annex 9: Cohort Profiles and Management Information

Contents

Background

A9.1   This annex looks at the information we use to establish targets and profiles, and to monitor performance against those targets.

What We Measure

A9.2   Non Paid Outcomes:
- Referrals
- Starts

The unpaid outcomes DWP report against relate to the number of referrals to and starts on the provision.

A9.3   Paid Outcomes:
- Short job outcomes
- Sustained job outcomes

Customer Service Standards

A9.4   Customer Service Standards will be managed by the performance teams within DWP Work Programmes Division, including the DWP Compliance Monitoring Officers and Performance Managers supported by DWP Category Managers. Further information can be found in the T&Cs.

Minimum Performance Levels

A9.5   Once your provision has gone live, you will be required to deliver the following targets:

1. 100% of referrals either Start or 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)
2. 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
3. As a minimum the number of provision starts will never be below 85% of the cumulative starts profile
4. Cumulative referral backlogs must be below 2%
5. No one will be in backlog for over 40 working days from the date of referral
6. 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
7. 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

   8. All job outcome performance measures will include cumulative performance from day one of the contract

   Refer to Annex 1(Leeds, North East and D2N2) and Annex 1a (London) for additional Minimum Performance Levels for Wider Eligibility Groups.

A9.6 DWP will monitor and manage your performance compared to all of the MPLs in line with the Performance Management and Intervention Regime outlined in the Specification; T&Cs and Provider Guidance.

Backlog

A9.7 A backlog occurs when Start or Did Not Start or Attend information has not been recorded in PRaP within 20 working days of referral. The referral will remain in the backlog, until the relevant PRaP action has been taken.

A9.8 **Cumulative Backlog** refers to the backlog of referred participants (expressed as a percentage) which shall inevitably accrue if the provider fails to honour its Monthly Performance Level (i.e. a Start or Did Not Start action is recorded in PRaP within 20 working days of referral for 100% of referrals.

A9.9 **Referral** means details of a prospective participant recorded on PRaP by DWP in anticipation of provision start. Any such prospective participants will have been recruited by the provider, in accordance with the eligibility criteria and their details passed to DWP for the purposes of Referral.

How We Measure – Cohorts explained

What is a Cohort?

A9.10 A Cohort is simply a group of people. In this case a Cohort refers to all eligible people who start on ESF 2014-2020 provision during a month – a monthly Cohort.

A9.11 Monthly Cohorts can be added together to provide information about performance over a different length of time, such as a quarter, year, or the duration of a contract.

Why use Cohorts?

A9.12 Performance expectations are based on the number of outcomes we would expect from the actual number of starts, so targets reflect real information rather than being fixed on an assumption.

What makes up a Cohort in ESF?

A9.13 In the case of ESF 2014-2020, 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 relevant calendar month.

How We Measure – Profiles and Cohort Profiles

The challenge

A9.14 The journey through the programme takes many months and we need some way of measuring progress without waiting for the whole Cohort of starters to complete the participant journey.

The solution

A9.15 A Cohort represents one month of participants joining the provision. Over the lifetime of the contract, a given Cohort is expected to achieve a total minimum number of job outcomes. The speed of getting the job outcomes is determined by a profile.

A9.16 Once the number of participants in a given monthly cohort is known, the number of job outcomes expected from that cohort in subsequent months can be calculated.

A9.17 When more cohorts join the programme, the job outcomes they are expected to generate are added to those from previous cohorts to give a total number of expected job outcomes every month. Monthly totals are summed to give cumulative MPLs, including quarterly and annual.

Establishing the Monthly Start Cohort (Example 1)

A9.18 This is a simple example (Figure 1 below) showing the first 12 months of a programme, assuming that there will be the same number of referrals in each month. We've assumed there will be 100 provision referrals each month, with a minimum 80% conversion rate to successful starts.

A9.19 Starts have to be recorded within 20 working days so we've assumed that 75% of starts will occur in the month of referral, and 25% in the next calendar month. So from 100 referrals in January, we'd expect 80 starts in total, of which 60 would actually starts on the provision in January, and 20 in February.

A9.20 Because we've shown an equal number of referrals each month, each monthly start Cohort is also the same (80), except the first and last month where there is a run-on effect. In reality, volumes will fluctuate but this example has been used for illustration purposes.

Figure 1: Monthly Start Cohort (Example 1)

		1	2
Month		1	2
Starts (%)		75%	25%
MPL		80%	

	Referrals	Starts Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Total
Jan	100	60	20	0	0	0	0	0	0	0	0	0	0	0	80
Feb	100		60	20	0	0	0	0	0	0	0	0	0	0	80
Mar	100			60	20	0	0	0	0	0	0	0	0	0	80
Apr	100				60	20	0	0	0	0	0	0	0	0	80
May	100					60	20	0	0	0	0	0	0	0	80
Jun	100						60	20	0	0	0	0	0	0	80
Jul	100							60	20	0	0	0	0	0	80
Aug	100								60	20	0	0	0	0	80
Sep	100									60	20	0	0	0	80
Oct	100										60	20	0	0	80
Nov	100											60	20	0	80
Dec	100												60	20	80
Total	1200														
Start Cohort		60	80	80	80	80	80	80	80	80	80	80	80	20	960

Establishing the Monthly Start Cohort (Example 2)

A9.21 In this example (Figure 2 below) we've taken the same number of referrals over the 12 month period but have spread them unevenly throughout the year.

A9.22 This shows that variations in the number of referrals will impact on the number of starts we'd expect to fall in different calendar months, but the overall MPL (80% of 1,200 referrals across the year) remains the same.

Figure 2: Monthly Start Cohort (Example 2)

		1	2
Month		1	2
Starts (%)		75%	25%
MPL		80%	

	Referrals	Starts Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Total
Jan	90	54	18	0	0	0	0	0	0	0	0	0	0		72
Feb	105		63	21	0	0	0	0	0	0	0	0	0		84
Mar	120			72	24	0	0	0	0	0	0	0	0		96
Apr	95				57	19	0	0	0	0	0	0	0		76
May	85					51	17	0	0	0	0	0	0		68
Jun	90						54	18	0	0	0	0	0		72
Jul	130							78	26	0	0	0	0		104
Aug	80								48	16	0	0	0		64
Sep	140									84	28	0	0		112
Oct	90										54	18	0		72
Nov	100											60	20		80
Dec	75												45	15	60
Total	1200														
Start Cohort		54	81	93	81	70	71	96	74	100	82	78	65	15	960

Creating a Cohort Profile from the Start Cohort (Example 1)

A9.23 Job outcomes are slightly more complicated to profile, because outcomes are expected to occur in a larger number of months.

A9.24 A short job outcome can be claimed once a participant has been in work for 13 weeks. This means that for each monthly Cohort there cannot be any job outcomes in months 1-3, but will fall in subsequent months.

A9.25 So for this example we have profiled outcomes to occur from month 4 onwards. We have used the start profile based on 100 referrals each month, and a minimum performance level of 35% i.e. from this imaginary bid, 35% of all starts will achieve a Job Outcome.

A9.26 This is only an example (Figure 3 below) – actual outcome profiles will be based on your bid MPL and expectation of the length of time your participants' journey will take.

Figure 3: Creating a Cohort Profile from the Start Cohort (Example 1)

Month	1	2	3	4	5	6	7	8	9	10	11	12
Outcomes	0%	0%	0%	5%	13%	22%	14%	14%	12%	10%	10%	0%
Cumulative	0%	0%	0%	5%	18%	40%	54%	68%	80%	90%	100%	100%
MPL	35%											

	Starts	Outcomes Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Jan	60	0	0	0	1	3	5	3	3	3	2	2	0
Feb	80		0	0	0	1	4	6	4	4	3	3	3
Mar	80			0	0	0	1	4	6	4	4	3	3
Apr	80				0	0	0	1	4	6	4	4	3
May	80					0	0	0	1	4	6	4	4
Jun	80						0	0	0	1	4	6	4
Jul	80							0	0	0	1	4	6
Aug	80								0	0	0	1	4
Sep	80									0	0	0	1
Oct	80										0	0	0
Nov	80											0	0
Dec	80												0
Total	940												
In-month Outcomes		0	0	0	1	4	10	14	18	22	25	27	28

Creating a Cohort Profile from the Start Cohort (Example 2)

A9.27 Looking at a scenario where referrals (and hence starts) are less predictable we can see that we don't arrive at this steady state (Figure 4 below), because the number of starts is different each month, the number of outcomes expected in each month varies, so the in-month totals vary as well.

A9.28 This means that the in-month target takes account of any variances at the start of the process. The profile is built on the best information about the time it will take to achieve an outcome and the actual number of participants who have started the programme.

Figure 4: Creating a Cohort Profile from the Start Cohort (Example 2)

Month	1	2	3	4	5	6	7	8	9	10	11	12
Outcomes	0%	0%	0%	5%	13%	22%	14%	14%	12%	10%	10%	0%
Cumulative	0%	0%	0%	5%	18%	40%	54%	68%	80%	90%	100%	100%
MPL	35%											

	Starts	Outcomes Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Jan	54	0	0	0	1	2	4	3	3	2	2	2	0
Feb	81		0	0	0	1	4	6	4	4	3	3	3
Mar	93			0	0	0	2	4	7	5	5	4	3
Apr	81				0	0	0	1	4	6	4	4	3
May	70					0	0	0	1	3	5	3	3
Jun	71						0	0	0	1	3	5	3
Jul	96							0	0	0	2	4	7
Aug	74								0	0	0	1	3
Sep	100									0	0	0	2
Oct	82										0	0	0
Nov	78											0	0
Dec	65												0
Total	945												
In-month Outcomes		0	0	0	1	4	9	15	19	21	24	27	29

Cohort Based Profile (Example)

Figure 5: Cohort Based Profile (Example)

PRICING PROPOSAL DOCUMENTATION - European Social Fund (ESF) 4

PROVIDER NAME: 0

LEP NAME:

PART 4: Cohort Summary

ESF 4: Short Job Outcomes

Key:
Numbers to be input
Numbers calculated from elsewhere or pre populated

Stage 1: Volume of starts on European Social Fund Programme

Minimum number of starts	1400
Proposed number of starts	1,500

Month	Total	1 Jan-16	2 Feb-16	3 Mar-16	4 Apr-16	5 May-16	6 Jun-16	7 Jul-16	8 Aug-16	9 Sep-16	10 Oct-16	11 Nov-16	12 Dec-16	13 Jan-17	14 Feb-17	15 Mar-17	16 Apr-17	17 May-17	18 Jun-17	19 Jul-17	20 Aug-17	21 Sep-17	22 Oct-17	23 Nov-17	24 Dec-17	25 Jan-18	26 Feb-18	27 Mar-18
Starts	1500	50	55	60	70	70	75	75	75	75	75	70	50	50	70	65	65	65	55	50	40	50	50	40	30	30	40	

A9.29 The process for collecting this information in the Invitation to Tender is quite straightforward, but the spreadsheet for doing so is quite large – so it has been broken down into sections to work through step by step.

A9.30 There are 4 stages, but you only have to input information for the first 3.

A9.31 In stage 1, you are asked to input your profiled monthly starts for the duration of the contract. The total must agree with the proposed number of starts in the tender, and must be at least equal to the minimum number of starts specified in the requirement.

A9.32 The contractual target that cumulative referrals must not fall below 85% of the profile will be measured against these figures. However, short job outcomes and sustained job outcomes will be measured against the actual monthly starts – in other words the in-month targets reflect the actual number of starts, not the anticipated number.

Figure 6: Proposed Conversion Rate – Stage 2 and 3 (Example)

Stage 2: Conversion rate

Proposed Conversion Rate	35.00%	This is the % of starts that will convert into Short Job Outcomes

Stage 3: Profile for the length of time between starts and sustained job outcomes being claimed. Please ensure that the profile shows the date that the job outcomes are CLAIMED, not the month that the participant achieves the job outcome.

Month from Start	% Cohort Profile
1	
2	
3	
4	5.00%
5	15.00%
6	30.00%
7	20.00%
8	15.00%
9	5.00%
10	5.00%
11	5.00%
12	
13	
14	
15	
16	
17	
18	
19	
20	
21	
22	
23	
24	
25	
26	
27	
Total	100%	The cohort profile must sum to 100%

A9.33 Figure 6 above covers stages 2 and 3 of the process.

A9.34 Stage 2 is simply to input the percentage of starts that you have specified in your tender that you will convert into an outcome – this example looks at short job outcomes. There will be a similar sheet to complete for sustained job outcomes.

A9.35 The example shows a conversion rate of 35%, but this is for illustration purposes only. The actual figure will be whatever you have offered as part of your tender.

A9.36 Stage 3 is to input the estimated length of time it will take from starting on the provision to achieving the outcome. This should reflect your best estimate of the duration of the participant journey, which will depend on the nature of the support and the anticipated difficulty in overcoming the disadvantages the target group faces.

A9.37 As a Short Job Outcome can only be claimed once a participant has been in work for 13 weeks, it is not possible for any outcomes to be achieved in months 1 to 3.

A9.38 In the example above, a small number of short job outcomes are anticipated in month 4 – for this to happen they would have to enter employment in the first month from joining the provision, so this would represent participants who have barriers that can be addressed quickly.

A9.39 A further 15% of short job outcomes are anticipated in month 5; 30% in month 6 and so on. The total in this column must equal 100% - in other words it's the percentage of the cohort's short job outcomes that are expected in each month, not the percentage of starts that are expected to achieve the outcome.

A9.40 The tender pack contains a similar table for sustained job outcomes that works exactly the same; however, the conversion rate will be different. It will be lower than the conversion rate for short job outcomes and again must reflect the offer in the tender. Sustained job outcomes can only be claimed once the participant has been in work for 26 weeks, so the earliest a sustained job outcome can be profiled is month 7.

Figure 7: Proposed Conversion Rate – Stage 4 (Example)

Stage 4: Combining the conversion rate with the volume of starts and the cohort profile - Please note that there may be differences due to rounding of decimal numbers.

	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18
Starts	50	55	60	70	70	75	75	75	75	75	70	50	50	70	65	65	65	55	50	40	50	50	40	30	30	40	0
Outcome conversion rate	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%
End of cohort check target	18	19	21	25	25	26	26	26	26	26	25	18	18	25	23	23	23	19	18	14	18	18	14	11	11	14	0

(In Month Short Job Outcome Volume matrix — monthly rows Jan-16 through Mar-20; Total Short Job Outcomes = 525)

Please note: The last two months (highlighted in red) are beyond the end of the contract. Any outcomes profiled to be claimed in these months must be claimed before the end of the contract period in order to be paid.

A9.41 Stage 4 does not require any input from you. It will be populated from the starts input at stage 1, the conversion rate from stage 2, and the profile from stage 3.

A9.42 This matrix is quite large, so a smaller section has been included in the next example.

A9.43 However, do note the section highlighted in red. It is possible that the model of outcomes created by the profile will put some anticipated outcomes beyond the end of the contract. Only outcomes claimed in the contract period will be paid.

Stage 3: Profile for the length of time between starts and sustained job outcomes being claimed. Please ensure that the profile shows the date that the job outcomes are CLAIMED, not the month that the participa

Month from Start	% Cohort Profile
1	
2	
3	
4	5.00%
5	15.00%
6	30.00%
7	20.00%
8	15.00%
9	5.00%
10	5.00%
11	5.00%
12	
13	

Stage 4: Combining the conversion rate with the volume of starts and the cohort profile - Please note that there may be differences due to rounding of decimal numbers.

		Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17
Starts		50	55	60	70	70	75	75	75	75	75	70	50	50	70	65
Outcome conversion rate		35%	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%
End of cohort check target		18	19	21	25	25	26	26	26	26	26	25	18	18	25	23
In Month Short Job Outcome Volume																
Jan-16	0	0														
Feb-16	0	0	0													
Mar-16	0	0	0	0												
Apr-16	1	1	0	0	0											
May-16	4	3	1	0	0	0										
Jun-16	9	5	3	1	0	0	0									
Jul-16	14	4	6	3	1	0	0	0								
Aug-16	18	3	4	6	4	1	0	0	0							
Sep-16	20	1	3	4	7	4	1	0	0	0						
Oct-16	22	1	1	3	5	7	4	1	0	0	0					
Nov-16	25	1	1	1	4	5	8	4	1	0	0	0				
Dec-16	25	0	1	1	1	4	5	8	4	1	0	0	0			
Jan-17	26	0	0	1	1	1	4	5	8	4	1	0	0	0		
Feb-17	26	0	0	0	1	1	1	4	5	8	4	1	0	0	0	
Mar-17	25	0	0	0	0	1	1	1	4	5	8	4	1	0	0	0
Apr-17	24	0	0	0	0	0	1	1	1	4	5	7	3	1	0	0
May-17	22	0	0	0	0	0	0	1	1	1	4	5	5	3	1	0
Jun-17	21	0	0	0	0	0	0	0	1	1	1	4	4	5	4	1
Jul-17	22	0	0	0	0	0	0	0	0	1	1	1	3	4	7	3
Aug-17	22	0	0	0	0	0	0	0	0	0	1	1	1	3	5	7
Sep-17	22	0	0	0	0	0	0	0	0	0	0	1	1	1	4	5
Oct-17	22	0	0	0	0	0	0	0	0	0	0	0	1	1	1	3
Nov-17	20	0	0	0	0	0	0	0	0	0	0	0	0	1	1	1
Dec-17	19	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1

A9.44 This is an extract from Figure 6 and 7 to work through how the Cohort Profile is populated.

A9.45 Looking at the top section of the lower table, which is an extract from stage 4 of the spreadsheet, there are 50 starts profiled for January 2016. The conversion rate from the bid is 35%, so overall 18 short job outcomes are expected from this start cohort.

A9.46 From the profile information in stage 3 – which is shown in the smaller table in the top left corner - 5% of these 18 outcomes are expected in month 4. This equates to 1 short job outcome (bearing in mind that it has been rounded up) and the 4th month for the January Cohort is April. If you read down the column from January 16, there is 1 outcome in the April 16 row.

A9.47 15% of the 18 short job outcomes from the January 16 Cohort (i.e. a further 3 outcomes), are expected in month 5, which in this case is to May 16. There are 3 outcomes in the relevant cell.

A9.48 And so on until the profile has been completed.

A9.49 The body of the table shows how many outcomes from each Cohort of starts are anticipated in each calendar month of the contract. If, in reality, a different number actually start, the profiled outcomes will adjust accordingly.

A9.50 The figures on the left of the table show the in-month totals. For example, there are 22 short job outcomes profiled to be achieved in October 2016, which comprises 1 outcome from the January start Cohort, 1 from the February cohort, 3 from the March cohort, 5 from April, 7 from May and so on.

A9.51 As these are small numbers and for individual months you must be aware that the figure will have been rounded up or down.

A9.52 It is the achievement of actual total in-month outcomes compared to the profile that will form the primary focus for DWP Performance Managers to monitor whether you are achieving the actual outcomes necessary to meet the Job Outcome target specified in your tender.

A9.53 The detail of individual monthly Cohorts will be provided in management information so that if some calendar months or some Cohorts are performing better or worse than expected then the detail to identify this will be available to both you and Performance Managers.

A9.54 The final example at Figure 9 below shows a screen grab of the whole spreadsheet. This will be included for you to complete in the Invitation to Tender.

A9.55 In live running, your performance will be managed using monthly, quarterly, annual and cumulative year-to-date and contract-to-date information.

A9.56 DWP will produce management information based on PRaP data up to the last calendar day of each month, and the information will normally be available by the 20th of the following month – so data for the month of September would be available by 20 October.

Figure 9: Whole spreadsheet (Example)

PRICING PROPOSAL DOCUMENTATION - European Social Fund (ESF) 4	
PROVIDER NAME:	0
LEP NAME:	
PART 4: Cohort Summary	

ESF 4: Short Job Outcomes

Key:	
	Numbers to be input
	Numbers calculated from elsewhere or pre populated

Stage 1: Volume of starts on European Social Fund Programme

Minimum number of starts	1400
Proposed number of starts	1,500

Month	Total	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27
		Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18
Starts	1500	50	55	60	70	70	75	75	75	75	75	70	50	50	70	65	65	65	55	50	40	50	50	40	30	30	40	0

Stage 2: Conversion rate

Proposed Conversion Rate	35.00%	This is the % of starts that will convert into Short Job Outcomes

Stage 3: Profile for the length of time between starts and sustained job outcomes being claimed. Please ensure that the profile shows the date that the job outcomes are CLAIMED, not the month that the participant achieves the job outcome.

Month from Start	% Cohort Profile
1	
2	
3	
4	5.00%
5	15.00%
6	30.00%
7	20.00%
8	15.00%
9	5.00%
10	5.00%
11	5.00%
12	
13	
14	
15	
16	
17	
18	
19	
20	
21	
22	
23	
24	
25	
26	
27	
Total	100%

The cohort profile must sum to 100%

Stage 4: Combining the conversion rate with the volume of starts and the cohort profile - Please note that there may be differences due to rounding of decimal numbers.

Please note: The last two months (highlighted in red) are beyond the end of the contract. Any outcomes profiled to be claimed in these months must be claimed before the end of the contract period in order to be paid.