

Withdrawn

This publication is withdrawn.
The publication is no longer current.

Section 16a – Financial Procedures

This Section pertains to referrals to Work Choice made from 25th October 2015 until the commencement of the current contracts' extension period in England and Wales, and to referrals in Scotland up to 31st March 2017.

For guidance pertaining to all referrals to Work Choice in England and Wales made **during** the current extension period, specifically referrals from 25th April 2017 for contracts originally awarded in 2010, and from 7th April 2017 for Remploy, please see "Work Choice Provider Guidance: Post-April 2017" version which will be found on GOV.UK :

<https://www.gov.uk/government/collections/dwp-provider-guidance>

Contents

Introduction.....	1
Overview	1
The Service Fees	2
Short Job Outcome Fees	2
Sustained Job Outcome Fees	3
Claiming Job Outcomes	3
Employing Work Choice Participants	3
Short Job Outcomes - Definition.....	4
Sustained Job Outcomes – Definition	4
The Tracking period	5
Retentions	6
PRaP Operational Support Team (POST).....	6
Evidencing CEP Provider Payments for Work Choice.....	7
Claiming Short and/or Sustained Job Outcomes.....	7

Introduction

16.1. This section summarises the Work Choice funding approach, the use of the Provider Referrals and Payments (PRaP) system, outlining the action to be taken by individuals involved in the claims process.

16.2. You must also read Annex 1a of this Guidance which details the Work Choice-specific PRaP actions. You should refer to UPK/Tutor PRaP on-line Guidance, and [DWP Generic Provider Guidance Chapter 5](#)

Overview

16.3. As a provider delivering the Work Choice programme you will have won your contract(s) based on a competition that covered price as well as

quality. The price submitted in your successful bid forms the basis on which all subsequent payments will be calculated and paid.

16.4. The funding approach for the Work Choice Extension contract follows the Department for Work and Pensions (DWP) standard funding approach principles. There are three elements to the Services payable to the Prime Contractor by the Authority, these are:

- the Service Fee;
- the Short Job Outcome Fee;
- the Sustained Job Outcome Fee;

All subject to, and in accordance with, the provisions of your Contract.

The Service Fees

16.5. An important element of Work Choice is to provide not only support to those who have a chance of progressing into unsupported employment, but to support and provide a quality service to those for whom working without support is not a realistic option. In view of this we expect suppliers to maintain a minimum number of people on the programme at any one time.

16.6. The service fee is intended to provide you with a guaranteed monthly payment by way of contribution towards the delivery of the contract service and to meet fixed costs.

16.7. You will be paid a service fee in line with your agreed bid price and the amounts as agreed in the contract schedules. Service fee payments will be automated, when due, through the Provider Referral and Payment (PRaP) system, and will form the content of VAT compliant claim for processing through the self-billing function.

16.8. Service fees will be paid direct to your designated bank account monthly in arrears. Please see your contract.

Short Job Outcome Fees

16.9. You will be eligible to claim the Short Job Outcome Fee on achievement of a Short Job Outcome as defined below and in your contract.

16.10. Please refer to your contract for the final payment date allowable under your contract.

Sustained Job Outcome Fees

- 16.11. You will be eligible to claim the Sustained Job Outcome Fee on achievement of a Sustained Job Outcome as defined below and in your contract.
- 16.12. Please refer to your contract for the final payment date allowable under your contract.

Claiming Job Outcomes

- 16.13. It will be the responsibility of you, the provider, to report achievement of job outcomes/ sustained job outcomes to DWP and therefore initiate the claim for payment.
- 16.14. You will normally claim Job Outcomes via the Provider Referrals and Payments System (PRaP) and should refer to UPK/Tutor (available via PRaP on-line help) and Annex 1a of this guidance for details on the process for claiming job outcomes. Only staff who have been nominated by your organisation to have 'administrator access' are authorised to use PRaP to input data to generate claims for outcome payments on behalf of your organisation.
- 16.15. Before doing so you will need to satisfy yourself that the outcome meets the standard definitions, **as applied to Work Choice**, given in the paragraphs below.

Employing Work Choice Participants

- 16.16. DWP acknowledges that you may employ individuals who originally start out as a Work Choice participant. This is acceptable. However, the strategic intent of the Work Choice programme is to place participants into sustained employment that extends beyond the duration specified for performance and payment processes.
- 16.17. In that respect, DWP would not find it acceptable for you to continuously turnover your employee base with Work Choice participants merely as a means of enabling Job Outcomes to be reported and subsequent payments to be claimed.
- 16.18. This also applies to participants placed into a Supported Business (please see Sections 13 and 14 of this guidance for further information on Supported Businesses). The main aim of the placement within a Supported Business must be to eventually place that individual into sustained employment rather than exit from the Work Choice programme once that period of supported employment ends.

16.19. Evidence of preparing the participant to sustain open employment at the end of any short period of work or paid placement within your own organisation must be fully documented and retained for scrutiny by DWP.

Short Job Outcomes - Definition

16.20. In Work Choice short job outcomes may be claimed for **either** a **supported** or an **unsupported** outcome.

16.21. The definition of a short job outcome in Work Choice means continuous employment or self-employment which:

- the participant enters with or without the support of the Prime Contractor or one of its Sub-contractors;
- requires at least 16 hours of work per week;
- has lasted 13 weeks or more with no breaks in employment (or, in the case of a self-employed participant, they have traded independently for at least 13 weeks, as defined in Provider Guidance); and
- started prior to the participant leaving the Provision or (for an unsupported outcome) within the Tracking Period.

16.22. **Please Note:** you are not entitled to be paid for more than one short job outcome per participant for each period spent on your provision.

16.23. A period is defined as time spent on Work Choice between the formal “start provision” date, as recorded on PRaP, and the formal “end provision” date, as recorded on PRaP.

16.24. Short job outcome payments will be made on a unit price basis, which will be calculated by taking 25% of the total contract price and dividing it by the number of job outcomes that you have offered in your bid.

Sustained Job Outcomes – Definition

16.25. In Work Choice, a **sustained** job outcome may only be claimed for an **unsupported** job.

16.26. The definition of a sustained job outcome in Work Choice means continuous employment or self-employment (independent trading) which:

- started from the date of progression into unsupported employment
Note: progression means the point at which the participant leaves your Work Choice programme and continues in employment without your support;
- continues without the support of the Prime Contractor or its Sub-contractors;

- lasts for at least 26 weeks out of 30, starting from the date that Work Choice support is withdrawn (i.e. when the participant leaves the programme);
- requires at least 16 hours of work per week; and
- includes breaks in employment totalling no more than 4 weeks.

16.27. **Please note:** you are not entitled to be paid for more than one sustained job outcome per participant for each period on your provision.

16.28. A period is defined as time spent on Work Choice between the “start provision” date, as recorded on PRaP, and the formal “end provision” date, as recorded on PRaP.

16.29. Sustained job outcome payments will be made on a unit price basis, which will be calculated by taking 25% of the total contract price and dividing it by the number of sustained job outcomes that you have offered in your bid.

The Tracking period

16.30. The tracking period lasts for 6 weeks, and will commence from the day after a participant leaves a period of participation in Module One of Work Choice without a job, and has been exited from the programme via PRaP.

16.31. This six week period allows you to claim outcome payments for participants who have found unsupported work within six weeks of formally leaving your programme.

NOTE: the 13-week period of continuous unsupported employment for which a Short Job Outcome can be claimed must start within the Tracking Period. Very short periods of employment, or employment of fewer than 16 hours, that may precede the 13-weeks continuous employment start date can be disregarded.

[For example a participant may leave Module 1, a week later start a job which lasts for only two weeks, be unemployed for two weeks then start another job, *within the six week Tracking Period*, which lasts for at least 13 weeks. If this job meets the SJO definition at 16.21, above, an outcome payment claim can be made.]

16.32. Claims made for any start-date outside the Tracking Period will fail the sample check.

16.33. You should note: the tracking period applies only to **unsupported** jobs. Should a supported job offer arise after your participant has formally exited the programme, this would entail a return to Work Choice in order to enter Module Two (via Module One). You should advise your former participant to contact their DEA to discuss a re-referral to Work Choice - see [Section 7: Returning to the Programme](#).

- 16.34. However, should a firm supported job **offer** arise before exhaustion of Module One but, unavoidably, the actual **start date** falls outside of the maximum period permitted in Module One, you may be permitted to keep the participant in your programme until the transfer to Module Two can be effected. This is to avoid disadvantaging a Work Choice participant who needs your continued support.
- 16.35. Should this situation arise you must fully document the date the job offer was confirmed and liaise with your Performance Manager over how long a delay is considered reasonable, given the particular circumstances of the case. Your PM may permit a short “By Exception” extension considering all factors including the risk of a participant (e.g. someone with a fluctuating health condition) failing to sustain the job if unsupported, and having to go through the Retention and/or re-referral process.
- 16.36. PMs will hold a central register of their “By Exception” decisions for validation purposes and you should add a note within the Other Information box in PRaP that this is a claim that has been allowed by the Performance Manager; the name of the PM; and the reason why this claim has been allowed. Validators will cross-check information noted in PRaP against the information held in the register.

Retentions

- 16.37. You may be required to supply Work Choice support to employed people (who are in unsupported work), in order that they may retain their job. These may be newly disabled employees or employees whose existing disability-related support needs change in a way that affects their work. This is termed ‘Retention’. Full details are to be found in [Section 8](#) of this guidance.
- 16.38. Retentions are viewed as successful if, following your intervention; the employee sustains their employment with their existing employer for at least 26 weeks out of 30, **from the date that Work Choice support is withdrawn**. You will claim a sustained job outcome, as detailed above.
- 16.39. No short job outcome can be claimed for Retention, as the participant was already in work at the time they joined your programme, but they will be recorded as a participant and count towards your starts target.

PRaP Operational Support Team (POST)

- 16.40. The PRaP Operational Support Team (POST) will carry out administration and approval functions to support provider referrals and payments on PRaP (Further information and full details of the POST role can be found in: [The Provider Referrals and Payments user guide](#)).

Evidencing CEP Provider Payments for Work Choice

16.41. You should note the Work Choice job outcome definitions as set out above, and refer to the PRaP input procedures to be found in Annex 1a of this guidance. You should also refer to UPK/Tutor (available via PRaP on-line help).

16.42. Evidencing is discussed in Provider Payments Validation Team's (PPVT) Work Choice Live Running Memo 38, also see Payment Validation note, below.

Claiming Short and/or Sustained Job Outcomes

16.43. You should refer to the UPK/Tutor (available via PRaP on-line help) for details on the process for claiming short and/or sustained job outcomes.

Payment Validation

NOTE: The payment validation process will be found in the next section of this guidance, Section 17, which was issued by PPVT in September 2016.