

Withdrawn

This publication is withdrawn.

This publication is no longer current.

Department for Work and Pensions

Contracted Provision Live Running Memo

To: All Work Programme, Work Choice, Mandatory Work Activity, New Enterprise Allowance and Community Work Placement Providers

cc: Category Managers, Senior Performance Managers, Performance Managers

From: Andrew Thomas, Head of Work Programmes Division, Contracted Employment Provision Directorate

Memo: Serial Number: WP201

Date: 14/12/2015

Subject: Extrapolation and the PPVT1/PPVT14 Process

Action: For information and action

Timing: Immediate

Background

1. The purpose of this note is to confirm the understanding and the procedures the Department expect providers to take when claiming outcomes validated using a sampling and extrapolation approach.

Summary and action

2. Providers remain accountable for making sure that all outcomes are checked prior to claim and that all claims must be valid at the point of submission for payment. As such, providers should not need an extensive checking regime in place that validates their outcomes after the claim has been submitted to DWP.

3. By using error rates derived from checking a representative sample of claims and extrapolating this, the correct level of payment and performance will be attributed to a provider. It has, however, come to our attention that some providers may be continuing to ask the Department to remove or back out claims from PRaP for validation rounds where the sample has been taken. This action is contrary to the Department's expectation.

4. The Department will monitor volumes of backed out cases through Provider Assurance Team reviews and through Contract Performance Reviews. High volumes of backed out cases will be included as potential evidence of poor systems of internal control.

What does this mean in practice?

5. Where an error is identified by the provider before the process to draw a validation sample has commenced, providers can continue to request the claim be backed out – requests will be monitored. Evidence of high backing out rates will be a cause for concern and will be a consideration for DWP Performance Management discussions and Provider Assurance Team reviews.

6. Where an error is identified after the process to draw a validation sample has commenced, the Department would not normally expect a request to back out the claim as the error will be dealt with through the extrapolation of the error rate found from checking the validation sample. In such circumstances the claim or record/entry on the provider's system(s) should be annotated as such by the provider (cross-referencing to this memo). Providers should similarly annotate the claim on PRaP using the recently introduced free text field.

7. All cases that are likely to be invalid due to potential fraud should be notified to DWP immediately.

Further Information Contact Details

8. Whilst the PPVT 1 (for Work Programme) and PPVT 14 (for all other programmes e.g. NEA) processes remain available, (see [Generic Provider Guidance Chapter 5](#)) providers will want to note the Department's continuing expectation that use of this process should be minimal as providers are required to satisfy themselves of the validity of their claim before submitting.

9. To support providers, the Department has provided a timetable, at [Annex 1 attached](#), for sampling and extrapolation and will work with providers to remove / back out any cases identified as incorrect prior to the sample being taken.

10. If you require any further clarification on this memo, please contact your Performance Manager in the first instance.

Annex 1: DWP Sampling Timeframe

Providers are expected to ensure that all outcomes are checked prior to claim and that all claims must be valid at the point of submission for payment. Once claimed, DWP will extract a sample of cases for validation.

The table below outlines the DWP sampling timeframe for drawing the samples used for validation and then extrapolation.

Programmes	Sample is drawn (based on a working day calculation of 21 days per month)	We therefore don't expect claims to be backed out from:
Work Programme	Samples drawn from the 1 st working day of the month	the last working day of the previous month
Community Work Programme (CWP)	Sample drawn from the 6 th working day of the month	the 5 th working day of the month
Work Choice (WC), Mandatory Work Activity (MWA)	Sample drawn from the 11 th working day of the month	the 10 th working day of the month
New Enterprise Allowance (NEA)	Sample drawn from the 16 th working day of the month	the 15 th working day of the month

For example, using April and May 2015 as the working months

April 2015	May 2015
1 For Work Programme the sample will be taken from Wed 1st April	1 For Work Programme the sample will be taken from Fri 1st May
2 For CWP the sample will be taken from Wed 8 th April	2 For CWP the sample will be taken from Fri 8th May
3 For WC & MWA the sample will be taken from Wed 15 th April	3 For WC & MWA the sample will be taken from Fri 15th May
4 For NEA the sample will be taken from Wed 22 nd April	4 For WC & MWA the sample will be taken from Fri 15th May

Once the sample is drawn, the Department would not normally expect a request to back out the claim as the error will be dealt with through the extrapolation of the error rate found from checking the validation sample.

If you require any further clarification on this timetable, please contact your performance manager in the first instance.