

Chapter 16 - Performance Management and Compliance Monitoring

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Performance Management and Intervention Regime (PMIR)

1. DWP operates a robust performance management regime to hold Providers to account for performance offers within their contract. This Performance Management and Intervention Regime (PMIR) has been developed to support the delivery of Provision, and underpin your contract.
2. The aim is to ensure you meet the performance levels and customer service standards stipulated in your contract and where required take formal action against you, where you do not meet such performance levels and customer service standards.
3. DWP will manage your performance at the headline CPA level, the headline Devolution Deal Area (DDA) level, and at individual customer group level (disability, LTU and early access) in the CPA, and may take performance improvement action should your performance in any of these fall below the levels stipulated in your contract. We will also monitor the performance of the individual participant groups within the DDA in order to

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inform progress towards an outcome. These will be included in the regime as Performance Indicators (PIs).

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 - Senior Management Led
 - Level 4: Formal action - Senior Management Led
5. All levels of the Performance Management and Intervention Regime (PMIR) can run independently or concurrently. DWP will be able to take action at any level at any time.

Level 1: Performance Management Regime (PMR)

May include actions such as;

6. DWP holding regular Contract Performance Review (CPR) meetings with you which will focus on achieving contractual performance levels and customer service standards including but not limited to, on an in-month, rolling 3 month, rolling 12 month and cumulative basis, in line with the Contract from Day One.
7. Performance Management on both the quantitative and qualitative aspects of your contract. Other staff, including those 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

May include actions such as;

8. If Level 1 (PMR) shows that you may not achieve the performance levels and customer service standards set out in your contract, DWP Performance Managers may, but are not obliged to, undertake informal action, by requiring Providers to set up a performance Action Plan regardless of any DWP input. 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 improve the achievement of the performance levels and customer service standards in line with the Contract.
9. The Action Plan is to be populated by you and must fully address all concerns. The actions must be specific about the required improvement, and the improvements must be specific, measurable, achievable, realistic

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and time bound. An example of the Action Plan to be used is included at [Annex A](#)

Level 3: Informal action - Senior Management Led

Can take place regardless of any actions at L1 & L2 but may include actions such as:

10. If the remedial actions captured on the Provider Action Plan are unable to lift your performance in order to meet the performance levels and customer service standards in the Contract, the DWP Performance Managers can escalate this to enable DWP to undertake further informal action from a central point within DWP Performance Management Team, supported by DWP Commercial.
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 – Referred to DWP Commercial and Commercial Senior Management Led

12. At this stage DWP Commercial will take formal action to address the performance issues, considering and applying where applicable all the remedies available to DWP under the contract.

Performance Indicators

13. DWP will manage your performance against Performance Indicators (PI). These will include the individual participant groups within the DDA, and also the progress towards an outcome as informed by earnings commencement, and the £1,000 and £2,000 milestones. Where a PI potentially indicates a future failure of a tMPL, DWP may require you to

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develop an improvement plan to remedy this by issuing a Performance Indicator Course of Action Notice.

14. Subsequent failure of the improvement plan and/or tMPL does not remove or impact the rights and remedies available to the authority.

Cohort Profiles and Management Information

15. DWP will measure your performance using cohort measures, based on the information you provided as part of your tender and which has been incorporated in to your Contract.
16. The outcome definition for both employed and self-employed must have been met at or before 639 days from the Start Date. For self-employed outcomes, DWP will allow you until 700 days from the Start Date to submit a claim.
17. Performance data against these profiles will be taken from HMRC data, the Provider Referral and Payment system (PRaP) and, in the case of self-employed participants, from outcome claims submitted by you. DWP produces MI Packs on a monthly basis. The MI packs will contain the data input to PRaP regarding your customers, and cohort profiles performance against the performance levels and customer service standards in the Contract, and will allow the Department to monitor your performance across various time periods including cohort, rolling 3 months, rolling 12 months and cumulative from day 1 of the contract.
18. You will be required to provide a performance return containing key data that drives the performance of the Contract.

Local Engagement Meeting (LEM)

19. LEMs will be made up of DWP representatives from current and/or future DDAs as they are created within the CPA, and local area stakeholders including Jobcentre Plus. This will provide a forum in which we can discuss and support performance improvement, service delivery and service integration across the CPA and the DDA. At the sole discretion of DWP you may be invited to discuss performance at these meetings.
20. The agenda will include a discussion of your performance in the DDA and wider CPA, particularly relating to your integration with local services. The LEM is also an opportunity to discuss future direction and impact any changes affecting delivery of the provision.
21. The LEM will provide an opportunity to ensure that the Programme is helping the appropriate claimants in to work, and to address areas of concern. This may include discussion on referrals to you from Jobcentre Plus as well as the participants being signposted to Jobcentre Plus from

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external organisations. It will enable a collaborative approach to be taken between all stakeholders to contribute to the successful delivery of the programme.

Contract Performance Review (CPR)

22. The purpose of the Contract Performance Review (CPR) is to formally examine with you, your and your Supply Chains performance for individual contract(s). All relevant aspects of performance will be assessed against contractual requirements and outcomes.
23. The usual frequency of CPR is monthly, however this can be reviewed as advised by DWP in its absolute discretion..

Content of the CPR meeting

24. The CPR will focus on the ongoing achievement of performance levels and customer service standards and depending on priority issues for each meeting, is likely to cover some/all of the following areas:

This list is not exhaustive

- action points outstanding from previous meeting;
- performance
- expected future performance based on information available (e.g. earning commencements and current performance levels);
- review of Action Plan – including improvement expectations agreed at the last meeting;
- Sub-contractor (end to end performance) and Supply Chain performance;
- employer engagement;
- collaborative working (including Operational Process Updates);
- Decision Making and Appeals (DMA);
- participant experience;
- Compliance Monitoring;
- Performance Manager checks;
- exit feedback/CV/references; and

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- DWP policy changes – latest DWP memos.

Performance Requirements

25. The Performance levels you are required to deliver are set out in schedule 2 of your contract.
26. DWP will actively monitor the service you deliver against these performance levels. This will be done using a combination of IT-based management information and Compliance Monitoring checks. The following tables and paragraphs show the categories under which performance will be measured and managed and the standards which relate to the delivery of customer service.
27. The tender Minimum Performance Levels (tMPLs) are:

tMPL	1	CPA level tMPL. This is the headline performance target; a CPA-level % conversion rate taken from your tender offers for each of the separate customer groups. Performance will be measured and managed on a cohort profile basis.
	2	CPA level Disability Customer Group tMPL. This is the performance target for persons who have a disability attending WHP on a voluntary basis, taken from your tender offer. Performance will be measured and managed on a cohort profile basis.
	3	CPA level Early Entry Customer Group tMPL. This is the performance target for the Early Entry disadvantaged groups attending WHP on a voluntary basis, taken from your tender offer. Performance will be measured and managed on a cohort profile basis.
	4	CPA level LTU Customer Group tMPL. This is the performance target for the LTU group attending WHP on a mandatory basis, taken from your tender offer. Performance will be measured and managed on a cohort profile basis.
	5	DDA level tMPL

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	<p>The tMPL for the DDA will be measured both distinctly from and as part of the tMPL for the CPA (tMPL1). Performance will be measured and managed on a cohort profile basis.</p> <p>This is an aggregate of the performance against performance targets for each of the separate customer groups at DDA level; a DDA-level % conversion rate.</p>
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28. Please see the table at [Annex B](#) for more detail.

29. The following table shows the Customer Service Standards that will utilise IT based management information:

CSS	1	<p>a. 100% of 'Referrals' will result in a 'Participant Start' or failure to attend within 10 working days of referral.</p> <p>b. This activity will be recorded in PRaP within 15 working days of referral.</p>
	2	The supplier must acknowledge a 'Referral', within two working days of the referral, on PRaP.
	3	<p>No more than 4% of referrals will be in backlog.</p> <p>Backlog is defined as an accumulation of uncompleted work or matters needing to be dealt with. In line with CSS1, this would be a figure greater than 15 working days.</p>
	4	No single referral will be in backlog for more than 25 working days from date of referral.

30. The following CSSs will be measured via a sample-based Compliance Monitoring Regime:

CSS	5	The supplier must ensure that for all 'Participant Starts', an agreed Action Plan is in place within 20 working days of the referral.
	6	The supplier must send copy of the ESF1420 initial form to an agreed DWP address, by electronic means or otherwise, within five working days of date of participant signature.

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31. You are required to deliver the performance levels against these Customer Service Standards and those tender Customer Service Standards (tCSS) taken from your tender as are set out in Schedule 2 of your contract.
32. Each CSS will be monitored using the most appropriate method, either IT-based and/or Compliance Monitoring, from Day One; any failure to meet the agreed level for a CSS and/or tCSS may result in performance improvement action being instigated.
33. Please see the diagram at [Annex C](#) for more information.

None of the above precludes any and all rights or remedies available to DWP under the Terms and Conditions of the contract. The contract takes precedence

Compliance Monitoring

34. DWP Compliance Monitoring Officer's (CMO) perform regular evidence based checks to identify if Providers are adhering to the delivery models set out in their contracts, and to identify if all Providers are adhering to the delivery models set out in their contracts.
35. This includes checking samples of Participant records held by the provider for eligibility and activity. CMOs will check use of participant Action Plans and the quality of their content, as well as identifying whether participant engagement is in line with the programme/model (including for those participants who have moved to another CPA), and will check on DMA referral activity to ensure there is a consistent approach across the WHP.
36. In England CMOs will check that the ESF Regulatory Requirements, in terms of Marketing and Publicity; Sustainable Development; Equality and Diversity; Document Retention are being adhered to (electronic versions of all documents are kept; no paper copies will be accepted). Further information regarding ESF requirements can be found in the [Generic Provider Guidance Chapter 11b – ESF requirements 2014 – 2020 \(England Only\)](#) and also further information can be found in Chapter 18 - European Social Fund.
37. Further information regarding ESF requirements can be found in the [Generic Provider Guidance Chapter 11b – ESF requirements 2014 – 2020 \(England Only\)](#) 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.

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38. DWP will specify the location where the checks will take place and we expect them to be centralised in DWP locations. However, we retain the option for CMOs to carry out the checks in providers premises where DWP decides this is appropriate. All records must be available on the Provider system for inspection.
39. The sample of participants to be checked will be sent to Providers 5 days prior to the CMO checks being carried out. It is expected that Providers will undertake their own compliance checks on the sample and will return their completed checks to the CMO before the agreed compliance meeting date. This 5-day requirement is to ensure Providers can have fully informed discussions regarding the sample when the compliance checks are carried out.
40. You are expected to have the necessary remote IT equipment, which must comply with the relevant DWP policies as defined in the appropriate section of the Work and Health Programme Terms & Conditions, 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.
41. The sample of records to check will be selected randomly using a method chosen by DWP. The frequency, periodicity and size of the samples may change throughout the contract period. Where a supplier holds more than one WHP contract, a sample may be drawn from across a selection (up to and including all) of the supplier's WHP contracts (with the error rate being extrapolated across the claims from those contracts); from each contract (with the consequent error rate being extrapolated across the claims from the contract from which the sample was drawn); or through a combination of approaches.
42. All issues arising from CMO checks are reported to you and relevant DWP stakeholders. Contract review meetings with DWP Supplier Managers and Performance Managers will include discussions around compliance issues identified by CMOs.
43. DWP reserves the right to carry out physical checks on documentation as part of this process.

Performance Manager Checks

44. Performance Managers may undertake their own checks to complement those already undertaken by the CMOs, by looking more in depth at individual cases.
45. The checks focus on the participant's journey, seeking assurances that you are addressing the participant's barriers to employment, and to test that your approach is in line with your Contract.

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46. The checks may also include a ‘go-look-see’ approach where the PM will observe a range of activities, including jobsearch and the initial engagement meetings. These will not only be with the prime provider, but also end-to-end delivery partners and sub-contractors (if appropriate). PM’s may also undertake “deep dives” into specific areas to understand where there are specific areas of weakness. PM’s may also ask to attend sub-contractor end-to-end delivery and supply chain meetings, and accompany your Performance Managers on their meetings/visits to your sub-contractor and supply chain partners.
47. The findings from the checks will feed into a provider’s CPR meeting.

Evaluation and Reporting

48. Independent evaluation will be an important element of your Provision and you will be asked to co-operate in a range of evaluations commissioned by the DWP.
49. 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.
50. As part of this evaluation work, researchers may wish to visit and interview you and your sub-contractors and 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.
51. Advance notice will be given where your co-operation is required.
52. An end of project evaluation report will also be required, highlighting innovative delivery practices and achievements against the cross cutting themes.

Provider Assurance Team

53. The primary purpose of the Contracted Employment Provision (CEP) Provider Assurance Team (PAT) is to provide the DWP CEP Director with an assurance that provider systems of internal control are such that payments made to providers are in accordance with DWP and Treasury requirements.
54. PAT reviews and tests providers’ systems of internal control to establish how effective they are at managing risk to DWP in relation to CEP expenditure, service delivery and data security, including the arrangements they have.

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55. This work is carried out by the PAT by reviewing Providers' internal control systems to assess their ability to manage risk across four key areas:
56. Governance Arrangements – covering the Provider's governance arrangements, systems for tracking and reporting performance and their anti-fraud measures
57. Service Delivery – includes the Provider's systems for starting, ending and moving Participants through Provision and generally looks to ensure that DWP is getting the service it is paying for. This section also covers management of the supply chain
58. Claim Procedures and Payments – looks to ensure that Providers have in place effective systems to support their claims for payment, including appropriate segregation of duties
59. Data Security – looks to ensure that Providers have in place adequate systems to safeguard DWP data whilst it is being stored and/or transmitted around their organisations.
60. The PAT operates at a national level across all provision, enabling it to present CEP Providers operating across regions with a single view of the effectiveness of their systems; each Provider will have a nominated Senior Provider Assurance Manager and therefore a single point of contact within DWP for management of assurance related issues / concerns.
61. On completion of each review, you are awarded an assurance rating from the following four categories – weak, limited, reasonable and strong. You will also receive a formal report detailing the review findings including key strengths and areas for improvement; where weaknesses have been identified you are asked to complete an action plan setting out appropriate steps for improvement and this is followed up at an agreed point.
62. The timescale for a subsequent review is determined by several risk factors; these include your current assurance rating, the contract value and intelligence from internal stakeholders. Provider reviews are conducted over a period of up to 20 weeks. The resource allocated to each review depends on the complexity of the contract delivery.

Findings from each Provider Review

63. Findings from each review are routinely reported to the relevant category managers/supplier managers and other DWP stakeholders. Remedial actions may be taken in the following circumstances:
 - If, following a Weak or Limited Assurance level from the Provider Assurance Team, your subsequent assurance level is the same or

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worse for the same reasons, or you are awarded a consecutive third weak or limited assurance, regardless of the reasons

- Following a review, if you fail to submit and/or implement the Action Plan within the agreed timescale
- Where there are suspicions that you may be acting inappropriately, the team will refer to Internal Investigations as the experts trained in the legalities and techniques required to carry out formal investigations

64. DWP will periodically publish Provider assurance levels and names (note - this will not include reports or supporting information). This is to satisfy a commitment DWP made in response to a Freedom of Information request and to support DWP's commitment to public transparency.

65. The PAT will work with you to ensure that you understand what is expected and are, therefore, adequately equipped to develop robust systems to support your service delivery model throughout the duration of the contract (for further information please see [DWP Generic Provider Guidance, Chapter 6, Provider Assurance](#))

NOTE : Nothing in this Chapter shall amend any rights or remedies or obligations available to the Authority under the contract.

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Annexes

Annex A: Sample provider action plan



Provider Action
Plan.doc

Annex B: tMPL Diagrams



tMPL diagrams.doc

Annex C: tCSS Diagrams



tCSS diagrams.doc