




Chapter 9 – Financial Procedures

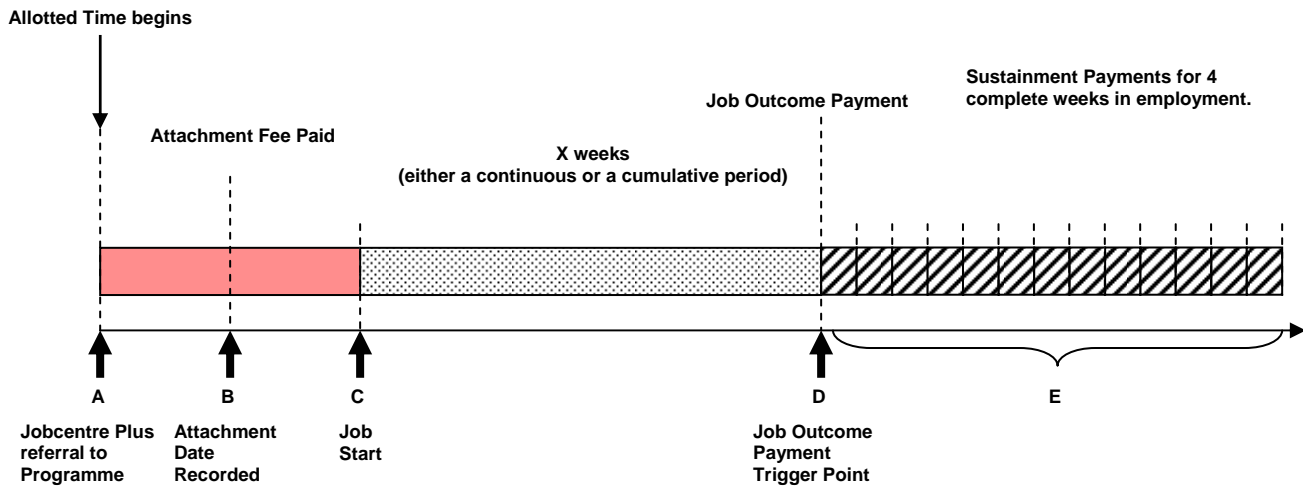
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Key

Payment Model – Payment Points

- Participant on benefits 
- Period counted towards Outcome Trigger Point. 
- Participant in Work & Provider receiving sustainment 



Introduction

1. This guidance describes the process you will need to follow from June 2011 for reporting payments until enhancements to the Provider Referrals and Payment (PRaP) system are implemented. Referrals and Attachments will be managed in PRaP with a clerical system for Job Outcomes and Sustainment Outcomes. The clerical system is a temporary arrangement until the next PRaP release.
2. **Please Note:** For participants who are designated as needing Special Customer Records (SCR), information that would normally be managed through the PRaP system will need to be managed and maintained clerically. In these circumstances you should follow the guidance contained within this section in conjunction with Generic Provider Guidance [Chapter 2](#) – Delivering DWP Programme Provision and Work Programme Guidance [Chapter 4 - Accepting Referrals, Initial Participant Engagement and Registering an Attachment](#).

Overview

3. The prices submitted in your successful bids forms the basis on which all subsequent payments will be calculated and paid.
4. The payment model for the Work Programme includes:
 - An Attachment Fee;

- A Job Outcome payment;
 - Sustainment Outcomes payments; and
 - Incentive Payments
5. The information detailed in the following paragraphs needs to be read in conjunction with [Work Programme Guidance Chapter 15 – Standard Definitions](#).

Attachment Fee

6. An attachment fee will be paid when attachment activity is completed.
7. Once you have completed attachment activity with the participant you will need to record the attachment in the PRaP system, which will trigger payment of the Attachment Fee.
8. You must record the attachment in PRaP and the actions needed to undertake this will be covered in the interim UPK Topic ‘Advise Start Provision Date’ which will be provided by the PRaP Operational Support Team.
9. ‘Date 1’ will be the date you are recording the attachment and ‘Date 2’ will be the anticipated end date of Provision.
10. The attachment date you record in PRaP must always be ‘today’s date’. This date may not necessarily be the date on which the two-way discussion actually took place.
11. You have a responsibility to ensure that attachments you report to DWP are valid. You are required to retain appropriate evidence to show attachment activity has taken place and that the attachment activity definition as detailed in the [Work Programme Guidance Chapter 15 – Standard Definitions](#) has been met in full. It is essential that you retain robust evidence of the two way conversation/action planning which supports the Attachment Fee payment. This evidence will be subject to validation/audit and the evidence must be retained in line with ESF document retention requirements.
Further details on the validation process of attachment fees to follow.
12. The attachment fee will be paid at different rates for each claimant group as defined in the Pricing Schedules (Appendix 8) of your contract, reflecting that some claimant groups will need more support. Please refer to the Pricing Schedule Guidance for further information.
13. Only one Attachment Fee will be payable for each participant, per period of Allotted Time.

Consequence If you do not record an attachment date on PRaP, you will not be paid an attachment fee. Failure to follow correct attachment procedures could result in a failure to meet ESF Requirements and lead to recovery of funds.

Job Outcomes

14. Until enhancements to PRaP have been implemented you will be required to clerically report the volume of Job Outcomes you would normally have submitted a claim for on PRaP on a monthly basis to DWP. Further details on how the reporting process will work are given at paragraphs 24 to 42. This should be read in conjunction with Generic Provider Guidance [Chapter 5 – Evidencing/Validating Payments – Job Outcomes & Sustained Job Outcomes](#).

Sustainment Outcomes

15. Until enhancements to PRaP have been implemented you will be required to clerically report the volume of Sustainment Outcomes you would normally have submitted a claim for on PRaP on a monthly basis to DWP. Further details on how the reporting process will work are given at paragraphs 24 to 42.

Incentive Payments

16. Incentive payments will be made for Job Outcomes delivered above specified rates of conversion of referrals into paid Job Outcomes for payment groups 1, 2 and 6.
17. The non-intervention performance profile is set out below. This reflects the number of job outcomes that would be expected to occur in the absence of the Work Programme, and is calculated by DWP based on analysis of historical job entry rates.

Conversion rates above which incentive payments will be made							
Jobs / Referrals	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
JSA 18 to 24	5%	30%	40%	40%	40%	30%	10%
JSA 25 and over	5%	25%	30%	30%	30%	25%	5%
ESA Flow	5%	15%	15%	15%	15%	10%	5%

18. Incentive payments will be paid to Providers who deliver high performance for the payment groups in the above table. They will be made for outcomes achieved that:

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- meet the Job Outcome definition at paragraph 29; and
 - are beyond the incentive payment trigger level, defined as non-intervention performance plus 30% (for the year the Job Outcome was achieved).
19. Incentive payments due in a financial year will be paid annually within 30 days of the end of that financial year.

Please Note: The first Incentive Payments will be made in year 5 (2015-2016) using year 4's (2014/2015) performance and will not be applicable during the interim period.

Self Employment

20. You cannot claim an outcome until a participant is off benefit and trading independently. Once a participant has traded independently for 13 or 26 weeks (and provided the job meets the relevant outcome definition) you will be entitled to claim a Job Outcome payment. You will be entitled to claim Sustainment Outcomes for each additional 4 continuous week period a participant trades independently.

Subsidised Employment

21. Periods of subsidised employment count towards the qualifying periods for Job Outcomes and Sustainment Outcomes, including participants employed by you provided that the relevant outcome definitions are met in full.

Employing Work Programme Participants

22. DWP acknowledges that you may employ individuals who originally start out as a Work Programme participant. This is acceptable. However, the strategic intent of the Work Programme is to place participants into sustained employment that extends beyond the duration specified for performance and payment purposes.
23. In that respect, DWP would not find it acceptable for you to continuously turnover your employee base with Work Programme participants merely as a means of enabling Job Outcomes to be reported and subsequent payments to be claimed.

Reporting of Outcomes Achieved

24. From June 2011 and until PRaP upgrades have been implemented you will be required to report, on a monthly basis, Job Outcomes and Sustainment Outcomes that you achieve, on the Work Programme Outcome Reporting Form (WPORF1). This process is detailed in paragraphs 25 to 32. You have a responsibility to ensure that the outcomes you report to DWP are valid and can be supported by

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evidence detailed at paragraph 40. Following the PRaP upgrade, you will have to input these outcomes and supporting evidence onto PRaP.

25. The Work Programme Outcome Reporting Form will be sent to your nominated email address by DWP in advance of the first period (September 2011) in which potential outcomes are due to be reported.

Please note: if you have not received the form by this time you will need to inform DWP via the following email address:

WORKPROGRAMME.INTERIMREPORTING@DWP.GSI.GOV.UK

26. The Work Programme Outcome Reporting Form is an Excel based spreadsheet.
27. Page 1 contains notes to help you with the completion of page 2.
28. The second page is divided into 3 parts:

Part 1: The fields within this part of the form (detailed below) will be pre-populated by DWP prior to you receiving the form.

- Unique Identifier;
- Provider Name;
- CPA;
- Contract Go-live Date; and
- VAT Registration Number

You are required to select the appropriate reporting period by using the drop down facility provided (as shown below)



Part 2 (Summary of outcomes): In this part you are required to report by individual Claimant Group the total number of outcomes you have achieved in the reporting period (as detailed in Part 1 of the form).

Part 2		Job Outcomes	Sustainment Outcomes				
PG	Claimant Group		SO 1	SO 2	SO 3	SO 4	SO 5
1	WP JSA 18-24						
2	WP JSA 25+						
	WP Pension Credit						
3	WP JSA Early Access						
	WP JSA NFFT						

Part 3 Provider declaration: Your declaration that the outcomes you have reported meet with the relevant Work Programme outcome definitions.

Part 3	
Provider declaration	
<ul style="list-style-type: none"> I declare the job outcomes and sustainment outcomes reported above fully meet the relevant outcome definitions as detailed in Provider Guidance and are valid I confirm evidence as detailed in Provider Guidance to support the outcomes reported above has been retained I understand the outcomes reported above will be used to make a monthly payment and for DWP internal management information purposes 	
Prepared by (full name)	<input type="text"/>
Date	<input type="text"/>
Approved by (full name of authorised signatory)	<input type="text"/>
Date	<input type="text"/>

29. Job Outcomes:

A Job outcome payment can be claimed when:

- There has been a either continuous or cumulative period of employment (Job Outcome payment trigger point) as defined for each claimant group in [Annex 1](#);
- A participant has been in employment and off benefit in each week of the period (a week is defined as a 7 day period); and
- The Job Outcome is after the Job Start date, i.e. a Job Outcome payment can only be claimed when a participant starts a Job after Attachment Activity has been recorded on DWP prescribed IT or clerical system.

Please Note

- This period begins to accrue from and including the Job Start date;
- Only one Job Outcome payment can be claimed for each participant per period of allotted time. Outcomes can include self employment and subsidised employment;
- The days counted towards the cumulative period of employment for a job outcome can be isolated days, blocks of days or weeks;
- Where a single day or accumulation of days within a week, from each job start day, removes a full seven days of benefit (there is no claim to benefit) the full seven days (one week) can be counted towards the job outcome;
- Days in work that do not remove a claim for a whole weeks benefit will be counted for each day that benefit is not claimed. (Employment of less than a week can never count as more than a week of 'no claim').
- Following a break in employment after the 104 weeks Allotted Time you will no longer be eligible to receive a Job Outcome payment (a break is defined as when a participant leaves employment for 2 calendar days or more, even if they remain off benefit).

30. Sustainment Outcomes:

Sustainment Outcomes can be reported when:

- A Job Outcome has been reported;

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- Four continuous weeks in employment have elapsed between the job outcome payment date and the Sustainment Outcome payment date, or between the previous sustainment outcome payment and the current sustainment outcome payment date;
 - A participant has been in employment and off benefit each week (a week is defined as a 7 day period) in the four week period; and
 - 15 working days have passed since the date of the Sustainment Outcome period being reported.
-
- 31. You can report up to the maximum number of Sustainment Outcomes as outlined in [Annex 1](#).
 - Following a break in employment after the 104 weeks Allotted Time you will no longer be eligible to receive a Sustainment Outcome payment (a break is defined as when a participant leaves employment for 2 calendar days or more, even if they remain off benefit).

Submitting the Work Programme Outcome Reporting Form

32. You will be required to return the completed WPORF1 via e-mail to the following DWP email address WORKPROGRAMME.INTERIMREPORTING@DWP.GSI.GOV.UK, within 5 working days from the end of the reporting period. Details of the reporting periods are shown at [Annex 2](#).

Please note: Where you have no outcomes to report you are required to submit a 'Nil Return'.

DWP Action on Receipt of Work Programme Outcome Reporting Form

33. Once the WPORF1 has been received, DWP will undertake reasonableness checks on the numbers you have reported. The checks will compare the outcomes you report against Attachments you have recorded and benefit off-flows to highlight any potential errors. DWP will contact your authorised personnel to discuss any discrepancies.
34. Once DWP has checked and cleared the report, it will be referred for payment.
35. DWP will calculate the amount owing and make payment of eligible outcomes reported within thirty calendar days to Providers.
36. The information on Job Outcomes and Sustainment Outcomes you report to DWP will be used for internal management information (MI) and for making outcome payments. Once PRaP has been upgraded payments will be paid via PRaP and MI will be accessed from the system.

Retention of Supporting Evidence

37. You are required to retain robust data to support every claim, and will be required to input all outcomes you have been paid for to PRaP once it is upgraded. You must adhere to European Social Fund (ESF) Requirements on document retention when developing these systems and controls, further details are available in Generic Guidance Chapter 11- ESF Requirements.
38. In order to do this, you will need to put in place whatever systems you deem appropriate in order to track participants and ensure that they have commenced and/or remained in employment that meets the job outcome definitions as specified at para 29 & 30.
39. You will also be expected to maintain a robust system of internal control which must include appropriate checks, monitoring arrangements and adequate records to demonstrate that you are entitled to make the claim. The records maintained need to be sufficient not only to support any claim for Job Outcomes/Sustainment Outcomes but also to allow internal management checks and independent validation for example by DWP and other external bodies. The records maintained should document how and when the employment information was obtained.
40. The information you will need to retain for each job must include:
- Whether the job is employment or self-employment;
 - Job Title(s);
 - Job start date(s) and if applicable End date(s);
 - Start and end date(s) of the Sustainment Period(s)
 - Working pattern/Shift pattern;
 - Employer/company name and full address;
 - Employer contact name;
 - Full business telephone number and e-mail address of employer contact;
 - Participant Contact Details;
 - Claimant Group;
 - Payment Group;
 - Participant Consent to contact Employer (please see [Generic Guidance Chapter 5 of the– Evidencing / Validating Payments](#) for information on participant consent); and
 - An employee identifier such as works or payroll number.
 - Optionally, you may also include the employer contacts full mobile telephone number.
41. In order to support these processes and to comply with Data Protection legislation you will need to ensure that you have the participant's written, informed consent allowing DWP to contact their employer/s directly. It is your responsibility to obtain this consent and to determine the optimum time for obtaining it. The participant consent form, **which cannot be**

altered in any way because it contains the appropriate legal wording, can be found at Annex 1 of [Generic Guidance Chapter 5 – Evidencing / Validating Payments](#). The declaration should be completed and signed by the participant and kept on file in your premises.

Input of Stockpiled Claims

42. Following the PRaP upgrade, DWP will agree a period by which time all stockpiled claims will be input to PRaP including the data outlined in paragraph 40.
43. **The process for input of all stockpiled claims will follow.**

Validation of Claims

44. DWP will conduct a 100% automated pre-payment validation (off-benefit) check on all stockpiled claims when they are input to PRaP. For Job Outcomes this is detailed in Generic Guidance [Chapter 5 – Evidencing/Validating Payments](#).
45. All claims for Sustainment Outcomes will then be subject to the payment validation checks as detailed in paragraphs 46 to 51 below.

Pre payment validations (off-benefit check) for Sustainment Payments

46. Before an outcome payment is made checks will be undertaken to confirm that a participant is off benefit. This is in the form of an automated cross reference with details held in PRaP against information held in the Customer Information System (CIS) to assess whether a participant is off out of work benefits (Jobseekers Allowance (JSA), Employment and Support Allowance (ESA), Incapacity Benefit (IB) & Income Support (IS)).
47. If the check does not confirm that the participant is off-benefit then the claim is invalid and payment is not made. The details are then 'backed-out' of PRaP by the Provider Payment Validation Team (PPVT), refer to para 52 for further details.

Post payment validations of Outcomes

48. For all claims that pass pre payment validation checks and are subsequently paid, a sample will be selected and further checks will be done to confirm that the individuals in the sample are also in employment. Claims will be subject to verification by contacting the employer or the participant, using the information supplied by you in the claim.

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49. There will be no limit placed on the number of times PPVT will attempt to contact an employer or participant during the post payment validation process. However, we expect to be able to tell you roughly at the end of each two month period how many claims have been validated from the previous two month period. Failure to contact an employer/participant during this time will not be classed as a fail and will not therefore impact the payment already made to you.
50. There are three possible outcomes; pass, fail or unable to validate.
- Pass: the employer and/or participant confirm the employment details. No further action is taken;
 - Unable to validate: PPVT have been unable to make contact with the employer or participant. No further action is taken; or,
 - Fail: the employer or participant does not confirm the employment details. We will recover the individual payment and any related sustainment outcome payments.
51. If PPVT establish the sustainment outcome check has failed, that payment AND any related invalid payments will be recovered and 'backed-out' of PRaP. They will then become available for you to claim again at some point in the future should you find that you subsequently achieve valid Sustainment Outcomes for the same individual. However, you should be aware that DWP will keep management information regarding this process (particularly claims that have failed the post payment validation and those it had been unable to validate) and this will be fed into performance managers and to inform other activities that may then take place, e.g. claims that are constantly rejected could indicate a weakness in providers' systems and feedback of this nature may therefore inform Provider Assurance Team activities (see Generic Guidance Chapter 6 - Provider Assurance for more information).

PRaP Operational Support Team (POST)

52. The PRaP Operational Support Team (POST) will carry out administration and approval functions to support Provider referrals and attachment payments on PRaP.

Irregularities / potential fraud

53. You have responsibility to minimise the risk of fraud within the programmes you deliver. Funding should be safeguarded against fraud and serious irregularity on the part of your directors, employees or subcontractors. Such abuse would include false or misleading claims for attachment fees and outcome payments, whether designed to gain immediate financial advantage or overstate performance.

54. Deliberate and/or persistent non-compliance with prescribed standards of delivery would also be subject to investigation if a possible financial impact was identified.
55. In such instance DWP may contact you to pursue enquiries relating to potential abuses of funding. Their remit will be, primarily, to investigate fraud and financial irregularities but it can in certain circumstances extend to non-compliance with contract and guidance.
56. You should therefore ensure that all staff involved in the delivery and management of contracts are fully aware of the risks and consequences of any falsification, manipulation, deception or misrepresentation. Occurrence of fraud within any individual programme could lead to the termination of all contracts held by you as well as civil or criminal proceedings against those implicated.

Annex 1

Benefit Type	Payment Group	Claimant Group	Job Outcome paid week:	Sustainment payment (4-weekly) from week:	Sustainment: maximum amount of 4 weekly payments
JSA	1	WP JSA 18-24	26	30	13
	2	WP JSA 25+	26	30	13
		WP Pension Credit			
	3	WP JSA Early Access	13	17	20
		WP JSA NEET			
		WP JSA Claiming 22 of 24Mths			
	4	WP JSA Ex-IB	13	17	20
ESA	5	WP ESA (c) WRAG Mandatory	13	17	20
		WP ESA (c) WRAG Voluntary			
		WP ESA Credit Only			
		WP ESA (IR) WRAG 12Mth Mandatory			
		WP ESA (IR) WRAG 12Mth Voluntary			
		WP ESA (IR) WRAG 3/6Mth Stock			
		WP Pension Credit – Health Issues			
	6	WP ESA (IR) WRAG 3/6Mth Mandatory	13	17	20
		WP ESA (IR) WRAG 3/6Mth Voluntary			
		WP ESA (IR) Support Group			
		WP ESA (c) Support Group			
	7	WP ESA (IR) WRAG 3/6Mth Mandatory Ex-IB	13	17	26
		WP ESA (IR) WRAG 3/6Mth Voluntary Ex-IB			
		WP ESA (IR) Support Group Ex-IB			
		WP ESA (c) Support Group Ex-IB			
8	WP IB and IS Volunteer	13	17	13	

Outcome Reporting Periods

Period	From	To	WPORF1 Returns Due in to DWP by
1	01/09/2011	30/09/2011	07/10/2011
2	01/10/2011	31/10/2011	07/11/2011
3	01/11/2011	30/11/2011	07/12/2011
4	01/12/2011	31/12/2011	09/01/2012
5	01/01/2012	31/01/2012	07/02/2012
6	01/02/2012	29/02/2012	08/03/2012
7	01/03/2012	31/03/2012	06/04/2012
8	01/04/2012	30/04/2012	07/05/2012