

## Worked example of how the Star Rating is calculated

### Job Outcome KPI

Please note: Star Rating is calculated to three decimal places. For clarity this example works out to a whole number.

Step 1 – Relative Assessment: Contract A has been assessed against the three customer groups as follows:

- 18-24 year old customer group - 4<sup>th</sup> highest, which gives 21 points
- 25plus year old customer group - 10<sup>th</sup> highest, which gives 15 points
- Voluntary customer group - 7<sup>th</sup> highest, which gives 18 point

Therefore Contract A has achieved a total score of 54 for this KPI.

Step 2 – Star Rating Points: In the conversion to Star Rating points it is the percentage of points achieved rather than the number that is important. We convert the score into Star Rating Points as follows:

Contract A has scored 54 out of a possible 72 (24 x 3) points, therefore they have achieved 75% of the total number of points they could have achieved (54 being 75% of 72).

We now convert this score to Star Rating points (maximum 100) as follows. Job Outcomes comprise 40% (40 points) of the total available Star Rating points and Contract A has achieved 75% of that 40% which is 30 Star Rating Points (75% of 40).

### Sustained Job Outcome KPI

Step1 – Relative Assessment: Contract A has been assessed against the three customer groups as follows:

- 18-24 year-old customer group - 10<sup>th</sup> highest which gives 15 points
- 25plus year-old customer group - 15<sup>th</sup> highest which gives 10 points
- Voluntary customer group - 14<sup>th</sup> highest which gives 11 points

Therefore Contract A has achieved a total score of 36 for this KPI.

Step 2 – Star Rating Points: In the conversion to Star Rating points it is the percentage of points achieved rather than the number that is important. We convert the score into Star Rating Points as follows.

Contract A has scored 36 out of a possible 72 (24 x 3) points, therefore they have achieved 50% of the total number of points they could have achieved (36 being 50% of 72).

We now convert this score to Star Rating points as follows. Sustained Job outcomes comprise 30% (30 points) of the total available Star Rating points and Contract A has achieved 50% of that 30% which is 15 Star Rating Points (50% of 30).

## Quality KPI

Let us assume that Contract A has been given the following:

Key Question 1 – Marking of Outstanding which is 20 points

Key Question 2 – Marking of Good which is 10 points

Key Question 3 – Marking of Good which is 10 points

Key Question 4 – Marking of Outstanding which is 20 points

Key Question 5 – Marking of Good which is 10 points

This gives a total of 70 points. This KPI comprises 20% of the Star Rating score, so to convert the points to Star Rating points this time we multiply 70 by 0.2 which gives a Star Rating Points score of 14.

## Compliance and Contractor Issues KPI

Let us assume that Contract A has been given a Compliance marking of Good which equals 40 points and a Risk Rating of Substantial Assurance, giving 30 points, making an overall score for this KPI of 70 points. This KPI comprises 10% of the Star Rating score so to convert the points to Star Rating points we multiply the total score of 70 (40 + 30) by 0.1 which gives a Star Rating points score of 7.

## Awarding the Star Ratings

The Star Rating points for the four KPIs are added together and the total tells us how many Stars are awarded. In the example of Contract A the totals are:

Key Performance Indicator	Star Rating Points Achieved
Job Outcomes	30
Sustained Job Outcomes	15
Quality	14
Compliance and Contractor Issues	7
<b>Total</b>	<b>66</b>

Contract A has a total of 66 Star Rating Points. This means they have achieved a Star Rating of **3 Stars**.