# Managing external service providers

Key challenges and lessons learnt are identified through the compliance monitoring regime which recognises the need to ensure providers meet minimum requirements and contractual obligations.

The performance management team undertake regular checks to ensure standards are maintained. A national partnership forum also takes place to ensure provider views and insight are obtained to improve the processes/delivery.

<table>
<thead>
<tr>
<th>Name of the PES</th>
<th>Jobcentre Plus (JCP)</th>
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<tbody>
<tr>
<td>Scope of measure (a pilot project or a national reform)</td>
<td>Programme specific contracts are set between the Department of Work and Pensions (DWP) and each prime provider, setting out expectations in terms of performance, quality and delivery. The programme specific contract can be at a wider national level or at a small scale local level through the Flexible Support Fund. Any mechanism used would need to adhere to the Performance Management Regime and Performance Improvement Framework in order to ensure that it follows a standard process for the monitoring of welfare to work provision.</td>
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<tr>
<td>When was the practice implemented?</td>
<td>Since 2014 recommendations from the Building Best Practice Report have been implemented.</td>
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<td>What was the driver for introducing the practice?</td>
<td>External</td>
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<td>Was it internal or external?</td>
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<td>Which organisation was involved in its implementation?</td>
<td>JCP</td>
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<td>Which groups were targeted by the practice?</td>
<td>External service providers</td>
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<tr>
<td>What were the practice’s main objectives?</td>
<td>Ensuring performance, quality and delivery of services that are contracted-out to external providers</td>
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### What activities were carried out?

For the management of external service providers programme specific contracts between the JCP and each prime provider exist, setting out expectations in terms of performance, quality and delivery. In addition, there are overarching generic and programme-specific provider guidance forming part of the contract between the JCP and providers and giving detailed instructions for end-to-end delivery. The Performance Management Regime Guidance provides clarity on intervention points and actions to be taken in the event of under-performance, and Minimum Service Standards set out expectations for the quality of provider delivery. The Performance Management Regime and Performance Improvement Framework ensures that performance managers of JCP use a standard process for monitoring welfare-to-work provision. The arrangements are based around monthly analysis of management information, performance management, quality assessment and participant satisfaction feedback. The risk assessment approach implies that the JCP conducts appropriate interventions where required, in addition to formal regular reviews. Resources to manage the contracts are targeted towards the newer contracts and those that are performing poorly against contract targets. To this end, there are:

- Monthly Contract Performance Reviews between DWP and the provider (CPRs);
- Provider Assurance Team (PAT) Reviews undertaken to ensure the provider has suitable controls and governance arrangements in place;
- Regular Compliance Monitoring Checks to ensure providers are complying with processes and meeting minimum standards;
- Monthly Performance Dashboards including a range of relative performance information to enable the provider to compare their performance to that of other providers;
- Publication of programme specific performance through statistical release, thus improving transparency;
- Validation checks ensuring outcome claims are valid;
- Defined escalation routes through established governance and board structures.

### What resources and other relevant organisational aspects were involved?

The PES used the Contracted Employment Provision Directorate (CEPD) which supports the government agenda to move people into employment through the effective management of the DWP’s contracted provision, delivered by private, public voluntary and community sector organisations. In addition, CEPD use a Performance Improvement Framework and Provider Assurance team as well as a compliance monitoring team.

### What were the source(s) of funding?

National budget

### What were the outputs of the practice: people reached and products?

Most of the outcomes would be commercial, in confidence between CEPD and the relevant contracted organisation. Regular reviews are carried out to ensure the supply chain is working effectively.

### What outcomes have been identified?

More effective management of contracted service provision

### What are the lessons learnt and success factors?

Any lessons learnt would be fed back within CEPD to inform and improve future contracted-out delivery and provision.

### Contact details for further information

**Name:** ZUBAIR, Ann, Business Support Manager  
**Address:** DWP Work Services Director’s Office  
7th floor Caxton House, Tothill Street, London SW1H 9NA