



Education & Skills  
Funding Agency

# Funding rules for the National Careers Service

This document sets out the rules for funding and associated evidence needed for the National Careers Service Area Based Contracts which apply from 1 October 2018

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## Definitions

Term	Definition
Area	Means the area in respect of which the Prime Contractor is appointed to supply the Services, as more particularly described in the map set out in Schedule 1 to the Terms and Conditions.
Area Based Service	Means the careers service described specifically in Paragraphs 27 – 29 of the ITT and more generally within the ITT to be provided by the Prime Contractor in the relevant Area.
Career Management Outcome	Shall have the meaning given to it in paragraph 43 of these Funding Rules.
Career and Skills Action Plan	Has the meaning given to it in <a href="#">Appendix 1</a> to these Funding Rules.
Code of Connection	The document that outlines the conditions that must be met and the information that must be provided in order to use the National Careers Service Data Sharing Service.
Contract	Means the contract between the ESFA and the Prime Contractor governing the supply of the Area Based Service, as comprised of the Terms and Conditions (and all schedules, appendices and attachments thereto), the Code of Connection, the Funding Rules, the ITT and the Prime Contractor's response to it.
Contract Period	Means the period starting on the Services Start Date and ending on the earlier of the Expiry Date or the Termination Date.
Contract Year	Means each successive twelve (12) month period commencing on 01 April during the Contract Period and for these purposes the first Contract year shall be the period starting on 01 October 2018 and ending on 31 March 2019.
Customer	Shall have the meaning given to it in paragraph 2 of <a href="#">Appendix 1</a> to these Funding Rules.

<b>Term</b>	<b>Definition</b>
Customer Satisfaction Outcome	Shall have the meaning given to it in paragraph 31 of these Funding Rules.
Customer Satisfaction Outcome Cap	Means the maximum sum which can be claimed by the Prime Contractor in respect of the Customer Satisfaction Outcome, as specified in the Funding Rules.
Expiry Date	Means 30 September 2021 or such other later date as is notified in writing to the Prime Contractor by the ESFA in accordance with the Terms and Conditions.
Jobs or Learning Outcome	Shall have the meaning given to it in paragraph 60 of these Funding Rules.
Matrix Standard	The required quality standard for all providers offering funded careers, skills and advice services.
Maximum Contract Value (MCV)	Means, in relation to the Area, the maximum sum which may be invoiced by the Prime Contractor to the ESFA in respect of all Outcomes achieved within any Contract Year, as specified in Schedule 6 to the Terms and Conditions and as updated for each Contract Year in accordance with the Schedule 6 to the Terms and Conditions and which shall be allocated in the manner specified in the Funding Rules.
National Profile	Means the percentage of the full year contract value to be delivered in each month for each Outcome, as set out in <a href="#">Appendix 2</a> to these Funding Rules.
National Targets	Means the national targets for the achievement of an Outcome with respect to numbers of Customers seen, as specified in these Funding Rules, and as amended from time to time in accordance with the Contract.
Outcomes	Means the Outcomes specified in the Funding Rules, against which the Prime Contractor will be paid in consideration of the supply of the Services.
Performance Management Point (PMP)	Means the point at which formal performance reviews will take place as set out in these Funding Rules.

Term	Definition
Prime Contractor	The lead contractor delivering the area-based National Careers Service on behalf of the ESFA in each Area.
Priority Group	Means priority groups identified for the National Careers Service as specified in <a href="#">Appendix 1</a> to these Funding Rules.
Risk Profile	Means the profile created by the ESFA on each Prime Contractor taking into account the information set out in these Funding Rules.
Services Start Date	Means 01 October 2018.
Target Customer Volumes	Means the target number of Customers which the Prime Contractor is required to engage with, as evidenced by their inclusion on the Prime Contractor's CRM system as notified by the Prime Contractor to the ESFA from time to time, as such target Customer volumes are set out in Schedule 6 to the Terms and Conditions.
Termination Date	Means any date on which this Contract terminates in accordance with Terms and Conditions.
Terms and Conditions	Means the Terms and Conditions of the Contract, as made available with the ITT.

## Introduction

This document sets out the Funding Rules for the National Careers Service Area Based Contracts which will apply from 1 October 2018. The Funding Rules form part of the Terms and Conditions of the Contract between the Secretary of State for the Department of Education acting through the Education Skills Funding Agency (ESFA) and each Prime Contractor of the National Careers Service Area Based Service which receives funding from ESFA.

The full set of requirements is outlined in the following suite of contractual documents (together the “Contract”):

- Terms and Conditions and all Schedules and Appendices to them
- Funding Rules
- Code of Connection

[Part A](#) of this Funding Rules document sets out the requirements which Prime Contractors and Sub-Contractors (and any other organisation in receipt of this funding) are contractually obliged to meet in order to receive funding.

[Part B](#) of this Funding Rules document sets out agreed National Profiles and National Targets, and the Customer Satisfaction Outcome Funding Cap. It sets out how performance management of, and continued funding arrangements for, the Area Based Contracts will be informed by expenditure levels against the agreed National Profiles and delivery of the annual National Targets.

ESFA reserve the right to update the Funding Rules in the manner set out within [Part C](#) of the Funding Rules and in accordance with the Terms and Conditions.

# Part A – Requirements for funding

## Section 1 – General funding rules

### Principles of funding

This Funding Rules document provides mandatory requirements to ensure public funding is protected in a proportionate way. Prime Contractors must operate within the terms of the Contract including the Funding Rules. If the Prime Contractor fails to comply with the Funding Rules the Prime Contractor will be in breach of contract with the ESFA. The ESFA will take action as set out in the Contract.

This section sets out the principles behind the Funding Rules that apply to the delivery of the Area Based Services forming part of the National Careers Service funded by the ESFA.

1. The funding system for the National Careers Service is aimed at supporting Customers (as defined below) to achieve positive Outcomes (as defined below) through the delivery of a high-quality Area Based Service using the most appropriate mix of delivery methods and channels to meet their needs.
2. Prime Contractors must only claim funding for Customers assessed as eligible for funding in accordance with paragraph 3 below (Eligible Customers).
3. To be an Eligible Customer, at the point of interaction with a Prime Contractor a Customer must be:
  - 3.1. aged 19 or older or aged 18 and not in education, employment or training; and
  - 3.2. living or working in England.
4. The Prime Contractor must ensure that all Customers for whom funding is sought have Customer Files as described below.
5. Where two Government programmes or Departments, such as DWP, AEB, or ESF are providing a service to, or funding a Customer, there must not be any duplication of funding and;
  - 5.1. there must be evidence that there has been a significant and additional contribution from the National Careers Service and;
  - 5.2. the added value from the National Careers Service must be demonstrable
6. Prime Contractors may be asked to explain the added value where two sources of Government funding have been utilised to support a Customer.

## Funding rates

7. The unit price for each of the Outcomes is set out in the table below:

Outcome	Priority Group Customer	Non-Priority Group Customer
Customer Satisfaction	£45	£10
Career Management	£50	£10
Jobs or Learning	£70	£20

8. These unit prices have been calculated to include inflation during the Contract Period and are fixed for the Contract Period, unless changed in accordance with [Part C](#) of these Funding Rules. For the avoidance of doubt, these unit prices will not be increased to reflect inflationary rate rises during the Contract Period.

## Customers

9. The definition of a Customer is described in [Appendix 1](#) to the Funding Rules.

10. For Eligible Customers Prime Contractors can earn the following Outcomes:

10.1. one Customer Satisfaction Outcome;

10.2. one Career Management Outcome;

10.3. one Job or Learning Outcome.

11. One of each Outcome can be claimed for an Eligible Customer within a twelve-month period that starts on the date that the session was held that resulted in the production of a Careers and Skills Action Plan for the Customer.

12. It is expected that the Outcome sequence will be as detailed in paragraph 10 above.

13. It is accepted that on occasion a Career Management Outcome may be *evidenced* prior to a Customer Satisfaction Outcome being claimed. However, in this circumstance, a Career Management Outcome must not be *claimed* until the Customer Satisfaction Outcome for that Eligible Customer is evidenced and claimed.

14. Prime Contractors must evidence and claim a Customer Satisfaction Outcome and a Career Management Outcome before a Job or Learning Outcome can be claimed for that Customer.

15. On expiry of the twelve-month period that started on the date that the session was held that resulted in the production of a Careers and Skills Action Plan for the Customer, a Customer is considered a new Customer and is eligible for another three Outcomes.

16. A new Careers and Skills Action Plan must be created for the Customer's new twelve-month period and no further Outcomes can be claimed against the previous Careers and Skills Action Plan.

## Customer files

17. Requirements for Customer Files are detailed in [Appendix 1](#) to the Funding Rules.

18. Prime Contractors must record the achievement and claim of a Customer Satisfaction Outcome, Career Management Outcome and Jobs or Learning Outcome for each Customer, as appropriate, on the individual's Customer Files.

19. This record provides evidence to the ESFA that a Customer for whom funding has been claimed exists and details what Outcomes have been achieved.

## Evidence

The purpose of collecting evidence is to assure the ESFA that Prime Contractors have delivered the Services in accordance with the terms of the Contract. The ESFA will examine evidence used to support funding to ensure compliance.

Insufficient evidence to support an Outcome will put Prime Contractors funding for that Outcome at risk.

## The main principles of providing evidence

20. Prime Contractors must hold evidence:

20.1. that the Customer is eligible for funding at the rate claimed i.e. as a Priority Group Customer or as a Non-Priority Group Customer (as defined below);

20.2. that the careers advice activity has taken place; and

20.3. that proves that a Customer has achieved each Outcome for which the Prime Contractor makes a claim.

## Confirmation and signatures

21. The Prime Contractor can hold evidence in an electronic format. This includes retaining information (including but not limited to signatures) on electronic platforms and in scanned format.

22. When Prime Contractors collect a Customer's signature, the ESFA accept that it may be handwritten, in electronic format, or both.
23. Voice recordings are acceptable as evidence for all Outcomes provided that the Customer's identity is verified during the call.
24. The Prime Contractor is responsible for making the evidence readily available to the ESFA when required.

## Section 2 – Priority groups

The ESFA want to ensure that additional support is devoted to achieving Outcomes for those Customers in Priority Groups. Therefore, the funding policy enables Prime Contractors to earn higher rates for Customers in Priority Groups.

A Customer in a Priority Group is considered to require additional assistance, advice and funding to meet Outcomes regarding skills and employment.

The ESFA reserves the right to change the Priority Groups throughout the course of the Contract.

25. When claiming an Outcome, Prime Contractors must indicate on the Customer Files whether a Customer is a Priority Group Customer or a Non-Priority Group Customer at the time when the advice was received.
26. In order to be defined as being in a Priority Group i.e. as being a Priority Group Customer, a Customer must fall within at least one of the Priority Groups, as defined in [Appendix 1](#) to the Funding Rules.
27. The evidence to determine which Priority Group a Customer falls into will be on the basis of a self-declaration.
28. Where a Customer moves into a Priority Group during the 12-month period that starts on the date that the session was held that resulted in the production of a Careers and Skills Action Plan for the Customer, and the Customer self-declares this change, Prime Contractors may claim the higher funding rate from the date of self-declaration on for any new Outcomes achieved.
29. Prime Contractors cannot claim higher funding rates retrospectively for Outcomes claimed previously for that Customer as a Non-Priority Group Customer.

## Section 3 – Outcomes

The funding model for the National Careers Service is aimed at ensuring Prime Contractors (and subcontractors) support Customers to achieve positive Outcomes and deliver a high-quality service using the most appropriate mix of delivery methods and channels to meet Customers' needs.

Prime Contractors can earn up to three separate payments within a 12-month period for each Eligible Customer for each of the Outcomes.

Prime Contractors must record and submit all Outcomes which are evidenced, on ESFA systems as appropriate, regardless of any claims made.

30. Outcomes should be recorded as follows:

- 30.1. Outcome Achieved Date – The date the Customer attained that outcome; and
- 30.2. Outcome Effective Date – The date that the Outcome was evidenced by the Prime Contractor.

### Customer satisfaction

31. A Customer Satisfaction Outcome is defined as: “the confirmation of delivery of high-quality, impartial careers information, advice and guidance that provides the Customer with relevant information and clear steps to advance personal career planning and development.”

32. Customers should always receive advice and guidance in-line with the National Careers Service Customer Charter.

33. The Customer Satisfaction Outcome has two elements:

- 33.1. the acceptance of the Careers and Skills Action Plan by the Customer;
- 33.2. and the satisfaction element with the service provided to the Customer.

34. To earn a Customer Satisfaction Outcome Prime Contractors must demonstrate that the Customer has received:

- 34.1. a high-quality service that has provided the Customer with advice that is relevant to their individual circumstances; and
- 34.2. a Careers and Skills Action Plan that contains clearly identified next steps and is accepted by the Customer.

35. Once acceptance of the Careers and Skills Action Plan is confirmed, Prime Contractors can claim the Customer Satisfaction Outcome.

36. The method of acceptance of the Careers and Skills Action Plan will depend on the method in which the Careers and Skills Action Plan is delivered. Methods of acceptance of the Careers and Skills Action Plan by the Customer may include:

36.1. Setting the indicator to 'accepted' using the digital service;

36.2. Customer signature on a hard copy Careers and Skills Action Plan;

36.3. Voice recording of the Customer confirming acceptance of the Careers and Skills Action Plan;

36.4. Email from the customer confirming acceptance of the Careers and Skills Action Plan;

36.5. Text message from the Customer confirming acceptance of the Careers and Skills Action Plan.

37. The satisfaction element must be collected separately from the advice session to ensure the Customer can provide their feedback freely. For the avoidance of doubt, funding does not depend on the satisfaction element.

38. Customers should be given the option to declare if they were

38.1. Satisfied; or

38.2. Not Satisfied

with the service that was provided to them.

39. In addition, in order to monitor service performance, Prime Contractors should also ask Customers to agree or disagree with the following statements when collecting the satisfaction element:

39.1. The support was relevant to his/her needs and his/her expectations were met in line with the agreed service offer.

39.2. The next steps were agreed, understood and reflect how the expressed needs will be addressed.

39.3. The Customer's needs outlined at the start of the interaction have been recorded.

39.4. The Customer understood how they can access the service and get further support.

- 39.5. The options available to the Customer were understood.
- 39.6. The appointment was on time.
- 39.7. The location was suitable.
- 39.8. The channel of delivery was appropriate to the Customer's needs.
- 39.9. The Customer is aware of, and has been provided with, information on how they can access further ongoing support.

40. This information should be collated and made available to the ESFA upon request in electronic format.

## **Evidence required**

41. In order to evidence a valid claim for a Customer Satisfaction Outcome Prime Contractors must retain:

- 41.1. A copy of the Careers and Skills Action Plan produced for the Customer; and
- 41.2. Evidence proving that the Careers and Skills Action Plan has been accepted by the Customer by one of the methods listed at paragraph 36 above.

42. Where the Customer uses the digital service to confirm acceptance of the Careers and Skills Action Plan, Prime Contractors are not required to retain evidence of acceptance.

## **Career management**

43. Career Management Outcomes are defined as: "careers information, advice and guidance that support Customers to understand the value and importance of career management as a lifelong activity and encourages the Customer to develop the skills, confidence, resilience and resourcefulness to manage their careers independently throughout their lives."

44. Career Management Outcomes must be relevant to the specific individual needs of the Customer. Prime Contractors must identify career management activities for Customers to undertake on the Careers and Skills Action Plan. If group activities, workshops or learning are available, Customers should be recommended to take part only if it will be of genuine benefit to their individual circumstances.

45. For the purpose of the Funding Rules, career management activity is classified as digital and non-digital activity.

46. To earn a Career Management Outcome, Prime Contractors must demonstrate that the Customer is actively managing their career as a result of the interaction received with a National Careers Service adviser.
47. Prime Contractors must demonstrate that Customers have carried out at least two career management activities, at least one of which must be digital activity.
48. Digital activities must include one or more of the following by the Customer:
  - 48.1. Use of the tools available on the National Careers Service digital service such as Skills Assessments or Find a Course
  - 48.2. Use of the resources available on the National Careers Service digital service such as Role Profiles or Help to get a job
  - 48.3. Applying for or enrolling on a course online which is either accredited, or has a vocational focus that is relevant to the Customer's needs, including a traineeship;
  - 48.4. Creating, updating or tailoring their CV;
  - 48.5. Applying for an apprenticeship using Find an Apprenticeship or uploading a CV to Find a Job or any other relevant job sites;
  - 48.6. Use of other digital programmes or tools, that are relevant to the Customer's career management needs; or
  - 48.7. The use of social media or professional online networks to evidence career management or to build and expand their own professional identity.
49. Non-digital activities must include one or more of the following by the Customer:
  - 49.1. Attending a careers workshop or event that is relevant to specific individual needs;
  - 49.2. Applying for a course offline which is either accredited or has a vocational focus that is relevant to the Customer's needs;
  - 49.3. Undertaking regular voluntary work or work experience that is relevant to individual needs and career aspirations; or
  - 49.4. Creating, updating or tailoring their CV.

## Evidence required

50. In order to evidence a valid claim for a Career Management Outcome Prime Contractors must retain evidence of the activity undertaken by the Customer.

51. In all other instances to support a claim for a Career Management Outcome the Prime Contractor must provide separate evidence of at least two career management activities undertaken by the Customer, at least one of which must be a digital activity.

52. Evidence of **digital activity** must include:

52.1. the output of the digital activities undertaken such as:

52.1.1 Copy of CV

52.1.2 Confirmation of online application, or enrolment, or

52.1.3 Activity or tool results; and

52.2. Confirmation from the Customer of the activities undertaken which may take the format of:

52.2.1 Customer signature on a declaration form,

52.2.2 Voice recording of the Customer,

52.2.3 Email confirmation from the Customer, or

52.2.4 Text message confirmation from the Customer.

53. Outputs alone, such as screenshots, are **not sufficient evidence** of digital activity undertaken.

54. A Customer confirmation alone is acceptable as a minimum in circumstances where there is a **genuine reason** for being unable to collect outputs. The reasons for not being able to collect outputs must be clearly recorded on the confirmation form and this must be considered the exception to the rule.

55. On occasions where the Customer uses the National Careers Service digital service to undertake digital activity, the Prime Contractor is not required to retain further evidence or confirmation.

56. Evidence of **non-digital activity** must include:

56.1. Written or electronic evidence from the place where a Customer undertakes voluntary work;

56.2. Written or electronic confirmation from the learning establishment or a signed learning agreement where a Customer has applied for or enrolled on a course;

56.3. A copy of a CV; or

56.4. A list of attendees on a headed document complete with date and title of the workshop/session where a Customer has attended a group session or workshop. This document must be appropriately branded and must contain the name and signature of participants that attended. Lists of attendees should, where possible, be uniform across the Area. The details of attendees for whom no claim is being made should either not be captured or else obscured.

57. Where a Customer has created or updated a CV, confirmation from the Customer that they were responsible for it is required, which may take the format of:

57.1. Customer signature on a declaration form,

57.2. Voice recording of the Customer,

57.3. Email confirmation from the Customer, or

57.4. Text message confirmation from the Customer.

58. Outputs alone are not sufficient evidence of the activity undertaken. Confirmation from the Customer of the activities undertaken must also be provided.

59. A Customer declaration alone is acceptable as a minimum in circumstances where there is a genuine reason for being unable to collect outputs. The reasons for not being able to collect outputs must be clearly recorded on the confirmation form and this must be considered the exception to the rule.

## **Jobs or learning**

60. The ultimate aim of careers information, advice and guidance is to support Customers to progress into appropriate learning and work relevant to individual needs and circumstances. A Job or Learning Outcome is defined as: “progress made in a Customer’s learning or working life. It may constitute starting a formal learning programme, or completing an accredited course, starting a job or securing a promotion.

61. There are three sub-elements to a Job or Learning Outcome, these are:

61.1. sustainable employment

61.2. accredited learning

61.3. career progression

62. A Job or Learning Outcome must be recorded under the relevant sub-element.

63. Prime Contractors should record all Job and Learning Outcomes achieved by a Customer. This is regardless of whether a claim has already been claimed for a Customer in respect of that Outcome, to ensure the positive impact of the National Careers Service is accurately reported.

64. In order to earn a **Learning Outcome**, the Customer must have attended one learning or training course (which could include traineeships, providing the course(s) started as part of the traineeship meet(s) the required criteria set out in this paragraph) that:

- 64.1. Is clearly appropriate to the Customers personal situation and the activity agreed in the Careers and Skills Action Plan; and
- 64.2. Delivers a qualification or certification that is listed on the OFQUAL register **and** is accredited by an education institution that is officially recognised in the UK; or
- 64.3. Is an academic course or learning opportunity that is provided, endorsed, or accredited by a recognised academic organisation<sup>1</sup> within the UK; or
- 64.4. Is a professional course or learning opportunity provided by a recognised established professional organisation within the UK,

65. A Learning Outcome can be claimed at the start of the attendance of the accredited learning. If the duration of learning is between one and six hours the course must be **completed** before the outcome can be claimed.

66. A Learning Outcome cannot be claimed in the following circumstances,

- 66.1. For any training or qualification that is linked to statutory employer requirements and/or is linked to a licence to practice<sup>2</sup>

66.1.1 With the exception of:

66.1.1.1 forklift truck

66.1.1.2 food hygiene

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<sup>1</sup> <https://www.gov.uk/check-a-university-is-officially-recognised>

<sup>2</sup> We define licence to practise as a legal (or statutory) requirement for people with a specific occupation to have a licence, which confirms that the licence holder meets prescribed standards of knowledge and skills. This includes situations where it is unlawful to carry out a specific range of activities for pay, without first having obtained a licence.

66.1.1.3 health and safety

66.1.1.4 security guarding, door supervision and CCTV operations (public space surveillance), needed to obtain a Security Industry Authority (SIA) licence.

66.2. Learning or courses that are related to the following activities,

66.2.1 Inductions for college, or for other learning and training

66.2.2 CV writing

66.2.3 Job search activities

66.2.4 Participating in interviews or interview skills

66.2.5 Study skills

66.2.6 Activity related solely to confidence, motivation and resilience building

67. A Learning Outcome can only be claimed for the following if it clearly meets the requirements of paragraphs 64.1 and 64.2

67.1.1 Employability skills

67.1.2 Digital literacy or basic IT courses; such as learning to use computers or the internet

68. In order to earn a **Job Outcome**, the Customer must have secured employment or an apprenticeship that is at least 16 hours a week for a minimum of four consecutive weeks or demonstrated career progression.

69. Career progression is classed as:

69.1. an increase in earnings;

69.2. progression at work via promotion and/or increased responsibilities; or

69.3. undertaking a career change.

70. The minimum of 16 hours a week employment can consist of more than one job.

71. A Job Outcome cannot be claimed until four weeks after the start of the employment or the start date of the promotion.

## Evidence required

72. Prime Contractors should ensure that they maintain contact with the Customer to provide support as required through their engagement with the service.

73. In order to evidence a valid claim for a Job or Learning Outcome, Prime Contractors should ensure that there is follow up interaction between careers advisers and Customers, and that Customers provide evidence of a Job or Learning Outcome themselves wherever possible.

74. The ESFA will require evidence of one or more of the following for **Learning Outcomes**:

74.1. A signed self-declaration form, email, text message or a voice recording directly from the Customer confirming that they are in learning and meet the requirements of paragraphs 64.1-64.4 as stated above which **must** include the learning provider's name and address and full details of the learning undertaken.

75. If the Customer is unable or unwilling to provide evidence themselves, then the following is acceptable:

75.1. Documentary evidence or learning agreement for a Customer entering learning/skills training from the provider and/or employer; or

75.2. An official certificate from the organisation providing the learning/skills training that shows the Customer has started or completed the learning/skills training in accordance with paragraph 65.

76. When a Customer has a Unique Learner Number against their Customer Files, evidence of learning will be taken automatically from the learner record service and no further evidence is required.

77. The ESFA will require evidence of one or more of the following for Job Outcomes:

77.1. A signed self-declaration form, email, text message or a voice recording directly from the Customer confirming that they are in work and meet the minimum requirements as stated above which must include the employer name and address,

78. If the Customer is unwilling or unable to provide evidence themselves;

78.1. Documentary evidence/correspondence from the employer of a Customer securing sustainable employment or on promotion;

79. Every effort must be made to collect all of the evidence of the Outcome achieved. Where it is not possible to collect evidence for a Jobs or Learning Outcome then the Prime Contractor must complete and retain a follow up form.

80. The follow up form must:

80.1. Contain the details of the Outcome achieved such as place of employment or learning;

80.1.1 For a Learning Outcome this includes the full title of the learning undertaken, including the qualification type and level

80.2. Clearly detail how the member of staff responsible evidenced the Outcome to be claimed; and

80.3. Include the name and signature of the staff member responsible for the claim.

80.4. Failure to provide sufficient information regarding how the outcome was evidenced may make it ineligible as part of the contractual audit process

81. To support this process, the Prime Contractor must document the organisation's approach to follow-up interaction and the associated processes and provide this information annually. The Prime Contractor must provide a copy of the declaration to the ESFA at the beginning of each financial year.

## Part B – Performance management

### General performance management rules

82. This Part B - Performance Management covers Contract Year 2018-19 (01 October 2018 to 31 March 2019) and the whole of the Contract Year 2019-20 (01 April 2019 – 31 March 2020). This Part B will be updated annually subject to consultation with Prime Contractors, Prime Contractors will be provided with an updated 'Part B – Performance Management' prior to the start of each subsequent Contract Year.

83. Performance discussions may occur monthly and a formal performance review will take place at the Performance Management Points with consideration given to over or under performance and recommendations made by exception on Contract adjustments.

84. Where Prime Contractors are found not to meet the requirements of the Contract, including meeting the National Targets and the Target Customer Volumes, performance-management interventions may be initiated by the ESFA.

85. Performance management will be informed by, but not limited to:

- monthly, quarterly and annual performance monitoring against agreed National Profiles, agreed National Targets and Target Customer Volumes;
- regular performance assessments against contribution to agreed whole-service KPIs introduced in accordance with paragraph 153 of the ITT;
- financial health, management and control mechanisms;
- Ofsted inspection outcomes;
- achievement and retention of Matrix Standard accreditation;
- compliance with changing Government policy;
- partnership activity as referenced in paragraphs 51-55 of the ITT;
- performance against any service level agreements introduced in discussion with the Prime Contractor; and
- data quality and security requirements as set out in the Funding Rules and the Terms and Conditions.

86. The ESFA also maintains a risk register of Prime Contractors which takes into account the elements below to generate a Risk Profile. This Risk Profile may be used to inform funding decisions in accordance with clause 14.2.2 of the Terms and Conditions.

87. The **elements** of the Risk Profile are as follows:

- 87.1. **Performance:** performance against National Profiles – a combination of overall financial performance and the Jobs and Learning Outcome National Target achievement

87.2. **Quality:** measured by Ofsted Grade & Mystery Shopping reports, the sub measures are:

- Overall satisfaction with the service provided;
- Usefulness of the Careers and Skills Action Plan received;
- Whether a Customer would recommend the service;
- Whether the Customer has had any form of progression in work since their session; and
- Whether the Customer progressed in/into employment since the session.

An "OVERALL" percentage is taken as an average of all 5 quality measures. This figure is then adjusted by the Ofsted rating.

87.3. **Financial:** based on the:

- Prime Contractor's reliance on the National Careers Service Contract as a percentage of their total income; and on the financial health assessment that the ESFA Provider Risk and Assurance function carry out each year on the Prime Contractor's published accounts. This measures an organisation's financial status in terms of current financial performance and ability to meet ongoing financial commitments. Further information on this [assessment can be found on GOV.UK](#).

88. The Maximum Contract Value for the Contract Year from 01 April 2019 and subsequent Contract Years will be adjusted by a performance factor based on the Prime Contractor's performance against the factors listed in paragraph 85 in the previous Contract Year (taking into account data provided at the last Performance Management Point in that Contract Year). The Maximum Contract Value will be notified to the Prime Contractor in accordance with the Terms and Conditions.

## The performance management process

89. Expenditure levels: actual earnings will be monitored against agreed percentages of the Maximum Contract Value to be delivered in each month for each Outcome (the National Profiles).

90. The National Profiles for 2018-19 and 2019-20 are set out in Appendix 2 to these Funding Rules.

91. Annual National Targets: volumes of each Outcome claimed by a Prime Contractor in each Area will be monitored as a percentage of the total Customers seen in that Area and performance managed against the agreed targets outlined below.

92. The National Targets for 2018-19 and 2019-20 are:

<b>Outcomes</b>	<b>Customer Satisfaction Outcome</b>	<b>Career Management Outcome</b>	<b>Jobs or Learning Outcome</b>
<b>Target (as a percentage of total Customers)</b>	<b>90%*</b> (95% payment cap)	<b>75%</b>	<b>30% for 2018-19, then 45% for 2019-20</b>

## **Career management outcomes**

93. The Career Management Outcome National Target is set at 75%.

## **Jobs or learning outcomes**

94. The National Target for Jobs or Learning Outcomes is 45% in all quarters, save that for the first 6 months (October 2018 to March 2019), a reduced National Target of 30% will apply.

## **Customer satisfaction outcome funding cap**

95. The ESFA remains committed to 100% of Customers being completely satisfied with the service but the ESFA reserves the right to cap Customer Satisfaction Outcome payments at an upper limit (the Customer Satisfaction Outcome Cap).

96. The ESFA reserves the right to implement the Customer Satisfaction Outcome Cap where:

- 96.1. the Prime Contractor has obtained Customer Satisfaction Outcomes for 95% of all Customers within the Area from the start of the Contract Year to the date of submission of data; or
- 96.2. the Prime Contractor has received funding for Customer Satisfaction Outcomes which totals 41% of the Maximum Contract Value for the relevant Contract Year for the Area. For financial year 2019-20 and subsequent years, the Prime Contractor has received funding for Customer Satisfaction Outcomes which totals 37% of total funding received for the relevant Contract Year for the Area.

97. The ESFA reserves the right to stop funding for Customer Satisfaction Outcomes where a Prime Contractor reaches the Customer Satisfaction Outcome Cap, even where this is reached prior to a Performance Management Point.

98. Customer Satisfaction Outcomes claims that are subject to the Customer Satisfaction Outcome Cap, as outlined above, should continue to be recorded and evidence retained in order to generate potential Career Management Outcomes and Jobs or Learning Outcomes.

99. Capping will not necessarily result in a reduction of the Maximum Contract Value.

100. There is flexibility of expenditure levels between Career Management Outcome and Jobs and Learning Outcome budgets, however, additional Career Management Outcomes should not be delivered at the detriment of delivery against Jobs or Learning Outcomes. The ESFA expects delivery of Jobs or Learning Outcomes to continue to increase in support of the annual National Target.

101. When the Customer Satisfaction Outcome Cap is reached on the maximum earnings attributable to Customer Satisfaction Outcomes, Prime Contractors are able to move budgets out of Customer Satisfaction Outcomes and into Career Management Outcomes and Jobs or Learning Outcomes.

## National profiles – tolerance

102. When reviewing Prime Contractor performance against National Profiles the ESFA will apply an annual tolerance. To support flexibility of delivery and to maximise spend the tolerance is varied across the year and is set as follows:

102.1. Plus or minus 7% at PMP 1 2018-19;

102.2. Zero tolerance at year end 2018-19;

102.3. Plus or minus 7% at PMP1 2019-20;

102.4. Plus or minus 5% at PMP2 2019-20;

102.5. Plus or minus 3% at PMP3 2019-20; and

102.6. Zero tolerance at year end 2019-20.

103. A **RAG** rating will be applied to delivery against agreed National Profiles as detailed below.

104. The ESFA may at its sole discretion pay for Outcomes where spend is over tolerance.

## RAG rating explanation

RAG Rating	Customer Satisfaction Outcome	Career Management Outcome	Jobs and Learning Outcome
Red	Under performance outside of tolerance <b>Reduction to agreed MCV</b>	Under performance outside of tolerance <b>Reduction to agreed MCV</b>	Under performance outside of tolerance <b>Reduction to agreed MCV</b>
Green	Performance is in tolerance <b>No change</b>	Performance is in tolerance. <b>No change</b>	Performance is in tolerance <b>No change</b>
Amber	Over performance outside of tolerance. <b>Potential capping if over budget ceiling and/or annual National Target</b>	Over performance outside of tolerance <b>Potential application for growth to agreed MCV</b>	Over performance outside of tolerance <b>Potential application for growth to agreed MCV</b>

## Request for growth

105. Where overall performance (expenditure against agreed National Profiles and delivery of the National Targets) indicates potential for an increase in MCV, Prime Contractors will be invited to complete a growth request template (subject to budget affordability). Growth requests will not be considered for Career Management Outcomes alone, requests will also need to include additional Jobs or Learning Outcomes.

106. Request for growth will also take into consideration quality indicators such as Ofsted grades, retention of Matrix Standard and mystery shopper reports and the ESFA risk rating of Prime Contractors.

## Reduction in MCV

107. Where performance indicates that a reduction in MCV could be applied this will be discussed with the Prime Contractor following the process set out in the table at paragraph 114.

108. Changes to MCV will be informed by performance to date at Performance Management Points and a forecast position for the remainder of the Contract Year in accordance with the process set out in the table at paragraph 114 below. For those areas where performance to date is below the lower tolerance figure, the difference will be used to determine the amount of the reduction, forward projections and any further possible reductions.

## Where a revised MCV is agreed:

109. This will be notified in writing to allow the Prime Contractor to adjust their delivery as soon as possible.

110. Forward Profiles for the Prime Contractor in the relevant Area to replace the current National Profiles will be revised to reflect increased / decreased volume of Customers and Outcomes.

111. Contract variations will be issued to confirm adjusted MCV.

## Performance Management Points for 2018-2019, 2019-2020

112. The table below sets out the proposed performance management process.

113. There are three Performance Management Points within the year, as detailed in the table below. At each PMP, the ESFA will perform a formal performance management review in accordance with these Funding Rules, taking into account data provided at the Performance Management Point for the period from the start of the Contract Year to the Performance Management Point.

114. For the avoidance of doubt there is no Performance Management Point at year end.

<b>Performance Management Point</b>	<b>PMP1 - 2018-19</b>	<b>PMP1 – 2019-20</b>	<b>PMP2 – 2019-20</b>	<b>PMP3 –2019 - 20</b>
Date of delivery information using the latest data	14-Jan-19	10-Jul-19	07-Oct-19	08-Jan-20
Request for Growth/Potential for Reduction	18-Jan-19	17-Jul-19	18-Oct-19	17-Jan-20
Moderation and review	21-Jan-19	23-Jul-19	25-Oct-19	24-Jan-20
Sign off	30-Jan-19	30-Jul-19	30-Oct-19	31-Jan-20
Informing Prime Contractors of the outcome of the performance	Feb-19	Aug-19	Nov-19	Feb-20

<b>Performance Management Point</b>	<b>PMP1 - 2018-19</b>	<b>PMP1 – 2019-20</b>	<b>PMP2 – 2019-20</b>	<b>PMP3 –2019 - 20</b>
management process by exception.				

## Part C – changes to the funding rules

115. Subject to paragraph 118 below, the National Profiles for the first Contract Year and the Contract Year from 01 April 2019 are set out in [Appendix 2](#) to these Funding Rules and the National Targets for the first Contract Year and the Contract Year from 01 April 2019 are set out at paragraph 92 of these Funding Rules. The National Profiles and National Targets for subsequent Contract Years will be notified to the Prime Contractor by the ESFA by 31 January in the preceding Contract Year.

116. The ESFA reserves the right to make changes to the unit price for each Outcome save that the total payment available in respect of each Customer will not be reduced.

117. The ESFA reserves the right to make changes to the Maximum Contract Value:

117.1. in accordance with Clause 14.3.1 of the Terms and Conditions; and

117.2. where specified in Part B of the Funding Rules.

118. The ESFA reserves the right, subject to prior consultation with the Prime Contractor, to make changes to:

118.1. the Customer Satisfaction Outcome Funding Cap;

118.2. the National Targets; and/or

118.3. the National Profiles,

118.4. in order to achieve its objectives in each particular Area.

119. The ESFA reserves the right to make minor changes to these Funding Rules, such as (but not limited to) minor changes to the evidence requirements.

# Appendix 1 to the funding rules

## Customers of the National Careers Service

1. Prime Contractors must offer information, advice and guidance services to people requesting them.
2. For the purpose of these Funding Rules, a Customer is an adult aged 19 or over (or aged 18 for those who are not in education employment or training) that receives a service from the Prime Contractor, regardless of the type of service.
3. A record of all services provided to Customers must be kept by Prime Contractors, to enable accurate measurement of the performance of the National Careers Service.

## Priority groups

4. All Customers in Priority Groups must be offered access to a local, face-to-face service.
5. The Priority Groups for the National Careers Service are as follows:
  - 5.1. 18-24 year olds not in education, employment or training (NEETs);
  - 5.2. Low-skilled adults without a level 2 qualification;
  - 5.3. Adults who have been unemployed for more than 12 months;
  - 5.4. Single parents with at least one dependent child living in the same household;
  - 5.5. Adults with special educational needs and/or disabilities; and
  - 5.6. Adults aged 50 years and over who are unemployed or at demonstrable risk of unemployment.
6. The ESFA reserves the right to change the Priority Groups throughout the course of this contract.

## Customer Files

7. Prime Contractors must collect and store data about their Customers by creating electronic Customer Files on their customer relationship management systems.
8. **Customer Files** is defined as the mandatory data Prime Contractors must keep in order to:

- 8.1. evidence claims and to meet audit requirements as set out in the Funding Rules;
  - 8.2. underpin integrated Customer journeys as specified in the Customer Data Service Code of Connection;
  - 8.3. provide management information data to the ESFA; and
  - 8.4. submit funding claims via the data collection system.
9. The National Careers Service Data Dictionary lists the information that must be entered onto a Customer Files.
10. Prime Contractors must capture enough information from Customers to be able to understand their situation and to provide them with a service that is personalised and appropriate to them. The information in the Customer Files must be confirmed as accurate by the Customer at the point it is captured.
11. In addition, Prime Contractors must record the achievement by the Customer and the claiming of a Customer Satisfaction Outcome, Career Management Outcome and Jobs or Learning Outcome for each Customer, as appropriate, on their Customer Files.
12. Prime Contractors must make it clear on the Customer Files what evidence has been collected to support the funding claimed.
13. Where evidence is not saved on the Customer Files itself for operational reasons, it should be stored in an accessible format and be clear to whom the evidence relates.
14. Prime Contractors must update the Customer Files in a timely manner to maintain an accurate record of the Customer's individual situation and their interaction with the National Careers Service, in accordance with requirements of the Code of Connection.
15. Prime Contractors must ensure the identity of a Customer is verified beyond reasonable doubt before creating a Customer Files on their system. Prime Contractors can find further details on verification of an individual within GPG45. (CESG - Good Practice Guide No. 45 - Identity proofing and verification of an individual V2.4 Oct 2015.)
16. Prime Contractors must ensure they have authenticated an existing Customer returning to the service before they release any information held on the Customer. This may be achieved through challenge/response questions such as shared secrets.
17. Customers have the right to request that their records are removed from contractor and ESFA systems and any such request should be actioned without undue delay.

## **The Careers and Skills Action Plan**

18. Prime Contractors must produce a Careers and Skills Action Plan for all Customers for whom funding is sought.
19. Careers and Skills Action Plans must form an integral part of the guidance process and must include activities that support the achievement of the intended learning and work goals.
20. A completed Careers and Skills Action Plan must be provided to the Customer within 5 working days of the service taking place unless there are extenuating circumstances that prevent this from occurring.

## **Contract Monitoring & Audit**

21. The service is auditable by the ESFA as per Clause 14.5 of the Terms and Conditions.

## Appendix 2 to the funding rules

**National Profiles** – the percentage of the Maximum Contract Value for each Outcome to be delivered in each month.

**October 2018 – March 2019**

Monthly % of full year value	October	November	December	January	February	March	% of Maximum Contract Value to be applied to each Outcome
CSO	12.0%	15.0%	12.0%	19.0%	20.0%	22.0%	<b>38%</b>
CMO	12.0%	15.0%	12.0%	19.0%	20.0%	22.0%	<b>35%</b>
JLO	12.0%	15.0%	12.0%	19.0%	20.0%	22.0%	<b>27%</b>

**Financial Year 2019-20:**

Monthly % of full year value	April	May	June	July	August	September	October	November	December	January	February	March	% of Maximum Contract Value to be applied to each Outcome
CSO	7.0%	8.5%	8.0%	8.0%	7.5%	9.0%	7.5%	8.0%	6.0%	9.5%	10.0%	11.0%	<b>37%</b>
CMO	7.0%	8.5%	8.0%	8.0%	7.5%	9.0%	7.5%	8.0%	6.0%	9.5%	10.0%	11.0%	<b>34%</b>
JLO	7.0%	8.5%	8.0%	8.0%	7.5%	9.0%	7.5%	8.0%	6.0%	9.5%	10.0%	11.0%	<b>29%</b>



Education & Skills  
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