

Employability Performance Rating Guidance for Providers

February 2017

SUPPORTED BY
MAYOR OF LONDON



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Appendix A

Term	Definition
Prime contractor	The organisation is directly contracted by the funder to provide the services outlined in the grant agreement
Sub-contractor	Any organisation is contracted by the prime contractor to contribute to providing services outlined in the grant agreement.
Funder/Funding agency	The organisation is providing the prime contractor with the grant to operate their service.
Grant Manager	The staff member at the funder who is the main point of contact with the prime contractor/funder.
Contractor/ Provider	More general terms to refer to both prime contractors and sub-contractors in a situation where the distinction is not necessary
Participant	Refers to the people who are helped by the service the contractor is providing.

1 Introduction

1.1 Purpose of this document

The primary purpose of this document is to provide information to support Providers, Contract and Grant Managers with the implementation of the Employability Performance Rating.

This guidance is accompanied by the following additional documents and tool:

- The Employability Performance Rating Calculator (EPRC)
- Frequently Asked Questions

This guidance and the additional documents and tool are available on the Greater London Authority website at <http://data.london.gov.uk/london-employability-performance-rating/>.

Any queries regarding the Employability Performance Rating should initially be directed to eprc@london.gov.uk.

1.2 Purpose of the Employability Performance Rating (EPR)

The (EPR) is designed to provide a consistent approach for assessing the quality of contracted employability service provision across London.

1.3 Structure of the Employability Performance Rating

An overall EPR is calculated for each individual contract¹. The calculator is now able to capture details from all involved in the contract (unlike the previous calculator), and therefore a rating is also produced for each individual provider² delivering within the contract.

The EPR generates a Star Rating ranging from zero to four stars (with four being the highest and zero being the lowest). The Star Rating is generated from the assessment of performance in three Key Performance Areas (KPAs): **Grant Performance, Quality and Grant Compliance**. For each KPA, performance is assessed through one or more performance indicators as set out in Table 2 below. Detailed information about the indicators is provided in Chapter 4.

¹ For the purposes of this document the term contract will be used to refer to both grants and contracts. The term Grant is only used within this guidance to refer to specific elements of the EPR tool.

² For the purposes of this document, the following terms will be used: Lead Provider, sub-contractor and provider. Lead Provider is the lead signatory and responsible for the overall delivery of the contract. Sub-contractor refers to organisations delivering elements of the contract under signed agreement with the Lead Provider. The term provider is a generic reference to all organisations delivering against the contract, whether Lead Provider or Sub-Contractor.

Table 1: Structure of the Employability Performance Rating

Key Performance Area (KPA)	Weighting of the KPA	Indicators	Weighting of indicator
Grant Performance	60%	• Delivery against grant targets	48%
		• Delivery against grant diversity targets	12%
Quality	30%	• Conversion Factor	12%
		• Self-assessment of quality	9%
		• Participant Satisfaction	9%
Grant Compliance	10%	• Grant compliance and contractor pro-activity	10%

The contributions (i.e. the weighting) each KPA and associated indicators make towards the overall Star Rating have been developed in consultation with providers, and the Performance Rating Project Group. All stakeholders agreed that the Performance Rating should put a high emphasis on performance (i.e. outputs and outcomes). As such the *Grant Performance* and *Quality* KPAs together contribute 90% of the rating.

Finance related indicators are excluded from the EPR framework as financial health is already assessed through the Due Diligence process when an organisation tenders to provide services.

1.4 Calculating the Star Rating

The assessment of performance against each indicator results in Star Rating Points (please see Chapter 4 for further information about how Star Rating points are calculated for each indicator).





The Star Rating points achieved for each indicator are added together to generate the total Star Rating Points. The maximum number of star rating points is 100. In example A, the provider has achieved a total of 77.9 Star Rating Points.

Example A: Calculating the Star Rating

Indicator	Star Rating Points	Maximum Star Rating points available
Delivery against grant targets	38.4	48
Delivery against grant diversity targets	10.3	12
Conversion rate for positive outcomes	8.8	12
Self-assessment of quality	6.4	9
Participant (Customer) Satisfaction	7.4	9
Grant compliance	6.6	10
Total Star Rating points	77.9	100

The total Star Rating points achieved will determine how many stars (zero to four) the grant will be awarded. Indicative criteria are set out in Table 2

Table 2 Indicative criteria for converting total Star Rating points into a Star Rating

Total Star Rating points	Star rating
87.5 – 100	
75 – 87.4	
62.5 – 74.9	
40 – 62.4	
0 -39.9	

Additional criteria also apply when establishing how many stars a grant is awarded:

- It will be possible to achieve four stars if no points are awarded for the *Conversion factor* indicator; and
- Irrespective of the Star Rating points achieved, three stars will only be awarded if there is a high level of performance against the *Grant Performance KPA*.

1.5 Timing of the Employability Performance Rating

The EPR is calculated on an annual basis in line with the financial year and current reporting and monitoring processes. The 'performance year' will run from April to March. The EPR will only be published (see 1.6) for a contract that has been running for at least six months of the performance year i.e. the contract must have started before the end of October in any given performance year.

The exact timing for calculating the EPR will depend on the availability of data for each indicator but it is expected that data for all indicators will be available during May of the subsequent performance year, in line with the Greater London Authority (GLA) and Local Authority (LA) reporting processes.

1.6 Publication of the Employability Performance Rating

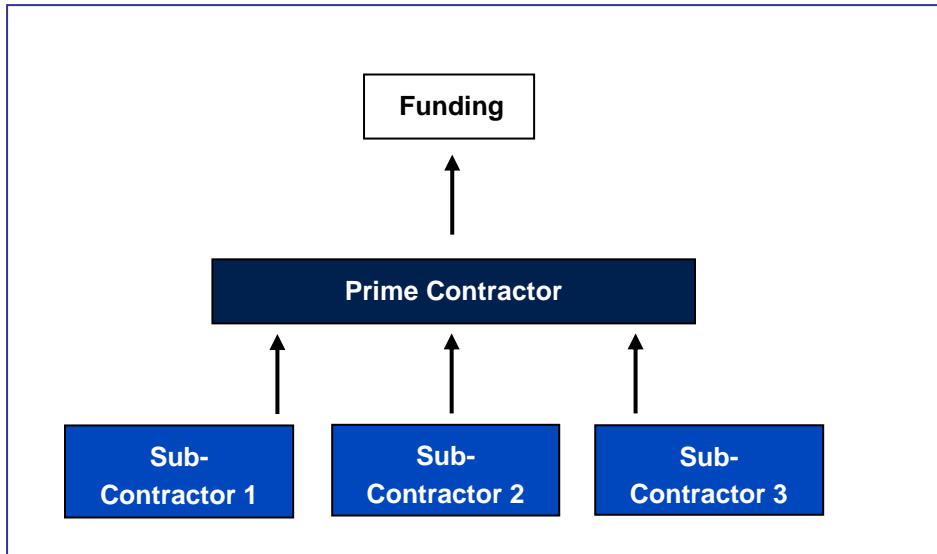
The results of the EPR will be made publically available on the London Datastore, through an open data-sharing portal where anyone can access data relating to the capital. (<http://data.london.gov.uk/london-employability-performance-rating/>). The published results are accompanied by contextual information including:

- Year of contract (for example, year one);
- Target participant group(s) (for example, long term unemployed);
- Funding programme and Funder (for example, ESF 2014-20) and (GLA, London Councils, Big Lottery etc.);
- Primary Outcome (for example, Starts, EET), and
- Whether the provider is a Lead provider or sub-contractor.

1.7 Application of the Employability Performance Rating to sub-contractors

The majority of contracts evaluated under this rating are delivered by multiple providers. The EPR will apply to both Lead Providers and sub-contractors (see Figure 1 on the next page). Lead Providers will report performance against the performance rating to their Funder (see Figure 1). In turn, any sub-contractor will report performance against the rating to the Lead Provider, who will be required to return the performance rating of any sub-contractors to the Funder.

Figure 1: Reporting structure for the Performance Rating



1.8 The Employability Performance Rating calculator

An Employability Performance Rating calculator accompanies this guidance to support Providers, Contract and Grant Managers with calculation of the Performance Rating. Providers or Contract/Grant Managers input the raw data for each indicator into the calculator and the calculator automatically calculates the Star Rating Points per indicator and the overall Star Rating.

Providers should use the Employability Performance Rating calculator for all data returns associated with the Performance Rating.

The calculator can be accessed via <http://data.london.gov.uk/london-employability-performance-rating/>.

Specific guidance on the operation of the Employability Performance Rating calculator can be found in Chapter 3.

1.9 Issues associated with the Employability Performance Rating results

Any issues relating to the Employability Performance Rating results should, in the first instance, be raised with the Lead Provider who will escalate to the Funder if necessary.

2 Process to Calculate the Performance Rating

2.1 Minimum roles and responsibilities for Lead Provider & sub-contractors

Activity	Lead Provider should:	Sub-contractors should:
<p>Input the raw data for the <i>Grant Performance</i> KPA into the Employability Performance Rating Calculator (EPRC). The raw data consists of:</p> <ul style="list-style-type: none"> - Total number of contract targets; - The title of each contract target; - For each contract target, the target and actual number; - For each beneficiary group, the target percentage for each contract target; and - The target and actual number of participant starts. 	✘	✘
Complete the self-assessment of quality and report results in the EPRC.	✘	✘
Ensure the participant satisfaction questions are asked of participants when they complete the intervention and report results quarterly in the performance rating calculator.	✘	✘
Ensure that any sub-contractors implement the EPR.	✘	
Assess sub-contractors' performance against the <i>Grant Compliance</i> KPA indicator.	✘	
Review sub-contractors' self-assessment of quality.	✘	
Report own and sub-contractors' performance against the EPR to the Funder using the EPRC.	✘	
Incorporate performance rating into	✘	

performance reviews and monitoring.		
Report their EPR result and those of their sub-contractors to their Funder in April.	✘	✘
Compile their sub-contractors' performance ratings and circulate benchmarked results to them. When circulating results, the Lead Provider may choose whether the results are anonymous or not.	✘	
Report performance against the EPR to the Lead provider using the performance rating calculator.		✘

Collation of Employability Performance Ratings

As the coordinator of the Employability Performance Ratings, the Greater London Authority (GLA) will:

- Collate the Employability Performance Ratings across funders.
- Analyse the data and publish the collated ratings
<http://data.london.gov.uk/london-employability-performance-rating/>

3 Using the Employability Performance Rating Calculator

3.1 Introduction

The Employability Performance Rating Calculator is a user-friendly tool for calculating the Employability Performance Rating for a provider. All the required inputs are entered directly into the tool and a performance rating is calculated automatically.

3.2 Structure of the calculator

The calculator comprises eight sheets as follows:

Sheet	Description
1. Info	Introductory page for the calculator.
2. Grant Summary	Allows the provider to set up the calculator ready for data entry.
3. Grant Performance	Contains data entry for Grant Performance outcomes including diversity.
4. Participant Satisfaction	Contains data entry for answers to participant satisfaction questionnaires.
5. Self-Assessment	Contains questions for the quality self-assessment of the provider's proficiency in delivering the contract.
6. Grant Compliance	Contains questions for the grant manager of the Funder to assess the provider's compliance.
7. Star Rating Calculations	Contains the calculations for all aspects of performance rating and reports the final star rating.
8. Data for Extraction	Contains the full set of information to be extracted in to the separate data extraction tool.

3.3 Entering the data into the Back sheet. (Funders/Lead Providers only)

This information is **required** to make the calculator work – please follow the steps below and enter the information in the correct place otherwise the calculator will not work properly. The Funder will initially complete the profile in the backsheet and send the calculator to their Lead Providers. Lead providers will then need to unlock the backsheet and complete the profile for any sub-contractors.

Indicator	Description
Provider	Name of the organisation providing a service on the contract.
Year	The current rating year. Please enter dates as 2016/17 and not as 2016/2017 – the extraction tool will not pick this up otherwise.
Funder	Name of the funding organisation
Grant Name	Name of the contract/grant that the provider is working for.
Prime/Sub	Whether the provider is a prime or sub-contractor
Number of Sub-contractors	The number of sub-contractors contracted by the provider (if provider is a prime contractor)
Target Group	Description of the target group of the contract i.e. Young people, Veterans, NEETS, BAME
Grant start date	Start data of the grant – please enter as 2016/17 and not 2016/2017
Year of Grant	Current year number of the grant – this will be entering the number 1 out of 3.
Grant value	Value of the contract to the provider.
Grant description	General description of the aim of the grant and the provider's role
Areas of Operation	Identifier to say where the provider operates (or expected to operate) their service for the grant in this London borough (If Pan London please enter '1' in all 33 boxes as well as the Pan London cell).
Funding Round and Spec	Details of the funding stream under which the grant was funded.
Number of targets	Number of contract performance targets the provider is to be assessed by. E.g. Starts, Entry into Employment and Sustained Employment.
Diversity targets	What are the provider's diversity targets that they are being assessed on, most projects will be yes.

1. Make sure you have the password to unlock the spreadsheet to gain access to the back sheet. This will be given to you by the Funder. Please enter this password on the 'Admin access' button in the 'Info' tab; this will grant you access to the back sheet.
2. Entering the data is self-explanatory; make sure you enter your data into the right columns and rows. Here are a few top tips to make sure the information is entered correctly:
 - Add the years on the Calculator as 2016/17 and not 2016/2017.
 - If your grant is Pan London, please enter a 1 into all columns as well as the Pan London column.
 - When entering the 'Outcome Target' please ensure that the numbers entered in each month add up to the total figure you have entered in Outcome Target.
 - When entering Target Type, be sure to have 'Starts' as one of the targets even if you have no starts entered. This is vitally important as the calculator will only work when the term 'Starts' has been entered. The calculator will not accept the information if the term 'Participants' is used instead of 'Starts'.

3. Funders will have entered the Lifetime Targets for the Lead Provider's Calculators but not the Sub Contractors as they won't know how their targets have been distributed.
4. When all the information has been entered in the Back sheet, please press 'Confirm Back Sheet Table' – this will process your data and transfer into the 'Grant Summary Tab' where you will be able to go through each Provider and Grant.
If you press 'Confirm Back Sheet Table' and the Outcome Target or the Diversity Targets turn Red – this means the sum of the figures entered in the months do not equal the Outcome Target.

3.4 Setup and features of the calculator

Setting up the calculator for the first time

The Lead Provider opens the template spreadsheet provided by the Funder, goes to the Grant Summary sheet and:

1. Selects their provider and grant profile in the front sheet (Item 1).
2. Confirms the information loaded is correct and clicks the “Confirm Details” button to prepare the calculator for the users’ inputs (Item 2). Please note: if you have entered all your information in the calculator and press the Confirm Details button again it will **remove all the information you have just entered.**

If the details presented for the provider profile are incorrect, please contact the grant manager at the relevant Funder.

Summary Grant Information

Year of Calculator	2016/17				
Funder	Test Funder				
Grant Name	Test Grant Name				
Prime/Sub	Prime				
Number of Sub-contractors	5				
Grant start date	2017				
Year of grant	1				
Target Group	Test Target Group				
Grant Value	£200,000				
Grant Description	Test Grant Description				
Funding Round and Spec	ESF 2014-20				
Areas of Operation:					
Barking & Dagenham	City of London	Hammersmith & Fulham	Islington	Newham	Waltham Forest
Barnet	Croydon	Haringey	Kensington & Chelsea	Redbridge	Wandsworth
Bexley	Ealing	Harrow	Kingston	Richmond	Westminster
Brent	Enfield	Havering	Lambeth	Southwark	
Bromley	Greenwich	Hillingdon	Lewisham	Sutton	
Camden	Hackney	Hounslow	Merton	Tower Hamlets	

For sub-contractors, the target outcomes will not have been set automatically. In this case the section **Grant performance targets** will be mostly blank (as shown below).

To populate this information:

1. Select whether you are being assessed for diversity targets.
2. Select the number of target outcomes you are to be assessed by³.
3. Once this is done, the main target table will appear with the number of rows equal to the number of targets. In the first column each cell will have a dropdown menu to choose the type of target. Choose the relevant target type for each of your targets.

³ The nature of the target outcomes to be assessed should have been agreed by the grant /contract manager.

4. Populate the Annual Target column with the number of participants you are expected to achieve for each target.
5. If valid, populate the Diversity Targets with the percentage of participants expected to achieve each target.
6. Once completed, press the “Confirm Details” button to prepare the calculator.

Grant Performance Targets

Diversity Targets applicable?	Yes			
Number of Targets	2			
Target Name	Annual Target	Diversity Targets ⓘ		
		% BAME	% Disability	% Women
Starts	250	20%	20%	60%
Jobs	150	20%	20%	60%

Finding help



Throughout the tool you will find 'info' icons. Clicking on these icons will cause a prompt to appear giving you more information about this part of the calculator and how it operates. See below for an example:

3.5 Populating the calculator

	A	B	C	D	E	F
1			Back to Info			
2		Grant Summary				
3		Contains the options to load in	the key information on the provider's grant to allow the setup of the calculator			
4						
5		Provider:	Test Provider	Grant:	Test Grant Name	
6						
7		Confirm Details	Select your provider name. This will automatically populate this grant Summary sheet with the required data.			
8		Summary Grant Informa				
10		Year of Calculator	2016/17			
11						
12		Funder	Test Funder			
13		Grant Name	Test Grant Name			

Each of the subsequent sheets of the calculator are designed to receive the information necessary to calculate each KPA (Key Performance Area) in the Performance Rating. In addition to this, each of the sheets will keep the data input requirements of the provider to a minimum to make the tool quick and easy to use. An overview of how to populate each of the sheets of the calculator is provided below.

Grant Performance

The Grant Performance sheet contains many tables, each of which corresponds to one of the targets set (as defined in the Grant Summary sheet). For each target, the Annual Targets section should already be completed and if applicable, a monthly profile will also be included. The rest of the table (highlighted in yellow) should be completed by the provider. This includes:

- Monthly outcomes achieved for each target
- If applicable, the number of people from each key diversity group (BAME, Disability and Women) who achieved the outcome.

	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	
	Provider:	Test Provider																				
	Grant:	Test Grant Name																				
	Back to Info																					
	Grant Performance	Load outcomes from sub contractor workbooks																				
	Contains tables to enter outcomes for performance targets																					
	Performance measure	Target Category	APR 2016	MAY 2016	JUN 2016	JUL 2016	AUG 2016	SEP 2016	OCT 2016	NOV 2016	DEC 2016	JAN 2017	FEB 2017	MAR 2017	Annual Total	% of Target						
Primary Outcome	Starts	Annual Targets	Monthly	20	20	20	20	20	20	20	20	20	25	25								
		Grant	250												0	0%						
		BAME	20%													0%	0%					
		Disability	20%													0%	0%					
		Women	60%													0%	0%					
Outcome 2	Jobs	Annual Targets	Monthly	10	10	10	10	10	10	15	15	15	15	15								
		Grant	150													0	0%					
		BAME	20%													0%	0%					
		Disability	20%													0%	0%					
		Women	60%													0%	0%					

Participant Satisfaction

In participant satisfaction, there are four tables, one for each quarter of the year April-March. Each table should be completed with the number of participant responses received in the appropriate quarter to each of the required survey questions:

Q1. What do you think of your advisor's/trainer's?

- a) Knowledge of the subject/activity*
- b) Understanding of your needs
- c) Support in setting targets to help you achieve your goals
- d) Help with finding other support for you
- e) Support with helping you to plan your next steps

Q2. How has this activity made a difference to you?

- a) My confidence has
- b) My skills have
- c) My prospects of getting a job have
- d) My knowledge of options available to me has
- e) My motivation to make the next steps has
- f) My ability to manage my time and responsibilities has

Q3. Overall, how satisfied or dissatisfied were you with the activity?

The survey should ideally be carried out with participants as they reach the stage of the primary outcome. The wording of these questions can be adapted to suit the specific nature of the project and can be attached to any existing surveys already carry out. **All of these questions must be included in the survey process.**

It is important to ensure a reasonable proportion of participants successfully complete the survey. **If the number of survey responses falls below 60% of those achieving the primary outcome, then the score for the participant satisfaction element of the Performance Ranking will be set to zero.** For easier distribution of the Participant Satisfaction questions – they can be downloaded from the EPR Data store page: <https://data.london.gov.uk/dataset/lepr-esf-2014-20>

Quality self-assessment

The quality self-assessment framework comprises of twelve questions covering the key quality criteria for providing the contracted services. For each of these questions, the provider should provide an objective rating of how well they have performed on each question. This rating is used in the Employability Performance Rating calculation.

In addition, the provider must provide examples of evidence to support the rating they have given themselves, an indication of progress in achieving each criteria and any situation where action should be taken. Only a description of the evidence is required and no additional information needs to be sent with the calculator. This information is used by the Funder to confirm that the providers' assessment accurately reflects their actual performance.

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Quality Self-Assessment

Contains tables to enter record of quality of the grant service as assessed by the contractor.

Question	In place? F = fully FI = fully in place but needs some improvement P = partially in place N = not in place/being	Evidence or examples of current practice	Assessment of level of performance Rate 1 – 4 1 = Outstanding; 2= Good; 3 = Satisfactory; 4 = Inadequate	Priority for action? Rank 1 – 3 1 = high priority
Quality of provision/meeting participant needs				
1. There is a comprehensive induction for all participants				
2. Participants receive appropriate advice and guidance on starting and on completion of participation in the service				
3. Progress reviews are used effectively with appropriate targets being set together with the participant to assist progression				

Grant Compliance

This section should be completed by the Funder to assess the provider's compliance against the contract. For sub-contractors, this section is completed by the Lead Provider.

In this section there are five criteria to assess the extent to which the provider has complied with the contract. For each of these criteria, a rating should be given between 1 and 10 (1 is lowest and 10 is the highest). Assessment criteria are provided for each of the sections to suggest the appropriate rating. There is also the option to provide comments for the rating given for each criteria. These give the Funder the opportunity to provide feedback to the provider. These comments have no bearing on the final performance rating and are not shown publically.

Grant Compliance

Contains tables to enter record of grant compliance as assessed by the grant manager.

A. Indicator	B. Assessment criteria	C. Guidance for rating	D. Rating (1 - 10)	E. Comments (please insert)
Variance of forecast from profile: annual RAG rating based on the variation between output forecasts and actual outputs.	A RAG assessment should be given using the following guidelines: - Provider always forecasts their outputs accurately = Green. - Provider usually forecasts their outputs accurately = Amber. - Provider rarely forecasts their outputs accurately = Red	Red = 1 to 3 points Amber = 4 to 7 points Green = 8 to 10 points		
Timeliness of claim: annual RAG rating based on date claims are submitted	A RAG assessment should be given using the following guidelines: - Provider always submits their claim on time = Green - Provider usually submits their claim on time = Amber - Provider rarely submits their claim on time = Red	Red = 1 to 3 points Amber = 4 to 7 points Green = 8 to 10 points		

Star Rating calculations

In this sheet, each of the component parts of the performance rating are calculated from the data entered on the component/datasheets. No input from the provider is required to produce the final rating on this page. There is a section (highlighted in yellow) to allow the provider to provide a comment on the rating they have been awarded. For example, they may wish to comment on circumstances leading to a failure to meet a certain target.

More detailed information on how the star rating is calculated can be found in Chapter 4.

Provider	Test Grant Name
----------	-----------------

[Back to Info](#)

Star Rating Calculations

Contains all the calculations for the components of the rating and calculates the final star rating

KPA	Indicator	Star rating points	Total available
Grant performance	Delivery against grant targets	0.00	48
	Delivery against grant diversity targets	0.00	12
Quality	Conversion rate for positive outcomes	0.00	12
	Self assessment of quality	0.00	9
	Customer satisfaction	0.00	9
Grant compliance	Grant compliance	0.00	10
Total Star Rating points		0.00	

Star rating guidance			
4 stars	87.5	-	100 points
3 stars	75	-	87.4 points
2 stars	62.5	-	74.9 points
1 star	40	-	62.4 points
0 star	0	-	39.9 points

Rating:

Comments on Rating performance

Grant Performance

When the contract no longer has 'Starts' as the primary target and will have jobs or sustains instead, providers will be required to use the Calculator labelled 'Starts No Longer Primary EPR calculator' on the webpage. This will require the amount of 'Starts' on the project to be entered in manually so that the Calculator can calculate a conversion rating. More information can be found about this Calculator on the Funder guidance which is on the webpage, please see page 6 for more details about how this should be entered.

Grant Performance

Target	Delivery against grant targets			Delivery against grant diversity targets				
	Total pts available	% Delivery	Star rating points	BAME			Disabled	
				Total pts available	% Delivery	Star rating points	Total pts available	% Delivery
Jobs	48	0%	0.00	4.00	0%	0.00	4.00	0%

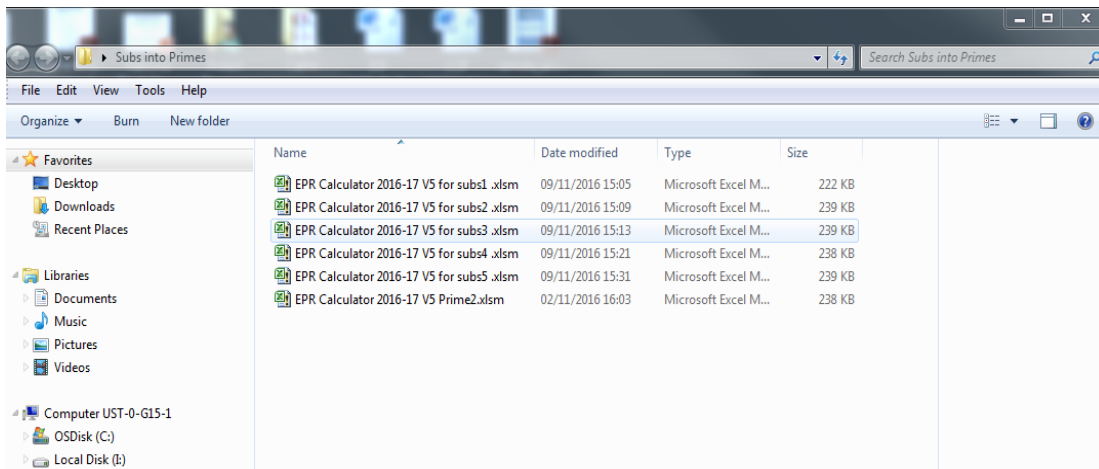
Primary Outcome	Target number of starts	Actual number of starts	Target Outcomes	Actual Outcomes	Target conversion rate	Actual conversion rate	Actual rate minus target rate	Total Star Rating points
Jobs	1000		1219		121.90%	0.00%	-121.90%	0.0

Note for Lead Providers with sub-contractors

To help simplify the collation of information for the Lead Provider, the calculator includes options to extract information from the sub-contractor calculators and input it directly into the Lead Provider’s calculator. This is applicable for both the “Grant Performance” and “Participant Satisfaction” sections of the calculator.

To extract the data from sub-contractors automatically you must carry out the following steps:

1. Ensure the sub-contractor calculators are saved. If the Lead Provider has its calculator spreadsheet saved to e.g. c:\GLAcalculator\



2. In each relevant section, a button should be visible to “Load outcomes/responses from sub-contractor workbooks”. (See image below)

Provider:	Test Provider 2
Grant:	Test grant 2

[Link to Info](#)

Grant Performance Load outcomes from sub contractor workbooks ⓘ

Contains tables to enter outcomes for performance targets

Performance measure	Target Category ⓘ	APR 2015	MAY 2015	JUN 2015	JUL 2015	AUG 2015	SEP 2015	OCT 2015	NOV 2015	DEC 2015
Annual Targets										
Monthly										

3. When the button is pressed the calculator checks any sub-contractor workbooks within the folder and will compile the relevant results of each into the results in the prime calculator.

If, for some reason, the workbook is not allowing you to upload the subcontractor workbooks into the prime calculator; please follow these steps to make it work.

2. In “Grant Summary”, the subcontractor workbooks have the same Grant Name as the prime workbook
3. In “Grant Summary”, the subcontractor workbook field “Prime/Sub” is set to Sub
4. The workbooks must all be .xlsm file
5. The names of targets of the subcontractor must correspond to the targets of the prime workbook.

4 Calculating the Performance Rating

The specifications for all indicators are detailed in this section of the guidance.

For each indicator, the specification sets out the following information:

- Description;
- Data source; and
- How the indicator is calculated

4.1 Indicator 1: Delivery against contract targets

Definition

Indicator 1 measures how well the provider has delivered against its contractual targets. The maximum number of Star Rating points available for this indicator is 48.

Data Source

The data sources for this indicator are:

- Targets specified in the contract; and
- Project Progress Report or equivalent management reporting information

How is Indicator 1 calculated?

At the start of a contract the Funder, or the Lead Provider in the case of any sub-contracted provision, will confirm the targets in scope. The Funder/Lead Provider will also identify one of these targets as the primary outcome for the contract. This is primarily determined as the hardest target outcome to achieve.

Performance against the primary outcome contributes 50% of the total points available for this indicator (i.e. 24). Performance against all other contract targets will be split equally to contribute the remaining 50%.

The actual numerical targets defined at the start of the “performance rating year⁴” for which the Employability Performance Rating is calculated will be the targets used to measure performance against this indicator.

Calculation of the Star Rating Points

⁴ April to March in the subsequent year (i.e. a financial year)

Example B (see below for further information)

	A	B	C	D	E
Grant Target	Target	Actual	% Delivery (C/B*100)	Maximum Star Rating Points available	Star Rating Points (C*D)
Sustained job (primary outcome)	35	25	71.4	24	17.0
Employability support	100	120	120.0	6	6.0
Skills development	80	90	112.5	6	6.0
Skills level 2	50	30	60.0	6	3.6
Job entry	50	48	96.0	6	5.8
				Total Star Rating Points (max = 48)	38.4

Calculation of the Star Rating points for the primary outcome

The percentage delivery against the primary outcome is used to calculate Star Rating points by multiplying the percentage delivery by the maximum points available, i.e. 24. In Example B, the percentage delivery against the primary outcome target is 71%, and this is multiplied by 24 to give 17 Star Rating points.

The points achieved will be capped at 24, even if there is over-delivery against the grant target. This is to ensure that over-delivery of the target does not compensate for under-delivery against any other contract targets. Overachievement of the primary outcome target will be rewarded in the ‘conversion factor’ indicator (see page 21 for more information).

Calculation of the Star Rating points for delivery against other grant targets

Performance against all other contract targets contributes to the remaining 24 points available for this indicator. The maximum points available for each target depends on the total number of “other” contract targets and is established using the following formula:

$$\text{Maximum number of points per "other" target} = \frac{24}{\text{Number of "other" contract targets}}$$

In Example B, the provider has four “other” contract targets; therefore the maximum number of points per each target is six. The percentage delivery against each of these “other” targets is multiplied by six to establish the points achieved. As is the

case with Indicator 1, the points awarded will be capped according to the maximum points available – in Example B, the maximum points available for each of the four “other” contract targets is six.

The points achieved for each contract target are then added together to get the total Star Rating points achieved for the indicator. In Example B, the Provider has achieved 38.4 of the 48 Star Rating points available.

4.2 Indicator 2: Delivery against contract diversity targets

Definition

Indicator Two measures how well the Provider has delivered against its contractual diversity percentage targets for the following participant groups: Black, Asian and Minority Ethnic (BAME), disabled and women. For each of the three diversity targets, you can score four points to achieve a maximum score of twelve. Please note: in some cases a contract may not be given any diversity targets to be assessed against. In this case, the 12 points awarded to diversity are reallocated to Delivery against contract targets so the maximum score would be 60 instead of 48 for this section.

Data Source

The data sources for this indicator will include:

- Targets specified in the contract; and
- Project Progress Report or equivalent management reporting information.

How is Indicator 2 calculated?

Example C (see below for further information)

	A	B	C	D	E
BAME	Target (%)	Actual (%)	Percentage delivery	Total Star Rating points available	Star Rating Points (D*A)
Sustained job (primary outcome)	60	72.0	120.0	0.8	0.8
Employability support	60	75.0	125.0	0.8	0.8
Skills development	60	83.3	138.9	0.8	0.8
Skills level 2	60	50.0	83.3	0.8	0.7
Job on leaving	60	83.3	138.9	0.8	0.8
				Total Score	3.9

	A	B	C	D	E
Disabled	Target (%)	Actual (%)	Percentage delivery	Total Star Rating points available	Star Rating Points (D*A)
Sustained job (primary outcome)	5	4.0	80.0	0.8	0.6
Employability support	5	4.1	83.3	0.8	0.7
Skills development	5	5.6	111.1	0.8	0.8
Skills level 2	5	0	0	0.8	0
Job on leaving	5	4.2	83.3	0.8	0.7
				Total Score	2.8

	A	B	C	D	E
Women	Target (%)	Actual (%)	Percentage delivery	Total Star Rating points available	Star Rating Points (D*A)
Sustained job (primary outcome)	40	28.0	70.0	0.8	0.6
Employability support	40	37.5	93.8	0.8	0.7
Skills development	40	38.9	97.2	0.8	0.8
Skills level 2	40	33.3	83.2	0.8	0.7
Job on leaving	40	41.7	104.2	0.8	0.8
				Total Score	3.6

The percentage delivery against each contract target included in Indicator 1, for each of the three diversity groups is calculated. Diversity targets are expressed as a percentage rather than absolute numbers, to ensure that diversity targets can still be met for any given contract target, even if the contract target is not met.

A total of 12 points is available for this indicator, with performance against each group contributing a third of the points available, i.e. four points. For each group, the maximum points available for each contract target are calculated as follows:

$$\text{Maximum number of points per each target per beneficiary group} = \frac{4}{\text{Number of contract targets}}$$

In Example C, the provider has five contractual outcome targets, therefore the maximum points available for each target is 0.8. As is the case with Indicator 1, the points awarded are capped according to the maximum points available

The points achieved for each beneficiary group are added together to generate the total Star Rating points for the indicator. In Example C, the Provider has achieved a total of 10.3 of the 12 Star Rating points available (i.e. $3.9+2.8+3.6 = 10.3$).

4.3 Indicator 3: Conversion factor

Definition

Indicator 3 measures the proportion of participant starts that progress to achieve the Primary Outcome of the provider's contract. The maximum number of Star Rating points available for this indicator is 12.

Indicator 3 is an added-value indicator aiming to reward those providers achieving a higher than contracted conversion rate of starts into the primary contract outcome. No points will be awarded to providers who underachieve or simply meet the conversion rate specified in their contract.

Data Source

The data sources for this indicator are:

- Targets specified in the contract; and
- Project Progress Report or equivalent management reporting information

How is Indicator 3 calculated?

The Primary Outcome specified in Indicator 3 will be used as the Primary Outcome for this indicator (Please refer to example D).

Example D (see below for further information)

		A	B	C	D	E	F	G	H
Grant	Primary outcome	Target number of starts	Actual number of starts	Target number of primary outcomes	Actual number of primary outcomes	Target conversion rate (C/A x 100)	Actual conversion rate (D/B x 100)	Actual conversion rate minus target conversion rate (F-E)	Star rating points (G/1.25) (Maximum points = 12)
A	Sustained job	320	330	107	145	33%	44%	11	8
B	Sustained job	550	520	184	200	33%	38%	5	4
C	Sustained job	440	450	147	150	33%	33%	0	0
D	Sustained job	370	380	124	101	33%	27%	-6	0

The target and actual conversion rates are calculated using the following formula:

$$\text{Conversion factor (\%)} = \frac{\text{Number of primary outcomes}}{\text{Number of starts}} \times 100$$

The Star Rating points are then calculated using the following formula:

$$\text{Star Rating points} = \frac{\text{Actual conversion rate} - \text{target conversion rate}}{1.25}$$

In Example D, Provider A has achieved 8.8 of 12 Star Rating points available (i.e. (44% - 33%) = 8.8 /1.25

In Example D, Grants A and B have achieved improvements in the conversion rate of starts into sustained job outcomes, so both Providers have achieved Star Rating points. Grants C and D have not achieved any Star Rating points for this indicator because there has been no improvement in the conversion rate. Grant C's achievement of its contracted conversion rate will be acknowledged in Indicator 1.

4.4 Indicator 4: Participant satisfaction

Definition

Indicator 4 measures the views of the participants of the contracted provision. The maximum number of Star Rating points available for this indicator is nine.


Data source

The data for this indicator is based on three survey questions. All providers are required to collect data for these questions (each of the questions contain sub-questions; in total there are twelve questions). The questions can be incorporated into existing surveys if a provider chooses to do so.

Lead Providers are required to report the number of responses per response option, per question to the Funder on a quarterly basis, using the Employability Performance Rating calculator. Sub-contractors will be required to return the same information to their Lead Provider. It is recommended that responses are collated and reported quarterly to ensure Participant satisfaction responses can be acted upon through Funder/Lead Provider performance management.

The survey should ideally be carried out with the participants as they reach the stage of the primary outcome

In order to enable comparison of results across different providers, each provider will need to achieve a minimum number of survey responses to ensure the results generated are valid. All providers are required to return questionnaire results from a minimum of 60% of participants leaving the into work element in the performance year. If a Provider does not achieve the required sample size of responses, zero points will be awarded for this indicator.

If this occurs, you will see this icon  on the star rating calculation sheet. This icon will also show if the Starts need to be inputted manually on the 'Zero Starts Calculator'.

How is Indicator 4 calculated?

Each question has a five point response scale ranging from very positive (e.g. very good) to very negative (e.g. very bad). The responses are scored using the scoring matrix below:

Response	points
Very positive	4
Positive	3
Neutral (neither positive or negative)	2
Negative	1
Very Negative	0
No response	excluded

Example F (see below for further information)

	A	B	C	D	E	F	G	H	I	J	K	L	
Question	No of very positive responses	Points (4xA)	No of positive responses	Points (3xC)	No of neutral responses	Points (2 x E)	No of negative responses	Points (1xG)	No of very negative responses	Points (0xI)	Total no of responses	Score per question	Maximum score available (4xk)
1a	25	100	15	45	5	10	5	5	0	0	50	160	200
1b	30	120	12	36	6	12	1	1	1	0	50	169	200
1c	25	100	20	60	5	10	0	0	0	0	50	70	200
1d	28	112	12	36	6	12	3	3	1	0	50	63	200
1e	25	100	16	48	4	8	5	5	0	0	50	61	200
2a	31	124	15	45	4	8	0	0	0	0	50	177	200
2b	22	88	18	54	3	6	7	7	0	0	50	155	200
2c	34	136	12	36	0	0	2	2	2	0	50	174	200
2d	25	100	8	24	10	20	5	5	2	0	50	149	200
2e	30	120	12	36	6	12	2	2	0	0	50	170	200
2f	18	72	25	75	4	8	2	2	1	0	50	157	200
3	21	84	13	39	16	32	0	0	0	0	50	155	200
Total number of participant responses					600				Total score			1,660	2,400

The score per question is calculated using the scoring system above. In Example F, for question 1a, the score is 160:

25 participants responded "very good"	= 100 points
15 participants responded "good"	= 45 points
5 participants responded "neither good or bad"	= 10 points
5 participants responded "bad"	= 5 points
Total	= 160 points

The scores for each question is added together to generate the total score. In Example F, the total score = 1,960

This is then converted to a percentage score using the following formula:

$$\% \text{ score} = \frac{\text{Total score}}{\text{Maximum score available}} \times 100$$

Where the maximum score available = total number of responses x 4

In Example F, there were 600 responses, therefore the percentage score

$$= \frac{1960}{600 \times 4} \times 100 = 82\%$$

The Star Rating points are then calculated by multiplying the percentage score by maximum number of points available (i.e. 9). In Example F, the Provider has achieved 7.4 of 9 Star Rating Points available (82% x 9).

4.5 Indicator 5: Quality self-assessment

Definition

Indicator 5 measures the quality of the provider’s provision, continuous improvement, and leadership and management. The indicator is based on the provider’s self-assessment of performance. The maximum number of Star Rating Points available for this indicator is nine.

Data Source

The data source for this indicator is the provider’s self-assessment of performance against twelve statements about the **quality of provision, continuous improvement, and leadership and management**.

For each statement, the Provider assesses the extent to which the given aspect of quality is in place and summarises the evidence available to demonstrate the current levels of performance. The Provider then rates the level of performance against each statement using the following four point scale:

Self assessment of level of performance	Rating
Outstanding	1
Good	2
Requires Improvement	3
Inadequate	4

The rating scale is consistent with the scale used in the Common Inspection Framework. It is envisaged that very few providers will be performing at an outstanding level at the start of the project. Towards the end we expect to see higher ratings for providers.

The Funder will review the completed self-assessment template and a sample of supporting evidence during monitoring visits with Lead Providers. Lead Providers will review the self-assessment completed by all of its sub-contractors as there is no financial limit. The self-assessment ratings will also be cross checked with the provider’s performance against the other indicators within the Employability Performance Rating. For example, if a provider self-assesses its performance against each statement as good or outstanding, but is failing to meet its contract targets, the Funder or Lead Provider is likely to request the provider reviews its self-assessment ratings. The Contractor will then put in place a Priority for Action rating which gives an indication of what will be reviewed within the Grant’s self-assessment.

Provider:	Test Provider			
Grant:	Test Grant name			
Back to Info				
Quality Self-Assessment				
Contains tables to enter record of quality of the grant service as assessed by the contractor.				
Question	In place? F = fully FI = fully in place but needs some improvement P = partially in place NI = not in place/being	Evidence or examples of current practice	Assessment of level of performance Rate 1 – 4 1 = Outstanding; 2= Good; 3 = Satisfactory; 4 = Inadequate	Priority for action? Rank 1 – 3 1 = high priority
Quality of provision/meeting participant needs				
1. There is a comprehensive induction for all participants				
2. Participants receive appropriate advice and guidance on starting and on completion of participation in the service				1 2 3

How is Indicator 5 calculated?

Example E (see below for further information)

Self Assessment Rating	Star Rating points awarded
1	0.820
2	0.615
3	0.410
4	0.205

	A	B
Statement	Rating	Star Rating Points
1	3	0.615
2	3	0.615
3	3	0.615
4	3	0.615
5	3	0.615
6	3	0.615
7	3	0.615
8	3	0.615
9	3	0.615
10	2	0.410
11	2	0.410
12	2	0.410
Total point score		6.76

A total of nine points are available for this indicator and the maximum number of points available for each statement is 0.82. The points achieved for each statement are established using the following matrix:

The points for each statement are added together to generate the total Star Rating points for the indicator. In Example E, the Provider has achieved 6.76 of the 9 total Star Rating points available.

4.6 Indicator 6: Grant compliance and pro-activity

Definition

Indicator 6 measures the provider's Compliance and proactivity towards managing the contract. The indicator is based on the Funder's (for Lead Providers) or Lead Provider's (for sub-contractors) assessment of performance. The maximum number of Star Rating points available for this indicator is ten.

Data Source

The data source for this indicator is based on the Funder or Lead Provider's assessment of the provider's performance against five statements:

- **The Variance of forecast from claim:** relates to the variation between output forecasts and actual output claim amount;
- **Timeliness of claim:** relates to whether claims are submitted on time;
- **Accuracy of claims and associated returns:** relates to the accuracy of claims and information returned in the Project Progress Report or other returns;
- **Responsiveness:** relates to whether the provider responds to the Funder's requests for information in a timely way, including Management Information, Action Plans, and timely completion of agreed actions after a monitoring visit; and
- **Proactive risk management**

The Funder/Lead Provider will rate the provider's performance against each statement on a scale of one to ten, with ten being high.

The Grant Compliance questions themselves are listed in the calculator.

How is Indicator 6 calculated?

Example G (See below for further information)

Statement	Rating	Maximum star rating points available	Star Rating points
1	8	2	1.6
2	7	2	1.4
3	6	2	1.2
4	6	2	1.2
5	6	2	1.2
Total Star Rating points		10	6.6

A total of ten points is available for this indicator and the maximum number of points available for each statement is 2. The Star Rating points achieved for each statement are calculated by the following formula:

Star Rating Points per statement = rating x 0.2⁵

The ratings for each statement are added together to generate the total Star Rating points achieved for the indicator. In example G, the provider has achieved 6.6 of the 10 Star Rating points available.

⁵ The rating is multiplied by 0.2 because a 10-point scale is used to rate performance against each statement and the maximum Star Rating points per statement equals two.

Appendix A Key terms and definitions

Term	Definition
Prime contractor	The organisation is directly contracted by the funder to provide the services outlined in the grant agreement
Sub-contractor	Any organisation is contracted by the prime contractor to contribute to providing services outlined in the grant agreement.
Funder/Funding agency	The organisation is providing the prime contractor with the grant to operate their service.
Grant Manager	The staff member at the funder who is the main point of contact with the prime contractor/funder.
Contractor/ Provider	More general terms to refer to both prime contractors and sub-contractors in a situation where the distinction is not necessary
Participant	Refers to the people who are helped by the service the contractor is providing.