**NCC Connect to Work**

**Annex 6 – NCC Performance Management Framework**

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This Performance Management Framework (PMF) has been developed to support the delivery of Provision and underpin your contract and will be implemented by the NCC Programme Office.

The aim is to ensure the Providers meet the performance levels and Minimum Service Delivery Standards (MSDS) stipulated in the contract and where required take formal action against the Providers, where they do not meet such performance levels and MSDS.

The NCC Programme Office will manage performance at the headline contract level and may take performance improvement action should any area of performance fall below the levels stipulated in the contract. There are four levels of this Framework:

**Level 1:** Performance Management – NCC Programme Office

**Level 2:** Informal action – NCC Programme Office

**Level 3:** Informal action – NCC Head of Employment and Skills

**Level 4:** Formal action – Performance Improvement Notice

Level 1: Performance Management – NCC Programme Office

The NCC Programme Office will hold regular Contract Performance Review (CPR) meetings with the Providers which will focus on achieving contractual performance levels. Where performance falls below 80% of the contractual targets, including but not limited to MSDS’s and participant engagements, providers may move to Level 2 of the performance management framework. Please note NCC reserves the right to review and reduce Delivery Partners financial profile if performance is not satisfactory and falls below 80% of the contractual targets. Performance will be managed on both the quantitative and qualitative aspects of the contract.

Level 2: Informal action – NCC Programme Office

If Level 1 shows that you may not achieve the performance levels, the NCC Programme Office may, but is not obliged to, undertake informal action, by setting up a Performance Action Plan. The Performance Action Plan will be used to capture all agreed actions for performance improvement including incremental performance and pipeline data that may lead to outcomes, review dates and the management information to improve the achievement of the performance levels and MSDSs in line with the Contract.

The Action Plan is to be populated by the Providers and must fully address all concerns. The actions must be specific about the required improvement, and the improvements must be specific, measurable, achievable, realistic, and time bound.

Level 3: Informal action – NCC Head of Employment and Skills

If the remedial actions captured on the Provider Action Plan are unable to lift performance in order to meet the performance and MSDS levels in the Contract, the NCC Programme Office can escalate this to the NCC Employment and Skills Manager, (who has accountability for the delivery of this contract) to enable NCC to undertake further informal action from a central point within NCC Programme Office.

The Providers will be invited to a meeting to discuss performance and receive a Management letter to request that performance improves. At this stage the Providers will be informed that formal action could be taken in the event that performance doesn’t improve.

Level 4: Formal action

At this stage the NCC Programme Office will take formal action by issuing a Performance Improvement Notice (PIN) in accordance with the contract, to address failure to meet the performance levels and MSDSs in the Contract.

The NCC Programme Office will work with the Providers to support the completion of a Performance Improvement Plan (PIP) and agree the forecasted Management Information the Providers is asked to supply.

The NCC Programme Office will work with the Providers to undertake activities to monitor and support improvement to performance.

In the event that performance does not improve to meet the performance levels and MSDS as required by the PIN, the NCC Programme Office may take action to withhold, reduce payments or to terminate the Contract. NCC also reserves the right to require Delivery Partners to repay to NCC the whole or any part of the amount of the contract previously paid to the Delivery Partner. For the avoidance of doubt, the NCC Programme Office will still be entitled to take action at Level 4 whether or not it has taken all of the steps outlined at Levels 1, 2 and/or 3, above.

**Performance Indicators**

None of the above precludes any and all remedies available to NCC Programme Office under the contract. The contract takes precedence.

NCC Programme Office will manage performance against its agreed MSDSs. Where performance indicates a potential future failure of a MSDS, NCC Programme Office may require the Providers to develop an improvement plan to remedy this.

Subsequent failure of the improvement plan and/or MSDS does not remove or impact the remedies available to NCC Programme Office.