



Department
for Work &
Pensions



New Enterprise Allowance (NEA) Mentoring 2017 NEA Phase 2 Provider Guidance

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Section 1: High Level Outline of Provision and Eligibility

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Introduction

- 1.01 New Enterprise Allowance (NEA) Mentoring Phase 2 (which is sometimes referred to as NEA 2017) is aimed at supporting claimants to start their own business and supporting some Universal Credit (UC) (full service) claimants already self-employed to develop and grow their business.
- 1.02 For new business starts, NEA Phase 2 will support the creation of a business under any structure as long as the claimant has a genuine aspiration to build a sustainable business that will be based in Great Britain.
- 1.03 For new business starts, NEA Phase 2 will support the move into self-employment for those people who want to start their own business. NEA can provide mentoring support (Provider led) and financial assistance in the form of the NEA weekly allowance, administered by Jobcentre Plus (JCP), to claimants who satisfy eligibility and are referred to the scheme by JCP Work Coaches. Claimants will also have access to the Start-Up Loan schemes, should they need additional start-up financial support.
- 1.04 This element of the programme, that is new business starts, is being used for ESF match funding. **ESF match funding only applies to those contracts that are in England. It does not apply to Scotland or Wales.**

- 1.05 For UC (full service) claimants who have been assessed as being in gainful self-employment and have earnings below their Minimum Income Floor (MIF), NEA Phase 2 will support the development and growth of the business by providing mentoring support to those claimants who satisfy eligibility and are referred to the scheme by JCP Work Coaches.
- 1.06 This element of the programme, that is UC (full service) existing self-employed claimants, **will not be used for ESF Match Funding**.
- 1.07 NEA Phase 2 is an entirely voluntary scheme which will consist of two customer journeys that are similar in parts, but with a slightly different focus – see [annex 7](#) for a Customer Journey Graphic
- 1.08 This Department for Work and Pensions (DWP) Provider Guidance supports you, the Prime Provider, in the delivery of the NEA scheme on behalf of the Secretary of State for Work and Pensions. It forms part of your contract and provides guidance on processes and requirements, contract details and the legal arrangements for delivery.
- 1.09 This guidance must be read in conjunction with:
- The Invitation to Tender (ItT);
 - [DWP Generic Provider Guidance](#) – useful hyperlinks have also been embedded throughout this Specific Guidance.
 - [Generic Provider Guidance Chapter 11b – ESF requirements 2014 – 2020 \(England Only\)](#). –you need to ensure that European Social Fund (ESF) requirements are adhered to.
- 1.10 If there is any conflict between the contract and this guidance, the contract takes precedence. If there is any conflict between the specification and this guidance in relation to DWP's internal procedures and processes, this guidance takes precedence.
- 1.11 You must ensure that any organisations with which you have a sub-contractual relationship also has access to, and read this guidance and associated documents which are detailed at Paragraph 1.09 above.

High Level Outline of elements of NEA Phase 2 for New Business Starts

- 1.12 A brief outline of the elements of NEA Phase 2 for new business starts is as follows:
- A pre-NEA Phase 2 workshop called **Link Up: Start Up**, providing claimants with an overview of the impact, commitment and responsibilities of being self-employed. Participation on this workshop will be compulsory for all who want to progress to the new business start-up NEA Phase 2 offer. The start date must be offered within 15

working days of referral and that the outcome must be recorded in the Provider Referrals and Payment system (PRaP) within 20 working days of referral.

- **Initial Assessment** – Providers will undertake an initial assessment of eligible individuals within 10 working days of the referral date and record the result in the PRaP within 15 working days of the referral.
- **An enhanced mentoring offer:**
 - mentoring support for maximum of 12 weeks and include at least 3 mentoring sessions;
 - Development of the Business Plan; and
 - The mentoring support will be supplemented with additional workshops covering key areas, for example financial planning and marketing support etc.
- **Business Plan approval** – Provider to administer an approval process for Participants' business plans and provide the participant with feedback. Business Plans must be submitted, assessed and approved or not approved within the 12 weeks mentoring support period described above.
- **Business Development phase** – This is a voluntary phase of up to 13 weeks from the date the business plan has been signed off. During this time participants will undertake additional work aimed at building a successful platform for their business launch, for example, for market testing and time to apply for a Start-Up Loan. Providers are expected to offer at least one point of contact with a Business Mentor during this period.
- **Post-trading support** – The mentoring support from providers will be available for up to 12 months/ 52 weeks from the date trading starts. Providers are to offer a minimum of four mentor meetings (at appropriate intervals) during this period.

Participants will also be eligible to receive an allowance for the first 6 months/ 26 weeks that they are trading, subject to meeting qualifying conditions.

High Level Outline of elements of NEA Phase 2 for UC (full service) existing self-employed

1.13 A brief outline of the elements of NEA Phase 2 for UC (full service) existing self-employed claimants is as follows:

- Providers to conduct an initial assessment interview with participants, within 10 working days of the referral date and record the result in PRaP within 15 working days of the referral. The Provider will assess the current state of the business and decide if the provision could help the claimant (e.g. to be able to develop the business to increase earnings up to or above their MIF level), sifting out those who are not suitable
- Similar to the new business start-up enhanced mentoring offer, the initial mentoring support will last for up to 12 weeks, with a minimum of 3 mentoring sessions over the 12 weeks and will include additional workshops e.g. on financial planning and

marketing support as well as developing a Business Development and Growth Plan (BDGP) with the participant.

- Business Development and Growth Plan (BDGP) approval needs to be undertaken (that is, a plan submitted, assessed and approved or not approved), within the 12 week initial mentoring support period.
- Post BDGP Mentoring support will be based around reviewing and further developing the Business Development and Growth Plan, which will include short, medium and long term activities aimed at improving business earnings to equal to or above their Minimum Income Floor (MIF) and therefore, business sustainability. The mentoring support will last for 12 months and Providers will offer four mentoring meetings during this period (at appropriate intervals).

Note: Information regarding Minimum Income Floor can be found at [GOV.UK](https://www.gov.uk).

Claimant Group/Eligibility: New Business Starts

1.14 New Enterprise Allowance is available to the following claimants aged 18 and over and their dependent partners (*where indicated) aged 18 and over and are legally resident in the UK and have the right to take up paid employment/self-employment in the UK:

- Jobseekers Allowance (JSA) (*including dependent partners)
- Employment & Support Allowance (ESA) (*including dependent partners)
- Income Support - The only Income Support claimants who are eligible are lone parents claiming Income Support (IS) on the grounds of being a lone parent and people claiming as sick. This includes lone foster parents and single people with a child placed with them prior to adoption. Note that claimants in receipt of Carer's Allowance **are not** eligible for NEA.
- Some Universal Credit claimants. Eligible Universal Credit claimants will primarily fall within the following conditionality groups:
 - All Work Related Requirements
 - Work Preparation
 - Work Focussed Interview only.

Jobseekers Allowance (JSA)

1.15 Eligibility commences from the date JSA (Income based or Contributory based) is awarded in all but the following instances:

- A claimant sanctioned for leaving their last employment voluntarily or for dismissal due to misconduct, is not eligible for NEA until their claim has been in place for 13 weeks.

- A claimant who ceased running their own business at any point in the 13 weeks prior to the claim date is not eligible for NEA until they have a continuous claim of 13 weeks.
- Additionally, their proposed business idea must be demonstrably different from the business that had ceased trading before they made their claim (unless the business ceased trading more than 2 years before the current claim was made, in which case this bullet point is disregarded)..

- 1.16 For all JSA claimants, eligibility for NEA ends at the point they are referred to Work Programme/ Work & Health Programme or a mandatory employment programme (for example, a claimant taking part in Work Programme/ Work & Health Programme provision is not eligible for NEA). Eligibility resumes when Work Programme/ Work & Health Programme provision or the mandatory employment programme has been completed.
- 1.17 Claimants already running a business, on a part-time basis, and claiming JSA must **not** be helped through NEA unless they are proposing to set up a demonstrably different business. Where you identify a claimant is already running a business and not proposing to set up a new full-time business you should refer the claimant back to the JCP Work Coach.
- 1.18 JSA 'credits only' claimants are eligible for NEA providing they meet the above criteria.

Employment & Support Allowance (ESA)

- 1.19 Eligibility commences from the date benefit / group status is established. If a claimant has been referred to the Work Programme/ Work & Health programme, or any other mandatory employment programme, they are not eligible for NEA. Eligibility resumes once the claimant has completed Work Programme / Work & Health Programme or the mandatory employment programme.

Note: ESA claimants who ceased running their own business at any point in the 3 months prior to the claim date are not eligible for NEA until they have a continuous claim of 13 weeks. Additionally, their proposed business idea must be demonstrably different from the business that had ceased trading before they made their claim (unless the business ceased trading more than 2 years before the current claim was made, in which case this can be disregarded).

- 1.20 ESA claimants under permitted work rules are not eligible to participate in NEA because the starting of a business will not take them off benefit.
- 1.21 ESA Work Related Activity Group (WRAG) 'credits only', Support Group and Assessment Phase claimants are eligible for NEA.

Dependent Partners

- 1.22 New Enterprise Allowance (NEA) is available to dependent partners of JSA and ESA claimants aged 18 and over (both claimant and partner have to be aged 18 and over).
- 1.23 Eligibility commences from the date benefit / group status is established. Where dependent partners wish to participate in NEA, both the claimant and partner must fulfil the NEA eligibility criteria.
- 1.24 The dependent partner of a claimant who ceased running their own business at any point in the 3 months prior to the claim date is not eligible for NEA until they have a continuous claim of 13 weeks.
- 1.25 The dependent partner of a claimant who is on the Work Programme/ Work & Health Programme or who is due to start the Work Programme/ Work & Health Programme is eligible for NEA.

Note: The dependent partner of a claimant who ends their claim can remain on NEA if the dependent partner has already been referred by Jobcentre Plus.

Income Support claimants (Lone Parents or people claiming as sick)

- 1.26 Eligibility commences from the date benefit / group status is established. The **only** Income Support claimants who are eligible are lone parents claiming Income Support (IS) on the grounds of being a lone parent and people claiming as sick. This includes lone foster parents and single people with a child placed with them prior to adoption. Claimants in receipt of Carer's Allowance **are not** eligible for NEA support.

Note: IS claimants who ceased running their own business at any point in the 3 months prior to the claim date are not eligible for NEA until they have a continuous claim of 13 weeks. Additionally, their proposed business idea must be demonstrably different from the business that had ceased trading before they made their claim (unless the business ceased trading more than 2 years before the current claim was made, in which case this can be disregarded).

- 1.27 If a claimant has been referred to the Work Programme/ Work & Health Programme they are not eligible for NEA. Eligibility resumes once the claimant has completed Work Programme/ Work & Health Programme.

Note: To be eligible for NEA the Lone Parent must start a business that takes them off benefit. Lone parents claiming IS who remain on IS and want to start child-minding in their own home are not eligible to participate in NEA.

Universal Credit (UC)

1.28 Eligibility commences from the date the benefit / group status is established in the following labour market regimes:

- Intensive Work Search regime;
- Work Preparation regime; and
- Work Focussed Interview regime
- For UC live service, eligibility is also for partners in the Light Touch regime if:
 - they are earning below the individual Administrative Earnings Threshold (AET) but are in a household earning above the couple AET
 - they are unemployed with a partner earning above the couple AET

Note: UC claimants who ceased running their own business at any point in the 3 months prior to the date benefit / group status is established are not eligible for NEA until they have a continuous claim of 13 weeks after date trading ceased. Additionally, their proposed business idea must be demonstrably different from the business that had ceased trading before they made their claim (unless the business ceased trading more than 2 years before the current claim was made, in which case this can be disregarded).

1.29 If a claimant has been referred to the Work Programme / Work & Health Programme they are not eligible for NEA. Eligibility resumes once the claimant has completed Work Programme / Work & Health Programme.

Claimant Group/Eligibility: UC (full service) existing self-employed

1.30 Eligibility for UC (full service) existing self-employed claimants whose income falls below their Minimum Income Floor (MIF) is as follows (note that, as with new business starts, claimants must be legally resident in the UK and have the right to take up paid employment/self-employment in the UK) :

- UC (full service) existing self-employed claimants who are deemed to be gainfully self-employed; and either
- the MIF applies (not in a start-up period); or
- claimants who are in the start-up period, and within 3 months of the start-up period ending, who are unlikely to earn the MIF level when the start-up period ends

Note: If the UC (full service) existing self-employed participant has previously participated in NEA provision, then a period of 12 months must have passed since the

last day they were on NEA provision before they can be referred back to NEA Phase 2 and receive help to increase their earnings to equal to or above their MIF level.

Identification/Marketing of scheme to claimants

- 1.31 Jobcentre Plus will inform eligible Individuals about the NEA Mentoring Scheme. Eligible Individuals will be referred to you by Jobcentre Plus Work Coach.
- 1.32 You / your partnership activities can be marketed through media other than Jobcentre Plus services; however, you will need to ensure that the NEA eligibility criteria are made clear in any marketing materials.
- 1.33 Marketing activity must direct interested people to Jobcentre Plus in the first instance, so their eligibility can be confirmed and Jobcentre Plus can track participation and take-up effectively.
- 1.34 Any marketing or promotional material relating to the delivery of this contract must be sent to and agreed with your DWP Performance Manager before it is used.
- 1.35 As this provision is being used for ESF match funding, specific marketing and publicising requirements must be met.
- 1.36 Further information regarding ESF requirements can be found in paragraphs 1.39 to 1.41 of this Section and the [Generic Provider Guidance Chapter 11b – ESF requirements 2014 – 2020 \(England Only\)](#).

Other exclusions from scheme

- 1.37 For new business starts, because the weekly NEA allowance paid upon the commencement of trading is designed to help the participant build up their business, NEA is not appropriate for a claimant who is taking a job offered by an employer on a self-employed basis. Note that whilst NEA is appropriate for someone who is starting a Franchise business, it is not appropriate for someone working for Direct Selling companies such as Avon, The Body Shop at Home etc. (see Annex 9 for definitions of both Franchise and Direct Selling).
- 1.38 NEA can be used to support any legal business that is registered in Britain for tax purposes; however there are some business areas where you need to take care - especially in the adult leisure/entertainment industry, to ensure that you do not support an illegal business or bring the DWP into disrepute. In these cases you should contact your DWP Performance Manager for further advice.

European Social Fund (ESF) 2014 to 2020 Match Funding

- 1.39 **ESF requirements only relate to provision in England (and not Scotland or Wales) and not to the UC (full service) existing self-employed participants. Any future reference to ESF requirements and the associated actions throughout this guidance should not be taken for provision delivered within CPA11 (Scotland) or CPA 14 (Wales) or for those UC (full service) existing self-employed participants.**
- 1.40 You must meet ESF specific requirements set by the European Commission and failure to comply can result in a high financial risk for both DWP and you, as funds used inappropriately or for ineligible purposes and/or where the ESF requirements have not been met may be recoverable from you. The ESF requirements include but are not limited to the following:
- adequate evidence must be kept at all stages for participants who have started on provision
 - a complete audit trail of key documents and electronic information must be captured, maintained and retained at all stages throughout the process
 - the EU regulations in connection with marketing and publicising ESF must be met
 - EU requirements relating to sustainable development, equality, diversity and equal opportunities must be met
 - all required documentation for each participant must be made available to DWP and EU auditors/investigators/officers/agents if required
 - all required documentation for each participant must be available until at least 31st December 2026 (date subject to change/extension) so that an adequate audit trail exists. This is a key audit requirement.
- 1.41 The requirements above apply to all participants and services supplied under the Contract. If sub-contractors are used to deliver any part of the services under the contract it is the Contractor's responsibility to ensure ESF requirements are met in respect of all services delivered through such sub-contractors. The Contractor therefore is ultimately accountable for the compliance of the contract with ESF requirements. Failure to comply with any of the ESF requirements may result in the reclaim of funding and claims against the Contractor for recovery of any payments received under the Contract and losses arising from the failure to comply with ESF requirements.
- 1.42 As part of this Provision will be funded by ESF it may be subject to stringent audit by DWP and EC Auditors who will require evidence that the Provision is being delivered in accordance with the contract and all payments are clearly and appropriately evidenced. Failure to meet these audit requirements can result in financial penalties or withdrawal of funding.
- 1.43 You must, keep evidence and key documentation in support of Provision delivery and payments. It is your responsibility to ensure that documents and data can be relied on for possible ESF audit purposes. You must have robust systems in place to ensure that

documentation (paper or electronic) is securely held and is easily retrievable and accessible throughout the retention period.

- 1.44 Further information regarding ESF requirements can be found in the [Generic Provider Guidance Chapter 11b – ESF requirements 2014 – 2020 \(England Only\)](#).
- 1.45 On the UK's exit from the European Union (EU), there might be a continuing obligation on suppliers to meet ESF conditionality for any funds underwritten by the Government when ESF funding ends. Suppliers will be notified accordingly.

Section 2: Claimant Referrals

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NEA New Business Referrals - Link Up: Start Up Workshop

2.01 JCP Work Coaches will refer eligible people to the Link Up: Start Up Workshops by contacting you by telephone to book a place before submitting the referral on the Provider Referral and Payment (PRaP) system. You must have a designated point of contact to field and manage phone calls to book these appointments. The referral to PRaP will be made on the same day as the telephone call is made - for UC Full Service please refer to paragraph 2.05 below. See also Notes at Paragraph 2.04.

Note – For both the Link Up: Start Up Workshop and any Initial Assessment, you must not work with a claimant before a referral is received and if you do, you do so at your own risk. If you do not have a PRaP referral for a claimant you must contact Jobcentre plus to ensure it arrives before your claimant intervention. Where this does not happen you must report this to your Performance Manager. If you do not receive a referral and the customer arrives for an intervention then you must not work with the claimant and must direct them back to the Jobcentre Plus Work Coach.

2.02 Following the telephone call the JCP Work Coach will make a referral in the Labour Market System (LMS), for non-UC claimants or Work Service Platform (WSP), used to refer UC claimants, which will create a referral in the PRaP System. The referral information sent via PRaP will include:

- Full name (including title) and National Insurance number;
- Address and (where available) a contact telephone number;
- If a claimant has informed Jobcentre Plus (JCP) that they have a health condition (but not what that condition is);
- The claimant attendance arrangements;
- Activities already undertaken and details of qualifications (where available); and
- JCP Work Coach name, office name & office address.

- 2.03 You will be notified via PRaP when a claimant has informed JCP that they have a health condition / disability, however this will not include what their disability is. Claimants with disabilities may require reasonable adjustments and additional support/arrangements. You should ensure that this information is sought as part of the referral telephone call / Initial assessment (where appropriate).
- 2.04 The JCP Work Coach will also notify you of any claimant participation restrictions which you must record and take into account when planning delivery.

Note: Generally, the referral will not be available to you in PRaP until the day following the JCP telephone referral (see paragraph 2.05 below with regards to UC Full Service referrals). It should also be noted that while the vast majority of referrals will be made through PRaP, there may be a very small number of referrals made clerically, not through PRaP e.g. Special Claimant Records (SCR). See [Managing SCR cases](#) for further information.

Note: If you have not received the PRaP referral from JCP you must query this with JCP and ensure the relevant PRaP referral is received before attendance at the LUSU. JCP have been made aware that you will turn the claimant away when they attend the LUSU if you have no electronic referral

- 2.05 The IT system used by UC Full Service does not have a direct link with PRaP. Therefore, a clerical workaround is in place for the Work Coach to pass on the referral information internally within DWP, and this information will enable a referral to be sent via PRaP to you. This will result in a delay in you receiving the PRaP referral following the telephone referral for any UC Full Service claimant. This only relates to UC Full Service.
- 2.06 Situations may arise where JCP make a referral which is inappropriate. In these cases and only these cases, there are processes to correct the error. See Annex 1 for the action to take.

Re-referring claimants who fail to attend the Link Up: Start-Up Workshop

Note: There may be occasions where the claimant who has been referred to the Link Up: Start Up workshop contacts you to say that they cannot attend the workshop, for example, they may have a prior appointment on that day. In these cases, where the claimant asks to re-arrange the date they are attending the Link Up: Start Up workshop, you can re-book them on the next available workshop. If this was to take you beyond the target you have for the claimant to have attended the Link Up: Start Up workshop then you must record the reason as to why this has been re-arranged (and missed the target) and share this information with your Performance Manager.

- 2.07 You will notify JCP via PRaP, within 20 working days of the referral, when a Participant fails to attend their Link Up: Start Up Workshop. JCP will then discuss with Participants to establish if NEA remains appropriate.
- 2.08 If it is still the right choice, JCP will make a new referral, following the same process in which the original referral was made (contacting the provider by telephone, booking a place at the next Link Up: Start Up Workshop and making a new electronic referral through PRaP). Where there have been multiple referrals and non-attendance JCP will question the claimant's commitment before making a re-referral. Where someone has not attended on a number of occasions, for example 3 times or more, you can, if you wish, query the referral with the JCP referring officer but you cannot refuse the referral if JCP decide it is appropriate.
- 2.09 As before, the referral will not be available to you in PRaP until the day following the JCP telephone referral. It should also be noted that while the vast majority of referrals will be made through PRaP, there may be a very small number of referrals made clerically, not through PRaP e.g. Special Claimant Records (SCR). See [Managing SCR cases](#) for further information.
- 2.10 If you have not received the PRaP referral from JCP you must query this with them and ensure the relevant PRaP referral is received before attendance at the LUSU. JCP have been made aware that you may turn the claimant away when they attend the LUSU if you have no electronic referral

New Business Referrals: Initial Assessment

- 2.11 JCP will contact you and arrange a one to one, face to face Initial Assessment for those claimants who have attended the Link Up: Start Up Workshop and who still want to explore their self-employment options. This will be done before the referral is submitted via PRaP. If an initial assessment referral is received via PRaP and the individual has not been referred to/ attended the Link Up: Start Up workshop then the referral should be rejected on PRaP (using "other").

Note: For UC claimants referred via WSP, not all the pertinent information (detailed at paragraph 2.02) will be sent via PRaP. The information that cannot be sent via PRaP will be sent to you clerically via post on the appropriate UCNEA1 form.

Note: If you have not received the PRaP referral from JCP you must query this with JCP and ensure the relevant PRaP referral is received before attendance at the Initial Assessment. JCP have been made aware that you will turn the claimant away when they attend the Initial Assessment if you have no electronic referral

- 2.12 You must have a designated point of contact to field and manage phone calls to book these appointments. As part of the handover process for a referral for an initial

assessment you will also confirm then, to the JCP Work Coach making the referral, if the individual being referred has attended the Link Up: Start Up workshop or not.

- 2.13 The initial assessment must be undertaken within 10 working days of the referral date and the result recorded in PRaP within 15 working days of the referral.
- 2.14 You must ensure that you retain any documents/ evidence to support checks by the European Social Fund (ESF) Compliance Monitoring Officers (CMO) and ESF audit activity from the point of referral to the initial assessment to when the individual leaves provision.
- 2.15 Situations may arise where JCP make a referral which is inappropriate. In these cases and only these cases, there are processes to correct the error. See [Annex 1](#) for the action to take.

NEA UC (full service) existing self-employed: Initial Assessment

- 2.16 JCP will contact you and arrange/book the Initial Assessment for those UC (full service) claimants, who are currently self-employed, who have expressed an interest in, and are eligible to take part in, NEA Phase 2. This will be done before the referral is submitted via PRaP. This group of claimants will not have participated in the Link Up: Start Up workshops and **are not used** as part of the ESF match funding.

Note: The IT system used by UC Full Service does not have a direct link with PRaP. Therefore, a clerical workaround is in place for the Work Coach to pass on the referral information internally within DWP, and this information will enable a referral to be sent via PRaP to you. This will result in a delay in you receiving the PRaP referral following the telephone referral for any UC Full Service claimant. **This process only relates to UC Full Service referrals.**

Note: If you have not received the PRaP referral from JCP you must query this with JCP and ensure the relevant PRaP referral is received before attendance at the Initial Assessment. JCP have been made aware that you will turn the claimant away when they attend the Initial Assessment if you have no electronic referral

- 2.17 You must have a designated point of contact to field and manage phone calls to book these appointments. As part of the handover process for a referral for an initial assessment, the JCP Work Coach making the referral will also confirm the MIF figure with you. This figure will also be included on the UCNEA1 form which will be sent to you for each referral.
- 2.18 The initial assessment must be undertaken within 10 working days of the referral date and the result recorded in PRaP within 15 working days of the referral.

- 2.19 Situations may arise where JCP make a referral which is inappropriate. In these cases and only these cases, there are processes to correct the error. See [Annex 1](#) for the action to take.

Managing Special Customer Record cases (SCR)

- 2.20 Certain participants are allocated Special Customer Records (SCR) status. This is determined by HMRC Special Section D (SSD) in Newcastle for cases where unrestricted access to participant's data poses a demonstrable risk to the individual's safety.
- 2.21 These participants must not have their details held on any electronic systems. Further information regarding managing SCRs is available in [Chapter 2 of DWP Generic Provider Guidance](#).
- 2.22 Further information regarding claiming the NEA Trading Start fee and Outcomes for SCR cases is available in Section 8 – [SCR cases](#).

Managing Multi-Agency Public Protection Agreement (MAPPA) cases

- 2.23 MAPPA are the statutory arrangements for managing sexual and violent offenders. MAPPA is not a statutory body in itself but is a mechanism through which agencies can better discharge their statutory responsibilities and protect the public in a co-ordinated manner. Further information regarding managing MAPPA cases is available in [Chapter 2 of DWP Generic Provider Guidance](#).

Identity Checks

- 2.24 You must ensure that in all communications with participants you are satisfied that you are engaging with the correct person and verify their identity. This could include asking them to state a combination of their personal information, such as:
- Full name
 - Address
 - National Insurance Number
 - Other information, such as details that were included within the original referral from Jobcentre Plus
 - Details you hold on your records

Section 3: Link Up: Start Up Workshop (For New Business Starts only)

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Introduction

- 3.01 All eligible and suitable claimants, who are interested in starting their own business, will be referred to the Link Up: Start Up workshop by Jobcentre Plus (see paragraphs 2.01 to 2.05)
 - 3.02 All referrals will start (or not attend) a Link Up: Start Up workshop within 15 working days of the referral and the outcome of the referral will be recorded into PRaP within 20 working days of the referral.
 - 3.03 Participation is voluntary, but only those who have attended a workshop will be eligible to progress to the mentoring stage of NEA Phase 2 (which begins with the initial assessment).
 - 3.04 The workshops will ensure, as far as possible, that only those participants with a viable business idea and who have the potential to both progress to trading and remain in sustainable self-employment long term, go on to actually start on provision. It will provide a comprehensive overview of the pros and cons of self-employment.
 - 3.05 The minimum length of time that a workshop should last is three hours.
 - 3.06 It will be for you to determine the minimum viable number of places on each workshop to ensure waiting times are minimised for participants. You need to ensure that workshops arranged at suitable times to enable maximum attendance. However, the optimal maximum number of participants will be around 15 to 20 on each workshop.
- Note:** There may be some occasions when it is not suitable for an individual to attend in a group environment. For example, due to a medical condition or they have certain restrictions imposed, as some MAPPA cases will have. In these cases arrangements must be made by you to conduct the Link Up: Start Up on a one to one basis.
- 3.07 When conducting the Link Up: Start Up workshop on a one to one basis you may consider delivering this by telephone. Whilst this is acceptable, the Link Up: Start Up workshop must still be effective and give the individual the required overview that we have stipulated in the contract and this provider guidance.

- 3.08 Any Link Up: Start Up workshop delivered by telephone must last as a minimum of between 60 and 90 minutes.

Note: If you decide to undertake this workshop by telephone you will still need to meet the requirement of obtaining a signature to show this has taken place. This needs to be a physical signature on whatever document you use for this part of the process. It is up to you how you decide to collect this but a physically signed document must be available if requested.

- 3.09 Link-up: Start Up workshops must be held at appropriate delivery locations and at a frequency to be agreed with JCP districts (e.g. with JCP District SPOC, Third Party Provision Manager etc.)

Workshop Content

- 3.10 All attendees should leave the workshop with enough information to enable them to decide if self-employment and NEA programme is appropriate for them. Areas covered in the workshop should include:
- An overview of what being self-employed means and the levels of commitment required to set-up and sustain a business.
 - Outline to participants clearly the advantages (for example, being your own boss, deciding what hours you work, and how you carry out that work etc.) and disadvantages of self-employment (for example, potentially long working hours, lack of paid holiday/sick leave, and potentially erratic income).
 - A clear outline of the wider implications of self-employment, for example, the lack of paid annual leave, tax implications of being self-employed etc.
 - The implications self-employment will have on any benefits participants receive, including Working Tax credits. For those on UC this will include the expectation of earnings from the business reaching the Minimum Income Floor within the 12 month start-up period. Participants will also need to understand the impact of the MIF on their UC award.
 - How does being self-employed differ from being employed?
 - Other legal/technical implications – such as health and safety regulations, insurance costs, licencing etc.
 - An overview of accounting/book-keeping.
 - What happens when self-employed people have sickness or maternity/paternity absences?
 - What skills are needed to be successfully self-employed?
 - Do they need start up Finance? What is available re Start Up loans for the new business, including does the participant know their credit rating (or how to obtain one) and how this impacts on being able to qualify for a loan?
 - Q&A session at end of workshop.

Participants should also have the opportunity to have a brief one to one session with the provider on the day. These will be separate to the Initial Assessment and in no circumstances are to be treated as the Initial Assessment. The purpose is to give the participant an opportunity briefly to discuss any issues raised including their business idea on a one to one basis.

For anyone interested in progressing to the mentoring stage after they have attended the Workshop you should signpost them back to JCP to discuss this with the JCP Work Coach.

- 3.11 Paragraph 3.08 sets out our minimum requirement and is not an exhaustive list. When developing and delivering the Link Up: Start Up workshop you will add your considerable detailed business knowledge and knowledge of the local economy to the content of the workshop.
- 3.12 You must work collaboratively with local Growth Hubs, Jobcentre Plus and other organisations to deliver the Link Up: Start Up workshops.

Post Attendance

- 3.13 Once they have attended the Link Up: Start Up workshop claimants can then decide if they wish to pursue self-employment via the NEA programme. You should signpost claimants back to JCP at the end of the link up: start up workshop if they want to progress into mentoring as they will need to discuss this with the JCP Work Coach.
- 3.14 If they do decide to pursue self-employment then a separate referral will be made by JCP for an initial assessment by contacting you by telephone before submitting the referral on the Provider Referral and Payment (PRaP) system (the referral via PRaP will be made on the same day as the telephone call is made). See also Paragraphs 2.01 to 2.06 with regards to referrals.
- 3.15 Where a claimant attends the Link Up : Start Up Workshop but does not start NEA 2017 within 26 weeks the claimant would need to be re-referred and re-attend the Link Up: Start Up workshop in order to be eligible to be able to move onto the initial assessment phase of the programme.
- 3.16 You must confirm the attendance (or failed to attend) of all those referred to the Link Up: Start Up workshop via PRaP within 20 working days of the referral.
- 3.17 As part of the handover process for a referral for an initial assessment you will also confirm then, to the JCP Work Coach making the referral, if the individual being referred has attended the Link Up: Start Up workshop or not.

Use of ESF Logo

- 3.18 Although the Link Up: Start Up element is not part of the ESF Match Funding, it is part of the overall process and in particular it advertises the provision to potential participants.
- 3.19 Therefore ESF publicity rules apply to this part of the process and you must comply with ESF14/20 marketing and publicity requirements. As with all ESF requirements, this does not apply to provision delivered in Scotland or Wales.
- 3.20 Full information regarding ESF requirements can be found in the [Generic Provider Guidance Chapter 11b – ESF requirements 2014 – 2020 \(England Only\)](#).

Section 4: Initial assessment referral/assessment activity, feedback/complaints procedure, additional support and conditionality

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New Business Initial assessment meeting and suitability/self-employed prospects

- 4.01 Only those claimants who have attended the Link Up: Start Up workshop will be referred for an initial assessment for the mentoring stage of NEA Phase 2.
- 4.02 All referrals will be via Jobcentre Plus and they will contact you by telephone before submitting the referral on the PRaP system. As part of the telephone conversation, you must verbally confirm to the JCP Work Coach whether the intended participant has attended a Link Up: Start Up Workshop or not.
- 4.03 Initial Assessments need to take place within 10 working days of the referral and be recorded in PRaP within 15 working days of the referral. If a participant contacts you to re-book an initial assessment appointment, this can be agreed as long as the 10 working day timescale is met. However, you must engage with the Work Coach to ensure they are aware that the appointment day/time is being changed. If the 10 working day timescale will not be met, you must take action as per paragraph 4.04, to refer back to the Work Coach, and recording this as a “Did not attend interview” on PRaP.
- 4.04 The following outcomes from the initial assessment must be recorded in PRaP:

- Start (claimant agreed to start scheme);
- Did not start (claimant attended initial assessment but it was decided that the claimant would not take up the offer of support / scheme or business proposition does not have a reasonable chance of success);
- Did not attend interview;
- Cancel - No Contact (used for ineligible referrals, see [annex 1](#))

4.05 The initial assessment meeting must be conducted face-to-face (physically in the same room) except for in an exceptional circumstance and should cover an assessment of:

- the claimant's business proposition, and whether their business idea has a reasonable chance of success;
- Whether the claimant is likely to be able to produce a robust Business Plan, and this plan can be assessed and approved or not approved, within 12 weeks;
- Whether the claimant has a reasonable chance of launching a business, sustaining the business and succeeding in self-employment (this should also include consideration of the need to raise finance / use of a start-up loan and signposting the participant to seeking to understand what their credit worthiness, e.g. by undertaking a credit check); and
- The claimant's overall suitability for the NEA Phase 2 programme

Note: In cases where a joint business idea is proposed you should also consider whether the business proposition can sustain the participants.

4.06 An 'exceptional circumstance' could be where the face-to-face meeting has been arranged but due to circumstances outside the claimant and provider's control (e.g. adverse weather conditions / travel disruptions) the meeting cannot take place on the agreed date or re-arranged and the outcome be able to be input to PRaP within 15 working days of the telephone referral. In these circumstances alternative methods of communication, that is other DWP approved secure methods (e.g. telephone or via secure virtual media), can be used. Please follow instructions in [Chapter 8 of Generic guidance for DWP providers](#) to raise a request if approval is needed.

Note: Where distance or length of time of travel is a factor, Initial Assessments may be conducted via telephone if no other options are available. This should be by exception and not the norm.

4.07 Wherever possible you should notify your DWP Performance Manager of all 'exceptional circumstances' in advance. Where it is not possible to notify in advance, you should still report the case to your Performance Manager at the earliest opportunity so they can monitor the number / type of exceptional cases.

4.08 You must keep a written log of the initial assessment with claimants, including signed confirmation from claimants that the initial assessment has taken place. You must

retain this evidence to support checks by the ESF Compliance Monitoring Officers (CMO) and ESF audit activity.

- 4.09 It is an ESF requirement that all Participants are informed about the support they are getting from ESF at their initial interview. The ESF 2020 leaflet should be issued to everyone who attends and, for all who start NEA Phase 2 provision, that ESF documentation is completed. The ESF 2020 leaflet outlines this. Further details including how to order the leaflets can be found in the [Generic Provider Guidance Chapter 11b – ESF requirements 2014 – 2020 \(England Only\)](#).
- 4.10 As part of the initial assessment meeting you will need to obtain a declaration from the Participant that they understand that the Provision is funded by ESF and that their information will be stored and used to register them for ESF and future ESF evaluation.
- 4.11 You will also need to obtain confirmation from the Participant that they have received the ESF2020 leaflet as part of the initial assessment meeting.
- 4.12 An electronic ESF1420 form must be fully completed for each Participant who takes part in your Provision. The information captured will include:
- Participant Details:
 - name, NINO, date of birth, address, telephone number, email address
 - Participant Characteristics:
 - gender, labour market situation e.g. inactive / unemployed, basic skills, education level, household status (jobless household, jobless household with dependant children, single parent with dependant children), ethnicity, disability, ex-offender, homeless
 - the postcode of the venue where the initial assessment meeting is being conducted and the Action Plan agreed
 - a declaration from the Participant that they understand that the Provision is funded by ESF and that their information will be stored and used to register them for ESF and future ESF evaluation
 - Confirmation from the Participant that they have received the ESF2020 leaflet
 - endorsement (signature) from the Participant that the data provided is correct
 - endorsement (signature) from you that the information supplied is correct to your knowledge.
- 4.13 You must send the completed form to the DWP within 10 working days of the Participant signing it. Contact details for where the form needs to be sent will be included on the form. Please see [Annex 13](#) for further details regarding the ESF1420 form and instructions for completing / submitting the form.

- 4.14 Where the initial meeting is not being conducted face to face, and there is a requirement to have signed documents from the claimant, for example, the written log of the initial assessment, ESF1420 form etc. Therefore, you must:
- During the initial meeting go through the forms required and complete all relevant sections to the point where a signature is required
 - Note the records you have set up for the claimant to show that the form has been completed using X method, for example by telephone, because a face to face meeting was impossible for Y reason
 - Send the form by post to the claimant, with a reply paid envelope and instruction to check, sign the form or forms as necessary, and return within 5 days
 - Follow this up until the signed form (or forms) is returned at which point you will sign and date and will then follow normal processes required for that particular form.
- 4.15 A reminder that you must adhere to ESF requirements on document retention. You must, keep evidence and key documentation in support of Provision delivery and payments. It is your responsibility to ensure that documents and data can be relied on for possible ESF audit purposes. You must have robust systems in place to ensure that documentation (paper or electronic) is securely held and is easily retrievable and accessible throughout the retention period. Further information can be found in the [Generic Provider Guidance Chapter 11b – ESF requirements 2014 – 2020 \(England Only\)](#).
- 4.16 Where a claimant is to be referred to a sub-contractor (e.g. for business mentoring) following the initial assessment, or the initial assessment is conducted by a sub-contractor, you need to ensure the claimant is informed that information will be shared between yourself and the sub-contractor in relation to the claimant's participation in NEA.
- 4.17 The outcome of all initial assessments (e.g. Reason for 'Did not start') should also be notified to the JCP Work Coach via the appropriate NEA feedback form (NEA1 or for UC participants 'UCNEA1 form - see [annex 3](#)) for all cases within 2 working days of the assessment.
- 4.18 For those whose businesses could be successfully supported by the provision, the 12 week Mentoring Phase begins on the date of this Initial Assessment. This will become the Start Date.

UC (full service) existing self-employed: initial assessment and suitability/business growth prospects

- 4.19 JCP will refer eligible UC (full service) existing self-employed claimants to an Initial Assessment.

4.20 All referrals will be via Jobcentre Plus and they will contact you by telephone before submitting the referral on the PRaP system. As part of the telephone conversation the JCP Work Coach will confirm the Minimum Income Floor (MIF) level of the individual being referred. This figure will also be included in the UC NEA1 form that will be completed and posted to you as part of the referral process.

Note: The IT system used by UC Full Service does not have a direct link with PRaP. Therefore, a clerical workaround is in place for the Work Coach to pass on the referral information internally within DWP, and this information will enable a referral to be sent via PRaP to you. This will result in a delay in you receiving the PRaP referral following the telephone referral for any UC Full Service claimant. **This process only relates to UC Full Service referrals.**

4.21 This group of claimants **are not** used as part of the ESF match funding.

4.22 The following principles will apply to this process:

- You must conduct an initial assessment with the claimant to test their suitability for the scheme **within 10 working days** of the referral date and record the outcome via PRaP **within 15 working days** of the referral date.
- The following outcomes from the initial referral must be recorded in PRaP:
 - Start (claimant agreed to start scheme);
 - Did not start (claimant attended initial assessment but it was decided that the claimant would not to take up the offer of support / business proposition regarding increasing earnings does not have a reasonable chance of success meeting or exceeding their MIF);
 - Did not attend interview;
 - Cancel - No Contact (used for ineligible referrals, see [annex 1](#))

4.23 You will undertake an Initial Assessment of all eligible individuals. This will be a face to face meeting. As a minimum this will include an assessment of:

- the individual's business including their financial position and marketing activities;
- the future potential of the business in the current market; and
- whether the support offered by the NEA Phase 2 will help them improve their earnings from the business.
- Whether the claimant is likely to be able to produce a robust Business Development and Growth Plan, and have this plan assessed and approved or not approved, within 12 weeks.

4.24 You should keep a written record of the initial assessment with claimants, including signed confirmation from claimants that the initial assessment has taken place.

- 4.25 Where a claimant is to be referred to a sub-contractor (e.g. for business mentoring) following the initial assessment or the initial assessment is conducted by a sub-contractor, you need to ensure the claimant is informed that information will be shared between yourself and the sub-contractor in relation to the claimant's participation in NEA.
- 4.26 You should only accept people on to the programme who will benefit from the support of the NEA Phase 2, where the business has potential to grow, become more efficient and more profitable. The aim is to improve the business earnings to reach a level up to or above their MIF over the 12 month/52 week mentoring period.
- 4.27 The outcome of all initial assessments (e.g. Reason for 'Did not start') should also be notified to the JCP Work Coach via the appropriate NEA feedback form (in this case the UCNEA1 SCOTWALES form, regardless of where the provision is being delivered from - see [annex 3](#)) **within 2 working days** of the assessment.

Note – The reason the SCOTWALES version of the UCNEA1 form is used for UC (full service) existing self-employed participants, regardless of where the provision is delivered, is that this version of the form does not include an ESF logo.

- 4.28 For those whose businesses could be successfully supported by the provision, the 12 week Mentoring Phase begins on the date of this Initial Assessment. This will become the Start Date.

Re-referring new start-up claimants/UC (full service) existing self-employed who fail to attend the Initial Assessment

- 4.29 Where a claimant has failed to attend their initial assessment meeting, JCP will be notified via the action the Provider takes in PRaP (recording the failure to attend or failure to start - which will close the referral).
- 4.30 JCP will then establish the reasons why the claimant may have failed to attend/ start and will establish if NEA remains appropriate. Where there have been multiple referrals and non-attendance JCP will question the claimant's commitment before making a re-referral. Where someone has not attended on a number of occasions, for example 3 times or more, you can, if you wish, query the referral with the JCP referring officer but you cannot refuse the referral if JCP decide it is appropriate.
- 4.31 Where JCP establish that NEA remains appropriate for a claimant they will make a new referral, following the same process in which the original referral was made (contacting the provider by telephone, booking a further initial assessment meeting and making a new electronic referral through PRaP).

Communicating your feedback and complaints procedure

- 4.32 You must ensure that you fully explain your comments and complaints procedure to each participant as part of the initial assessment process. For further information regarding Complaint Resolution please see [Chapter 2 of Generic Provider Guidance](#) and the [Core briefing pack for provider's complaints resolution](#).
- 4.33 You must have an appropriate complaints process across the whole supply chain to attempt to resolve participant's complaints. Where a participant is unhappy about the service they receive from you and raises a complaint you should ensure that you follow each step of your detailed process robustly in order to bring the complaint to a satisfactory conclusion.
- 4.34 After following all steps in your process you must include in your final response to the participant a standard text which signposts the customer to contact the Independent Case Examiner (ICE) should they wish to pursue their complaint. The text can be found in [annex 8](#) of this Provider guidance.
- 4.35 ICE will mediate between you and the participant to broker a resolution. If a resolution cannot be agreed between either party, ICE will undertake a full investigation of the complaint.
- 4.36 If the complaint is upheld at this stage, in part or in full, then the prime contractor will be charged a fee of £5,000 and will also be liable for any financial redress recommended by ICE.
- 4.37 In the event that the complaint against the prime contractor or sub-contractor is dismissed, no fee shall be payable.
- 4.38 Any fees in respect of complaints that have been upheld against the prime contractor or the sub-contractor and any financial redress due to the claimant shall be paid within four (4) weeks of the date of the ICE final investigation report.
- 4.39 Further information regarding complaint resolution can be found in the [DWP Providers complaint resolution core briefing pack](#).

Identifying additional support requirements

Travel Expenses

- 4.40 Local delivery is deemed to be essential to the successful delivery of NEA. As a result you are not expected to provide travel expenses for participants. Participants experiencing issues with travel costs for participation in NEA need to discuss these with their JCP Work Coach.

- 4.41 UC (full service) existing self-employed claimants will not be eligible to claim travel expenses.

Funding Childcare Costs

- 4.42 Childcare costs are not the responsibility of the NEA Provider, however in exceptional circumstances may be covered by a discretionary payment from JCP. In such cases you should refer the participant back to their JCP Work Coach.
- 4.43 UC (full service) existing self-employed claimants will not be eligible to claim childcare expenses.

Access to Work support

- 4.44 Access to Work support is not available until trading commences. It is your responsibility to provide any support required during the pre-trading mentoring phase. Participants will be able to apply for Access to Work support either once they have ended their claim to benefit or reported a change of circumstances to register a trading start (if they are claiming UC) or they are about to do so. An application can be made if they are about to start trading as self-employed but any support will not commence until they actually start trading. Further information regarding Access to Work, including full eligibility conditions and how to apply can be found on the [gov.uk](https://www.gov.uk) site.

Start Up Funding or Loans

- 4.45 Participants considering the use of start-up funding / loan as part of their plan for their business should be signposted to the Start-up Loans scheme. Although there are many Start Up Loans Delivery Partners available nationwide, it is essential that NEA participants are signposted to the Start Up Loan Company (SULCO) using the following link, <https://www.startuploans.co.uk/apply/>. They should remember to tick the box that indicates they are, or have been, on the NEA programme. The participant will then be contacted within 48 hours by one of SULCO's Delivery Partners to provide support with the loan application process.
- 4.46 If any NEA participants require any additional information about the application process, please ask them to contact the Start Up Loans Company's Customer Services Team by email at Hello@startuploans.co.uk or via phone on 0344 264 2600 between the hours of 9am-6pm, Monday to Friday (excluding bank holidays).
- 4.47 NEA participants will have different needs, and a Start Up Loan may not be the most appropriate source of finance for them or their business. When they receive an application for a loan, the Start Up Loans Company will assess the participant's finance

needs and their suitability for funding. If a Start-Up Loan is not the most appropriate option, the Start Up Loan Company may signpost participants to other sources of funding.

- 4.48 NEA Providers (or your supply chain, including mentors) **should not** make any judgement about the suitability of the client for funding, or assess the availability of other sources of funding. This is a regulated activity and is deemed to be credit brokering. This assessment will be undertaken by the Start-Up Loans Company. By signposting clients to the Start Up Loans Company, NEA Providers are not deemed to be acting as credit brokers and are not carrying out any activities that require licensing (or exemption) by the Financial Conduct Authority.

Conditionality while participating on NEA: new business start only

General

- 4.49 Conditionality will only apply to the new business start-up participants of NEA Phase 2.
- 4.50 NEA Phase 2 participation is voluntary for all eligible groups, and participants can leave the scheme at any time without threat of a benefit sanction. However, those participants claiming JSA and UC must inform their Work Coach within two working days of their decision to leave the scheme otherwise they may incur a sanction.
- 4.51 Where you become aware that the participant has left the scheme you should notify the JCP Work Coach via the appropriate NEA feedback form (NEA1 or for UC participants 'UCNEA1 form - see [annex 3](#)). You should also complete the ESF1420 end form and send it to the DWP ESF admin team – see [Annex 13](#) for more details.
- 4.52 All business start-up Participants in the NEA Phase 2 are expected to engage fully in the scheme and complete the NEA Phase 2 mentoring phase within a maximum of 12 weeks of the start date. This includes having the Business Plan approved or not approved by you.
- 4.53 This 12 week period should not be extended further (unless, in very exceptional circumstances, you have agreement from the JCP Work Coach, or any other appropriate member of JCP staff, which you should record any such agreement including the name of the JCP member of staff with whom you agreed this with).

Note: It will be very rare for a reason for an extension to be agreed and you should engage with the JCP Work Coach at the earliest opportunity where you consider that the 12 week timescale will not be met.

JSA Claimants

- 4.54 These Participants remain subject to the conditionality associated with their benefit receipt. For JSA Participants the condition to be 'actively seeking paid employment' is replaced by a requirement to participate fully in the Mentoring phase of the NEA Phase 2.

This will mean:

- Attending all appointments with Mentor / Mentoring Provider organisation (or their representative) where given at least **24 hours'** notice of the appointment.
- Doing things each week to develop the business proposal.

Telling Jobcentre Plus within 2 working days if the business idea is no longer being pursued and/or the Mentoring relationship ends.

- 4.55 Whilst in the NEA Mentoring Pre start-up period, participants will remain on JSA and therefore will be required to attend the Jobcentre for jobsearch reviews (generally fortnightly) and confirm they are continuing to meet agreed conditionality requirements. Wherever possible JCP will arrange a suitable time to ensure that this or any other required attendance does not impact negatively on the claimant's attendance with a mentor / Adviser.
- 4.56 Within 5 working days of a claimant starting NEA the JCP Work Coach must conduct an interview with JSA participant to agree conditionality during the 12 weeks pre start-up period.

UC Claimants

- 4.57 UC (full service) existing self-employed are determined to be gainfully self-employed for UC purposes will not be subject to conditionality requirements.
- 4.58 UC Claimants on NEA do not have to perform work search during the mentoring period, but will have to follow any work preparation requirements which could include attending mentoring meeting etc. Review meetings take place to ensure that they are attending all the meetings required with their mentor. This revised conditionality can last no longer than 12 weeks after the first meeting with the mentor.

Other benefit claimants

- 4.59 Participants in receipt of other benefits, such as Income Support or the Employment and Support Allowance, remain subject to their usual benefit conditionality whilst they are participating in the mentoring phase of NEA Phase 2.
- 4.60 However, they are expected to complete the NEA phase within the same 12 weeks as JSA claimants. This should not be extended beyond 12 weeks (unless, in very exceptional circumstances, you have agreement from the JCP Work Coach, or any



other appropriate member of JCP staff, which you should record any such agreement including the name of the JCP member of staff with whom you agreed this with).

Note: It will be very rare for a reason for an extension to be agreed and you should engage with the JCP Work Coach at the earliest opportunity where you consider that the 12 week timescale will not be met.

Section 5: Mentoring

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Business Mentor Relationship: General

- 5.01 Following the initial assessment meeting and agreement by the participant to start on the scheme, you should immediately start working with the participant to support them in developing a Business Plan/ Business Development and Growth Plan. We expect you to be able to undertake some business planning activities prior to matching the participant with a Business Mentor.
- 5.02 The Business Mentor should work with participants while they are preparing to become self-employed (the pre Start-up Period) or working to increase the earnings from the business to reach the Minimum Income Floor and for a period of up to 12 months / 52-weeks.
- 5.03 You may also use a range of mentoring support and business advice through the duration of the participant's time on the scheme, for example, through the use of group sessions and workshops.
- 5.04 You should match each participant with a Business Mentor, within 10 working days of the initial assessment.
- 5.05 Where a participant is to be referred to a sub-contractor (e.g. for business mentoring) following the initial assessment you need to ensure the participant is informed that information will be shared between yourself and the sub-contractor/Business Mentor in relation to the individual's participation in NEA.
- 5.06 You should ensure there are sufficient Business Mentors to work with NEA participants.
- 5.07 Business Mentors must have business experience and the appropriate skills (and relevant accreditation where necessary) needed to support participants to prepare for

self-employment/ develop existing business and develop a viable Business Plan/ BDGP that demonstrates the business's sustainability potential. They will be expected to understand the local business landscape and be candid with participants, but at the same time have the ability to listen and empathise.

- 5.08 During the participant's time on NEA you must ensure that the Business Mentor is providing appropriate mentoring and business advice, including making an initial assessment of the participant's needs, helping them to prepare a Business Plan/ BDGP during initial 12 week mentoring period and provide access to on-going support during the 52 week trading period/ business development period. See [Section 9](#) for further details of evidencing requirements.
- 5.09 Business Mentors will also be expected to look to signpost participants to other local partners as a source of business support and funding.

Business Plans/Business Development and Growth Plans

- 5.10 The content of business plans / BDGP will differ between individuals; however, each business plan / BDGP must include sufficient information to demonstrate the viability of the business / business idea. Each plan must include the following as a minimum:
- A summary of the individual and the business / business idea including both the participant and the business name, address (es) and contact details, including website details if applicable, and the expected date of the business launch or length of time trading.
 - A detailed description of the business covering:
 - the products/service delivered/sold or to be delivered/sold;
 - how the products /services are delivered/sold or how and when the products/services will be delivered/sold;
 - what makes the business different or will make this business different to competing businesses in the area;
 - where appropriate, identification of the limiting factors that have not allowed the business to develop and grow and;
 - a description of the participant's short, medium and longer term vision for the business.
 - Personal information about the participant including:
 - Where appropriate, why they are interested in self-employment
 - their work experience and educational qualifications; and
 - the knowledge of the industry/sector
 - An overview of the products or services to be / being delivered including:
 - what the product/service is, and how it will be delivered or sold;
 - the production or delivery costs;
 - the pricing structure for service/product delivery or sales;

- legal requirements such as certification or health and safety compliance;
- insurance requirements and costs;
- realistic forecasted business growth;
- who will buy the products/services;
- why would they choose this business over competing/existing businesses?
- does this business already have a customer base?
- How limiting factors/barriers to business growth will be overcome.
- A full breakdown of start-up costs / on-going costs
- An analysis of the competition
- Marketing plan
- Business Financial Planning including:
 - Business cash-flow:
 - Incomings
 - Outgoings
 - Overheads such as insurance, rent, business rates, stock/equipment costs etc.
- Personal budget plan – how will you manage financially whilst your business develops? What will your income be? How will you make loan repayments etc.? This will help individuals ensure they can manage financially on what might be a low income when they first start trading.

Pre Start-up period/Business Planning: New Business Starts

- 5.11 During the pre start-up period there must be at least three mentor meetings (in addition to the Initial Assessment), the first one of which must be face to face between the Business Mentor and the participant.
- 5.12 In exceptional circumstances we may allow the first mentoring meeting to be conducted other than face to face.
- 5.13 An 'exceptional circumstance' could be where the face-to-face meeting has been arranged but due to circumstances outside the participant and provider's control (e.g. adverse weather conditions / travel disruptions) the meeting cannot take place on the agreed date or re-arranged.
- 5.14 In these circumstances alternative methods of communication, that is other DWP approved secure methods (e.g. telephone or via secure virtual media) can be used. Please follow instructions in [Chapter 8 of Generic guidance for DWP providers](#) to raise a request if approval is needed.
- Note:** Any agreement to conduct mentoring sessions other than face to face must be with the agreement of the participant and documented in writing.
- 5.15 You must keep a written log of each meeting and contact that takes place with participants, including with Business Mentors.

- 5.16 You must obtain signed confirmation from participants for each face-to-face meeting that takes place. See [Section 9](#) for further details of evidencing requirements.
- 5.17 During the pre start-up period you must provide guidance and mentoring to support the participant in preparing for self-employment and developing their Business Plan.
- 5.18 To supplement this mentoring support you will deliver additional seminars focused on particular aspects of self-employment. Each of these seminars should last at least 90 minutes, and they are to supplement, not replace, the mentoring support delivered.
- 5.19 As a minimum these seminars need to cover:
- Financial Planning, including:
- an overview of business accounts, invoicing etc.
 - forecasting of incomings, outgoings, overheads etc.
 - personal income
 - start-up funding or loans – including signposting to undertaking a credit check (and understanding what their credit worthiness is) and managing repayments
- Marketing, including:
- developing an online presence including social media
 - use of local media
 - advertising
- 5.20 You must offer ALL participants a place on these seminars, and you are responsible for achieving a high level of attendance.
- 5.21 Only in exceptional circumstances should participants be allowed to opt-out, for example, an accountant need not take part in a financial planning seminar. It is for you to determine if you consider the circumstance to be exceptional based on your knowledge of the participant and the associated business.
- 5.22 The outcome of this offer needs to be documented, including any use of exceptional circumstance.
- 5.23 All participants must complete the mentoring phase and submit their business plan in enough time for any assessment and subsequent re-work, if applicable, to be completed in 12 weeks from the Start Date (i.e. the date of initial assessment). This 12 week period should not to be extended further (unless, in very exceptional circumstances, you have agreement from the JCP Work Coach, or any other appropriate member of JCP staff, which you should record any such agreement including the name of the JCP member of staff with whom you agreed this with).

Note: It will be very rare for a reason for an extension to be agreed and you should engage with the JCP Work Coach at the earliest opportunity where you consider that the 12 week timescale will not be met.

- 5.24 At the JCP 12 week conditionality / review meeting, the JCP Work Coach will review the participant's progress. In advance of the JCP review at the end of week 12, you should send the appropriate NEA feedback form, NEA1 or for UC participants UCNEA1, to the JCP Work Coach providing details on progress. See [annex 3](#) for details of the form.

Note: At the end of the 12 week pre start-up period a JSA participant will resume normal conditionality and will be expected to resume normal job seeking activity. For UC participants, if they move onto the business development phase, conditionality remains the same as during the mentoring phase. See paragraphs 5.45 to 5.47 for more information regarding the business development phase.

UC (full service) existing self-employed: Mentoring

- 5.25 For UC (full service) existing self-employed participants, the purpose of the mentoring support is to increase their earnings from the business, to at or above the participant's Minimum Income Floor (MIF), by developing a Business Development and Growth Plan (BDGP).
- 5.26 The BDGP will consist of a range of activities specifically tailored to each business and include short, medium and longer term goals. These activities will include, but not exclusively:
- developing a marketing plan;
 - using social media;
 - mapping the competition - what sets this business apart?
 - market research;
 - use of local media;
 - advertising;
 - developing their customer base;
 - keeping accurate accounting records;
 - reinvesting in the business;
 - personal budgeting plans;
 - ways to reduce overheads/business expenses; and
 - developing links to other businesses in the area.
- 5.27 The BDGP must also include short, medium and long term goals for increasing earnings from the business. These should cover 6 month, 12 month and beyond 12 month timescales.

- 5.28 You may use a range of mentoring support and business advice through the Participant's time on the scheme to support this.
- 5.29 There must be at least three one to one meetings (in addition to the Initial Assessment for self-employed participants) between Mentor and the Participant. These should be documented.
- 5.30 As this group of participants will already be actively working in their businesses, these mentor meetings may be conducted via other DWP approved secure methods (e.g. telephone or via secure virtual media). Please follow instructions in [Chapter 8 of Generic guidance for DWP providers](#) to raise a request if approval is needed.
- 5.31 We recommend that at least one mentor meeting is conducted face to face. Any agreement to conduct mentoring sessions other than face to face must be with the agreement of the participant and recorded in writing.
- 5.32 Given that this group of participants will already be trading, mentoring sessions can take place outside routine office hours, again only with the agreement of the participant.
- 5.33 To supplement this mentoring support you will deliver additional seminars focused on particular aspects of self-employment. Each of these seminars should last at least 90 minutes, and they are to supplement, not replace, the mentoring support delivered.
- 5.34 As a minimum these seminars need to cover:
- Financial Planning, including:
- an overview of business accounts, invoicing etc.
 - forecasting of incomings, outgoings, overheads etc.
 - personal income
 - start-up funding or loans – and managing repayments
- Marketing, including:
- developing an online presence including social media
 - use of local media
 - advertising
- 5.35 All existing self-employed participants must be offered access to the additional seminars. You are responsible for ensuring a high level of attendance at these seminars. The outcome of this offer should be recorded.
- 5.36 All participants must, within 12 weeks from their Start Date (date of initial assessment), submit their BDGP in enough time for you to assess/sign-off the BDGP and any

subsequent re-work, if applicable. This 12 week period should not be extended (unless, in very exceptional circumstances, you have agreement from the JCP Work Coach, or any other appropriate member of JCP staff, which you should record any such agreement including the name of the JCP member of staff with whom you agreed this with).

Note – It will be very rare for a reason for an extension to be agreed and you should engage with the JCP Work Coach at the earliest opportunity where you consider that the 12 week timescale will not be met.

Approval Process

- 5.37 You must review the Business Plan/ BDGP submitted by the participant and consider whether it is at a suitable standard for the participant to move into self-employment and commence trading or, for BDGPs, to enable the business to develop and grow.

Note: In cases where two or more participants submit a joint plan you should also consider whether the business plan can sustain the participants.

- 5.38 You are required to administer an approval process for the participant's Business Plan / BDGP. All plans must be submitted, assessed and approved or not approved no later than 12 weeks from the Start Date, that is, the date of initial assessment, (unless, in very exceptional circumstances, you have agreement from the JCP Work Coach, or any other appropriate member of JCP staff, which you should record any such agreement including the name of the JCP member of staff with whom you agreed this with).

Note - It will be very rare for a reason for an extension to be agreed and you should engage with the JCP Work Coach at the earliest opportunity where you consider that the 12 week timescale will not be met.

- 5.39 You are required to retain copies of participant's completed Business Plan/BDGP and recommendation / feedback. See [Section 9](#) for further details of evidencing requirements.
- 5.40 The Business Mentor can make recommendations as to whether a participant's Business Plan/ BDGP is of a suitable standard to be assessed, however they must not be part of the final assessment process. The final assessment must be carried out by someone who has NOT been directly involved with the participant.
- 5.41 Participants can submit their Business Plan/BDGP for consideration on more than one occasion, where it is initially declined, at your discretion. Considerations when deciding whether a re-submission should be approved will include, but are not limited to:

- the proportion of the 12-week period that has passed; and
- the likelihood that the Business Plan/ BDGP can be raised to the acceptable standard and assessed/signed off in the time remaining.

5.42 When the Business Plan/BDGP is approved you should notify the JCP Work Coach of the date the Business Plan/BDGP was approved using the appropriate NEA feedback form, the NEA1 or for UC participants UCNEA1 form (see [annex 3](#))

Note – As the UC (full service) existing self-employed is not ESF match funded, the SCOTWALES version of the UCNEA1 form needs to be used for these participants, regardless of where the provision is delivered, as this version of the form does not include an ESF logo.

5.43 For individuals who have commenced self-employment, the confirmation of the Business Plan approval is required before the JCP Work Coach can process any claim for NEA weekly allowance. The NEA participant must submit their application for the weekly allowance to Jobcentre Plus within 5 weeks of the (JSA, ESA, IS) claim termination date or, for UC participants, within 5 weeks of commencing trading (they will report a change of circumstance to UC to confirm they have started trading).

Note: If the NEA participant decides to start trading before the Business Plan is approved, they run the risk of missing the 5 weeks deadline, as one of the qualifying conditions is the Business Plan having been approved (see also paragraph 5.58 with regards to qualifying conditions for the NEA weekly allowance).

5.44 Where participants who wish to start trading as self-employed have an approved Business Plan, you should sign post / notify the participant of companies which provide start-up financial support (see paragraphs 4.45 to 4.48).

Business Development Phase: New Business Starts

5.45 From the date the Business Plan is approved, the participant has a further 13 weeks to make the decision to sign off benefit and start trading.

5.46 They can also use the 13 weeks to further develop their business idea. For example, they can undertake additional market testing or apply for capital support such as a start-up loan.

Note: JSA participants will resume normal conditionality and will be expected to resume normal job-seeking activity during this period. For UC participants, during this period, conditionality remains the same as during the mentoring phase.

- 5.47 This phase is optional for participants, and not all will use it. For those that do we expect you to offer at least one point of contact with a business mentor during this period. This offer must be documented.

Commencement of Trading: New Business Starts

- 5.48 For those Participants who have their Business Plan approved and who subsequently start trading within the 13 weeks period following the pre start-up period you must continue to offer access to Mentoring support for the first 52-weeks from the commencement of trading. During this 52 week period you must offer, as a minimum, four one to one meetings with a Business Mentor.

- 5.49 At the point the participant makes the decision to trade they should contact their JCP Work Coach in the first instance. Where the participant notifies you of their decision to trade, you should for:

Non UC participants - Check/ signpost them to their JCP Work Coach to check eligibility for NEA weekly allowance, process the claim and close existing claim to benefits where appropriate (e.g. JSA).

UC participants - Check / signpost them to report a change of circumstance regarding them stating trading and also for them to check eligibility for NEA weekly allowance. They will also be advised as to the impact on their UC.

- 5.50 You should also advise the participant to register their business with HMRC.

- 5.51 Before you make a claim for the 'Commencement of trading outcome' you are required to satisfy yourselves that the participant has signed off JSA/ESA/IS and commenced trading. For a UC participant, you must satisfy yourself that they have reported a change of circumstances to register a trading start. The type of evidence you collect for this could include:

- HMRC registration
- Confirmation of NEA allowance claim (letter issued to claimant by JCP) where claimed by participant
- Proof of benefit claim closed (letter issued to claimant by JCP)
- Bank statement showing details of recent transactions/earnings
- Invoices, purchase orders received/sent recently which are clearly in relation to the running of business
- NEA Payments Scan - Please be aware that subject to the availability of resource and periodic reviews of data quality, DWP will release NEA Payment scans to support NEA providers performance tracking activities during NEA Phase 2.

Note: the above list is neither prescriptive nor exhaustive

- 5.52 The evidence referred to in paragraph 5.49 is for you to satisfy yourself that it is reasonable to claim. It is not evidence that shows that the claim can be or should be considered valid for DWP validation purposes.
- 5.53 Participants for whom you are eligible to claim a Commencement of Trading fee will have:
- Attended a Link Up: Start Up workshop
 - Attended the initial assessment and have been accepted onto the NEA Phase 2 Provision by yourselves
 - Have a fully completed, assessed and approved Business Plan

Mentoring Post BDGP Approval: UC (full service) existing self-employed

- 5.54 For those Participants who have their Business Development and Growth Plan (BDGP) approved and who continue with the NEA Phase 2 provision you must continue to offer access to Mentoring support for the first 52-weeks from the date the BDGP was approved.
- 5.55 During this 52 week period you must offer, as a minimum, **four** one to one meetings with a Business Mentor.

NEA Weekly Allowance: New Business Starts

- 5.56 To support participants to make the transition from benefits and become self -sufficient, during the first 26 weeks of trading, eligible participants are entitled to a NEA weekly allowance administered by JCP. A NEA weekly allowance of £65 is paid for the first 13 weeks of trading, followed by a weekly allowance of £33 for the remaining 13 weeks.
- 5.57 The NEA weekly allowance is disregarded:
- for UC purposes
 - for Income Tax purposes,
 - for National Insurance (but not Class 2 contributions) purposes
 - for Tax credit purposes
 - Housing Benefit purposes
 - for child maintenance purposes

Note: Participants will have to contact their Local Authority (LA) to confirm if any reduction they receive in their council tax bill is affected.

- 5.58 The allowance is payable subject to all the qualifying conditions being met:

- have progressed through the mentoring stage of NEA and hold a valid Business Plan; that is one that has been 'approved' by the Provider within the last 13 weeks

Note: if the NEA participant has not been able to commence trading within 13 weeks of their Business Plan being approved, for reasons beyond their control, JCP may exercise discretion to extend this period within reason.

- have closed their claim, where applicable (JSA, ESA, IS) to commence trading their business on a full-time basis (i.e. at least 16 hours per week).

Note UC participants will not necessarily close their claim, they should however have notified a change of circumstance to JCP/UC detailing when they started trading.

- have signed an EU de minimis statement (EU regulations limit the amount of financial aid that can be given to commercial undertakings; NEA participants must, therefore, sign a statement confirming that receipt of the weekly allowance will not take them over permissible limits)
- have submitted their application for the weekly allowance to Jobcentre Plus within 5 weeks of the (JSA, ESA, IS) claim termination date or, for UC participants, within 5 weeks of commencing trading (they will report a change of circumstance to confirm they have started trading but may not necessarily terminate their claim for UC)
- have a bank, building society or post office account. This can be either a personal account or a business account. Payments of the NEA weekly allowance can only be made direct to an account; a Post office Card Account meets this criteria
- not be participating in Work Programme / Work & Health Programme.

5.59 JCP will administer and review the entitlement to NEA allowance with the participant during week 6, 12 & 19 of the 26 week trading period.

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Allotted Time

New Business Start

6.01 The maximum NEA Phase 2 Allotted Time period for a new business start participant is 92 weeks.

6.02 This is made up of:

- Referral - 2 weeks,
- Mentor phase – up to 12 weeks,
- Business development phase – up to 13 weeks,
- Post trading – up to 52 weeks, and
- A period of up to 13 weeks to account for sickness during trading (during the first 26 weeks of trading).

- 6.03 Allotted Time is continuous and starts at the point of the NEA Phase 2 initial assessment.
- 6.04 This is the maximum period of time in which all outcomes for a Participant must be achieved and claimed.
- 6.05 The period of 92 weeks will be for exceptional circumstances only and DWP would expect the majority of participants to have completed 12 months of trading well within this period.

UC (full Service) existing self-employed

- 6.06 The maximum NEA Phase 2 Allotted Time period for a UC (full service) existing self-employed participant is 66 weeks.
- 6.07 This made up of:
- Referral - 2 weeks,
 - Mentor phase - 12 weeks, and
 - Post trading - 52 weeks
- 6.08 Allotted Time is continuous and starts at the point of the NEA Phase 2 initial assessment.
- 6.09 This is the maximum period of time in which all outcomes for a Participant must be achieved and claimed.

Breaks in Period before Business Plan/BDGP Sign Off

New Business Start

- 6.10 Where a participant ceases to participate in the NEA Phase 2 provision during the Mentoring pre-business start-up stage then this would need to be recorded in PRaP as a completer, using the most appropriate of the following reasons:
- Completed Provision; or
 - Deceased

Note: Once you have input the completer information into PRaP, this will trigger the requirement to capture the customer's destination/outcome for ESF MI requirement purposes.

- 6.11 You should also signpost the participant to their JCP Work Coach and notify the JCP Work Coach using the appropriate NEA feedback form (NEA1 or for UC participants UCNEA1 form - see [annex 3](#))
- 6.12 If a participant who previously started NEA then dropped-out of NEA during the Mentoring pre start-up stage enquires about returning to the scheme, the JCP Work Coach will consider this request and make a new referral, if appropriate.

UC (full service) existing self-employed

- 6.13 If a participant informs you that they are leaving NEA Phase 2 during the mentoring pre-BDGP sign off stage, then you should record this in your records but **do not** update PRaP with any completer information. You should advise the participant that they should also inform UC of the change. Completer information will be automatically recorded by PRaP at the end of the allotted time period if no further information is input.
- 6.14 If they subsequently enquire about returning to the scheme then, assuming they are still eligible, and within the 66 week allotted time (which is continuous and has continued to run even if there has been a break in provision), the JCP Work Coach will use their discretion in deciding whether or not re-referral is appropriate.
- 6.15 If the participant wishes to pursue the same business idea the JCP Work Coach will ring you to explain the circumstances of the case and discuss the feasibility of the participant resuming the Mentoring relationship at the point they left. In these cases the participant will only receive the balance of time left (e.g. if the participant was previously on provision for 5 weeks then they would only have 7 weeks remaining if they re-joined). If you agree then the participant can re-join the scheme at the point in which they left.
- 6.16 In some instances the participant may have erroneously been recorded as a leaver. In such instances, in order to re-open the provision and allow any remaining outcomes to be subsequently claimed, you will need to complete a PRaP14 form. You will request that the line which holds the leaver information is removed, include the reason why, and send this to the PRaP team/POST.
- 6.17 If the 66 week allotted time period has past, or you do not agree to the participant resuming the provision at the point they left, then a new referral will be made by the JCP Work Coach, but only if they consider a referral to be appropriate.

Breaks during the first 26 weeks of trading: New Business Starts only

6.18 If you are certain that the break will last for more than 13 weeks then you should record the participant as a completer in PRaP, using the most appropriate of the following reasons:

- Completed Provision; or
- Deceased

Note: Once you have input the completer information into PRaP, this will trigger the requirement to capture the customer's destination/outcome for ESF MI requirement purposes. An ESF1420 end form must also be completed and returned to the DWP ESF admin team (see [Annex 13](#) for more details regarding completing and submitting this form).

6.19 If the break is less than 13 weeks then you **must not** record them as a leaver on PRaP at the point they inform you they are taking a break. Upon the participant starting to trade again you will continue to work with them as long as this is still within the 92 week allotted time

Note: The maximum break allowed during the trading period is 13 weeks.

6.20 Following a break of not more than 13 weeks the participant will only receive the balance of 52 weeks mentoring support (e.g. if the participant has previously completed 12 weeks, they will have the remaining 40 weeks, subject to not exceeding the total 92 week allotted time to trade).

Note: You will only be able to claim the 'Completion of 26 week trading outcome fee' where the participant has completed the 26 week trading within the allotted time.

Breaks during weeks 27 to 52 of trading: New Business Starts only

6.21 If the participant ceases to trade during weeks 27 to 52 (and this is a break in trading rather than a permanent cessation of trading) then you should record this in your records but you **must not** record as a completer on PRaP. You should also inform JCP when a break occurs. Completer information will be automatically recorded by PRaP at the end of the allotted time period if no further information is input.

6.22 Upon the participant starting to trade again, you will continue to work with them as long as this is still within the 92 week allotted time (which is continuous and has continued to run even if there has been a break in provision). In these circumstances the participant will only receive the balance of 52 weeks mentoring support (e.g. if the participant has previously completed 30 weeks, they will have the remaining 22 weeks left, subject to not exceeding the total 92 week allotted time to trade). Again, you should inform JCP when the support resumes.

- 6.23 In some instances the participant may have erroneously been recorded as a leaver. In such instances, in order to re-open the provision and allow any remaining input to PRaP to be made, you will need to complete a PRaP14 form. You will request that the line which holds the leaver information is removed, include the reason why, and send this to the PRaP team/POST.

Breaks during the 52 week post BDGP mentoring support: UC (full service) existing self-employed only

- 6.24 If a participant ceases to trade during the 52 week post BDGP mentoring support (and this is a break in trading rather than a permanent cessation of trading), then you should record this in your records but **do not** update PRaP with any completer information. You should advise the participant that they should also inform UC of the change.
- 6.25 If they subsequently enquire about returning to the scheme then, assuming they are still eligible, and within the 66 week allotted time (which is continuous and has continued to run even if there has been a break in provision), the JCP Work Coach will use their discretion in deciding whether or not re-referral is appropriate.
- 6.26 The JCP Work Coach will ring you to explain the circumstances of the case and discuss the feasibility of the participant resuming the Mentoring relationship at the point they left. In these cases the participant will only receive the balance of time left (e.g. if the participant was previously trading and receiving mentoring post BDGP support for 20 weeks then they would only have 32 weeks remaining if they re-joined). If you agree then the participant can re-join the scheme at the point in which they left.
- 6.27 In some instances the participant may have erroneously been recorded as a leaver. In such instances, in order to re-open the provision and allow any remaining outcomes to be subsequently claimed, you will need to complete a PRaP14 form. You will request that the line which holds the leaver information is removed, include the reason why, and send this to the PRaP team/POST.
- 6.28 If the 66 week allotted time period has past, or you do not agree to the participant resuming the provision at the point they left, e.g. there is not enough time left to enable you to claim the remaining outcomes, then a new referral will be made by the JCP Work Coach (if they consider a referral to be appropriate).

Non UC Participant Changes of Circumstances

- 6.29 It is the responsibility of the participant to notify JCP of any change in their circumstances that occur whilst they are on any element of NEA. Where a participant

informs you of a Change of Circumstance (CoC), you are to direct the participants to immediately report the change to JCP.

- 6.30 For Current Benefit participants (JSA, Income Support and ESA) you will be notified of any changes that impact upon the participant's continued participation via unencrypted email using the CEPD1 form or via the Contingency Process detailed from paragraph 6.39.

Note: All notifications for Special Customer Record (SCR) will remain clerical notifications and will not be sent via email. For further information with regards to SCR cases and what action you need to take please refer to [Generic Provider Guidance Chapter 2 – Delivering DWP Programme Provision](#).

- 6.31 On receipt of the notification of participant change of circumstances: ensure that the participant has been referred to you or your sub-contractors.
- 6.32 If referred by email, check that only one change of circumstances form has been attached to the email.
- 6.33 If you have received a change of circumstances form for an individual who has not been referred to you or your sub-contractors, or an email containing more than one customer record, or an email sent to an address other than your designated inbox you must notify DWP.
- 6.34 To mitigate the risk of data being lost, DWP Operational Security has restricted the number of client records (i.e. CEPD1 form) that may be transmitted via the unencrypted email process to a maximum of one client record (i.e. one CEPD1 form) per email. If more than one client record per email is sent via the unencrypted email process, this will constitute a security breach and must be reported to DWP as per current instructions (see [Generic Provider Guidance, Chapter 8 – Information Security](#)).
- 6.35 If you receive more than one CEPD1 form in an email and you are satisfied that the participants are attached to you or your sub-contractors, you may process the change as normal as well as reporting this as a security incident to DWP Operational Security (see Generic Provider Guidance, Chapter 8 – Information Security).
- 6.36 If you receive a CEPD1 form for an individual who is not attached to you or your sub-contractors, you must report the security incident (see Generic Provider Guidance, Chapter 8 – Information Security) and then delete the email and CEPD1 form(s).

- 6.37 The notification will be sent on a CEPD1 form from individual Jobcentre Plus email inbox addresses. The format of the JCP email addresses will be 'firstname.lastname@dwp.gsi.gov.uk'
- 6.38 To mitigate the risk of information other than that permitted by DWP security, each email sent by Jobcentre Plus will adhere to the standard email protocols listed below:

You will receive only one CEPD1 form per e mail
The standard wording displayed in the email "Subject Box" will be:

CEPD1_New Enterprise Allowance CPA number_participant surname_last three digits of participants NINO

For example:

CEPD1__New Enterprise Allowance_CPA11_Sample_56_C

Note: It will not be possible for you to notify DWP of participant change of circumstances via unencrypted email.

Contingency Process

- 6.39 There may be occasions when due to circumstances such as IT failure you are temporarily unable to receive change of circumstances via unencrypted email from JCP offices.
- 6.40 In these circumstances you must ensure that your District Third Party Provision Manager (TPPM) is kept informed of the situation and how long you anticipate it lasting.
- 6.41 The TPPM will inform JCP colleagues of the situation and they will temporarily suspend the use of unencrypted email.
- 6.42 If you anticipate the situation will continue for 48 hours or longer you must revert to the Change of Circumstances clerical contingency of receiving the CEPD1 through the post until the problem is resolved and you are able to use the unencrypted email again.
- 6.43 Your District TPPM should be kept updated and prior to you starting to use the contingency arrangements you must inform the TPPM when these arrangements will start. Also before you begin to use the unencrypted email process again you must notify the TPPM.

- 6.44 If JCP have an I.T. failure, your District TPPM will notify you if the problem will last for longer than 48 hours and that JCP will revert to the contingency arrangements of sending the CEPD1 form through the post.
- 6.45 Once resolved, your TPPM will notify you when you can expect to start receiving electronic change of circumstances forms again.

Universal Credit Participant Changes of Circumstance

- 6.46 It is the responsibility of the participant to notify the Universal Credit Service Centre (UCSC) of any change in their circumstances that occur whilst they are on NEA provision. Where a participant informs you of a Change of Circumstance (CoC), you are to direct participants to immediately report the change to UC.
- 6.47 The UCSC will then review the CoC and notify you of relevant changes on form UC78 which will be sent to you by post. You must then consider the impact of the CoC on your delivery for the participant (e.g. restrictions in activity requirements where appropriate) and take immediate action.

Participant changes address

- 6.48 JCP will notify you if a participant changes their address and that change might affect their continued participation.
- 6.49 Once the participant has started NEA, if the change of address means that the participant continues to attend a JCP office within the current Contract Package Area (CPA), their participation on the scheme will be unaffected. However, if the change means that the participant will attend at a JCP office outside the CPA, you will be expected to consider if continued participation is appropriate.
- 6.50 If the participant remains in the local travel to work area participation should continue (participants are not required to participate in any location which would normally take the participant more than 90 minutes via public transport to travel to or from their home).
- 6.51 If the participant moves further afield you should consider if suitable arrangements can be put in place to continue delivery of the service. If suitable arrangements cannot be made, your delivery requirements will cease and the participant should be recorded as a completer in PRaP (see [leavers](#)).

Participant holiday: New Business

- 6.52 Where a participant plans to go on holiday during the 12 week Pre start-up period you should advise them to notify their JCP Work Coach before the planned holiday.

- 6.53 Prior to the start of trading if the participant is going on holiday (home or abroad), the JCP Work Coach will consider if it might be more appropriate for the participant to delay launching their business, and therefore their claim for the allowance, until they return.

Leavers

- 6.54 Where a participant notifies you they no longer wish to participate in NEA, you should refer the participant to their JCP Work Coach and notify the JCP Work Coach using the appropriate NEA feedback form (NEA1 or for UC participants UCNEA1 form - see [annex 3](#))
- 6.55 Only when you are certain that the participant will definitely not return should you record the participant as a completer in PRaP, using the following reasons:
- Completed Provision; or
 - Deceased (only use if death notified/confirmed by DWP)

Note: Once you have input the completer information into PRaP, this will trigger the requirement to capture the customer's destination/outcome for ESF MI requirement purposes. An ESF1420 end form must be completed and returned to the DWP ESF admin team (see [Annex 13](#) for further details)

Note: There may also be circumstances where a work coach removes the participant from provision. When you are notified this is the case you will record individual as "completed provision".

Participant changes business idea: New Business Only

- 6.56 Where the participant changes their business idea while participating in NEA, the actions you take will depend on where the participant is in the scheme.

Change during Start-up period

- 6.57 Should the participant change their business idea during the pre start-up period (Prior to Business plan sign off), you should, determine if the revised business idea is viable or not and then, where possible / time permitting, work with the participant to re-develop their Business plan to accommodate any changes. If this cannot be accommodated in the time remaining (including any extension requests) you should record the participant as completing provision on PRaP and complete and return an ESF1420 end form to the DWP ESF admin team (see Annex 13 for instructions regarding the ESF1420 end form).

- 6.58 Subject to discussion and agreement with the JCP Work Coach a new referral will be made in PRaP where the participant wishes to develop a new business idea.

Change following business plan sign off

- 6.59 Should the participant change their business idea following the sign off of the business plan you should record the participant as completing provision. Subject to discussion and agreement with the JCP Work Coach a new referral will be made in PRaP where the participant wishes to develop a new business idea.

Change following commencement of trading

- 6.60 Should the participant change their business idea following commencement of trading and wish to cease trading and develop a new business idea you should record the participant as completing provision on PRaP and complete and return an ESF1420 end form to the DWP ESF admin team (see Annex 13 for instructions regarding the ESF1420 end form).
- 6.61 In this case, where the participant has ceased running their own business at any point in the 3 months prior to re-claiming benefits the participant is not eligible for NEA until they have continuously claimed benefits for 13 weeks.

Note: In all the scenarios above the proposed business idea must be demonstrably different from the previous business idea / business that ceased trading before.

Unacceptable Behaviour

- 6.62 Participants on DWP provision have a responsibility to behave in an appropriate manner, just as they would if they were in employment and you must explain what constitutes appropriate behaviour as part of the participant's initial assessment.
- 6.63 Where cases of misconduct or unacceptable behaviour by participants arise, you must immediately deal with it in the most appropriate manner.
- 6.64 If a participant's behaviour is such that effective participation is not possible, in the first instance you must discuss this with JCP Work Coach. As a last resort a decision may be made to exclude from provision (further information regarding unacceptable behaviour can be found in [Chapter 2 of Generic Provider Guidance](#))

Christmas and New Year opening

- 6.65 Where you are closed, the period of closure will be counted towards completed weeks for Completion of 26 weeks trading Outcome fee purposes (up to a maximum of 7 working days).

- 6.66 You must ensure your designated point of contact for the booking of Initial Engagement Meetings is resourced where JCP referral offices are open over Christmas and New Year.

ESF Participant results

- 6.67 It is a key requirement that for ESF purposes you notify results for Participants who complete Provision (where a Participant completes the Provision duration, or completes early).
- 6.68 ESF results can be defined as:
- Improvements in Labour Market Situation (employed/ unemployed/ inactive status)
 - movement into education or training
 - Gaining a qualification
 - Gaining basic skills
- 6.69 These results must occur within the Provision duration or within 4 weeks (28 days) following the Participants completion date. Results that manifest themselves outside this period do not need to be reported.
- 6.70 You must report the labour market situation for all participants that complete provision and also where it is established that the participant has gained basic skills or a qualification whilst on provision or moved into education or training. Prior to contract start you will be advised of the method of collection for these results.

Note: Along with the result information you must also supply DWP with the latest contact details you hold for the Participant.

- 6.71 Further information on obtaining evidence can be found in [the ESF Data Evidence Requirements – Eligibility and results guidance](#).

Section 7: Claiming Outcomes/PRaP Actions

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Claiming Outcomes: General

- 7.01 For all claims you are required to maintain a robust system of internal control which must include appropriate checks, monitoring arrangements and adequate records to demonstrate that you are entitled to make the claims. The records maintained need to be sufficient not only to support a claim for the outcomes, but also to allow internal management checks, scrutiny from other external bodies and DWP/ESF validation checks. See evidencing requirements at [Section 9](#).
- 7.02 DWP does not prescribe the way in which you should track individuals or record information about their self-employment. There is however specific information that you are required to input to the PRaP system, via the 'job details' screen when you submit the claim. This includes the following self-employment details:
- The contact details of the self-employed individual including the business address, contact name, full business telephone number and e-mail address;
 - Business title; start date of trading period (day after ceasing benefit claim / notifying CoC for UC claimants);
 - End date of 26 week trading period (not required for UC (full service) existing self-employed participants);
 - The number of hours worked each week;

- The working pattern;
- the Standard Industrial Classification of Economic Activities (SIC) code that best describes the business. (See the [Standard industrial classification of economic activities \(SIC\) page at GOV.UK](#)).

7.03 This information must be provided for each claim and failure to provide all or part of this information may result in the payment, being recovered, if DWP invalidates the outcome as a result.

Note: You will be required to input this information into PRaP for the following claims / outcomes:

- Commencement of trading Outcome fee – New Business Starts only.
- Completion of 26 weeks trading outcome fee – New Business Starts only.
- Start following initial assessment fee – UC (full service) existing self-employed only.
- Completed mentoring phase and BDGP – UC (full service) existing self-employed only.
- Earnings Increased to at or over MIF on average over 6 months – UC (full service) existing self-employed only.

PRaP Actions: General

7.04 There are points within NEA where Providers must ensure they update NEA Phase 2 referrals on the Provider Referrals and Payments (PRaP) system. The below are the key actions required:

- Acknowledge each Link Up : Start Up Workshop referral;
- Record outcome (start, fail to attend) of referral to the Link Up : Start Up Workshop (within 20 working days of the referral);
- Acknowledge each NEA Phase 2 referral;
- Record a NEA Phase 2 initial assessment result (start, fail to attend, did not start) for each Participant (within 15 working days of referral to initial assessment);
- Record where Participants complete pre start-up period;
- Where making outcome claims, record all details in relation to the outcomes i.e. start, completing pre start-up period, start trading and completion of 6 months / 26 weeks of trading in the Job Details screen, prior to making each the claim;
- Record the details of completion of 12 months / 52 weeks of trading / UC (full service) existing self-employed sees an average increase in earnings from their business for the months 7 to 12 after the BDGP approval;
- Claims via the PRaP system must be made in order with the necessary criteria having been met, for example you cannot input a claim for 6 months/26 weeks sustained Business unless you have claimed a start of trading outcome;

Note: PRaP will automatically input an end date at the end of the allotted time period if no end date is held. However you should ensure dates are entered via PRaP as quickly as possible and within stated timescales.

- 7.05 You will use the PRaP system to receive referrals and to record participant activity:
- For New Business NEA provision when Starting Trading Date or completion of 26 weeks/6 months Trading are entered into PRaP it will prompt the system to release a payment, subject to validation by DWP ([See section 9 – Evidence Requirements](#) for further information on evidence required.)
 - For UC (full service) existing self-employed the inputs will be NEA programme start date (following initial assessment), confirmation of the assessment of the BDGP following the initial mentoring phase and confirmation of earnings increased to at or over their MIF on average at 6 months.
- 7.06 You will therefore need to have met relevant security requirements when contracts go live. More information on the PRaP system can be found at the [Provider Referrals and Payments \(PRaP\) system for DWP](#) page at Gov.uk.
- 7.07 It should be noted that while the vast majority of referrals will be made through PRaP, there may be a very small number of referrals made clerically. These are cases where JCP has granted the participant 'Special Customer Record Status' due to certain personal circumstances. See [SCR cases](#) for further information regarding claiming NEA Start fees and Outcomes for SCR cases.
- 7.08 Direct access to PRaP will be limited to NEA Prime Providers / Contract Holders.
- 7.09 DWP will use Management Information (MI) presented by PRaP for the on-going management of the scheme and for discussion with individual Providers.
- 7.10 See [annex 4](#) in relation to MI requirements including ESF requirements.
- 7.11 Before submitting a claim for any fee, you must satisfy yourself that you are entitled to do so and that the claim meets the definitions detailed in [annex 5](#).

PRaP Actions: New Business Start Up

Link Up: Start Up Workshops

- 7.12 As noted in paragraph 7.07, the vast majority of referrals to the Link Up: Start Up workshop will be via PRaP.

7.13 You are required to update PRaP with the outcome of the referral to the Link Up: Start Up workshop within 20 working days of referral. One of the following results must be recorded:

- If the person attended - You will input the same date for both Date 1 and Date 2:

Date 1 – Should be the date the claimant attended the workshop

Date 2 – Should be the date the claimant attended the workshop

- If the person did not attend – You will reject/cancel the referral using the reason “Did Not Attend”.
- If it is decided that it is an ineligible referral – You will reject/cancel the referral using the reason “Cancel - No Contact” (for ineligible referrals, see [annex 1](#))

Commencement of Programme

7.14 Following attendance at the Link Up: Start Up workshop you will, with the exception of SCR cases (see Paragraph 2.20), receive a PRaP referral once the individual has decided that they want to pursue setting up their own business via the NEA Phase 2 programme.

7.15 You will update PRaP with one of the following outcomes:

- If the person is accepted onto the programme – - You will input the same date for both Date 1 and Date 2:

Date 1 – Should be the date the participant is accepted onto the programme (i.e. the same date as the initial assessment).

Date 2 – Should be the date the participant is accepted onto the programme (i.e. the same date as the initial assessment).

- If the person did not attend – You will reject/cancel the referral using the reason “Did Not Attend”.
- If, after the initial assessment you decide that the provision is not suitable for the individual - You will reject/cancel the referral using the reason “Did Not Start”.

Completed Mentoring Phase to the point of submitting a Business Plan.

7.16 You will confirm when the pre-trading mentoring phase of the programme, including the submission of a business plan has been completed. You will be required to input the following dates into PRaP:

Date 1 - Should be the date that the person was accepted onto the programme (the same date as the initial assessment).

Date 2 – Should be the date the participant submitted the final business plan (i.e. the business plan upon which an assessment will be made as to whether the participant will continue on provision).

Completion of 12 months/52 weeks trading

7.17 Whilst there is no associated outcome fee you are required to provide mentoring support for 12 months/ 52 weeks and to confirm when a participant has been trading in a self-employed capacity and off benefit for a cumulative period of 12 months/ 52 weeks and within the 92 week allotted time. (UC participants should have reported/maintained the change of circumstance for 12 months / 52 weeks).

7.18 This should only be recorded via PRaP once you have claimed a Completion of 26 weeks of trading Outcome fee.

7.19 You will be required to input the following dates into PRaP:

Date 1 - Should be the date that 12 month / 52 week trading commenced (date used for Commencement of trading outcome fee).

Date 2 – Should be the date the participant completed a cumulative 12 month / 52 weeks trading.

Note: You are also required to input information into the job details screen, see [paragraph 7.02](#) of this document.

7.20 For the Completion of 12 month/ 52 weeks trading the individual must have cumulatively been in self-employment for a 12 month/ 52 week period (a week is defined as a 7 day period). This needs to be achieved within the 92 weeks allotted time period.

Payments: New Business Start Up

7.21 For NEA Phase 2 new business start-up participants the payments will cover:

- Link Up: Start Up
- NEA Phase 2 Programme Start / Initial Assessment
- Mentoring Phase / Business Plan Assessment
- Commencement of Trading
- Completion of 26 weeks Trading

Definitions are detailed in [annex 5](#).

- 7.22 The first three outcomes listed in paragraph 7.21 above will be paid as a service fee. The final two outcomes listed in paragraph 7.21 will be paid as individual outcomes.

Service Outcome Fee

- 7.23 This payment will be made automatically at intervals and amounts detailed in your contract. The Service Fee nominally covers:
- Link Up: Start Up workshop,
 - Initial Assessment, and
 - any subsequent mentoring fee up to the submission and approval or non-approval of the Business Plan stages of the programme.

Commencement of trading Outcome fee

- 7.24 A Commencement of trading Outcome fee can be claimed once the participant has:
- Terminated their claim to JSA/ESA/IS/UC and started trading or, when continuing to claim UC, reported a change of circumstances to register a trading start
- 7.25 A Commencement of trading Outcome fee can only be claimed after the outcome of the original referral is recorded via PRaP.
- 7.26 You will be required to input dates into PRaP to confirm the outcome:
- Date 1 - Should be the same dates and be the date the participant commenced Trading.
- Date 2 - Should be the same dates and be the date the participant commenced Trading.

Note: You are also required to input information into the [‘job details’](#) screen.

Completion of 26 weeks trading Outcome fee

- 7.27 A Completion of 26 weeks of trading Outcome fee can be claimed when a participant has been trading in a self-employed capacity and off benefit or where continuing to receive UC has reported / maintained the change of circumstances for 6 months / 26 weeks, for a cumulative period of 26 weeks and within the 92 week allotted time. Periods of self-employment must begin on or after the Start Date and within the maximum 92 week allotted time.

7.28 A Completion of 26 weeks of trading Outcome fee can only be claimed after a Commencement of trading Outcome fee date is recorded via PRaP.

7.29 You will be required to input dates into PRaP to confirm the outcome:

Date 1 - Should be the date that 26 week trading commenced (date used for Commencement of trading outcome fee).

Date 2 – Should be the date the participant completed a cumulative 26 weeks trading.

Note: You are also required to input information into the [‘job details’](#) screen.

7.30 For the Completion of 26 weeks trading Outcome fee the individual must have cumulatively been in self-employment for a 26 week period (a week is defined as a 7 day period). Where there is a break in self-employment and 26 weeks cumulative trading is not achieved within the 92 weeks allotted time, you are not eligible to claim a Completion of 26 week trading Outcome.

PRaP Actions: UC (full service) existing self-employed

Commencement of Programme

7.31 You will, in the vast majority of cases, receive a PRaP referral for any existing UC self-employed participant who wishes to join the provision.

7.32 Following your initial assessment you will update PRaP with one of the following outcomes:

- If the person is accepted onto the programme - You will input the same date for both Date 1 and Date 2:

Date 1 – Should be the date the participant is accepted onto the programme (i.e. the same date as the initial assessment).

Date 2 – Should be the date the participant is accepted onto the programme (i.e. the same date as the initial assessment).

- If the person did not attend – You will reject/cancel the referral using the reason “Did Not Attend”.
- If, after the initial assessment you decide that the provision is not suitable for the individual - You will reject/cancel the referral using the reason “Did Not Start”.

Completed Mentoring Phase to the point of submitting Business Development and Growth Plan (BDGP)

- 7.33 You will confirm when the mentoring phase of the programme, to the point of submitting a BDGP, has been completed. You will be required to input the following dates into PRaP:

Date 1 - Should be the date that the person was accepted onto the programme (the same date as used for the first bullet point in paragraph 7.32).

Date 2 – Should be the date the participant submitted the BDGP (i.e. the BDGP upon which an assessment will be made as to whether the participant will continue on provision).

Completion of 7 - 12 months increased earnings

- 7.34 Whilst there is no fee attached to this outcome you are expected to support the participant and confirm via PRaP when a UC (full service) existing self-employed participant has achieved an average of self-employed earnings which are equal to at least 12 months at their Minimum Income Floor level.

- 7.35 Earnings are defined as the self -reported earnings from the business – equivalent to gross pay with notional deductions for tax etc. Universal credit claimants are asked to report earnings/money (all money counts – cash, card payments, cheque, payment in kind or any other method) when it actually goes into and goes out of the business. See [Annex 12](#) for detailed information regarding earnings

- 7.36 You will be required to input the following dates into PRaP:

Date 1 - Should be the date the participant is accepted onto the programme (i.e. the same date as the initial assessment).

Date 2 – Should be the date when a UC (full service) existing self-employed participant has achieved an average of self-employed achieved earnings which are equal to at least 12 months at their Minimum Income Floor level.

Note: You should only input these dates 12 months after the Business Development and Growth Plan was signed off, regardless of if the average earnings level is exceeded before the 12 months has passed.

Payments: UC (full service) existing self-employed

7.37 For NEA Phase 2 UC (full service) existing self-employed participants, the payments will cover:

- NEA Phase 2 Programme Start / Initial Assessment
- Mentoring Phase / Business Development and Growth Plan Assessment
- Completion of 6 months of increased earnings fee where a UC (full service) existing self-employed claimant has achieved an increase in earnings to the average of at least their Minimum Income Floor level over the 6 months following the signoff of the Business Development and Growth Plan.

7.38 All outcomes will be paid via individual outcome fees.

Programme Start Fee (including fee for initial sift)

7.39 A Start Fee will be paid when the participant has been accepted onto NEA. You need to record the Start in the PRaP system, which will trigger payment of the Fee.

7.40 You will be required to input dates into PRaP to confirm the start:

Date 1 - Should be the same date and be the date the participant agreed to start NEA.

Date 2 - Should be the same date and be the date the participant agreed to start NEA.

7.41 You have a responsibility to ensure that starts you record via PRaP are valid. You are required to retain evidence of the initial assessment, which supports the conditions of the claim and fully meets the definition as detailed in [Section 9](#).

7.42 You are required to make this evidence available when requested for testing by DWP and other external bodies when requested, and it must be retained.

7.43 Failure to record a start date via PRaP will result in non-payment of the Start Fee.

Mentoring/Business Development and Growth Plan Assessment fee

7.44 A Mentoring / Business Development and Growth Plan Assessment fee will be paid when the participant has undertaken the mentoring phase and worked with the Business Mentor or Advisor, prepared a Business Development and Growth Plan and this plan has been assessed by the Provider. Only one Mentoring/BDGP Assessment fee can be claimed per allotted time.

7.45 A Mentoring / Business Development and Growth Plan Assessment fee can only be claimed once a Start Fee has been input to PRaP.

- 7.46 To claim the Mentoring / Business Development and Growth Plan Assessment fee you will be required to input to PRaP:

Date 1 - Should be the date that the person was accepted onto the programme (the same date as used for the first bullet point in paragraph 7.32).

Date 2 – Should be the date the participant submitted the BDGP (i.e. the BDGP upon which an assessment will be made as to whether the participant will continue on provision)

- 7.47 You have a responsibility to ensure that any claim you record via PRaP is valid. You are required to retain evidence of the mentoring undertaken, a copy of the fully assessed Business Development and Growth Plan, which supports the conditions of the claim and fully meets the definition as detailed in [Section 9](#).
- 7.48 You are required to make this evidence available for testing by DWP and other external bodies when requested, and it must be retained.
- 7.49 Failure to input to PRaP the date on which the assessment took place will result in non-payment of the Business Development and Growth Plan.

Completion of 0 - 6 months increased earnings fee

- 7.50 A Completion of 0 - 6 months increased earnings fee will be paid where, following the signoff of the Business Development and Growth Plan, a UC (full service) claimant with an existing business has achieved average earnings increased to at least the claimant's MIF on average over months 0 to 6.
- 7.51 Earnings are defined as the self reported earnings from the business – equivalent to gross pay with notional deductions for tax etc. Universal credit claimants are asked to report earnings/money (all money counts – cash, card payments, cheque, payment in kind or any other method) when it actually goes into and goes out of the business. See [Annex 12](#) for detailed information regarding earnings.
- 7.52 A Completion of 0 - 6 months increased earnings fee can only be claimed once a Start Fee and Mentoring / Business Development and Growth Plan Assessment fee have been input to PRaP.
- 7.53 You will be required to input the following dates into PRaP:

Date 1 - Should be the date the participant is accepted onto the programme (i.e. the same date as the initial assessment).

Date 2 – Should be the date when a UC (full service) existing self-employed participant has achieved an average of self-employed achieved earnings to at least the participants MIF on average over months 0 to 6

Note: You should only input these dates 6 months after the Business Development and Growth Plan was signed off, regardless of if the average earnings level is exceeded before the 6 months has passed.

- 7.54 You have a responsibility to ensure that every claim you record via PRaP is valid. You are required to retain evidence of the mentoring undertaken, a copy of the fully assessed Business Development and Growth Plan, which supports the conditions of the claim and fully meets the definition as detailed in [Section 9](#)
- 7.55 You are required to make this evidence available for testing when requested by DWP and other external bodies when requested, and it must be retained.
- 7.56 Failure to input to PRaP the date on which the assessment took place will result in non-payment of the 0 - 6 months increased earnings fee.

ESF Compliance and Evidence Retention Requirements (England only)

- 7.57 As part of this Provision will be funded by ESF it may be subject to stringent audit by DWP and EC Auditors who will require evidence that the Provision is being delivered in accordance with the contract and all payments are clearly and appropriately evidenced. Failure to meet these audit requirements can result in financial penalties or withdrawal of funding.
- 7.58 You must, keep evidence and key documentation in support of Provision delivery and payments. It is your responsibility to ensure that documents and data can be relied on for possible ESF audit purposes. You must have robust systems in place to ensure that documentation (paper or electronic) is securely held and is easily retrievable and accessible throughout the retention period.
- 7.59 Further information regarding ESF requirements can be found in the [Generic Provider Guidance Chapter 11b – ESF requirements 2014 – 2020 \(England Only\)](#).

Section 8: Validation

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Validation Action

8.01 DWP will seek to verify the validity of the provider's claims for:

- [New business starts](#)
 - Commencement of trading outcome fee,
 - Completion of 26 week trading outcome fee
- [For existing UC \(full service\) self-employed](#)
 - Initial Assessment,
 - Mentoring Phase including assessment of BDGP,
 - Achieve or exceed average earnings of at least the participants MIF over 0-26 weeks

8.02 Validation will be undertaken primarily post payment on the basis of a representative sample of claims (up to 100% of those available) selected by fee, by contract.

8.03 Pre-payment validation will be a feature, as necessary, to ensure participants have, where outcome definitions require, ceased to claim a legacy benefit or, for those continuing to claim UC, that an appropriate change has been registered.

8.04 Claims to be checked will be selected by fee type on a random basis and in sufficient numbers to be considered, at the discretion of the Department, as representative of the volume of claims (for that fee) from which the sample is drawn.

8.05 The following paragraphs broadly outline the Department's validation methodology. You should read this section in conjunction with [Chapter 5 - Generic Provider Guidance - Evidencing and Validating Payments](#).

8.06 If you have any queries about an NEA fee claim you have submitted via PRaP please send an e-mail entitled 'Payment Query' to NEATEAM.PPVT@DWP.GSI.GOV.UK In

the body of your e-mail please provide the ERS number, the date the claim was entered via PRaP and details of the nature of your query. The NEA Provider Payment Validation Team (PPVT) will endeavour to respond to all e-mail enquiries within 24 hours of receipt.

- 8.07 If you have queries relating specifically to validation processes or policy please e-mail your enquiry to Provider Payment and Validation (PPVT) inbox at PPVT.POLICYANDGUIDANCEQUERIES@DWP.GSI.GOV.UK.

Pre-payment Validation

- 8.08 Whilst DWP reserves the right to check claims at any point, the intention at the outset is to use the pre-payment validation check on the 26 Weeks of Trading Fee.
- 8.09 Claims will undergo an automated Off benefit Check (OBC). This automated check is an interface with PRaP and the Customer Information System (CIS), the departmental system that holds benefit history details.
- 8.10 The check is to determine whether the individual has ceased their claim for benefit / remained off-benefit for 26 weeks. The check is against the following benefits:
- Jobseekers Allowance (JSA);
 - Employment Support Allowance (ESA);
 - Income Support (IS); and
 - Universal Credit (UC)

Note: UC participants may not have ceased their claim to benefit. [See paragraphs 8.16 & 8.17](#) for the action to take with UC participants.

- 8.11 Where an insufficient period off the benefits listed at paragraph 8.11 is found, the claim will fail.
- 8.12 Claims which are put on hold by PRaP because of a UC interest will be investigated by PPVT to establish whether UC systems show the participant has registered the necessary change.
- 8.13 Claims passing these checks will be paid and available for post-payment validation.
- 8.14 Those that fail will be backed out of PRaP, unpaid. This will allow you to re-submit another Completion of 26 weeks trading outcome fee, once any necessary corrections have been made.
- 8.15 Prior to re-submission it is expected that the necessary steps will have been taken to further establish the validity of the claim and the information supplied with it.

- 8.16 Where there is a UC Interest you are required to enter the prefix 'Uni Cred' in the Employer Name Field of the Employment Details screen via PRaP. This must have been added before submitting any outcome payment claim. Taking this action will allow PPVT to identify UC Interest cases and apply the correct validation methodology and criteria.
- 8.17 All claims that include live records of UC will fail the automated OBC and will be placed on-hold. PPVT will filter all UC Completion of 26 weeks trading Outcome fee and conduct pre-payment validation for each claim before being released for payment.

Post Payment Validation

- 8.18 All paid claims will be available for post payment sampling.
- 8.19 DWP will seek to verify the validity of the provider's claims and may at its discretion check across a period a sample of claims/payments (up to 100% of those available).
- 8.20 Claims to be checked will be selected by fee type on a random basis and in sufficient numbers to be considered at the discretion of the Department, as representative of the volume of claims (for that fee) from which the sample is drawn.
- 8.21 Validation will rely on reference to sources of evidence independent of the provider (and its supply chain) and may encompass, for example, information held already by DWP personnel/on DWP systems (or those of other government departments) as well as evidence secured direct from the participant.
- 8.22 Validation of individual fees will be with reference to the fee definition and undertaken for:
- "Commencement of Trading" claims will be compared to benefit systems to establish whether the NEA Allowance is in payment. Where it is, the participant's work coach will have confirmed with the participant that their Business Plan has been agreed and that they have subsequently commenced trading. Where this is established the claim will pass. Where the Allowance is not in payment, perhaps because the participant has not claimed it and or has remained on their original benefit, PPVT will pursue a conversation with the participant to establish whether the criteria have been met and therefore that the claim can be passed/paid.
 - "26 Weeks of Trading" claims (which will have passed pre-payment validation) will be checked through a mix of contacting the Participant; liaison with DWP staff, reference to supporting IT systems on which progress will have been recorded and contacting employers/contractors if applicable .

- Existing self-employment claims (i.e. claims for a “Start”, “BDGP assessment” and/or “26 weeks above the MIF”), all of which will relate to UC (full service) existing self-employed participants, will be undertaken through a combination of liaison with Work Services Directorate (part of DWP) and typically the supporting IT systems on which progress will have been recorded, direct consultation with the Participant themselves and employers/contractors (if applicable).

8.23 Where there is a UC Interest you are required to enter the prefix ‘Uni Cred’ in the Employer Name Field of the Employment Details screen via PRaP. This must have been added before submitting any outcome payment claim. Taking this action will allow PPVT to identify UC Interest cases and apply the correct validation methodology and criteria.

Outcomes of Validation

8.24 Each checked claim will be classified as either:

- Pass – Validation checks have confirmed the outcome definition and associated requirements have been met - This may include claims which differ in detail from the outcome identified in validation but with the parameters of variance and acceptable risk deemed acceptable by CEPD Governance;
- Fail - Validation checks have confirmed the outcome definition and or associated requirements have NOT been met - This may include where validation activity has identified a valid outcome but which differs from that claims to such that it is beyond the parameters of variance and level of risk deemed acceptable by CEPD Governance; or
- Unable to Validate – Despite reasonable validation checks we have been unable to conclusively confirm the outcome definition and or associated requirements have or have not been met.

8.25 Where the Department has checked a sample of claims the rate of error found will be extrapolated across the population of claims (including the sample) and consequent overpayments will be recovered.

8.26 In cases where PPVT is experiencing difficulty making contact with the individual, we may contact you to confirm the details you have supplied in PRaP. PPVT may also contact you where you have submitted incorrect or incomplete information (e.g. incomplete telephone numbers). You are required to establish the correct information and supply PPVT within 5 days of receipt of the query. If you do not provide the detail that enables PPVT an attempt at validation, the claim will fail validation.

8.27 Providers must not remove job details from the mandatory fields in PRaP at any time. Should you identify any data input errors (e.g. incorrect dates / invalid claim), you can

request for it to be removed / amended using the required form PRaP 14 as detailed in [annex 6](#). Please ensure you use the correct version of the form, depending on whether the ESF logo should be present or not. The “Notes” at Annex 6 provide further detail.

Note: When you request a claim to be removed (backing out) you must check and list any proceeding claim lines on the PRaP 14 form. If you fail to do this the form will be rejected and returned to you with an explanation for the rejection. You will be asked to review the request and if appropriate, resubmit the form to include all relevant lines to be backed out

- 8.28 PPVT will keep management information about claims that have been submitted inaccurately and/or are incomplete. This will be used to inform other activities that may take place, for instance, consistently submitting poor quality claims could indicate a weakness in providers’ systems and feedback of this nature may therefore inform Provider Assurance Team (PAT) activities see [Chapter 6 of the Generic provider Guidance Chapter 6 - Provider Assurance](#).

Extrapolation

- 8.29 DWP will draw a monthly sample of outcomes to be validated and upon which extrapolation will be based. Providers should not seek to back out any outcomes once the sampling process is underway for any given month’s outcomes. The timetable for sampling will be communicated to providers.
- 8.30 All claims that fail post-payment validation, contribute to the error rate for extrapolation. The error rate is calculated using the total number of errors divided by the total number of outcomes in the sample.
- 8.31 Once all the checks have been completed, including those that have been reviewed, you will receive an extrapolation report that details the validation decisions against the sample to enable you to reconcile against your claims. The report includes the error rate and the total amount of money to be recovered (if applicable). The report will be sent before any request for payment is raised.
- 8.32 Providers should be aware that a review process is in place for all failures and unable to validate cases, and these can be challenged proportionately. See [Chapter 5 - Generic Provider Guidance - Evidencing and Validating Payments](#) for full details.

PRaP Operational Support Team (POST)

- 8.33 The PRaP Operational Support Team (POST) PRAP.support@dwp.gsi.gov.uk will carry out administration and approval functions to support Provider referrals and attachment payments via PRaP.

Special Customer Records

- 8.34 If you have been notified by JCP that a claimant has been granted Special Customer Record (SCR) all records remain clerical. To make any outcome payment claim you will need to use a PRAP11NEA2 form (see [Annex 2](#)). Please ensure you use the correct version of the form, depending on whether the ESF logo should be present or not. The “Notes” at Annex 2 provide further detail.
- 8.35 For this clerical process, one claim form should be printed and completed for each claimable outcome and be sent to:
- Joyce Hughes, Operational Manager
Wirral Provider Payment Validation Team
29 Price Street
Room 216, 3rd floor
Brunswick House
Birkenhead
CH41 6JN
- 8.36 When the claim is received by Wirral PPVT, they will firstly confirm that the case is indeed a SCR.
- 8.37 If the case is confirmed to not be a SCR, the claim will be rejected and you will be advised that the claim must be referred as per the normal process and outcome claims should be made via PRaP.
- 8.38 If the case is a confirmed SCR, Wirral PPVT will validate the claim prior to payment by using the appropriate combination of Central Payment System, (to check for NEA payments which may assist in the validation of stages 1-3), validate directly with the participant and perform an off benefit check where appropriate (dependant on which outcome is being claimed).
- 8.39 If the claim is then payable the claim will be paid and you will be notified by Wirral PPVT. If the claim is not payable, Wirral PPVT will notify you as to the reason(s) why.
- 8.40 PPVT will endeavour to process these claims within 30 days of receipt of a valid claim.
- 8.41 Further information regarding sending information to DWP is available in [Chapter 8 of DWP Generic Provider Guidance](#), paragraph 36.
- 8.42 Further information regarding managing SCRs is available in [Chapter 2 of DWP Generic Provider Guidance](#).

- 8.43 All clerical documents carrying personal information should be retained securely in line with the [Data Protection Act Principles](#).

Section 9: Evidence Requirements

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Evidence Requirements

- 9.01 You must keep evidence that can support delivery of the scheme as specified within this provider guidance document.
- 9.02 This evidence must be retained to support checks by European Social Fund (ESF) Compliance Monitoring Officers (CMO) and ESF audit activity, as well as checks undertaken by DWP and other external bodies.
- 9.03 You are required to satisfy yourselves that you only submit accurate claims for payments that you are entitled to.
- 9.04 You are required to maintain a robust system of internal controls which must include appropriate checks, monitoring arrangements and adequate records to demonstrate that you are entitled to make the claim.
- 9.05 You must keep information to support your claims and submit it to DWP when requested and as part of the claim process. This can include information about the individual and their self -employment / job details.
- 9.06 [Table 1](#) lists the documentation that must be retained as a minimum for both new business starts and UC (full service) existing self-employed participants.

Note: ESF requirements do not apply to UC (full service) existing self-employed participants.

- 9.07 Documentation must be:
- Properly organised (it is recommended that all the required information for an individual participant is held on a personal file linked to a contract number, which is cross-referenced to a main file to aid retrieval of specific documents to support audit activity)
 - Maintained in good condition to protect the integrity of the information and,
 - Secure, controlled and easy to access if and when required for audit purposes throughout the retention period.

- 9.08 A document retention policy must be in place and submitted to DWP within four weeks of the contract start. This must include details on how the policy will be implemented, maintained and monitored by the Prime Provider. Where ESF match funding applies, you must adhere to the ESF specific document retention requirements (see [Generic Provider Guidance Chapter 11b – ESF requirements 2014 – 2020 \(England Only\)](#) for further details).
- 9.09 The Prime Provider (including their supply chain) can be audited by DWP/ESF Internal Auditors and other bodies.

Table 1: Evidence Requirements

New Business Start Up

Timing	Process	Evidence Description	Responsibility
Pre Start Link Up : Start Up Referral	JCP Work Coach Referral	Referral by JCP Work Coach by telephone (LMS, WSP, PRaP, clerical referral to follow initial telephoned referral)	DWP
Link Up : Start Up	Attendance at Link Up : Start Up	<p>Provide a Link Up: Start Up Workshop to eligible Individuals that are referred to them by Jobcentre Plus. Workshops to provide attendees with a comprehensive overview of the pros and cons of self-employment. These workshops should last at least three hours. It will be for Providers to determine the minimum viable number of places on each workshop to ensure waiting times are minimised for participants. We expect the optimal number of participants to be around 15 and maximum number to be 20 on each workshop.</p> <p>Providers must obtain signed confirmation from Participants that they have attended the Link Up: Start Up workshop for a minimum of 3 hours and had (or been offered) a 1:1 session on that day. Where a Participant fails to attend Link Up: Start Up Workshop Providers must also update PRaP (within 20 working days of the referral that the participant failed to attend) detailing the Participant has failed to attend.</p> <p>Update PRaP when Participant attends Link Up: Start Up Workshop. Refer Participants who wish to start NEA Phase 2 back to JCP Work Coach for a referral to start NEA Phase 2 main programme.</p>	Provider
Day 1	JCP Work Coach Referral	Referral by JCP Work Coach by telephone (LMS, WSP, PRaP, clerical referral to follow initial telephoned referral) – key date from	DWP

Timing	Process	Evidence Description	Responsibility
		which claim periods are counted. Referral made in PRaP.	
Contractual Target Within 10 Working Days of referral	Delivery of Initial assessment / pre-screen appointment	<p>Provide an initial assessment/ pre -screen of Eligible Individuals that are referred to them by Jobcentre Plus, recording the result via PRaP within 15 working days. This will include an initial assessment of the individual's self-employment prospects, their business proposition, its sustainability potential and their overall suitability for the NEA Phase 2 programme.</p> <p>Providers must record the date of the initial assessment and obtain signed confirmation from Participants that the initial assessment has taken place.</p> <p>Providers must record the exceptional cases when a face to face meeting cannot be undertaken</p> <p>Providers must record evidence that they consider the business proposition is viable</p> <p>Where a Participant fails to attend their initial assessment meeting Providers must also update PRaP (within 15 working days of the failure to attend) detailing the Participant has failed to attend.</p> <p>Update PRaP when Participant accepted onto NEA Phase 2 main Programme.</p> <p>Providers to complete NEA 1 /UC NEA1 form with outcome of appointment and return to Jobcentre Plus</p>	Provider
Contractual Target within 10 Working days of the referral	Participants matched with a Business Mentor.	<p>Evidence of the initial (and subsequent) meetings taking place will be required for DWP Performance Management and audit purposes.</p> <p>Providers must keep a written log of each meeting and contact that takes place with Participants, including with business Mentors.</p> <p>Providers must obtain signed confirmation from Participants for each face to face meeting that takes place with Participants.</p>	Provider

Timing	Process	Evidence Description	Responsibility
	Delivery of additional seminars	Providers must keep evidence of any seminars offered and attended detailing duration. Providers must obtain signed confirmation of attendance. Providers must keep evidence that those participants who opt out of any seminars and include any exceptional reasons. Providers must obtain signed confirmation of opting out.	Provider
Contractual Target within 12 weeks of Participants being matched with Business Mentor	Mentor Phase	Ensure that the Mentor or Adviser is providing appropriate Mentoring and business advice, including making an initial assessment of the Participant's business proposition. Helping them to prepare a business plan, delivering seminars and a minimum of 3 mentor meetings, the first one of which must be face to face. Evidence requirement must record activity that has taken place (including meetings) to develop the Participants Business Plan. Evidence must be recorded where exceptional circumstances are applied for not holding these meeting.	Provider
Contractual Target within 12 weeks of Participants being matched with Business Mentor	Approval process of the business plan. The Business Mentor will make a recommendation to the Provider as to whether Participants should proceed to Trading and qualify to apply for the NEA Allowance.	During this approval process the Participant will need to demonstrate that their business plan is viable and that the business has sustainability potential. Evidence required that business plan meets the minimum requirements, date approved and copies of Participants completed Business Plan and recommendation / feedback. Evidence of work with the Business Mentors / Business Advisers and other local partners to signpost Participants to other sources of business support and funding that may be available; Evidence the final assessment has been carried out by someone who has NOT been directly involved with the participant. Update PRaP when Participant's Business Plan has been assessed. Providers to complete NEA1 form with outcome of appointment and return to Jobcentre Plus	Provider

Timing	Process	Evidence Description	Responsibility
Up to 13 weeks from the Business Plan approval	Business Development Phase	<p>Optional phase for participants to further develop their business before commencing trading.</p> <p>Providers should offer at least one point of contact with a mentor where the participant does not move into trading immediately following the business plan approval</p> <p>Providers to retain evidence of the offer to Participants.</p>	Provider
Up to 13 weeks from the Business Plan approval	Start Trading	<p>Update PRaP when Participant commences trading / Self-Employment.</p> <p>Providers need to obtain evidence to confirm the Participant has commenced trading, this could include: (list not exhaustive)</p> <ul style="list-style-type: none"> • HMRC registration • Confirmation of NEA allowance claim (letter issued to claimant by JCP) where claimed by participant • Proof of benefit claim closed (letter issued to claimant by JCP) 	Provider

Timing	Process	Evidence Description	Responsibility
After 26 Weeks Self-Employment	Completion of 26 Weeks of Trading Outcome fee	<p>Evidence to show:</p> <ul style="list-style-type: none"> Participant has been in self-employment for a cumulative period of 26 weeks. As per the bullets below. <p>Update PRaP when Participant completes 26 weeks of trading / Self-Employment.</p>	Provider
During 52 weeks of Self-Employment	Business Mentors to provide on-going support for a minimum of 52-weeks, once the Participant has ceased claiming benefit (or recorded a change of circumstances regarding becoming self-employed for UC claimants) and commenced Trading	<p>Evidence of support the Business Mentors provide.</p> <p>The <u>minimum</u> requirement for post Mentoring support is to offer Participants at least four one to one meetings</p> <p>Providers must obtain evidence of the post start up Mentoring support given or offered to Participants. This could include:</p> <ul style="list-style-type: none"> A log of each contact, or attempt to contact Participants. Signed confirmation of face to face meetings that take place Correspondence between Provider and Participant that demonstrates post start-up Mentoring support given or offered. 	Provider

Timing	Process	Evidence Description	Responsibility
After 52 Weeks Self-Employment	Completion of 52 Weeks of Trading	<p>Evidence to show:</p> <ul style="list-style-type: none"> ○ Participant has been in self-employment for a cumulative period of 52 weeks. ○ As per the bullets above. <p>Update PRaP when Participant completes 52 weeks of trading / Self-Employment.</p>	Provider

Evidence Requirements for UC (full service) existing self-employed participants

Timing	Process	Evidence Description	Responsibility
Day 1	JCP Work Coach Referral	Referral by JCP Work Coach by telephone (LMS, WSP, PRaP, clerical referral to follow initial telephoned referral) – key date from which claim periods are counted. Referral made in PRaP.	DWP
Contractual Target Within 10 Working Days of referral	Delivery of the Initial assessment / pre-screen appointment	Provide an initial assessment/ pre-screen of Eligible Individuals that are referred to them by Jobcentre Plus, within 10-working days of the referral date. This will include an initial assessment of the individual's self-employment prospects, their business proposition, its growth potential and their overall suitability for the NEA Phase 2 programme. Providers must record the date of the initial assessment and obtain signed confirmation from Participants that the initial assessment has taken place. Evidence that the provider feels that the business proposition is viable Where a Participant fails to attend their initial assessment meeting Providers must also update PRaP (within 15 working days of the referral date) detailing the Participant has failed to attend. Update PRaP when Participant accepted onto NEA Phase 2 main Programme (within 15 working days of the referral date). Providers to complete NEA1/UCNEA1 form with outcome of appointment and return to Jobcentre Plus	Provider
Contractual Target within	Participants matched with a	Evidence of the initial (and subsequent) meetings taking place will be required for DWP Performance Management and audit purposes.	Provider

Timing	Process	Evidence Description	Responsibility
10 Working days of the referral	Business Mentor.	Providers must keep a written log of each meeting and contact that takes place with Participants, including with business Mentors. Providers must obtain signed confirmation from Participants for each face to face meeting that takes place with Participants.	
Contractual Target within 12 weeks of Participants being matched with Business Mentor	Mentor Phase	Ensure that the Mentor is providing appropriate Mentoring and business advice, including making an initial assessment of the Participant's business proposition. Helping them to prepare a Business Development and Growth Plan. Delivering seminars and a minimum of 3 one to one mentor meetings Evidence of any seminars offered and attended detailing duration. Evidence obtained of signed confirmation of attendance. Evidence that those participants who opt out of any seminars and include any exceptional reasons. Evidence must be obtained of signed confirmation of opting out. Evidence requirement records of activity that has taken place (including meetings) to develop the Participants Business Plan.	Provider
Contractual Target within 12 weeks of Participants being matched with Business Mentor	Approval process of the BDGP. The Business Mentor will make a recommendation to the Provider as to whether Participant's business has the potential to grow and achieve average earning	During this approval process the Participant will need to demonstrate that their Business Development and Growth Plan is viable and that the business has sustainable growth potential. Evidence required, copies of Participants completed Business Development and Growth Plan and recommendation / feedback. Evidence of work with the Business Mentors / Business Advisers and other local partners to signpost Participants to other sources of business support and funding that may be available; Update PRaP when Participants Business Development and Growth Plan has been assessed. Providers to complete NEA1/UCNEA1 form with outcome of appointment and return to Jobcentre Plus	Provider

Timing	Process	Evidence Description	Responsibility
	to the level of the Participant's MIF.		
After 6 months / 26 weeks Self-Employment	Completion of 0 – 6 months / 26 weeks increase in average earnings	<p>Evidence to show:</p> <ul style="list-style-type: none"> Participant has remained in self-employment for 6 months following the sign off of the Business Development and Growth Plan Participant has achieved an increase in earnings to the average of at least their Minimum Income Floor level over the 0 to 6 months following the signoff of the Business Development and Growth Plan <p>Update PRaP when Participant achieved 6 months of earnings to the average of at least their Minimum Income Floor</p>	Provider and DWP
After 12 month Self-Employment	Completion of 7 - 12 months increase in average earnings	<p>Evidence to show:</p> <ul style="list-style-type: none"> Participant has remained in self-employment for 12 months following the sign off of the Business Development and Growth Plan Participant has achieved an increase in earnings to the average of at least their Minimum Income Floor level over months 7 to 12 following the signoff of the Business Development and Growth Plan <p>Update PRaP when Participant achieves 12 months of earnings to the average of at least their Minimum Income Floor</p>	Provider and DWP

Timing	Process	Evidence Description	Responsibility
During 12 months of Self-Employment	Business Mentors to provide on-going support for a minimum of 12 months,	<p>Evidence of support the Business Mentors provide.</p> <p>The <u>minimum</u> requirement for post mentoring support is to offer Participants at least four one to one meetings</p> <p>Providers must provide evidence of the Mentoring support given or offered to Participants. This could include:</p> <ul style="list-style-type: none"> • A log of each contact, or attempt to contact Participants. • Signed confirmation of face to face meetings that take place <p>Correspondence between Provider and Participant that demonstrates post start-up Mentoring support given or offered.</p>	Provider

Section 10: Additional Information

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Additional Information

Fraud Prevention

10.01 If you suspect that a participant is committing fraud you should follow the procedures outlined via the [National Fraud Hotline](#). Further information can be found on GOV.UK.

Data Protection

- 10.02 In order to protect Departmental information appropriately, you must put into effect and maintain the security measures and safeguards appropriate to the nature and use of the information throughout your supply chain.
- 10.03 All providers of services to DWP must comply, and be able to demonstrate compliance, with the Department's relevant policies and standards including the DWP Information Systems Security Standards.
- 10.04 These Standards are based on and follow the same format as International Standard 27001, but with specific reference to the Department's use.
- 10.05 Departmental information must not be processed outside the United Kingdom without the express written permission of DWP in line with the DWP Security Policy for Contractors and DWP Terms & Conditions.
- 10.06 Security assurance for you and your supply chain is through completing a draft security plan. You will have submitted a draft security plan as part of your response to this competition and are expected to maintain this. This will set out the security measures to be implemented and maintained by the prime provider throughout the entire supply chain in relation to all aspects of the service, including processes associated with delivery.

- 10.07 [Generic Provider Guidance - Chapter 8](#) further information in relation to Information Security.
- 10.08 Data security is one of the areas risk assessed by the (CEP) Provider Assurance Team. The Head of Compliance will continue to regularly report the number and outcomes of data security checks carried out during the previous quarter to the DWP Permanent Secretary.
- 10.09 In the event of any breach of information security which may or may not result in an investigation by the Information Commissioner's Office (ICO), DWP will consider whether a major breach of contract has occurred within the Terms & Conditions (T&Cs). You will be responsible for paying any fine levied on DWP following an investigation by the ICO in relation to a provider breach.

Legislation and Principal Regulations

- 10.10 You must ensure that you and your supply chain remain compliant with current and future changes in the law and DWP Policy. For example:
- Ensuring the NEA supports the DWP's Public Sector Equality Duty as outlined in the [Equality Act 2010](#);
 - Providing appropriate services to ensure compatibility with the Equality Act 2010 for example, to enable communication with participants who do not speak English as a first language or who are deaf, hearing impaired or have a speech impediment;
 - Where you are operating in an area with a high ethnic minority population, materials in the appropriate ethnic minority language must be made available on request.

Diversity and Equality

- 10.11 [The Equality Act 2010](#) replaces all previous legislation covering discrimination. You must ensure that you and your supply chain comply with the Equality Act 2010 and also comply with and assist DWP to comply with the Welsh Language Act 1993 and other measures to promote the use of the Welsh language in Wales.
- 10.12 As you will be aware, your approach to diversity and equality is an important factor in the delivery of a DWP contract. You should refer to the Diversity and Equality Schedule in the contract documentation you have and raise any queries and issues with your performance manager.

Accident reporting

- 10.13 All relevant accidents and incidents should be reported to your JCP contact. In addition to your normal arrangements for managing and reporting accidents which may involve

participants on your own scheme, you must also notify your Performance Manager immediately by telephone of any relevant accident. For further information regarding Accident Reporting please see [Chapter 2 of Generic Provider Guidance](#).

Quality

- 10.14 It is important all organisations responsible for the delivery of DWP Contracted Employment Provisions are committed to raising standards. The primary responsibility for improving the quality of the scheme rests with you, and you will be expected to build and maintain a culture of continuous improvement.
- 10.15 The key elements of the DWP approach to quality improvement are set out in the documents found using the following links:
- [Generic Guidance Chapter 7 - Self-Assessment](#).
 - [Generic Guidance Chapter 2 - The Merlin Standard](#).
- 10.16 This provides the basis of our approach to maintaining and improving quality in DWP Contracted Employment Provision.

European Social Fund (ESF) 2014 to 2020 programme requirements

- 10.17 Providers must comply with ESF14/20 marketing and publicity requirements.
- 10.18 All customer facing and external facing documents must have the ESF1420 logo. This material must be approved by DWP prior to use.
- 10.19 Providers must display an ESF1420 poster at all delivery locations.
- 10.20 Full information regarding ESF requirements can be found in the [Generic Provider Guidance Chapter 11b – ESF requirements 2014 – 2020 \(England Only\)](#).

Irregularities/Potential Fraud

- 10.21 You have a responsibility to minimise the risk of fraud within the programmes delivered. Funding should be safeguarded against fraud and irregularity on the part of directors, employees or subcontractors. Such abuse would include false or misleading claims for payments, whether designed to gain immediate financial advantage or overstate performance.
- 10.22 Deliberate and/or persistent non-compliance with prescribed standards of delivery would also be subject to investigation if a possible financial impact was identified.

In such instances DWP may contact you to pursue enquiries relating to potential abuses of funding. Their remit will be, primarily, to investigate fraud and financial irregularity but it can in certain circumstances extend to non-compliance with contract and guidance.

- 10.23 You should therefore ensure that all staff involved in the delivery and management of contracts are fully aware of the risks and consequences of any falsification, manipulation, deception or misrepresentation. Occurrence of fraud within any individual programme could lead to the termination of all contracts held as well as civil or criminal proceedings against those implicated.

Section 11: Performance and Strategic Supplier Management, ESF Compliance Monitoring, Assurance, and Evaluation

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Performance Management and Strategic Supplier Management

- 11.01 NEA contracts are managed by Category Managers and Performance Managers. Provider performance will be based on an assessment of performance which considers a range of factors including contract value, compliance with the contract, performance and security.
- 11.02 You are responsible for managing the contract, including addressing poor performance, arrangements with Mentors / Advisers and also the performance of your sub-contractors.
- 11.03 You must ensure that all systems and processes used for the monitoring and recording of performance are robust, provide a clear audit trail of evidence, and give confidence to DWP that you and your supply chain are delivering the scheme in accordance with your overall contractual obligations.
- 11.04 You must appoint appropriate named contacts who will work with the DWP Category Manager and Performance Managers to ensure that NEA is delivered as specified in the contract and that required standards and performance levels are met.
- 11.05 DWP Performance Managers will hold regular Contract Performance Review (CPR) meetings with you which will focus on achieving contractual performance and service targets and improving performance and delivery in line with the Contract. Staff representing JCP districts and Benefit Delivery Centres may also attend these meetings.
- 11.06 DWP will, in the main, use MI presented by PRaP and from assurance activities for the on-going management of the scheme and for discussion with you. However, you must ensure that you hold and maintain data / evidence for each participant as outlined in [Section 9](#) and it is available on request.

11.07 As DWP is committed to transparency on how its programmes are working, you need to be aware that MI may also feed into published Official Statistics on NEA. Consequently you must treat information they have access to as restricted, and for your use only, ahead of formal publication. Official Statistics may also cover performance expectations at provider level.

Minimum Performance Levels: New Business Start Ups

11.08 You will be required to deliver the following targets:

- Following attendance at a Link Up : Start Up workshop and subsequent referral to NEA mentoring, 100% of Initial Assessments will be held within 10 working days of the referral date and the outcome (start, DNA or DNS) will be recorded in PRaP within 15 working days for each monthly referral cohort;
- As a minimum, 85% of referrals made following attendance at a Link Up : Start Up workshop will start the programme
- Following attendance at a Link Up : Start Up workshop and subsequent referral to start NEA no more than 4% of referrals will be in backlog;
- Following attendance at a Link Up : Start Up workshop and subsequent referral to start NEA, 0% of referrals will be in backlog for over 25 working days from the date of referral;
- X% of Participant starts will commence trading. This will be the contractor specified expected 'trading starts' rate as part of the tender; these are expressed as a single percentage for each monthly cohort of Participant starts. Each monthly cohort will have been profiled by the contractor and each cohort profile is a Minimum Performance Level;
- 'Trading starts' will never be below 100% of the cumulative profiled cohort expectation;
- X% of Participant starts will reach 26 weeks trading. This will be the contractor specified '26 weeks trading' rate as part of their tender; these are expressed as a single percentage for each monthly cohort of Participant starts. Each cohort will have been profiled by the contractor and each cohort profile is a Minimum Performance Level;
- X% of Participant starts will reach 52 weeks trading. This will be the contractor specified '52 weeks trading' rate as part of their tender; these are expressed as a single percentage for each monthly cohort of Participant starts. Each cohort will have been profiled by the contractor and each cohort profile is a Minimum Performance Level;
- 26-week and 52-week Trading outcomes will never be below 100% of the cumulative profiled cohort expectation;

- All 'trading start', 26 and 52 weeks trading outcome performance measures will be measured both on an in-month basis and a cumulative basis from day one of the contract.

Customer Service Standards

Customer Service Standards (New Business Starts)

11.09 You will be required to deliver the following customer service standards for New Business starts:

- 100% of business plans must be assessed (including viable and non-viable business plans) and outcome notified to participant within 12 weeks of NEA start-date (i.e. within 12-week Pre-Start Up period);
- 100% of participants will have an approved/fully signed off business plan before starting trading;
- Link-up: Start Up workshops must be held at appropriate delivery locations and at a frequency to be agreed with JCP districts.
- 100% of referrals to Link-up: Start-up will start, DNA or DNS within 15 working days of referral and this activity will be recorded in PRaP within 20 working days of referral.
- During the 12-week Pre-Start Up period, participants must receive a minimum of 3 one-to-one mentor meetings (in addition to the Initial Assessment). The first mentor meeting must be face-to-face between the Mentor and the Participant (in exceptional circumstances, the first mentoring meeting may be conducted via other appropriate means (other than face-to-face) in accordance with DWP data-security standards/guidance.)
- Where participants choose to utilise the 13 week Business Development Phase, participants must be offered at least one point of contact with a mentor.
- During weeks 1 – 52 of trading period, participants must be offered a minimum of 4 interventions (on a one-to-one basis) with a Business Mentor to review progress/discuss any help needed to sustain/expand the business and to review/update the business plan as appropriate (*where distance or length of time of travel is a factor, these meetings may be conducted via any appropriate means in accordance with DWP data-security standards).
- Providers must send 'NEA1/UCNEA1 to the appropriate DWP/JCP contact within 2 working days of a change of circumstances in accordance with DWP security requirements, including:
 - Report on the outcome of the Initial Assessment;
 - Confirm date the Business Plan was approved (required to progress claim for NEA Allowance Payments);

- Report when the participant's engagement on NEA ends.
- Any other Customer Service Standards detailed in the provider's tender.
- Providers are expected to comply with the evidence requirements as set out in [Section 9](#)

Customer Service Standards (Universal Credit (full service) existing self-employed)

11.10 For Universal Credit (full service) existing self-employed participants you are required to deliver the following customer service standards:

- During the 12-week Pre-Start Up period, participants must receive a minimum of 3 one-to-one mentor meetings (in addition to the Initial Assessment). The first mentor meeting must be face-to-face between the Mentor and the Participant (in exceptional circumstances, the first mentoring meeting may be conducted via other appropriate means (other than face-to-face) in accordance with DWP data-security standards/guidance.)
 - 100% of Business Development and Growth Plans must be assessed and outcome notified to participant within 12 weeks of NEA start-date;
 - During months 1– 12 from the date the BDGP approved, participants must be offered a minimum of 4 interventions (on a one-to-one basis) with a Business Mentor to review progress/discuss help needed to achieve self-employment earnings at or above their MIF and to review/update the Business Development and Growth Plan (*where distance or length of time of travel is a factor, these meetings may be conducted via any appropriate means in accordance with DWP data-security standards).
 - All conversion rates submitted by providers for starts and achievement or exceeding the Minimum Income Floor for 0 to 12 months will become Customer Service Standards.
 - Providers must send UCNEA1 for UC participants to the appropriate DWP/JCP contact within 2 working days of a change of circumstances in accordance with DWP security requirements, including:
 - Report on the outcome of the Initial Assessment;
 - Confirm date the BDGP was approved);
 - Report when the participant's engagement on NEA ends.
- Any other Customer Service Standards detailed in the provider's tender.
 - Providers are expected to comply with the evidence requirements as set out in [Section 9](#)

ESF Compliance Monitoring

- 11.11 DWP Compliance Monitoring Officer's (CMO) perform regular evidence based checks to identify if you are adhering to the delivery models set out in their contracts, and to identify if all ESF and Match funded Providers are adhering to the delivery models set out in their contracts.
- 11.12 This includes checking samples of Participant records held by the provider for eligibility, activity and that Outcome Payments have been correctly made. CMOs will check whether participant engagement is in line with the programme/model.
- 11.13 CMOs will check that the ESF Regulatory Requirements, in terms of Marketing and Publicity; Sustainable Development; Equality and Diversity; Document Retention are being adhered to (electronic versions of all documents are kept; no paper copies will be accepted) for a full explanation please refer to [Generic Provider Guidance Chapter 11b – ESF requirements 2014 – 2020 \(England Only\)](#).
- 11.14 We retain the option for CMOs to carry out the checks in your premises where DWP decides this is appropriate. All records must be available on your IT system for inspection.
- 11.15 The sample of participants to be checked will be sent to you 12 days prior to the CMO checks being carried out. It is expected that you will undertake your own compliance checks on the sample and will return your completed checks to the CMO before the agreed compliance meeting date. This 12-day requirement is to ensure that you can have fully informed discussions regarding the sample when the compliance checks are carried out.
- 11.16 You are expected to have the necessary remote IT equipment, which must comply with the relevant DWP policies as defined in the Terms & Conditions, at "Schedule 6- Security Requirements and Plan", which you can bring to the location to enable DWP to carry out centralised checks of your systems; this includes the provision of any necessary electronic evidence that is required by the CMO to undertake the checks effectively. DWP will carry out these checks at the following locations:
- London
 - Birmingham
 - Sheffield
 - Leeds
 - Newcastle
- 11.17 All issues arising from CMO checks are reported to you, the Performance Management Team, Category Manager and Provider Assurance Team. Contract review meetings

with DWP Supplier Managers and Performance Managers will include discussions around compliance issues identified by CMOs.

11.19 DWP reserves the right to carry out physical checks on documentation as part of this process.

ESF Audit Activity

11.20 The ESF Audit Authority will undertake annual checks on a sample of provider contracts to inspect that delivery complies with contractual obligations. They will check evidence to verify the eligibility of payments made in respect of a sample of individual participants. This will include evidence to support engagement activity and payment of any fee to meet ESF audit requirements.

Assurance

Contracted Employment Programmes (CEP) Provider Assurance Team

11.21 The primary purpose of the (CEP) Provider Assurance Team (PAT) is to provide the DWP CEP Director with an assurance that provider systems of internal control are such that payments made to providers are in accordance with DWP and Treasury requirements.

11.22 PAT reviews and tests providers' systems of internal controls to establish how effective they are at managing risk to DWP in relation to CEP expenditure, service delivery and data security, including the arrangements they have

11.23 This work is carried out by PAT by reviewing Providers' internal control systems to assess their ability to manage risk across four key areas:

- Governance Arrangements – covering the Provider's governance arrangements, systems for tracking and reporting performance and their anti-fraud measures;
- Service Delivery – includes the Provider's systems for starting, ending and moving Participants through Provision and generally looks to ensure that DWP is getting the service it is paying for. This section also covers management of the supply chain; and
- Claim Procedures and Payments – looks to ensure that Providers have in place effective systems to support their claims for payment, including appropriate segregation of duties.

11.24 The Provider Assurance Team operates at a national level enabling it to present CEP Providers operating across regions with a single view of the effectiveness of their systems; each Provider will have a nominated Senior Provider Assurance Manager and therefore a single point of contact within DWP for management of assurance related issues / concerns.

- 11.25 On completion of each review, you are awarded an assurance rating from the following four categories – weak, limited, reasonable and strong. You will also receive a formal report detailing the review findings including key strengths and areas for improvement; where weaknesses have been identified you are asked to complete an action plan setting out appropriate steps for improvement and this is followed up at an agreed point.
- 11.26 The timescale for a subsequent review is determined by several risk factors; these include the Provider's current assurance rating, the contract value and intelligence from internal stakeholders. Provider reviews are conducted over a period of up to 23 weeks. The resource allocated to each review depends on the complexity of the contract delivery.
- 11.27 Findings from each review are routinely reported to the relevant category managers/supplier managers and other DWP stakeholders. Remedial actions may be taken in the following circumstances:
- if following a Weak or Limited Assurance level from the Provider Assurance Team, the Provider's subsequent assurance level is the same or worse for the same reasons, or the Provider is awarded a consecutive third weak or limited assurance, regardless of the reasons;
 - following a review, if the provider fails to submit and/or implement the Action Plan within the agreed timescale;
 - where there are suspicions that a Provider may be acting inappropriately the team will refer to Internal Investigations as the experts trained in the legalities and techniques required to carry out formal investigations; or
 - where there are serious concerns around data security these are reported through to the relevant DWP colleagues.
- 11.28 DWP will periodically publish Provider assurance levels and names (note - this will not include reports or supporting information). This is to satisfy a commitment DWP made in response to a Freedom of Information request and to support DWP's commitment to public transparency.
- 11.29 The Provider Assurance Team will work with you to ensure that you understand what is expected and are, therefore, adequately equipped to develop robust systems to support your service delivery model throughout the duration of the contract (for further information please see [Chapter 6 of the Generic Provider Guide](#)).

Scheme Evaluation

- 11.30 DWP may wish to undertake evaluation of the scheme, which may include one or both of in-house and externally commissioned research.



11.31 Researchers may wish to visit and interview you as part of the evaluation. You will be contacted in advance of any fieldwork. You are required to fully co-operate with scheme evaluation activity commissioned by DWP.



Annex 1: Inappropriate Referrals

- A1.01 Situations may arise where Jobcentre Plus (JCP) make a referral which is inappropriate. In these cases and only these cases, there are processes to correct the error.
- A1.02 When the error is discovered by JCP, they will telephone your nominated contact to advise you what has happened. Upon receipt of this telephone call, you should take no further action with the participant until further instruction from Jobcentre Plus.
- A1.03 You should advise the PRaP Operational Support Team (POST) and each Jobcentre with whom you work of your nominated contact person for these occurrences as soon as possible.
- A1.04 If you discover an error with the referral, you should immediately contact your Single Point of Contact (SPoC) at the Jobcentre concerned.

Note: You must not cancel or reject a referral before speaking to the SPoC as the decision as to whether the referral is incorrect lies with them.

Ineligible Referrals

- A1.05 There may be a small number of claimants referred to you who later turn out not to be eligible for NEA.
- A1.06 JCP will advise you accordingly and your subsequent actions will depend on the action you have already taken and the reason for the error. Below are some of the possible actions; however you should be aware that where the error is through no fault of the claimant and they have started NEA, then the referral will stand and the individual will be allowed to complete the provision.
- A.1.07 Where the error is discovered and notified prior to Acknowledgement in PRaP - You are required to Acknowledge - Reject the referral in PRaP recording a rejection reason of 'Inappropriate Referral'.
- A1.08 Where the error is discovered and notified after Acknowledgment but prior to the NEA Start you must update PRaP in the 'Orders' tab selecting 'Cancel – No Contact' (This action will close the referral in PRaP and you are not required to take any further action in relation to the claimant).



A.1.09 Where the error is discovered and notified after the NEA start - JCP will advise the PRaP Operational Support Team who will arrange for the start to be 'backed-out' of PRaP. POST will then email you when this action has been completed and you must then update PRaP (within 24 hours) in the 'Orders' tab selecting 'Cancel – No Contact' (This action will close the referral in PRaP and you are not required to take any further action in relation to the claimant).

If you discover the problem:

A1.10 If you believe there has been an error with the referral, you should immediately contact the appropriate SPoC at the Jobcentre concerned.

Note: You must not cancel or reject a referral before speaking to the SPoC as the decision as to whether the referral is incorrect lies with them.

Duplicate Referrals

A1.11 There may be a small number of occasions where you receive a duplicate referral for a participant. It is your responsibility to check the referrals you receive to ensure that you only receive one referral per participant.

A1.12 If you receive duplicate referrals it is your responsibility to notify JCP. Any duplicate start fees that are paid will be recovered from you.

A1.13 Where the error is discovered you must continue to work with the participant.



Annex 2: PRaP11NEA2 Form

Note: ESF match funding only applies to those contracts that are in England. It does not apply to Scotland (CPA11) or Wales (CPA14) and therefore they have a separate version of the form which does not contain the European Social Fund logo. Please ensure that you choose the correct form based on this.

Note: As the UC (full service) existing self-employed is not ESF match funded, the SCOTWALES version of the UCNEA1 form needs to be used for these participants, regardless of where the provision is delivered, as this version of the form does not include an ESF logo.

PRaP11 NEA2 ENG

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/601386/annex-2-prap11-nea2-form.xls

PRaP11 NEA2 SCOTWALES

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/617095/annex-2-prap11-nea2-scotwales-form.xls



Annex 3: NEA Feedback Forms

NEA Feedback form for non-UC participants: NEA1 (2017) (ENG) / NEA1 (2017) (SCOT/WALES) & NEA1 (2017) (WELSH)

Note: ESF match funding only applies to those contracts that are in England. It does not apply to Scotland (CPA11) or Wales (CPA14) and therefore they have a separate version of the form which does not contain the European Social Fund logo. Please ensure that you choose the correct form based on this.

Note: As the UC (full service) existing self-employed is not ESF match funded, the SCOTWALES version of the UCNEA1 form needs to be used for these participants, regardless of where the provision is delivered, as this version of the form does not include an ESF logo.

NEA1 2017 (ENG)

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/601780/annex-3-nea1-2017-form.pdf

NEA1 2017 (SCOT/WALES)

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/612122/annex-3-nea1-2017-form-scotland-wales.pdf

NEA1 2017 (WELSH)

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/612123/annex-3-nea1w-2017-form-welsh.pdf

A3.01 The correct NEA1 form must be completed and sent via e-mail to DWP at relevant points (outlined in this guidance) during the participants NEA journey.

A3.02 The NEA1 form should be returned via unencrypted e-mail to an e-mail address agreed with your local Jobcentre SPOC.

A3.03 To make an unencrypted NEA e-mail you are required to:

- Complete the relevant sections of the NEA1 form and attach to a blank e-mail.
- Ensure that the correct recipient address is input (as agreed with the local Jobcentre SPOC).
- Ensure the e-mail ONLY contains the following standard content:



(**Note:** No other information may be transmitted by e-mail)

- Standard wording to be displayed in e-mail 'Subject Box':
 - o NEA1 (2017) ;
 - o Participant's surname;
 - o Last 3 characters of the participant NINO;
Example: 'NEA1 (2017) Smith 78A'
- Standard information to be displayed in e-mail 'Narrative Box':
 - o Sender contact details;
 - o NEA1 (2017) 01/15 form.

A3.04 It is a key security requirement that only one NEA1 form is included per e-mail. You cannot, for example, include several NEA1 forms for the same / multiple participants in one e-mail.

A3.05 No other documents should be attached to the e-mail (e.g. Action plan / Business plan) all relevant information must be recorded on the NEA1 itself.

NEA Feedback form for UC participants: UCNEA1 2017 ENG and UCNEA1 2017 SCOTWALES

Note: ESF match funding only applies to those contracts that are in England. It does not apply to Scotland (CPA11) or Wales (CPA14) and therefore they have a separate version of the form which does not contain the European Social Fund logo. Please ensure that you choose the correct form based on this.

Note: As the UC (full service) existing self-employed is not ESF match funded, the SCOTWALES version of the UCNEA1 form needs to be used for these participants, regardless of where the provision is delivered, as this version of the form does not include an ESF logo.



UCNEA1 2017 ENG

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/617102/annex-3-ucnea1-eng-2017-form.pdf

UCNEA1 2017 SCOTWALES

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/617344/annex-3-ucnea1-scotwales-2017-form.pdf

Note: This form will be updated as it is currently not interactive (that is, it cannot be typed onto directly). Until such time please use this version which will need to be completed manually. As soon as an interactive version is made available you will be informed.

A3.06 The correct UCNEA1 form must be completed and sent to DWP at relevant points (outlined in this guidance) during the participants NEA journey.

A3.07 At each stage where JCP require feedback on the participant's progress, (for example, the outcome of the initial assessment, feedback for the JCP 12 week review etc.), please return the completed UCNEA1 form via fax or post to JCP, in line with the arrangements set out by your local JCP Single Point of Contact (SPOC).

A3.08 In ALL cases the UCNEA1 form should be returned within 2 working days of a change in participation (for example, business plan assessment, leaver etc.).



Annex 4: Management Information Requirements & JCP Notifications

JCP Notifications

A4.01 At various stages throughout the scheme you are expected to report on individual participant's progress to the JCP Work Coach.

A4.02 You should report progress by completing the appropriate NEA feedback form –NEA1 or for UC participants UCNEA1 form - see [annex 3](#))

A4.03 You should use the appropriate NEA feedback form – NEA1 or for UC participants UCNEA1 form - see [annex 3](#)) to:

- Report on the outcome of the initial interview;
- Report on the progress of the participants business plan and if it is likely to be completed in 12 weeks or if more time is required:
 - Confirm the date the Business Plan was approved (Required to progress claim for NEA allowance); and
- Report where the participants engagement on NEA ends

MI Requirements

A4.04 DWP will obtain the following management information for individuals on the scheme from PRaP:

- Referrals (NET & Gross);
- Referrals awaiting acknowledgement;
- Acknowledge referrals;
- Referrals which FTA initial engagement meeting ;
- Referrals which DNS scheme;
- Inappropriate referrals – prior to acknowledgement;
- Inappropriate referrals – post acknowledgement;
- Referrals where 15 working days have passed and no result is recorded in PRaP
- Starts on scheme
- Participants completing pre start-up period
- Trading starts
- Participants trading for 26 weeks
- Participants trading for 52 weeks



A4.05 DWP are currently considering if there is any further requirement to capture additional MI clerically. If it is required then guidance will be updated with the process to enable this collection of data to take place.

ESF MI

A4.06 In order to meet ESF specific requirements set by the European Commission, you are required to provide management information to DWP when accepting a referral and when a participant completes provision. More detail on these requirements may be found in this guidance at Section 4 -The Initial Assessment Referral / Assessment Activity, Feedback/Complaints Procedure, Additional Support and Conditionality and at Section 6 – Participation, absences and changes of circumstances.



Annex 5: Definitions

A5.01 The definitions set out below rely upon a pre-condition being met; i.e. that the previous outcome type (where it is not the start fee) has to be claimed and paid.

NEA Phase 2 Link Up: Start Up Referral

A5.02 The date Jobcentre Plus (JCP):

- Contacts the Provider by telephone and arranges the Link Up : Start Up workshop; and,
- Makes the Participant referral through DWP IT systems (PRaP).

A5.03 **Note:** The referral will not be available to the Provider in the Provider Referrals and Payments (PRaP) system until the day following JCP referral.

NEA Phase 2 Referral

A5.04 The date Jobcentre Plus (JCP):

- Contacts the Provider by telephone and arranges the Initial Assessment; and,
- Makes the Participant referral through DWP IT systems (PRaP).

Note: The referral will not be available to the Provider in the Provider Referrals and Payments (PRaP) system until the day following JCP referral.

Initial Assessment Meeting

A5.05 The initial two-way, face to face, one-to-one meeting between the Participant and Provider. During Initial Assessment Providers must consider:

- the Participants business proposition, and whether their business idea has a reasonable chance of success;
- Whether the Participant is likely to be able to produce a business plan within 12 weeks;
- Whether the Participant has a reasonable chance of succeeding in self-employment;
- Start to develop and agree an individually tailored Action Plan.



NEA Start

A5.06 A Participant will be deemed to have started on NEA Phase 2 once a Provider has:

- Undertaken the Participant Initial Assessment Meeting; and,
- Been accepted onto the NEA Phase 2 scheme by the Provider.
- Once the Participant has started, Providers are required to record the NEA Phase 2 Start date via PRaP. The NEA Phase 2 start date will be the date on which a Participant attended the initial assessment (this will trigger the NEA Phase 2 Start Fee, where applicable).
- The contractual target for starting Participants is for NEA Phase 2 Starts to be achieved and recorded in PRaP within 15 working days of the NEA Phase 2 Referral.

Allotted Time

A5.07 The maximum NEA Phase 2 Allotted Time period for a new business start participant is 92 weeks. Allotted Time is continuous and starts at the point of the NEA Phase 2 assessment. This is the maximum period of time in which all outcomes for a Participant must be achieved and claimed. The use of the full 92 weeks will be for exceptional circumstances only and DWP would expect the majority of participants to have completed 12 months / 52 weeks of trading by the end of contract period.

A5.08 The maximum NEA Phase 2 Allotted Time period for a UC (full service) existing self-employed participant is 66 weeks. Allotted Time is continuous and starts at the point of the NEA Phase 2 assessment. This is the maximum period of time in which all outcomes for a Participant must be achieved and claimed.

Completion of Pre Start-up Period

A5.09 Attended the initial assessment meeting and been accepted onto the NEA Phase 2 scheme by the Provider.

A5.10 Undertaken the Pre Start-up Period of the NEA Phase 2 and worked with the Business Mentor or Advisor assigned by the Provider; prepared and submitted a business plan to the Provider.



Commencement of Trading Outcome Fee

A5.11 Providers will be eligible to claim a commencement of trading fee when the participant has:

- Attended the initial assessment and been accepted onto the NEA Phase 2 scheme by the Provider
- Undertaken the Pre Start-up Period of the NEA Phase 2 and worked with the Business Mentor or Advisor assigned by the Provider; prepared a business plan
- Submitted the plan to the Provider, and had the business plan assessed and approved, according to the process set out by the Provider
- Terminated their claim to JSA/ESA/IS and commenced trading and or reported a change of circumstances to register a start of trading if they are claiming UC
- Applied to register their business at HMRC or has claimed the NEA Phase 2 weekly allowance.

Completion of 6 months/26 weeks Trading Outcome Fee

A5.12 Providers will be eligible to claim a Completion of 6 months / 26 weeks of trading fee where a Participant has been in trading in a self- employed capacity for a cumulative period of 6 months / 26 weeks, where periods of self- employment begin on or after the Start Date and within the 92 week allotted time (or within the 2 week tracking period).

UC (full service) existing self-employed

Programme Start/Initial Sift fee:

A5.13 Providers will be eligible to claim a Programme Start / Initial sift fee when the Participant has participated in an Initial Assessment meeting and have been accepted onto the NEA Phase 2 scheme by the Provider.

Mentoring/Business Development and Growth Plan Assessment fee:

A5.14 For Providers to be eligible to claim a Mentoring Business Plan Assessment Fee the participant must have:

- Attended the Initial Assessment meeting and been accepted onto the NEA Phase 2 scheme by the Provider.



- Undertaken the Mentoring Phase of the NEA Phase 2 and worked with the Business Mentor or Advisor assigned by the Provider; prepared a Business Development and Growth Plan and had this assessed by the Provider.

Completion of 0 - 6 months/26 weeks increased earnings fee:

A5.15 Providers will be eligible to claim a Completion of 6 months / 26 weeks of increased earnings fee where a UC (full service) existing self-employed participant has achieved an increase in earnings to the average of at least their Minimum Income Floor level over the 6 months / 26 weeks following the signoff of the Business Development and Growth Plan.



Annex 6: PRaP 14 form

Note: ESF match funding only applies to those contracts that are in England. It does not apply to Scotland (CPA11) or Wales (CPA14) and therefore they have a separate version of the form which does not contain the European Social Fund logo. Please ensure that you choose the correct form based on this.

Note: As the UC (full service) existing self-employed is not ESF match funded, the SCOTWALES version of the UCNEA1 form needs to be used for these participants, regardless of where the provision is delivered, as this version of the form does not include an ESF logo

PRaP 14 ENG

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/617125/annex-6-prap-14-eng-form.rtf

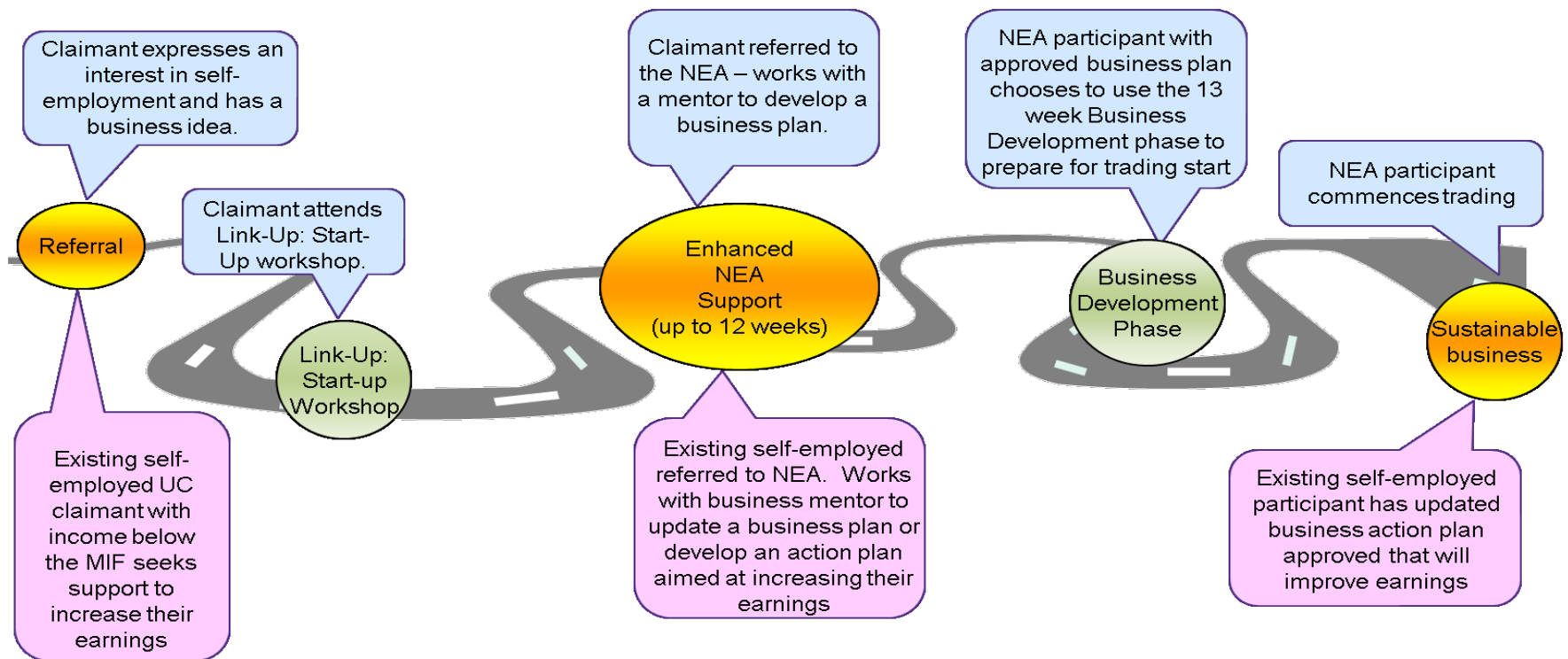
PRaP 14 SCOTWALES

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/617126/annex-6-prap-14-scotwales-form.rtf

Annex 7: Customer journeys

Customer journeys

New businesses



Existing self-employed

Key:

- New business starts
- Existing self-employed



Annex 8: Standard wording for your final response to the customer's complaint

The Independent Case Examiner

If you are not happy with this response, you can ask the Independent Case Examiner (ICE) to consider your complaint. You should contact them within six months from the date of this letter. The ICE service is provided by the Department for Work and Pensions (which includes Jobcentre Plus) and offers a free, impartial resolution service but does not consider matters of law or government policy. ICE can be contacted at:

The Independent Case Examiner
PO Box 209
BOOTLE
L20 7WA

Phone: 0800 414 8529

Website: <https://www.gov.uk/government/organisations/independent-case-examiner>

Parliamentary and Health Service Ombudsman

You can also, at any time contact an MP who may be able to send your complaint to the Parliamentary and Health Service Ombudsman. The Ombudsman normally (but not always) expects you to have exhausted both the Provider complaints process and the ICE services before she accepts a complaint for investigation.

The Ombudsman investigates complaints that government organisations have not acted properly or fairly or have provided a poor service. To find out more, please contact:

The Parliamentary and Health Service Ombudsman, Millbank Tower, Millbank,
London
SW1P 4QP.

Phone: 0345 015 4033

Website: <http://www.ombudsman.org.uk/>

Annex 9: Glossary of terms

Action Plan	A document that specifies each element of activity.
Administrative Earnings Threshold (AET)	The Administrative Earnings Threshold is a threshold in place for Universal Credit which concentrates support to those with very low or no income.
Allotted Time	The maximum period of time in which all outcomes for a Participant must be achieved.
Business Development and Growth Plan (BDGP)	Universal Credit existing self-employed Business Development and Growth Plan setting out short, medium and long term goals to help the business grow and increase the participants earnings
Business Plan	Participants Business Plan setting out business proposal, containing the mandatory elements.
Commencement of Trading Fee	The fee payable by DWP/Jobcentre Plus when an individual has been demonstrably trading as self-employed (for example, has applied to register their business at HMRC or has claimed the NEA Phase 2 weekly allowance etc.)
Completion of 0-6 months / 26 weeks increased earnings Fee	The fee payable by DWP/Jobcentre Plus when Universal Credit existing self-employed participant has achieved an increase in earnings to at least the average of the minimum income floor (MIF) over the 0 to 6 months / 26 weeks period from the date the BDGP approved.
Completion of 6 months / 26 weeks of Trading Fee	The fee payable by DWP/Jobcentre Plus when an individual has been demonstrably trading for 6 months / 26 weeks.
Conditionality Groups	The conditionality group determines what a claimant can be mandated to do whilst on provision. The type of conditionality placed on a claimant is dependent on the individual's circumstances and/or earnings.
Contract Package Area (CPA)	Successful Providers will be offered contracts to deliver in specific areas. Contract Package Area is the term used to describe the geographic area of the contract.
Critical Success Factors	The factors (i.e. the positive outcomes or benefits) against which the success of a programme will be judged in order to justify the investment.

Direct Selling definition	<p>Direct selling includes sales made through the party plan, one to one demonstration and other personal contact arrangements as well as internet sales. Generally there are two business models:</p> <ol style="list-style-type: none"> 1. Single level marketing in which a direct seller makes money by buying products from a parent organisation and selling them directly to customers. 2. Multi-level marketing (also known as network marketing or person to person marketing) in which the direct seller may earn money both from direct sales to customers and by sponsoring new direct sellers and potentially earning commission from their efforts. <p>NEA Phase 2 will not support someone who is wanting to become self-employed via direct selling. Examples of direct selling businesses include Avon, The Body Shop at Home and Tupperware.com (this list is not exhaustive).</p>
Employment and Support Allowance	<p>ESA – an allowance payable to participants who have a disability or health condition. For NEA purposes, this refers specifically to people who have been through a Work Capability Assessment and placed in the Work Related Activity Group. It may also refer to those who are in the ‘Support Group’.</p>
Franchise definition	<p>Franchising is the practice of the right to use a firm’s business model and brand for a prescribed period of time. The franchisee is said to have greater incentive than a direct employed because they have a direct stake in the company.</p> <p>The franchisee will generally pay for:</p> <ul style="list-style-type: none"> • A royalty for the trademark • Re-imbursement for the training and advisory service given to the franchisee • A percentage of the individual unit sales <p>Note - Sometimes these payments can be combined into a “management fee”.</p> <p>NEA Phase 2 will support someone who is wanting to become self-employed via a franchise. Examples of franchise businesses include Subway, McDonalds, Boots the Chemist and Bella Italia (this list is not exhaustive).</p>

Participant	An eligible individual who uses JCP services for the purposes of preparing for work, returning to work or claiming benefits.
Gainful Self-Employment Test	In order to make a decision about whether self-employment is a participant's main occupation, DWP will look at how many hours are spent undertaking self-employed activities and how much is earned from it. If DWP decide you are gainfully self-employed, you are exempt from all work-related requirements, meaning you can focus totally on your business.
Income Support	For NEA purposes, recipients of IS will be lone parents who have a child under the age of 5 or recipients who are claiming as sick
Jobcentre Plus	Part of DWP, JCP provides an integrated service to people of working age. It offers help to people looking to move into work and support for people who cannot. JCP also provides services to employers wishing to fill vacancies.
JCP District	A specified area of England, Scotland or Wales within which to deliver services to JCP Participants.
Jobseeker's Allowance (JSA)	JSA – An allowance payable to Participants who are out of work, or work less than 16 hours a week on average, are below pension age and are available for, actively seeking and capable of work.
Labour Market Group	Intensive Work Search regime <ul style="list-style-type: none"> For those who are able to work, but are either not working at the moment or are in work but earning low amounts. Work Preparation regime <ul style="list-style-type: none"> For those who are expected to work in the future but are not required to be looking for work at this stage. Work Focused Interview only regime <ul style="list-style-type: none"> For those expected to work in the future but currently are too committed to be able to work because of their childcare responsibilities
Link Up:Start Up	Link UP :Start Up workshops are pre self-employment seminars lasting a minimum of 3 hours where Providers will give an overview of what being self-employed means and the level of commitment required to set up a business. The workshops will cover a range of areas and outline to participants clearly the advantages and disadvantages of self-employment including the implications on Benefits and tax credits, etc.

Mentor	Mentor to provide the Participant with support and guidance while they develop their business plan and to provide on-going support for the initial 52 weeks of trading.
Minimum Income Floor	Universal Credit includes a 'Minimum Income Floor' (MIF) if you are gainfully self-employed, and your business has been running for more than 12 months. The MIF is an assumed level of earnings. This is based on what we would expect an employed person to receive in similar circumstances.
New Enterprise Allowance (NEA)	DWP scheme that aims to help eligible claimants who want to move off benefit and into self-employment.
New Enterprise Allowance (NEA) 2017	DWP scheme that aims to help eligible claimants who want to move off benefit and into self-employment. It also aims to help UC (full service) existing self-employed claimants who are determined as Gainfully Self Employed and earning below their Minimum Income Floor (MIF), to help increase earnings to equal to or above their MIF.
Performance Manager	A DWP/Jobcentre Plus employee whose role will be to measure the performance of the contract against expected outcomes.
Pre Start-up Period	The period in which the Business Mentor and/or Business Adviser works with the participant prior to them commencing Trading
Prime Provider	An Organisation that delivers a service directly and/or via a network of sub-contractors or a combination of both.
Procurement	The process of purchasing goods and/or service: identification to payment.
Provider(s)	The generic term used to describe Providers of NEA. This includes all subcontractors involved in service delivery under the prime contractor procurement model.
Provider Guidance	Detailed guidance and information (including processes) which is provided by DWP to the successful Providers to use when delivering the contracted service.
Provider Referrals and Payments System (PRaP)	The DWP prescribed IT system which will be used to refer Participants and pay Providers. Note, where PRaP is not available a clerical system will be adopted.
Provision	A term used to describe the services offered to a Participant when they are participating in a government programme. These can be services provided in-house, for example, by DWP, or by

	organisations from the private and voluntary sector.
Start-up Loans	A government funded initiative that provides start-up support in the form of a repayable loan.
Service Fee	A payment which is made automatically without the need for any input to generate the fee (at intervals and amounts detailed in your contract), the Service Fee nominally covers Link Up: Start Up workshop, Initial Assessment, any subsequent mentoring fee up to the submission and approval or non-approval of the Business Plan stages of the programme for participants who are starting a new business. This is also referred to as a Delivery fee in the specification.
Trading start	Trading is when a Participant has completed the Pre Start-up Period and is registered with HMRC as self-employed.
Universal Credit (UC)	UC – Universal Credit is a new single payment for people who are looking for work or on a low income. Universal Credit will help Participants and their families to become more independent and will simplify the benefits system by bringing together a range of working-age benefits into a single streamlined payment.



Annex 10: List of Abbreviations

BDGP	Business Development and Growth Plan
CEP	Contracted Employment Programmes
CPA	Contract Package Area
CPR	Contract Performance Review
DWP	Department for Work and Pensions
ESF	European Social Fund
ESA	Employment Support Allowance
ICE	Independent Case Examiner
ICO	Information Commissioner's Office
IT	Information Technology
JCP	Jobcentre Plus
JSA	Jobseeker's Allowance
LA	Local Authorities
LMS	Labour Market System
MI	Management Information
NEA	New Enterprise Allowance
PAT	Provider Assurance Team
PRaP	Provider Referrals and Payments system
SCIAT	Supply Chain Information Assurance Team
SCR	Special Customer Records
T&Cs	Terms & Conditions
UC	Universal Credit
WSP	Work Services Platform



Annex 11: NEA Phase 2 Provider Guidance Version Control

NEA Phase 2 Guidance v4.0 (December 2017)	20/12/2017
NEA Phase 2 Guidance v3.0 (August 2017)	11/09/2017
NEA Phase 2 Guidance v2.0 (May 2017)	14/06/2017
NEA Phase 2 Guidance v1.0 (March 2017)	13/03/2017
NEA Phase 2 Guidance v0.4	08/02/2017
NEA Phase 2 Guidance v0.3	15/09/2016
NEA Phase 2 Guidance v0.2	01/09/2016
NEA Phase 2 Guidance v0.1	19/08/2016



Annex 12: Universal Credit self-employed earnings

The following is copied from information (UCFS5a) given to Universal Credit (full service) claimants who declare they are self-employed and shows what is required to be reported as earnings:

What you need to report

Business income and allowed expenses

Business income

You must report your income during your assessment period. This could include some of the following:

- any payments you actually received for goods and services. This can be by cash, cheque, credit or debit card, or bank transfer
- any goods or services you received for work carried out. You must report what you would usually have charged if the customer had paid for the work you did
- Income Tax or National Insurance contribution refunds made that relate to your self-employed earnings
- any grants or subsidies you received if they are treated by HMRC as taxable income

If you are VAT registered you can choose to include or exclude VAT in the earnings you report, as you can for Income Tax self-assessment.

If you include VAT, you must include any VAT you charged your clients and any refunds of VAT to the business received in your total receipts.

If you do not do this you must not include VAT paid to HMRC in your permitted expenses. You must be consistent with your choice of including or excluding VAT.

Payments out of the business

Permitted expenses

All permitted expenses must be reasonable. This means that they must be appropriate and necessary to the business, and not excessive.

Permitted expenses can include, for example:



- regular business costs such as rent or wages
- phone and travel costs
- VAT paid to HMRC (if you report VAT inclusive earnings as explained above)
- purchase of stock and equipment

If you take out a loan or loans specifically for your business, you may deduct up to a total of £41 in each assessment period for interest repayments only.

Flat Rate deductions

Some payments out must be reported as Flat Rate deductions. This includes all business expenses incurred for cars.

You can choose to report other payments as Flat Rate deductions. For example, where you incur expenses for a van or motorcycle or for using your home for business purposes. See section B below for more details of Flat Rate deductions.

Other deductions

Income Tax

This is the amount of Income Tax you have actually paid to HMRC on your self-employed earnings during an assessment period.

You don't need to estimate how much you owe for the month. If you haven't actually paid any Income Tax in the assessment period, you should report £0.

National Insurance contributions

These are either Class 2 or Class 4 contributions for National Insurance that you have actually paid on your self-employment during an assessment period.

You don't need to estimate how much you owe for the month. If you haven't actually paid any National Insurance in the assessment period, you should report £0.

Pension contributions

These are paid into a registered pension scheme by or on behalf of a member of that scheme. They can be paid by an individual member, who must be a UK citizen, or by a third party for them.

Types of allowable Flat Rate deductions

If you choose to use flat rate deduction rather than deciding how much cost is due to your business, the following conditions and calculations apply.

Car, van or other motor vehicles

If you use a car (Including operating a mini-cab) for your business you must use only the following Flat Rate to report its running costs.

If you use a motorcycle, van or other motor vehicle designed mainly for business and not of a type commonly used for private use (such as a Black-cab), for your business you can choose either to:

- include the actual costs of buying and running it in your permitted expenses
- use the following flat rates

Flat rate for car, van or other motor vehicle

45 pence per mile for the first 833 miles in the assessment period, and

25 pence per mile for every mile over 833 miles in the assessment period

Flat rate for motorcycle

24 pence per mile

Using your home for your business

You may use part of your home for your self-employed business including, for example:

- providing services to a customer, for example as a hairdresser
- general business administration essential for the daily operation of the business, like:
 - filing invoices, recording receipts and payments
 - stock taking
 - sales and marketing

You can deduct expenses for heating and lighting at the following flat rates:

- £10 for at least 25 hours, but no more than 50 hours;



- £18 for more than 50 hours, but no more than 100 hours;
- £26 for more than 100 hours

You are not allowed to offset using your home for:

- storage
- completing tax returns for HMRC
- self-reporting your earnings for Universal Credit
- being on call
- being available to carry out work

Personal use of business premises

If you mainly use your home for your business you can claim some of the running costs as permitted expenses. The amount you can claim depends on how many people share the premises.

To work out how much you can claim you must add up the total costs. Then you must reduce it by the following amounts in each assessment period:

- £350 for one person
- £500 for two people or
- £650 for more than two people

For example, Fred is self-employed and works from home as a music teacher. He uses the downstairs of the house as a music studio and lives upstairs. When reporting his income Fred says that he has expenses relating to the home of £800 in his most recent assessment period.

Fred shares his home with his civil partner, Andre. Andre is not involved in Fred's business. Fred claims £800 in permitted expenses and reduces this amount by £500 as both he and Andre occupy the premises.

Expenses not allowed to be deducted

You are not allowed to claim the following expenses:

- expenditure on non-depreciating assets, including property, shares, or other assets held for investment



- any loss from a previous assessment period
- expenses for business entertainment
- capital repayments on a loan



Annex 13: Match Provider ESF Management Information (MI) User Instructions and Evidence Requirements

[Match Provider ESF Management Information \(MI\) User Instructions and Evidence Requirements](#)

Initial data gather clerical form

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/617341/esf-1420m-initial-data-gather-clerical-form.rtf

End data gather clerical form

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/617342/esf-1420m-end-data-gather-clerical-form.rtf