

Responses to Inclusion Report

Recommendations from the Trade Associations (BASE, ALP and ERSA)

1. *They think that DWP and the associations share responsibility to raise awareness, that DWP should flag opportunities available in other departments on the DWP website and that the associations should cascade these alerts through their respective member bulletins.*

DWP Response

We fully support this recommendation, and feel it's one of the best ways to sign post providers to contracting opportunities. We will create a link to the NCVO funding central website which enables voluntary and community organisations to explore the broadest range of grants, contracts and loan finance options from both the public and the third sectors in one place. We will also look at creating weblinks to other Government websites.

2. *DWP should keep the associations routinely "in the loop" on departmental staff changes so this information could be cascaded promptly to memberships.*

DWP Response

DWP seeks to build good relationships with trade associations, for example at our Provision Forum. We will discuss at the next Provision Forum meeting the best way of notifying trades associations of staff changes.

3. *The more members the associations have the more widely the messages will be disseminated. DWP should help raise the profile of the associations, and their capacity to support both their respective memberships and the Department, by promoting their existence (not endorsing them) to other government departments and to potential members. The associations recommended supplying a paragraph each summarising their activities for the Department to circulate in this way.*

DWP Response

DWP will put a background note of the three mentioned Trade Associations on our supplying DWP website.

4. *That the content of the briefing sessions was becoming very superficial and neither the associations nor many providers have the capacity to attend events when they are unlikely to be of value. All the associations would welcome an approach from DWP in advance to agree the structure and content of these events. The events around more complex issues were considered to be improving with a higher quality of debate and a clear willingness on DWP's part to share information.*

DWP Response

DWP is keen to ensure that our bidder events are of value to providers and potential providers. We continually review and evaluate our bidder events, and take feed back into account. We welcome comments from trades associations on our bidder events.

5 The three associations considered that DWP disproportionately relied upon them for support possibly not understanding the restrictions in all three cases on the availability of staff to pick up a constant stream of activities. DWP has to get a fundamental understanding of what the associations can and cannot do. Where DWP had used a "light touch" to build the capacity of association activities this was appreciated (the example of the translation in to Welsh of the ERSA Customer Charter was cited). The associations were in agreement that they prized their independence.

DWP Response

We agree that associations are independent and we value that independence. We look to develop good mutual understanding through for example our Provision Forum and where there are misunderstandings would look to discuss them there or at 1:1s.

6 All three associations would like to be better able to "navigate" their way round DWP. A DWP officer might act as a first port of call where necessary. All three associations were keen to help DWP officials to be outward facing and to understand their members' practical experiences of delivery.

DWP Response

We are keen that DWP has good relationships with trade associations. While it is not practical to have just one officer as first port of call our Strategy Team, working to the Delivery Director, are always ready to help. We are currently updating our supplying DWP website to make it as user friendly as possible.

'Quick win' recommendations

7. Create web links from the DWP web-site to potentially relevant contracting opportunities on other Government websites (concentrating in the first instance on BIS, CLG and DCSF).

DWP Response

As above, we fully support this recommendation, and feel it's one of the best ways to sign post providers to contracting opportunities. We will look to creating a link with the NCVO website, Funding Central (funded by the Office of the Third Sector) which enables voluntary and community organisations to explore the broadest range of grants, contracts and loan finance options from both the public and the third sectors in one place. We will also consider links to other Government websites.

8. *Scrutinise where advertising for opportunities currently appears and its relevance, particularly to third sector organisations. Consult with the third sector about most appropriate media.*

DWP Response

We agree it is important to advertise welfare to work contracting opportunities widely and appropriately, in order to gain maximum interest from all sectors. We already regularly advertise in national and local media, including specialist/third sector publications. We will also look to make use of the NCVO website mentioned above and will seek views from the third sector on other potential marketing opportunities.

9. *Put in place plans to improve the delivery of the Briefing and Guidance events, including reviewing their scope and focus. Better anticipation of the Q&As and with prepared answers. Providers can assist the Department in anticipating likely areas of concern.*

DWP Response

We continually review the feedback from Bidder events and where appropriate take that feedback into account, for example reducing the number of events being run. In advance of PQQ and ITT events we have started running warm up events which allow providers to gain an insight into new programmes before the formal procurement exercise starts and allow them an opportunity to consider any issues/questions etc well in advance.

10. *Examine how closer working and understanding within the industry could be facilitated through a series of buddying opportunities between the industry and the Department at a strategic and an operational level.*

DWP Response

DWP procurement officials are not allowed to discriminate in favour of any particular organisation or group. We actively encourage voluntary sector providers to develop relationships with other providers with a view to offering their services, either as a consortium or on a sub-contract basis. We already have networking arrangements for example through our Provision Forum. Contracts are awarded to the bidder who offers the best quality and value for money against objective and published criteria, using fair and open competitions.

To make sure we make optimum use of the specialist services offered by smaller providers in the delivery of welfare to work services, we use a standard approach to communications for procurement exercises. This is designed not just to attract the best potential bidders for prime contracts but to gain maximum involvement of potential sub-contractors throughout the process, and specifically to help them to build relationships with prime contractors.

11. *DWP should make more explicit their understanding of the costs of bidding and be clearer about the expected standards and criteria for the PQQ stage and full bids. DWP should also develop a more consistent approach around tender debriefing.*

DWP Response

The precise costs involved in bidding will differ, depending on the size and scale of the contract and the capacity and skills of the bidding organisation. DWP runs events at both the PQQ and full bid (ItT) stage to ensure bidders are clear on the requirements and the investment and resources needed to bid. We are working to standardise our bidding arrangements, including the introduction of a standardised PQQ, with separate sections for individual procurement exercises. This will help to simplify the process and reduce the costs involved in multiple bids.

We are also in the process of trialling an IT based bid evaluation system which should assist with providing more consistent feedback on bids.

12 *DWP should do more to keep providers informed of possible delays. Where delays cannot be avoided, the reasons should be explained, and going-live deadlines revised wherever possible.*

DWP response

We recognise that delays cause concern and inconvenience. We always do our best to keep our providers informed of any delays, and try to revise deadlines whenever we can.

13. *There should be a joint programme between DWP and the trade associations to deliver improved dialogue and training around the implementation period.*

DWP Response

We are always happy to have discussions with relevant provider organisations. ERSA, ALP, and Base all sit on our Provision Forum and we will put forward as an agenda item for the next meeting.

14. *DWP, working in partnership, should develop training and networking for smaller, niche and third sector organisations to build their business planning and capacity to deliver*

DWP Response

Over the last year we have held numerous events to help ramp up capacity, including workshops on Special Purpose Vehicles (SPVs) and consortia bidding. We have also held events specifically aimed at encouraging smaller niche providers into the market. In the DWP Commissioning Strategy, we

committed to encouraging the emergence of healthy high performing supply chains and the development of smaller providers. We have sought to support the development of the wider market to ensure that high quality, high performing smaller specialist providers are included in our contracts. The new Merlin Standard will certainly look for evidence of good practice where DWP prime contractors can demonstrate they have supported the development of their supply chain partners.

DWP are committed to engaging with Third Sector organisations. We have seconded an official to the OTS cross departmental Third sector Contracting Unit which has an objective of removing barriers to market entry faced by Third Sector Organisations in relation to contracting opportunities.

Medium term recommendations

15 DWP investigate the feasibility of integrating all skills and employment procurement

DWP Response

We recognise the benefits of pulling together procurements of skills and employment, and already work with a number of sub regional partnerships in procurement.

Following the publication of the White Paper, Building Britain's Recovery: Achieving Full Employment, we will introduce a new single purse in England, jointly owned and funded by the Department for Work and Pensions and the Department for Business, Innovation and Skills

16 Initiate a process for the development of a DWP approved supplier list at Prime and sub-contractor level that will reduce the amount of tender-related paperwork requiring completion at each tender round.

DWP Response

We do not want to be restrictive in our approach to new entrants. We are developing the Merlin Standard which will encourage healthy high performing supply chains as well as embedding the DWP Code of Conduct. The Merlin web portal will provide transparency of supply chains as well as holding information on providers which could include their contract portfolio. This work is under development – DWP and Carley Consult will be consulting the Merlin Advisory Group to ensure the portal becomes a practical tool for the welfare to work industry.

17 Monitor the position of third sector organisations within the market to assess whether there should be payment structures that encourage third sector organisations to compete

DWP response

We actively monitor our Prime and Sub contractors and clear guidance has been issued to Primes regarding payment, but we have no right to stipulate which funding model they use. DWP believes that this is right.

18 Create incentives for Primes to build the capacity of their subcontractors, or build expectations (through tender requirements) that they do so.

DWP Response

DWP is keen to ensure that smaller providers and sub-contractors who have the capabilities we need and who perform well can flourish and develop. The Merlin Standard will seek evidence of good practice where prime contractors have supported the development of their supply chain partners. This will score very favourably through the assessment process. We are currently exploring how Merlin accreditation will feature in the bidding process.

19 Investigate whether the intellectual property rights of sub-contractors could or should be protected

DWP Response

Any contractual relationship between a prime provider and sub – contractor is for them to negotiate and agree terms which are appropriate for the specific service/contract being delivered. IPR is a complex area and providers need to obtain their own legal advice to ensure they protect their own commercial interests in an appropriate way. We cannot get involved in specific discussions around IPR for sub – contractors.

Long term recommendation

20. A uniform and simplified cross-departmental (regional and national) approach to budgeting for and commissioning of provision for workless people.

DWP Response

We share the aspiration but are under no illusion about the challenge posed by this recommendation. Through our work with BIS/LSC on employment and skills and with DoH on support to unemployed people with mental health issues, as well as through our work with local strategic partners on localisation/co-commissioning there has been progress made in last couple of years.