

**EUROPEAN SOCIAL FUND PROGRAMME
2007-2013**

LOCAL SPECIFICATION

EAST OF ENGLAND

**BEDFORDSHIRE AND HERTFORDSHIRE
DISTRICT**

REF NO: EE2

**TITLE: INTERMEDIATE LABOUR
MARKET PROJECT**



European Union
European Social Fund
Investing in jobs and skills

DWP Department for
Work and Pensions

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1. Introduction

DWP wish to procure stand-alone provision that is funded by the European Social Fund. This is to be made available to Jobcentre Plus Advisers to provide a package of provision that meets the needs of Jobcentre Plus customers within Bedfordshire and Hertfordshire.

The Intermediate Labour Market (ILM) project will address the needs of those customers who face barriers to work, real and perceived, who are subsequently disadvantaged in the labour market. The provision must inspire and empower customers to achieve their potential by identifying and providing the skills to find sustainable work

This Annex sets out the criteria for the provision to be delivered through ESF in the Bedfordshire and Hertfordshire Jobcentre Plus District. Prospective bidders will be required to submit full and detailed proposals, meeting the specific criteria below.

- Jobcentre Plus is looking to award **one Prime Contract** to cover the entire district. Although one organisation will be required to lead the contract, it is not expected that one organisation will be the sole deliverer of the provision covering the entire District. The successful provider will have to directly deliver some elements of the training. The successful provider will be expected to demonstrate links they would create with local organisations to meet the requirements of this specification. Full details of any partnerships/consortiums/sub-contracting arrangements will need to be fully explained in the tender. The bidder must provide letters of support from local organisations involved in the worklessness agenda in each Local Authority.

2. Aim of Provision

To deliver a customer-led/individually tailored provision which will support our most disadvantaged customers (those with severe or multiple disadvantages) through an Intermediate Labour Market (ILM) to a position where they can compete for work in the open labour market.

ILMs have been defined as waged or salaried, full or part-time jobs that are available only to unemployed people (or specific groups of unemployed people) for a limited time and where the product of their work has either a direct social purpose, or is trading for a social purpose, where the work or trading would not normally take place.

Strong links with the voluntary and community sector (VCS) will therefore be key to the success of the project.

Although this specification sets out the basic elements that must be delivered, prospective providers are encouraged to submit proposals that are innovative and flexible in their approach to delivery. Contractors will deliver provision capable of addressing the range of needs of participants in the District

3. Design & Content

The contract is due to start in June 2008 and will be let for 3 years with possible extension for a further 2 years. Indicative contract value is expected to be between £1.2m and £1.5m with the possibility of increasing maximum contract value up to £2.25m should any extension be progressed.

Indicative volumes are that in excess of 80 clients will access provision over the life of the contract.

Activity Hours per week

Individual needs may vary so weekly activity hours can be part time up to a maximum of 35 hours per week, and flexible to support the individual customer. Customers will be expected to attend for a minimum of eight hours per week, and maintain or possibly increase these hours as they become more 'job ready'.

For those customers in receipt of benefit the intention is that this provision is sufficient to move them off benefit, and their participation is therefore expected to be a minimum of 16 hours a week.

Within this paid period there will be an element of development and progression activity. For somebody engaged for 35 hours a week the average time, during that, to be spent on development activities could be 7 hours a week. This would be pro-rata for people participating for fewer hours.

Duration

Due to the nature of the customer group, it is anticipated that they are unlikely to start work before 26 weeks. The maximum length of stay for a participant is 50 weeks. A customer will be defined as leaving the programme if they:

- a) find employment;
- b) have an unauthorized absence as per the provider guidance; or
- c) complete the provision.

4. Definition of Activity Requirements

ILM Placements

The objective of ILMs is to provide a parallel labour market where those who have severe or multiple disadvantages in the open labour market can gain employability skills. These placements should be in community, voluntary, social or health organisations. We are not anticipating private sector placements within this project. Although exceptionally a private sector placement may be agreed with the express permission of the Contract Manager.

Participant Status

Beneficiaries who participate in an ILM will be classed as employees with the normal National Insurance and Income Tax liabilities and should be subject to the normal terms and conditions of employment and legal requirements. Each participant will be paid a weekly wage by the Provider, you will need to build this cost in to your bid. The wage will be initially set at a minimum hourly rate of £5.52 (the national minimum wage for those aged 22 and over) for all participants. This rate will be required to increase in line with any changes made to the national minimum wage. Participants will no longer be able to claim any DWP benefits (for example, Jobseeker's Allowance, Incapacity Benefit) but may instead be able to claim in-work benefits in addition to their "ESF" wage. If the person has a disability and needs additional equipment or support because of this then the ILM employer may be able to get help for them from the Access to Work fund. (Contact your local Jobcentre Plus office for more information about in-work benefits or Access to Work).

On-programme Support

The purpose of the ILM is to re-introduce the participant to the world of work in a supported environment. Therefore, a key element of the ILM is the provision of an individual package of support to help the participant progress through the ILM and then progress into the competitive labour market. This support package should include:

- Individual action plan

- Access to a mentor/project worker for all-round support
- Occupational training related to the ILM placement, leading to NVQs (or other recognised qualifications, certification or licences) where appropriate
- Basic skills support where needed
- Basic ICT skills where needed
- Support in finding permanent employment in the competitive labour market
- A period of mentor support after the placement finishes, either on completion or if they leave early to start employment, for up to 13 weeks on a weekly basis if required

Basic Skills is usually defined as the ability to speak, read and write English and use mathematics at a level sufficient to function and progress at work and in society. You may find these definitions helpful when considering the range of options to offer participants.

Ratio of Tutors to Participants

Overall, across the range of on-programme support expected is one tutor to every five participants, where a tutor could be for occupational training, a mentor or project worker.

Number of days between referral and start

Five working days between referral (whether customer self-referral in response to marketing, referral by Jobcentre Adviser, or referral via a partner organisation, or other VCS organisation) and interview to assess suitability for the project.

There must be a maximum of ten working days from assessment interview to ILM start.

Personnel

Tutors/mentors/project workers must be qualified to deliver the relevant skills being taught. The provider will ensure that in the absence of any team leader or supervisor, for whatever reason, a suitably approved replacement capable of supervising the work activity, job search or training shall be available.

Premises

All premises/work placements must meet DDA and health and safety requirements. Delivery sites should be open five days a week Monday to Friday and, as a minimum, 9am to 5pm every day.

Equipment/ Resources

For jobsearch needs access to IT to produce electronic CV and job applications, internet access, photocopier and telephone access. There will ideally be one PC for every two customers.

The Contractor must meet the needs of childcare, transport and additional support costs for programme participants.

Processes

The successful provider will be required to comply with DWP provider guidance, including those additional requirements described for ESF funded provision.

5. Target Groups

The priority focus for ILM provision should be customers who have been on benefits for 12 months or more; and for whom their health condition or disability has been a barrier to employment.

During the lifetime of the contract, the emphasis on particular priority customer groups may change to reflect emerging local needs.

Provider should be aware that Bedfordshire and Hertfordshire will be a Pathways to Work District for those who make a claim to Incapacity Benefit from April 2008 and any volunteers from existing Incapacity Benefit customers. Any provision aimed at these groups should be complementary to but not duplicate that delivered within Pathways to Work.

6. Geographical Coverage

Provision to be accessible across Bedfordshire and Hertfordshire taking rural areas and transport issues into account, as well as the location of ILM placements and subsequent employment opportunities in the open labour market.

We expect placement to be provided across the district including a particular focus on towns or cities with deprived wards. The towns and cities with deprived wards are shown below:

- Luton (Dallow, Biscot and Northwell)
- Bedford (Cauldwell)

These are local authority wards that have been identified as having an employment rate significantly below the national rate and have, consequently, been designated as deprived wards.

The District would like to see some outreach coverage in all other Jobcentre Plus areas for those with the most severe disadvantages if possible, but this is not an essential factor. There are 14 offices: (Large sites) Bedford, Luton, Hemel Hempstead, Stevenage, Watford, Waltham Cross, (Medium sites) Dunstable, Hatfield, Hertford, (Small sites) Biggleswade, Borehamwood, Leighton Buzzard, Letchworth, St Albans. We also have two Benefit Delivery Centres Watford and Luton both of which process IB claims.

Delivery sites should be open five days a week Monday to Friday and, as a minimum, 9am to 5pm every day.

7. Eligibility

Eligibility must be within that specified for Priority 1 of ESF (Chapter 5 of the 'Specification for England' refers) and specified in the target group (see section 5 above).

8. Referrals

The onus is on providers to ensure they take the necessary action to recruit the numbers specified in their tender. Jobcentre Plus will work in partnership with providers but is not responsible for ensuring referrals are made. The expectation is that all participants will have the potential to progress into permanent employment given this additional support and providers need to have a selection process which recognises this. Participants who are not selected, or who feel unable to take up an offer of a placement, should be given feedback and, where appropriate, be referred to another source of support e.g. Jobcentre Plus Adviser or alternative provision.

9. Coherence & Context with other Provision

DWP currently has mainstream provision including Programme Centres, New Deals and Pathways to Work. Intermediate Labour Market project is provision, which is not currently offered to our customers.

10. Networking/Links

We strongly encourage the prime contractor to work with a range of smaller specialist and VCS providers in order to support the delivery of the widest range of activities within this contract.

Providers are also expected to work with Jobcentre Plus and other partners to maximise the benefits of other mainstream programmes, for example Work Trials, Train to Gain. Providers will need to have a good understanding of Jobcentre Plus programmes and of other provision in the local area funded through Investing in Communities, Local Area Agreements, etc. Providers should also be able to work with emerging and existing local initiatives, such as Local Employment Partnerships

11. Marketing

Prospective delivery organisations should provide a copy of an appropriate marketing plan as part of the tender. Plans must show how this provision will be promoted and marketed to the target customer group.

12. Funding Model Ratio/ Volumes

The funding model will be 60/40%

60% of contract price paid as a delivery fee, 40% paid as job outcome fee

Indicative volumes are expected to exceed 80 beneficiaries - based on ILM placements of 35 hours a week over 50 weeks. Participant wages will be initially set at an hourly rate of £5.52 (the national minimum wage. You will also need to factor in elements for other participant costs (childcare, travel costs) and management/administration costs.

If proposing fewer weekly hours/shorter duration for some beneficiaries, please indicate possible breakdown, rationale for this and maximum number of beneficiaries.

70% of participants to make a successful transition into open employment of 16 hours or more per week that is expected to last for at least 13 weeks.

13. Non Paid Outcomes

None.

Annex 1 – Make up of District Customer Register by Local Authority

Working Aged Benefit Claimants by Local/Unitary Authority in Great Britain.

| Local Authority | Total Population | 16 - 59 Population | Unemployed Claimants | Sick and Disabled Claimants | Lone Parents | Other | All Claimants |
|------------------------------|------------------|--------------------|----------------------|-----------------------------|--------------|-------|---------------|
| Peterborough | 156061 | 92869 | 3240 | 8255 | 2640 | 3490 | 17625 |
| Luton | 184371 | 111046 | 4120 | 8575 | 3075 | 4665 | 20430 |
| Southend-on-Sea | 160257 | 89905 | 3230 | 8235 | 2465 | 4120 | 18045 |
| Thurrock | 143128 | 87020 | 2595 | 6295 | 2250 | 2770 | 13915 |
| Mid Bedfordshire | 121024 | 73721 | 885 | 3155 | 700 | 1910 | 6645 |
| Bedford | 147911 | 88491 | 2340 | 6025 | 1785 | 2880 | 13030 |
| South Bedfordshire | 112637 | 67112 | 1180 | 3805 | 1320 | 1845 | 8145 |
| Cambridge | 108863 | 74498 | 1395 | 3920 | 960 | 1520 | 7795 |
| East Cambridgeshire | 73214 | 42928 | 555 | 2165 | 475 | 1090 | 4285 |
| Fenland | 83519 | 46611 | 1100 | 4635 | 995 | 1820 | 8545 |
| Huntingdonshire | 156954 | 95081 | 1325 | 4785 | 1005 | 2200 | 9315 |
| South Cambridgeshire | 130108 | 78460 | 775 | 3365 | 630 | 1905 | 6670 |
| Basildon | 165668 | 98162 | 2580 | 7975 | 2810 | 3555 | 16920 |
| Braintree | 132179 | 78655 | 1455 | 4940 | 1175 | 2255 | 9820 |
| Brentwood | 68456 | 39078 | 420 | 2065 | 485 | 925 | 3900 |
| Castle Point | 86608 | 50078 | 815 | 3295 | 840 | 1605 | 6550 |
| Chelmsford | 157072 | 95235 | 1635 | 4745 | 1220 | 2215 | 9815 |
| Colchester | 155796 | 94787 | 2000 | 6650 | 1680 | 2915 | 13240 |
| Epping Forest | 120896 | 70631 | 1295 | 3985 | 1220 | 1695 | 8200 |
| Harlow | 78768 | 46922 | 1645 | 3590 | 1305 | 1660 | 8200 |
| Maldon | 59418 | 34897 | 630 | 2050 | 395 | 960 | 4035 |
| Rochford | 78489 | 44924 | 625 | 2380 | 495 | 1135 | 4635 |
| Tendring | 138539 | 69201 | 2220 | 7655 | 1645 | 3210 | 14735 |
| Uttlesford | 68946 | 40805 | 385 | 1600 | 315 | 820 | 3120 |
| Broxbourne | 87054 | 51813 | 940 | 3105 | 1295 | 1585 | 6925 |
| Dacorum | 137799 | 81947 | 1555 | 4225 | 1215 | 2075 | 9065 |
| East Hertfordshire | 128919 | 78645 | 750 | 3150 | 670 | 1505 | 6075 |
| Hertsmere | 94450 | 55327 | 935 | 3005 | 990 | 1525 | 6455 |
| North Hertfordshire | 116908 | 68640 | 1240 | 3415 | 1010 | 1910 | 7575 |
| St Albans | 129005 | 77287 | 755 | 3415 | 810 | 1700 | 6675 |
| Stevenage | 79715 | 47400 | 1130 | 3180 | 1165 | 1800 | 7280 |
| Three Rivers | 82848 | 48156 | 575 | 2305 | 695 | 1140 | 4715 |
| Watford | 79726 | 49496 | 950 | 2985 | 870 | 1540 | 6335 |
| Welwyn Hatfield | 97553 | 57166 | 940 | 3435 | 1040 | 1595 | 7015 |
| Breckland | 121418 | 67695 | 1480 | 4940 | 920 | 2075 | 9420 |
| Broadland | 118513 | 67111 | 865 | 4160 | 595 | 1540 | 7165 |
| Great Yarmouth | 90810 | 50416 | 2540 | 5930 | 1245 | 2790 | 12510 |
| King's Lynn and West Norfolk | 135345 | 73791 | 1720 | 7095 | 1250 | 2745 | 12815 |
| North Norfolk | 98382 | 50837 | 1130 | 4455 | 650 | 1665 | 7890 |
| Norwich | 121550 | 74923 | 2930 | 7775 | 1990 | 3260 | 15960 |
| South Norfolk | 110710 | 62141 | 920 | 3765 | 580 | 1780 | 7040 |
| Babergh | 83461 | 47256 | 645 | 2605 | 520 | 1305 | 5070 |
| Forest Heath | 55510 | 33294 | 440 | 1595 | 365 | 725 | 3130 |
| Ipswich | 117069 | 67666 | 2475 | 5985 | 1710 | 2855 | 13020 |
| Mid Suffolk | 86837 | 49700 | 600 | 2515 | 440 | 1230 | 4790 |
| St Edmundsbury | 98193 | 57906 | 990 | 3335 | 675 | 1505 | 6510 |
| Suffolk Coastal | 115141 | 62416 | 785 | 3690 | 670 | 1955 | 7105 |
| Waveney | 112342 | 59954 | 2455 | 5955 | 1305 | 2995 | 12705 |
| Regional total | 5388140 | 3152100 | 68190 | 210165 | 54560 | 97965 | 430860 |

Annex 2 – Current Labour Market Overview

Bedfordshire and Luton demography:

The working age population of Bedfordshire is 249,500 (*source - 2005 nomis*). 79.7% (*nomis 2006*) of the working age population of Bedfordshire are in employment. 10,840 are in receipt of IB/Severe Disability Allowance, 8,980 are in receipt of IS and 4,260 are registered as unemployed (*source – 2006 GIS data*). Bedfordshire has a mixture of rural and urban areas, with one DWP deprived area in Bedford, Cauldwell.

In Luton, the working age population is 116,200 (*source - 2005 nomis*). 67.7% (*nomis 2006*) of the working age population are in employment. 7,345 are in receipt of IB/Severe Disability Allowance, 7,405 in receipt of IS and 3,815 are registered as unemployed (*source – 2006 GIS data*). Luton is an urban area with three DWP deprived areas Dallow, Biscot and Northwell, also a New Deal for Communities area.

In Bedfordshire and Luton 29% work in Distribution, 25% in Public Administration, Education and Health, 18% in Finance and 13% in Manufacturing.

Hertfordshire demography:

In Hertfordshire, the working age population is 647,400 (*source - 2005 nomis*). 80.5% of the working age population of Hertfordshire are in employment (*nomis 2006*). 26,280 are in receipt of IB/Severe Disability Allowance, 22,805 are in receipt of IS and 10,005 are registered as unemployed (*source - 2006 GIS data*), Mixture of rural and urban. Around 80% of employees in Hertfordshire work in the service sector. Analysis of employment by sector shows that Financial, Property & Business Services account for 23% of employment, with a further 18% employed in Wholesale & Retail and 13% in Manufacturing. This is in line with the regional skills priorities.

Annex 2a - Occupational groups

| Bedfordshire and Hertfordshire District Data Compiled :30/09/07 | | Soc Range | Active Customers from Occupational Snapshot | | | Live Vacancies from NOMIS | | | |
|--|---------------------------------------|-----------|---|-----|---------|---------------------------|---------------|------|---------------------------------|
| | | | Number | % | Ranking | Total | % of all vacs | Rank | Number of Customers per Vacancy |
| 1 | Corporate Managers | 1111-1185 | 665 | 4% | 7 | 212 | 3% | 12 | 3 |
| 2 | Mgrs/Proprietors in Agr/Services | 1211-1239 | 145 | 1% | 21 | 155 | 2% | 23 | 1 |
| 3 | Science/Technology Professionals | 2111-2132 | 305 | 2% | 14 | 315 | 4% | 8 | 1 |
| 4 | Health Professionals | 2211-2216 | 5 | 0% | 24 | 155 | 2% | 23 | 0 |
| 5 | Teaching/Research Professionals | 2311-2329 | 180 | 1% | 20 | 157 | 2% | 22 | 1 |
| 6 | Bus/Public Service Professionals | 2411-2452 | 145 | 1% | 21 | 173 | 2% | 17 | 1 |
| 7 | Science/Tech Assoc Professionals | 3111-3132 | 250 | 1% | 17 | 161 | 2% | 20 | 2 |
| 8 | Health/Soc Welfare Assoc Profess | 3211-3232 | 110 | 1% | 23 | 180 | 2% | 15 | 1 |
| 9 | Protective Service Occupations | 3311-3319 | 5 | 0% | 24 | 158 | 2% | 21 | 0 |
| 10 | Culture/Media/Sports Occupations | 3411-3449 | 320 | 2% | 11 | 164 | 2% | 18 | 2 |
| 11 | Bus/Pub Serv Assoc Professionals | 3511-3568 | 300 | 2% | 15 | 320 | 4% | 7 | 1 |
| 12 | Administrative Occupations | 4111-4150 | 1760 | 11% | 3 | 433 | 6% | 5 | 4 |
| 13 | Secretarial/Related Occupations | 4211-4217 | 250 | 1% | 17 | 186 | 2% | 14 | 1 |
| 14 | Skilled Agricultural Trades | 5111-5119 | 255 | 2% | 16 | 153 | 2% | 25 | 2 |
| 15 | Skilled Metal/Electrical Trades | 5211-5216 | 480 | 3% | 10 | 220 | 3% | 11 | 2 |
| 16 | Skilled Construction/Building Trades | 5311-5319 | 690 | 4% | 6 | 272 | 3% | 9 | 3 |
| 17 | Textiles/Printing/Other Skilled Trade | 5411-5499 | 315 | 2% | 13 | 163 | 2% | 19 | 2 |
| 18 | Caring Personal Service Occupation | 6111-6139 | 605 | 4% | 8 | 386 | 5% | 6 | 2 |
| 19 | Leisure/Other Personal Serv Occup | 6211-6292 | 205 | 1% | 19 | 174 | 2% | 16 | 1 |
| 20 | Sales Occupations | 7111-7129 | 2735 | 16% | 2 | 833 | 11% | 2 | 3 |
| 21 | Customer Service Occupations | 7211-7212 | 320 | 2% | 11 | 262 | 3% | 10 | 1 |
| 22 | Process/Plant/Machine Operators | 8111-8149 | 510 | 3% | 9 | 204 | 3% | 13 | 3 |
| 23 | Transpt/Mob Machine Drivers/Opera | 8211-8229 | 970 | 6% | 5 | 474 | 6% | 4 | 2 |
| 24 | Elmty Trades/Plant/Storage Rel Occ | 9111-9149 | 3800 | 23% | 1 | 717 | 9% | 3 | 5 |
| 25 | Elementary Admin/Service Occupat | 9211-9259 | 1350 | 8% | 4 | 1196 | 15% | 1 | 1 |

| | | | |
|--|-------|---------------------|-------|
| Active clients JSA & Non JSA - All Occupations | 16675 | Number of vacancies | Total |
| | | | 7823 |

Annex 3 – Current Childcare activity and average cost across the District

Provision

Bedfordshire Local Authority - has 14,740 registered childcare places for 0 - 16 year olds - of these 70% will be occupied at any one time. A more detailed picture, should you need, it will be available by end of this month.

Luton Local Authority - has 9,792 registered childcare places for 0 - 16 year olds of these 2,440 places are vacant.

Herts Local Authority - has 39,465 registered childcare places for 0-14 year olds of these 8,817 places are vacant

There will be additional childcare places for over 8 year olds as these do not have to be registered - the Local Authorities will not know about this provision.

Average costs

Pre schools - £4- £7 per session (usually a morning or afternoon)

Children's centres - £127 to £205 for a full time week

Out of school clubs - £5 - £11 a day for after school clubs, £1 for breakfast clubs and a around £15 a day or £75 a week for a holiday place.

Childminders - between £2.50 and £7.00 - although average of £2.80 per hour

Day Nurseries - Average of £125 per week but anything from £127 to £205 for a full time week.