

**EUROPEAN SOCIAL FUND PROGRAMME  
2007-2013**

***LOCAL SPECIFICATION***

**EAST OF ENGLAND**

**ESSEX DISTRICT**

**REF NO: EE6**

**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 Essex.

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 Essex. 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

Contract is due to start in June 2008 and will be let for 3 years with possible extension for a further 2.

Indicative contract value is expected to be between £0.7m and £0.9m with the possibility of increasing maximum contract value up to £1.4m should any extension be progressed.

Indicative volumes are that in excess of 50 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 provision 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 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.

Ten working days maximum 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 job search needs, access to IT to produce electronic CV and job applications, internet access, photocopier and telephone access. Ideally one PC for every two customers.

The Contractor must meet the needs of both childcare and 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 Essex is a Pathways to Work District for those who make a claim to Incapacity Benefit. 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 Essex, taking rurality 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.

- Tendring (Golf Green, Rush Green & Pier)
- Southend (Kursaal & Victoria)

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.

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 of 60/40% is to be used.

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

Indicative volumes are expected to exceed 50 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 East	108863	74498	1395	3920	960	1520	7795
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
Decorum	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
St0 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
St0 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**

Many of the Jobcentreplus offices within Essex have a high client turnover with the highest concentration of long term unemployed centred around Basildon, Southend and Grays in the South. There are small pockets of clients from ethnic minority groups – there are growing numbers of asylum seekers in Southend and Westcliff areas.

Essex, public transport is relatively accessible from East to West & vice versa but travel from North to South is poor e.g. there is no direct link between Rayleigh & Basildon – a distance of only 15 miles. Harlow is very difficult to access by public transport from the rest of the District – to do this journey by public transport would involve commuting into London and travelling back out.

The South is almost totally urban with major centres being Grays & Southend and Basildon – it would best suit the Districts needs if provision could be delivered from a permanent site with outreach provision in the smaller areas. North Essex has excellent transport links.

**Basildon** - Through Thames Gateway the district is the commercial and business centre of South Essex and accounts for nearly a quarter of the manufacturing output of Essex. With substantial industrial, office, and retail floorspace, the district is a major centre for business and employment. While some 30 per cent of the district's workforce commutes into London every day, just as many people enter the district to work every day as leave it.

**Grays** - Much of the riverside area of Thurrock is highly industrialised, particularly to the west of the Port of Tilbury and in the extreme east of the Borough, the oil refineries at Coryton and Shell Haven. The Borough has a number of main settlements including Grays, Stanford/Corringham, South Ockendon and Tilbury, together with a number of villages. Lakeside regional shopping centre and the developing community of Chafford Hundred are located west of Grays and East of the M25.

**Harlow** - Harlow is home to approximately 1,500 businesses employing over 33,000 people. Businesses are based primarily in the industrial areas of The Pinnacles and Templefields, and within the Town Centre. Smaller industrial and retail sites are situated throughout the town. Harlow is a high-tech centre for innovation in the East of England. Glaxo Smith Kline has centralised its European Research and development activities here. Nortel Networks has invested in its premises here to enhance its largest research and development facility in Europe.

**Southend** - Southend-on-Sea is the largest town in Essex, with a population of around 176,000. Located at the mouth of the Thames Estuary, the town is the closest resort to London, being only 40 miles east of the capital. Southend Town Centre provides most of the town's 1.3 million square feet of retail floor space. It comprises of a pedestrianised High Street, which is approximately 800m long and is anchored at both ends by a shopping centre,

Victoria Plaza in the north and The Royals in the south. Several side streets run perpendicular to the High Street and provide excellent secondary shopping locations.

**Colchester** - Colchester is located in an important position in the East of England region. Just 20 from Harwich International Port, 62 miles north east of London and 30 miles of Stansted Airport. Colchester being the oldest recorded town in Britain... Stansted is just 50 minutes away by road. There is good access to Colchester from all parts of the country via the A12, M25 and A14. Via A12/A120. Regular coach transfer services are available between Colchester and the airport.

**Chelmsford** - Chelmsford, County Town of Essex for almost 750 years, has a population of almost 156,000, which will makes it one of the largest non-unitary authorities in England following the local government reorganisation. Maldon District covers an area of over 36,000 hectares in East Essex. The landscape and character are dominated by the District's 60 miles of coastline that includes the estuaries of the rivers Blackwater and Crouch. The District has a population of 59,418 in 2001. The main towns are Maldon, Heybridge and Burnham on Crouch. Local bus services and a number of taxi operators make travelling throughout the Maldon District easy.

Essex District has been recognised as the business hub within the Thames Gateway South Essex initiative. There is a comprehensive range of New Deal (both 18 – 24 and 25+) including Private Sector Led New Deal & ESF Training Courses (including the Pathways to Work pilot) provision across the county. Provision covers a wide range of occupational areas and generally meets the needs of our customers.

Essex was selected to be one of seven Jobcentre Plus Districts to deliver Incapacity Benefit Reforms, as part of the governments Pathways to Work programme. This selection was based on Essex's diverse labour market, geography and demographic factors, having a mixture of urban and rural communities;

Jobcentre Plus delivers services from offices across the county in the following locations; Basildon, Braintree, Brentwood, Canvey Island, Chelmsford, Clacton On Sea, Colchester, Grays, Harlow, Harwich, Maldon, Rayleigh, Southend On Sea, Tilbury and Witham.

- Incapacity Benefit Reforms was implemented in all these locations, with the new delivery process taking effect from 05/04/04.
- This service is delivered by 52 specialist Personal Advisers, who have all received extensive high quality training.
- New customers access Incapacity Benefit through a telephone contact centre, and existing customers are able to access the enhanced service on a voluntary basis.
- A streamlined benefit payment and Personal Capability Assessment system operate at the districts processing centres.

- The service, including the Personal Advisers, are supported by a central Administration centre in Southend On Sea.
- This administration centre ensures that all parties involved in the process work together in the customers interest.
- Customers are able to access a Condition Management Programme through the Personal Advisers. This set of programmes is managed by the National Health Service, in partnership with Jobcentre Plus.
- Uttlesford Primary Care Trust (PCT) is the lead Primary Care Trust for the programme, and has been very successful to date.

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

Essex is fortunate in that it is well served by childcare providers. There are Childminders and nurseries for full day care. After school clubs, breakfast clubs and childminders provide out of school care. Preschools for sessional care, crèches at colleges, and some holiday schemes complete the picture of childcare in Essex. Of course the right facility is not always available. Parents with children at school often find that the school their children attend does not offer out of school care. Some other after school clubs and childminders will pick up from schools not serviced by this facility. Parents can also find childcare a problem where children attend different schools with different start and finishing times. Parents have particular problems when their child has a disability although childcare settings should provide the care albeit at a higher price.

The cost of childcare varies from area to area but throughout Essex the following is a rough guide:

Childminder:	£3.50 - £4.50 per hour	Loughton area: £3.50 - £5.00
Day Nursery	£135 - £175 (some private nurseries £200 a week)	
After School	£7 per session	
Breakfast Club	£2 - £5 per session	
Holiday Clubs	£23 - £40 a day depending on the facilities available	
Pre-schools	£8.50 per session (2 ½ hours)	

All children in the term after they are 3 are entitled to 5 x 2 ½ sessions a week. In most cases this can be deducted from their Nursery Fees and in some cases from Childminder Fees (childminder has to be accredited).