

Jobseekers Regime & Flexible New Deal

Phase 2 Launch events

WELCOME

Today

Introduction

Key Note Speech

The Model

Volumes, Performance & Funding Model

Localisation/Co-Commissioning

The Procurement Process

Question & Answer Session

LUNCH

Special Purpose Vehicles

Key Note Speech

The story so far...

- **December 2007** *Ready for Work: full employment in our generation* published
- **February 2008** *DWP Commissioning Strategy* published
- **Phased the introduction of our new Jobseekers Regime & Flexible New Deal**
- **Successfully launched Jobseekers Regime, phase 1 in April & FND competition nearing completion**

Since then...

The economy changed:

- **Department reacted quickly with support packages**
- **Reviewed FND volumes and introduced some additional measures**

Related Policy:

- **Personalised Employment Programmes announced**
- **Support Contracts competition underway**

Phase 2

- **FND remains a key part of the Governments Welfare Reform plans**
- **Phase 2 will go live April and October 2010**
- **Continue to look for step change in performance**
- **Phased approach allows us all to learn lessons**
- **Further embedding the principles of the Commissioning Strategy**

Commissioning Strategy Overview

- **Longer, larger contracts**
- **A focus on place not structures with top tier providers taking a more strategic role**
- **Increased engagement with Sub Regional Partnerships**
- **Smaller, specialist providers encouraged to develop**
- **Code of Conduct sets out how we expect prime contractors to engage with sub-contractors**

DWP Code of Conduct and the Merlin Standard

- **Published with the DWP Commissioning Strategy**
- **Developed to facilitate future healthy high performing supply chains**
- **Lessons learnt review recommended an assessment process for code of conduct as perception was:**
 - **code 'has no teeth'**
 - **ombudsman required**
- **Introducing Merlin Standard**

The Model

Implementation - timetable

From April 2010:

- **Jobseekers will access revised Jobcentre Plus support**

By October 2010:

- **Jobseekers will be referred to suppliers for the flexible New Deal**
- **We expect those customers with existing claims to move to the new arrangements as they are introduced**

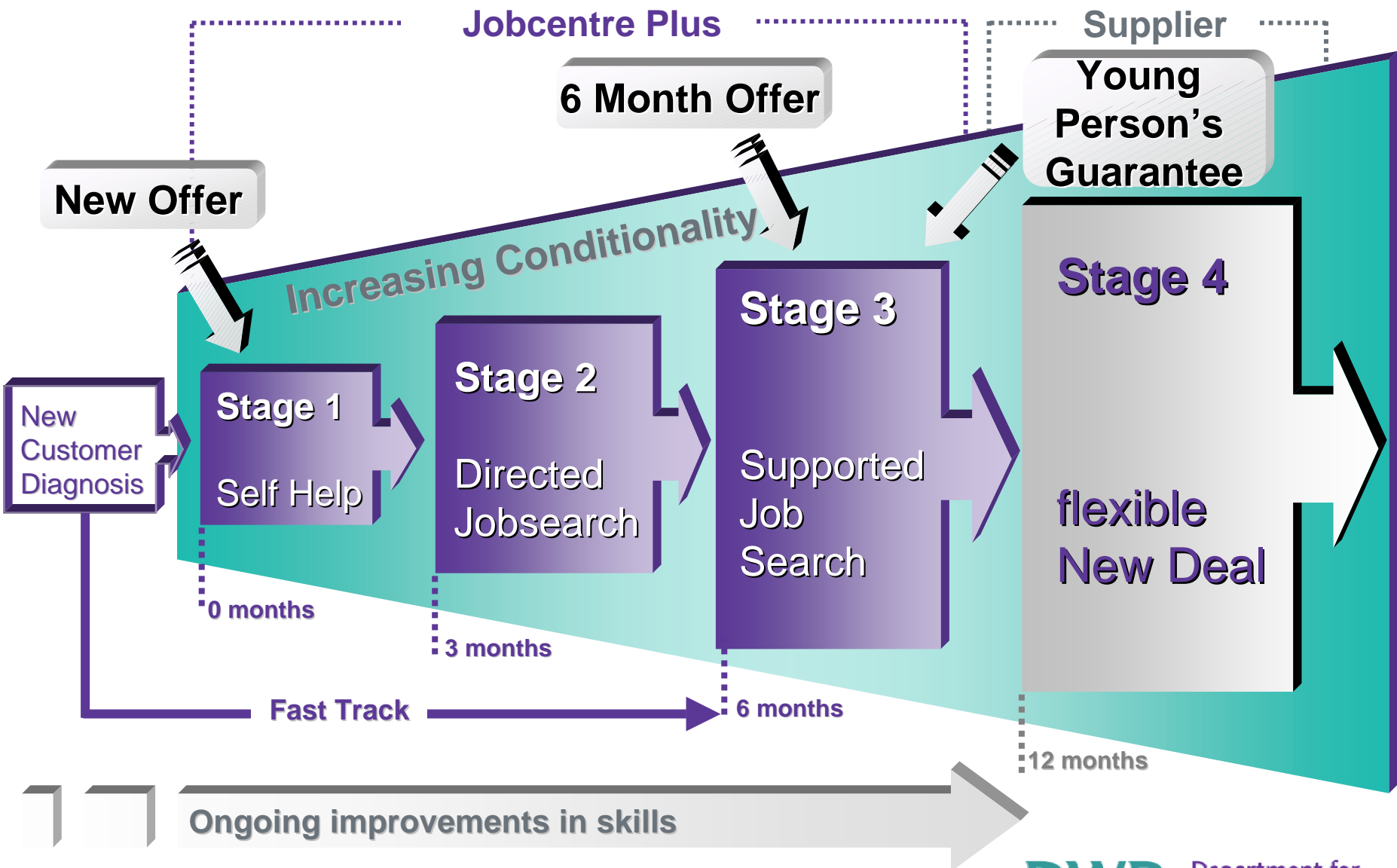
The New Regime

- **The new regime is a four-stage process, with Jobcentre Plus delivering stages one to three**
- **The suppliers successful in the second stage of this competition will deliver stage four – the Flexible New Deal**
- **Customers, who move to an external supplier, will remain on JSA during stage four**

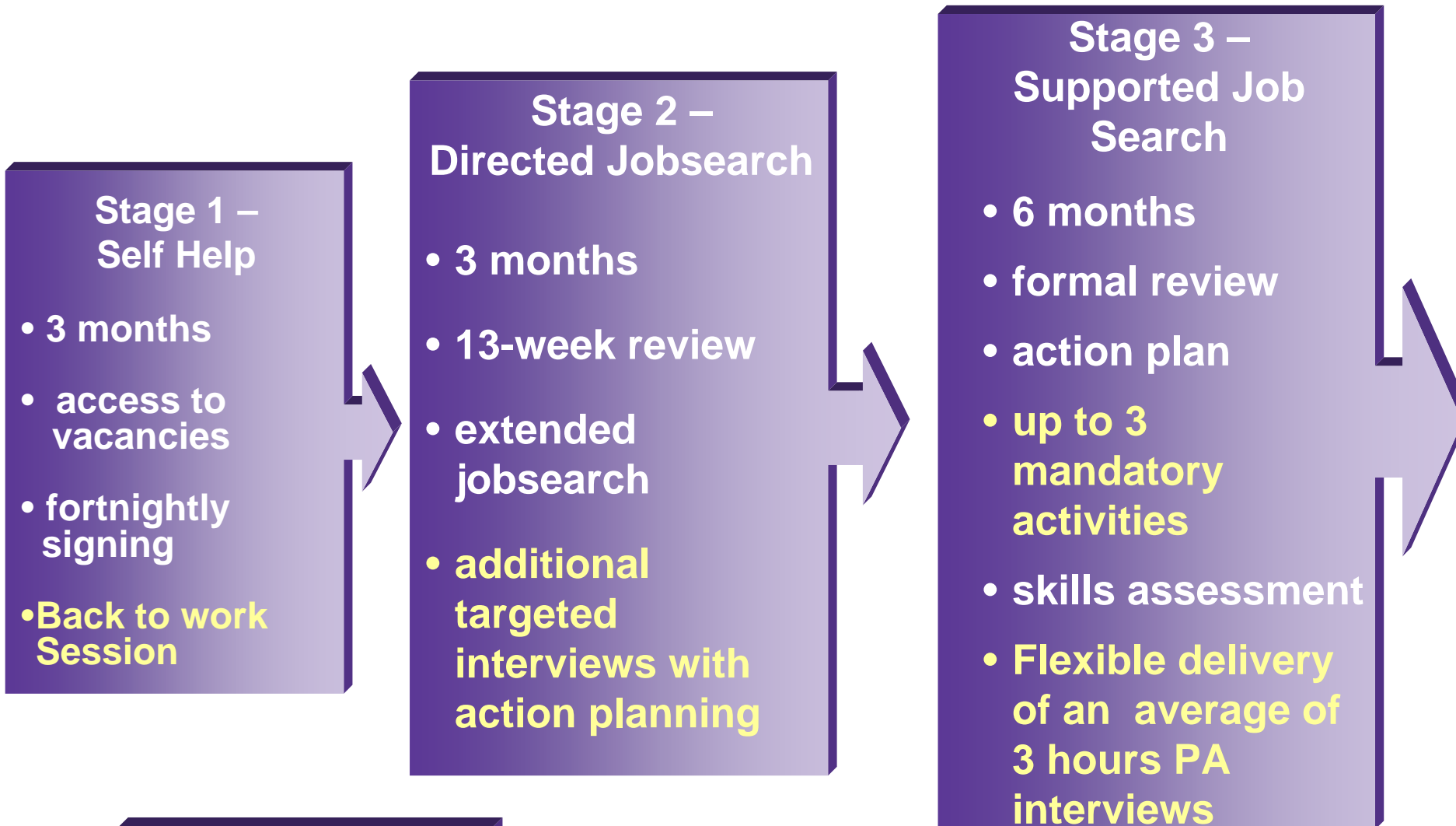
Flexible New Deal – will provide

- **Flexible personalised help**
- **Conditionality increasing over time**
- **Accelerated entry to intensive support**
- **Better integration of employment and skills**
- **More use of outcome funding**
- **Increasing time in employment - reduced recycling between benefits**

The Model



The Model



New items/features

Stage 4 - Flexible New Deal

- For up to 12 months
- Initial in-depth assessment
- Individually tailored Action Plan
- Regular contact
- Continued fortnightly signing with Jobcentre Plus
- Return to work support
- Four week Mandatory Work-related Activity

Expectations

- **Job outcomes**
- **Sustained job outcomes**
- **Appropriate support**
- **Minimum standards for all**
- **Strong links with employer and partners**

Localisation/ Co-commissioning

Localisation

- **White Paper**
- **Accelerates devolution of power in the Welfare to Work system**
- **City Strategy**
- **Multi Area Agreement**
- **City Regions**

Localisation In Practice

LEVEL 1:

- All sub regional partnerships will be asked to comment on how tenders meet the local need and will be involved in performance management of the contract

LEVEL 2:

- 'Wrap around' model
- Additional funding to add value

PARTNERSHIP INVOLVEMENT

- Better alignment
- Ability to help shape local provision

Co-commissioning in practice

DWP

- **Will be contracting authority**
- **Will manage contract**

Partnerships

- **Funds invested via DWP**
- **More involvement in performance management**

Volumes & Performance

Volumes and performance outline

- 1. Sets out our expected range of phase 2 Flexible New Deal starts**
 - 2. Modelling approach**
 - 3. Next steps for ITT and beyond**
- Please note the figures presented here are our current estimates, and should only be used as a guide to the number of jobseekers expected to start FND. We will provide more detail at the ITT stage**

Baseline Flexible New Deal starts

	Expected starts
October 10 to September 11	480,000-600,000
October 11 to September 12	335,000-420,000
October 12 to September 13	275,000-340,000
October 13 to September 14	275,000-340,000
October 14 to September 15	275,000-340,000

Stage 1: National volumes

- **Claimant count and threshold flows**
- **Removing the existing New Deals**
- **A revised JSA regime for all jobseekers**
- **Gateway linking rule**
- **Fast tracking to the Gateway**
- **Existing jobseekers - 25+ year olds between 6 and 18 months JSA**
- **Introduction the 6 month offer for all JSA customers**
- **Introduction of the Young Persons Guarantee**
- **Removing lone parent entitlement to Income Support from when their youngest child reaches 16 years to seven years of age, from 2010**
- **Equalising State Pension Age (ESPA) from 2010 to 2020**

Next Steps

For the ITT stage

- **Update FND start volumes**
- **Baseline short job and sustained employment conversion rates**
- **Contract Package breakdown**

Post-ITT and during the life of the contracts

- **Update FND start volumes**
- **Transition arrangements**
- **Wider policy changes**
- **Provider consultation**

Funding Model & Choice

Funding Model

- **Overall contract value will be split into service fee and outcomes:**
 - 20% service fee
 - 50% short job outcomes
 - 30% sustained job outcomes
 - **Service fee paid monthly**
 - **Job outcomes paid on unit price basis**
- Evidence* – General approach is an off benefit check
- **Considering use of tolerances**

Customer Choice

- **Informed customer choice in areas with two suppliers**
- **Choice will be between prime suppliers**
- **Introduction will be after 12 months of operation**
- **Providers will get an equal share of the market for a further 6 months**
- **After 18 months, customer choice can potentially move market share by 5% - 15%**
- **Performance will also influence a provider's share of the market**
- **We will give customers information to help them make a choice, including:**
 - Relative performance of the provider against their contractual targets. (Star Rating)
 - Metrics of customer experience, based on what customers say matters to them

The Procurement Process

Purpose of this Presentation

- **To identify key aspects of the Commercial Strategy**
- **To provide a detailed overview of the PQQ process including:**
 - Lessons Learned
 - Query Handling
 - Evaluation
- **To confirm next steps**

Commercial Strategy

- **As with Phase 1 will be in line with the DWP Commissioning Strategy and will build on lessons learned**
- **Commercial Strategy is designed to:**
 - Maximise competition
 - Increase Transparency and
 - Introduce more interaction between ourselves and the market

Contracting Strategy

DWP will enter into contracts with a single lead entity to deliver Flexible New Deal in one of the following ways:

- Direct delivery of a proportion of the provision and sub-contracting of the remaining provision to other organisations; or
- Sub-contracting of the entire provision to other organisations; or
- Direct delivery by a single lead entity

Procurement Process

Two Stage Process

1. Pre- Qualification Questionnaire

- Expressions of Interest
- Designed as a Qualifier not Discriminator
- More focussed events

2. Invitation to Tender

Completion of the PQQ

Please ensure that:

- **all of the mandatory questions are answered**
- **word counts are adhered to where applicable**
- **the general instructions issued with the PQQ are adhered to e.g. Font size, numbering requirements, return requirements**
- **All responses are clear – especially where they cover multiple suppliers/contracts**
- **You do not send brochures, leaflets etc as these will not be considered**

Query Handling Strategy

Any Questions or queries should be referred to FND:

PHASE2.FND@DWP.GSI.GOV.UK

All queries must be raised by 17th July 2009

Responses will published (and updated as often as possible) on the Supplying DWP website. Final update will be published 22nd July 2009

Evaluation

Evaluation will comprise of:

- **Opening & Compliance Check;**
- **Initial Appraisal;**
- **Financial Evaluation; and an**
- **Examination of Ability and Technical Capacity.**

Results Notification & Coverage

Those confirmed as able to proceed to ITT stage will be advised of the result and will be:

- Advised of the “upper” financial limit that would be considered “acceptable” by DWP;
- Provided with the list of package areas with indicative contract values; and
- Asked to provide details of their bidding strategy.

An Iterative dialogue will commence from this point.

Key Milestones Timetable

- PQQ return - 10:00am 24th July 2009
- PQQ results issued – Early September 2009
- ItT issued to qualified bidders – Mid September 2009
- Tender return – Early December 2009
- Preferred Bidders announced – Late April 2010
- Contract Delivery – October 2010

Next Steps

- **Complete your PQQs in accordance with the instructions**
- **If in doubt – Raise a query!**
- **Ensure that your response is returned, in accordance with the instructions provided, by 10.00am on 24th July**

Q&A to Panel

Next

- **LUNCH**
- **Chance to network**
- **Consultation**
- **SPV Presentation**

THANK YOU