

Specialist Disability Employment Programme
Provider Sub-Group Meeting
Novotel Sheffield
Wednesday 10th June 2009

Name	Organisation	
Toni Percival	DWP CEP Head of Provision Sourcing	
Tony Burns	DWP SDEP Project Manager	
Trevor Law	DWP CEP	
Andy Wilson	DWP SDEP Deputy Project Manager	
Sue Gibbings	DWP SDEP Project	
Simon Shimmens	DWP	
Malcom Gentle	DWP SDEP Project	
Lynette Higgins	DWP CEP	
Alistair Kerr	Momentum Scotland	
Huw Davies	BASE	
Malcom Goldsby	Shaw Trust	
Matthew Lester	Papworth Trust	
Philip Connolly (V)	RNIB	
Gill Winstanley	Dering	
Tony Winstanley	Dering	
Steve Mason	A4e	
Tony Adamson	Mencap	
Joe Dowd	Workforce Plus Team Employability & Skills	
Mark Deal (V)	DEAC	
Louise Beatty	Cabinet Office	
Rebecca Rennison	The National Autistic Society	
Robert Mooney	Community Union	
Apologies		
Mark Gibson	BTCV	
Nick Bailey	LSC	
Steve Liptrot	DWP CEP	
Karen Wood	DWP Commercial Directorate	
Andrew Wilson	Work Directions	
Stephen Dering	Dering	
Liz Rickaby	RBLI	

Background

These notes set out the key points discussed at the third meeting of the DWP Specialist Disability Employment Programme Provision Forum Sub-Group. The chair gave an overview of the areas to be covered at this meeting, which would focus predominantly on transition from the old programme to the new programme. It was emphasised that discussions and information generated during the meeting would be shared openly with others and that other organisations views would be sought via the internet.

AP - All agreed that these notes and associated documents should be published on the internet.

Key Points;

Project Update

Overall the message is that the project continues to make good progress.

Design Detailed Future Business Model is currently out for quality review. The flow process between Flexible New Deal, Pathways, Access to Work / ATW is being finalised and will be ready for the signing off of the detailed Invitation to Tender (ItT)

Additional Funding Project have additional funding and are currently looking at a range of options for how best to deploy the additional money. Final decisions will be made by the end of July 09.

Contract extensions and supported business agreements A significant number of contract extensions have been agreed and signed. Meetings will be held with individual organisations that are yet to sign. Project confirmed that money has not been reduced – there has been some re-distribution but no reduction.

Project subject to OGC review (OGC review 2 Delivery Strategy). Project recently received a good report showing that they are in 'good shape' from OGC.

DEA meeting Project confirmed they are currently working with operational; colleagues and working through a wide range of issues. Senior level managers in JCP (from CSD) are offering their support to this activity. End to end processes etc will be tested in a couple of locations

Reemploy Forum members were informed that further information would be provided in the ItT around the service delivery model Remploy will be offering,

it may mirror the SDEP model. Project is currently looking at the impact of this.

Service specification Project reported that all work is on track and proceeding to plan

Name for new programme Names for the new programme currently going through a process that involves the Permanent Secretary and Ministers etc

Transition Activity

The Project Team have conducted a data collection exercise with existing providers to establish the numbers and locations etc of participants currently on programme. Currently 25% of providers have completed returns, but this information does equate to 75% of current WORKSTEP participants. This exercise is high on the list of project priorities. To date approximately 30 queries have been received and most have been easily resolved with just a few outstanding.

AP - DWP contract managers to support project with the gathering of outstanding data.

Project will be working with internal security experts to consider the range of issues around the transfer of participant data between current and new providers. Also need to consider how, under data security, new providers will share customer information between appropriate stakeholders involved in the customer journey.

It was stated that some funding will be made available to support transitional activity by existing providers. Details of this should be available around the end of July.

The project confirmed that existing providers will be able to take referrals up to October and will need to work closely with the new provider to assist in the identification of the most appropriate programme for individual customers transferring.

It was emphasised that contractors will need to take legal advice regarding contracts of employment, if not in place for transferring customers who are on supported business placements.

AP - Project to send letter to employers on transition and TUPE.

Government Actuaries Department (GAD)

The project has set aside funds to hold one or possibly two events on TUPE/GAD for employers, providers and sub contractors. Forum members were invited to feedback ideas/thoughts on this proposal. They considered if they would be helpful ? If they were needed? When would be the best timing ?

**AP - Further comments on this proposal can be emailed to
SPECIALISTDISABILITYPROVISION.BIRMINGHAM@DWP.GSI.GOV.UK**

Referral / Links To Other Provision

Discussion was held on the requirements for data security when sharing customers individual information between provider and Jobcentre Plus, sub contractors, specialist agencies etc. It was also recognised that customers involved in the new programmes will have a wide range of communication requirements.

AP - DWP to consider including in the Specification the need for suppliers to detail how they will share information about customers to stakeholders and with individual customers who may have a range of communication needs.

Prime Providers Relationship with Supported Businesses

A paper on this subject was issued to delegates for comments and can be found attached to these notes.

**AP - Further comments on this document can be emailed to
SPECIALISTDISABILITYPROVISION.BIRMINGHAM@DWP.GSI.GOV.UK**

AP - Project to consider if they can share list of supported businesses, where they will be offering protection for supported places.

Right To Control

It was confirmed that Right to Control Consultation Roadshow Events are to be held.

AP - Details to be provided. Project to confirm how and when.

Invitation To tender (ItT) Events

The proposed format and dates of the ItT Events was shared with the group. These events are for providers who have been selected after the Pre Qualification Questionnaire exercise. It was agreed that a single place will be

offered to BASE, Welsh Government and Scottish Government as observers. The intention is that the morning will consist of presentations by Commercial Employment Directorate and the Project Team followed in the afternoon by specialist workshops.

Proposed dates and locations are as follows:-

Bristol - Tuesday 11th August

London - Wednesday 12th August

Birmingham - Monday 17th August

Newcastle - Wednesday 19th August

It was agreed that this would be the last meeting of this sub group in the current format. However, the group may be reconvened at a later date to look at practical issues on transition.

SDEP – Prime Contractor and Supported Business relationship as a result of a Supported Business Protected Places Subcontract (SBPPS) being in place

WORKING DRAFT FOR PROVISION FORUM SUBGROUP

1. Introduction

The forthcoming Ideas contract creates an unusual contractual relationship between the incoming Prime Contractor (Prime) and any Supported Business which has protected places as part of existing WORKSTEP contracts. Confirmation of status as a Supported Business and the number of protected places will have been validated by DWP.

The Commissioning Strategy intends to impose few constraints around the dynamics of prime supply chains. Within the IDEAS contract, protected places within Supported Businesses are being positioned within the funding package and are therefore subject to contractual constraint and expectation. This contractual requirement is termed as a 'Supported Business Protected Places Subcontract' (SBPPS).

The diagram at Appendix A helps to explain this different relationship. **NB An improved diagram will be added.**

2. Prime Contractors

2.1 Contractual obligations

2.1.1 The prime is solely responsible for the contractual relationship and interface with DWP. Organisations within its supply chain have no formal relationship with DWP. This includes supported businesses who have a subcontract with the prime directly as part of the new contract award. The number of supported business places will have been agreed with DWP prior to the new contracts being procured (SBPPS).

2.1.2 The prime is contractually required by DWP to manage the SBPPS under the terms of the prime contract. Points 2.2 to 2.4 below provide high level guidance regarding this contractual requirement. The Invitation to Tender (ItT) documentation provides further detail.

2.2 Financial obligations

2.2.1 DWP will agree the number of protected places within a SBPPS with supported businesses prior to the Invitation to Tender (ItT) being issued. The prime as a result will receive the corresponding funding ringfenced within the overall contract package for the 5 year period of the contract. This commitment to the Supported Business would remain in place should there be any change of Prime within the 5 year period.

2.2.2 The prime is required to make full payments to the supported business of £4,800 per annum per occupied place during the 5 year contract period, under the terms specified in the ItT. The supported business can only expect to receive guaranteed payments up to the level of protected places agreed in the SBPPS.

2.2.3 There is no contractual obligation from DWP or the prime to continue such payments beyond the 5 year contract period. In the event of an extension to the contract, decisions will be made at the time regarding the status and arrangements for protected places. In the absence of any future commitment from DWP, any agreements which may continue beyond the contract period are solely between the prime and any Supported Business and would not be part of the IDEAS contract, including during any extension period.

2.3 Quality and customer service obligations

2.3.1 In addition to making payments, organisations bidding to become Primes will need to monitor the service provided to each SBPPS participant within any supported business in line with the quality and customer service expectations of the main contract. This will include working with the Supported Business in anticipation of such places being reviewed as part of any regulatory inspection for example. As the subcontractual relationship between the Prime and the Supported Business is directly specified by DWP, any significant changes regarding the relationship must be discussed with DWP before action is taken.

2.3.2 SBPPS places and performance regarding distance travelled and progressions into unsupported employment will be reviewed by DWP Supplier Relationship Managers (SRMs) with the Prime. SRM activity for the places within the SBPPS will mirror the approach of the main prime contract.

2.4 Customer and employer relationships

2.4.1 For some existing participants occupying protected places that will transfer into a SBPPS, the Supported Business does not just offer employment and support to participants but is also their employer. The prime must therefore not only interface with the Supported Business under the requirements of the SBPPS regarding payments and quality assurance, but should also develop a relationship with the Supported Business as an employer in its own right.

2.4.2 Where vacancies occur within the protected place numbers, it is the joint responsibility of the Prime and Supported Business to fill places promptly where this is the agreed course of action. It is expected that further guidance will be available to help set expectations about referrals and the filling of vacant places.

2.4.3 Outside of normal fluctuations of protected places up to the maximum agreed within the SBPPS, if the prime and the supported business propose to make permanent changes regarding numbers, due to Supported Business circumstances dictating a reduction for example, permission must be gained by the Prime from DWP before any change of formal commitment is made.

3. Supported Businesses

3.1 Contractual obligations

3.1.1 Supported Businesses will only receive guaranteed payments of £4,800 for up to the 5 year period of the new contract if they accept the subcontract arrangement with the prime for the contract package area within which their SBPPS falls.

3.1.2 Supported Businesses with a SBPPS will therefore have a contractual relationship with the Prime only. This will include formal agreement of minimum targets for progressing participants into open employment. Minimum targets are expected to be in the 5% to 10% range). Failure to deliver minimum levels of agreed progressions will be subject to review by DWP with the Prime in terms of the commitment provided for supported places.

3.1.3 There may be situations where supported businesses with a SBPPS are successful in becoming the Prime contractor. The terms of the SBPPS will remain the same and the supported business will be expected to manage its own SBPPS in line with its main contract.

3.1.4 Supported Businesses can agree subcontract arrangements with Primes for non-protected places over and above the numbers in the SBPPS in line with the normal procurement process and the forming of prospective supply chains to deliver the main contract. The terms and conditions of any subcontract arrangement beyond the SBPPS is purely a matter for the prime and Supported Business to agree.

3.2 Financial obligations

3.2.1 Supported businesses with a SBPPS are required to provide regular information regarding filled and unfilled protected places to the prime to support the receipt of payments detailed in the SBPPS. As detailed in 3.1.2, if the Supported Business fails to adequately perform against the agreed performance levels in the SBPPS then protected place payments could be reconsidered by DWP and changes to its original contractual commitment made.

3.2.2 The supported business should not commit any costs beyond the 5 year period of financial protection based on any expectation that the prime or DWP will honour such commitments, in line with the terms of the main contract and any possible extension period.

3.2.3 The supported business should agree a long term plan with the prime within the first year of the new contract in anticipation of the guaranteed funding ceasing at the end of the 5 year period. This plan should be agreed by all parties no later than the end of year 2 of the contract period. This will ensure that sufficient time remains available (if needed) to make additional

arrangements by the Supported Business for its future lack of guaranteed funding.

3.3 Quality and customer service obligations

3.3.1 As a condition of receiving an SBPPS, the Supported Business must work jointly with the prime to ensure that the quality of customer service for participants meets the general quality and customer service obligations within the main Prime contract (performance, quality, equality and legislative standards).

3.3.2 If the Supported Business fails over a defined period to meet their obligations in delivering the subcontract then the Prime will work with DWP to agree a course of action, which might where there is a clear breach of contract result in termination of the Supported Business's subcontract.

3.4 Customer and employer relationships

3.4.1 Although there are contractual guarantees regarding protected places for up to the end of the 5 year contract period, it is expected that due to business or participant changes, it may be of mutual benefit to reduce the commitment over the contractual period. In such circumstances it will be expected that Supported Businesses and Primes will discuss proposed changes and be in agreement before making recommendations to DWP via the Prime.

3.4.2 Should a Supported Business cease trading or significantly change its business model during the 5 year period to which the SBPPS applies, the Prime will be required to at the earliest opportunity discuss the impacts with DWP in respect of any re-allocation of funding outside the terms of the SBPPS and the priority to continue to support any participants affected.

4. Primes who also run a Supported Business

4.1 As detailed in 3.1.3, there will be situations where a Supported Business with an SBPPS becomes the Prime contractor. In such a situation the contract issued by DWP will include an SBPPS for the agreed number of protected places as part of the main contract.

4.2 The SBPPS part of the Prime contract will be expected to mirror the main contract as closely as possible, including with minimum progression targets as detailed in 3.1.2.

4.3 Should Primes need to change the split between their main contract numbers and their SBPPS protected places, they must gain agreement from DWP before making any changes. This will include consideration that

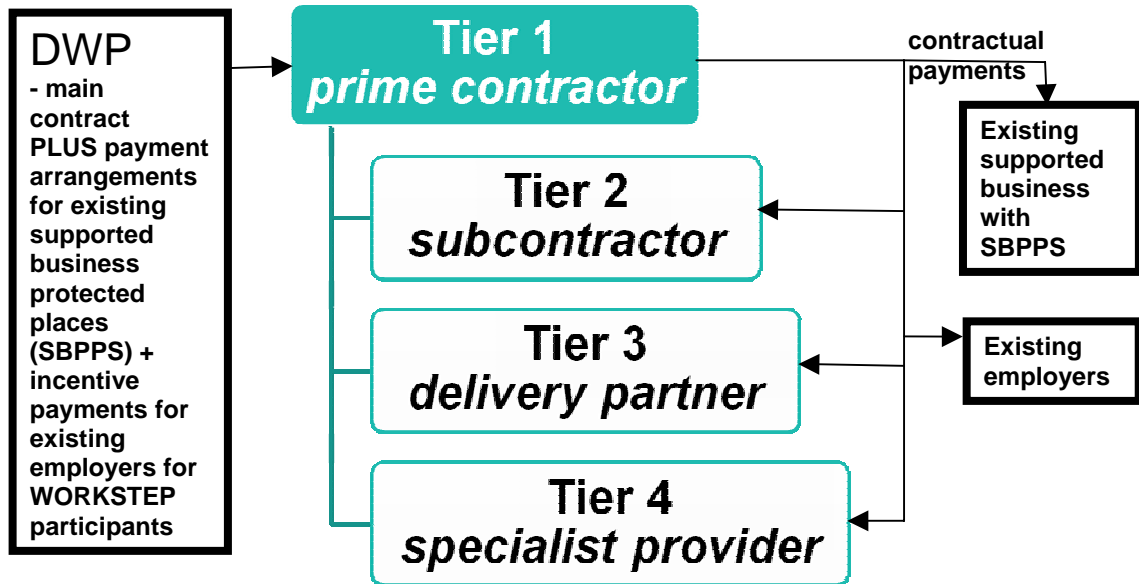
expected progression rates will be different for protected and non-protected places.

Appendices:

Appendix A – Supply chain diagram

Annex A – Diagrammatic relationship between DWP, Primes and Supported Businesses with a Protected Places Subcontract (SBPPS)

Supported Business Protected Places Subcontract (SBPPS) relationships



Note: Improved diagram will be provided before formal issue of document