



Work Choice

Specification Invitation to Tender Stage

In the months since the publication of the Pre Qualification Questionnaire new information has become available which enhances or clarifies the original Specification and Supporting Information. In order to highlight all (significant) changes and/or updates to the PQQ version of this Specification, boxes have been placed around the new text.

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Abbreviations

CEP	Commercial Employment Provision
DAF	Deprived Area Funding
DDA	Disability Discrimination Act
DEA	Disability Employment Adviser
DBIS	Department for Business, Innovation and Skills
EG	Employment Group
ESF	European Social Fund
EU	European Union
DWP	Department for Work and Pensions
FAM	Financial Appraisal and Monitoring
FE	Further Education sector improvement organisation
FTE	Full Time Equivalent
FTEP	Full Time Equivalent Place
HR	Human Resources
IB	Incapacity Benefit
IS	Income Support
IS/IT	Information Systems / Information Technology
ItT	Invitation to Tender
JCP	Jobcentre Plus
JSA	Job Seekers Allowance
KPI	Key Performance Indicator
LEP	Local Employment Partnerships
LSC	Learning and Skills Council
NDDP	New Deal for Disabled People
NHS	National Health Service
ODI	Office for Disability Issues
OGC	Office of Government Commerce
OJEU	Official Journal of the European Union
OPU	Operational Procurement Unit
PQQ	Pre Qualification Questionnaire
PRaP	Provider Referrals and Payments
PSA	Public Service Agreement
PST	Provision Sourcing Team
SPV	Special Purpose Vehicle
TUPE	Transfer of Undertakings (Protection of Employment) Regulations 2006

For clarification:
Please note the terms Supplier / Provider /Contractor are interchangeable in this document.

1. EXECUTIVE SUMMARY

1.1. This document outlines the service which the Department for Work and Pensions (DWP) will require suppliers to deliver as part of the Government's modernisation of disability employment services. It also provides information about available funding and customer volumes, an overview of the proposed funding approach and information about performance and contract management arrangements.

1.2. This information is provided to those suppliers successful at the PQQ stage of the competition and subsequently invited to submit a tender for specific contract package areas as described in individual Invitation to Tender information.

Introduction

1.3. This new programme takes forward changes to the Specialist Disability Employment Provision and will replace the existing DWP Work Preparation and WORKSTEP programmes and the Job Introduction Scheme. The aim is to provide a tailored, coherent range of specialist employment services which can respond more flexibly to the individual needs of disabled people and their employers and make better use of resources.

Background

1.4. The new Work Choice programme supports the implementation of recommendations in the Government's White Paper which references the Prime Minister's Strategy Unit report 'Improving the Life Chances of Disabled People' published in January 2005. This states that there is a need for people to access support from a range of choices, with their own package of support focused on personal needs. The initiative complies with the 1944 Disabled Persons (Employment) Act (partially repealed 2/12/96) and the Disability Discrimination Act 1995, amended 2005, by promoting equality of opportunity for disabled people.

1.5. It also supports the aims of the Green Paper "No one written off: reforming welfare to reward responsibility" which was a wide ranging consultation on the future of welfare. It set out plans for improving support and work incentives to create a system that rewards responsibility and delivers greater choice and control over the support that is provided.

1.6. Additionally the White Paper 'Raising expectations and increasing support: reforming welfare for the future' was published on 10 December 2008. It sets out in detail the plan for the future as part of the vision for a personalised welfare state, where more support is matched by higher expectations for all.

1.7. The new Work Choice programme will be key to delivering against the objectives of Public Service Agreement (PSA) 16: Socially Excluded Adults. This PSA prioritises four excluded groups, including people with moderate to severe learning disabilities and severe mental health conditions, and aims to increase the numbers in employment and in settled accommodation.
http://www.cabinetoffice.gov.uk/social_exclusion_task_force/psa.aspx

1.8. The Government will announce further plans to improve the employment prospects of these groups through separate cross government strategies on employment of people with mental health conditions, to be announced later in 2009. On 24th June 2009 the government published the employment strategy for people with learning disabilities, "Valuing Employment Now: Real jobs for people with learning disabilities". These will build upon existing publications such as Valuing People (2001) and Valuing People Now (2009) and the Government's response to the Black Review of mental health and employment. Together these will set the wider context for delivery of specialist employment services for these groups.

1.9. Recently, the Government has committed to signing the Optional Protocol to the UN Convention on Rights of Disabled People to further demonstrate our commitment to the UN Convention on the Rights of Disabled People, and to the principle of ensuring that disabled people can enjoy their human rights on an equal basis with non-disabled people. The Convention is designed to promote, protect and ensure the human rights freedoms and dignity of disabled people.

See Supporting Information Annex 2 for internet links.

Current Position

1.10. There are currently three programmes aimed at this customer group that will cease when the new Work Choice programme starts. WORKSTEP provides support for disabled people who face complex issues in finding and/or keeping a paid job, but who, with the right support for them and their employer (such as mentoring or job coaching) can develop a successful career. The programme also helps participants and their employers progress to a stage where WORKSTEP support can be reduced or withdrawn over time.

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- 1.11. Work Preparation helps disabled people to address employment-related issues associated with their disability and prepare to enter work. This might include confidence-building, identification of suitable types of work and work experience.
- 1.12. The Job Introduction Scheme can pay a wage subsidy of £75 per week to an employer for up to thirteen weeks when they employ a disabled person.

Implementation

- 1.13. We are planning to award contracts by April 2010 and the delivery of Work Choice will commence in October 2010.

The Work Choice Commissioning Cycle

- 1.14. The DWP Commissioning Strategy sets out principles which should be applied to the commissioning of all DWP provision. The Commercial Strategy for the Work Choice programme reflects those principles. It seeks to use competition as the main lever to drive value for money, and strives for a balance between the risks suppliers will carry in terms of working capital and the potential rewards available through outcome focused funding. The intention is that DWP contracts will be appealing to existing suppliers in the market, whilst encouraging new market entrants.
- 1.15. Suppliers should experience a seamless cycle from commissioning strategy to commercial strategy to procurement strategy to performance management arrangements.
- 1.16. The customer experience is also at the heart of the Commissioning Strategy. We expect to implement the capability framework in the course of these contracts, and accordingly adjust the external inspection, management and intervention regime.

The Commissioning Strategy

- 1.17. DWP published the Commissioning Strategy in February 2008. We will work with suppliers to ensure adherence to the principles of the strategy for the management of the Work Choice programme contracts and market development.

Contract Size and Duration

1.18. In line with the DWP Commissioning Strategy we will be providing longer and larger contracts than those that are currently in place for suppliers of disability programmes. Contracts will be let for a minimum of five years with potential to extend for a further two years dependent on the further allocation of funding and subject to satisfactory performance. The funding of any extension (whether during the original contract period or an extended contract period) will be subject to increases up to a maximum of 50% of the original contract value.

1.19. The contract structure will allow for packages based on city regions but will also ensure effective coverage in rural areas. Contract packages will not be as large as Jobcentre Plus English regions (or cover the whole of Scotland or Wales) but some will be larger than single Jobcentre Plus (JCP) Districts. This is in line with the wider DWP Commissioning Strategy and will rationalise the number of contracts.

1.20 There will be 28 contract packages throughout England, Scotland and Wales with one prime contractor per contract package. Annex 2 provides details of the contract package areas.

Standards

1.21 Prospective suppliers should note that the new Work Choice programme is expected to be an exemplar programme in terms of its quality and standards. Whilst it can be seen that high quality requirements are embedded in every aspect of the Work Choice programme specification - these paragraphs highlight certain quality provisions which must be carefully noted by suppliers.

1.22 Work Choice will bring together the best elements of WORKSTEP and Work Preparation into a new unified programme and will respond more flexibly to the individual needs of disabled people and their employers and make better use of resources. It is aimed specifically at those customers who, by reason of significant disability, cannot be helped into employment through Jobcentre Plus mainstream programmes and will significantly enhance quality of service experienced by customers with a disability.

1.23 There will be more opportunity for the customer to exercise choice and control; improved support for people in either employment or self employment; improved support to progress to unsupported employment; and for those unable to

work without support a greater emphasis on achieving their potential within longer-term supported employment.

Stringent key quality requirements, inspection and enforcement standards can be found at para 2.5

The Customer Journey

1.24 The customer's first point of contact for Work Choice will normally be the Disability Employment Adviser who will establish the suitability of Work Choice for the customer's needs - in some circumstances the customer may be referred via other specialist organisations. DEAs will also be the contact point for customers who may wish to discuss issues or feed back concerns about the provision or delivery of their service.

1.25 The Service Requirement, para 2.7.1 onwards, gives full details of the customer journey through the Work Choice programme. It sets out the required quality standards in detail for each Module and every contact with a participant or prospective participant. From this it can be seen that each Module has the capacity and flexibility to be tailored to serve every participant regardless of their health related employment requirements or challenges in the labour market.

Customer Choice

1.26 Whilst there will be no customer choice at prime contractor level, primes may be able to offer customers an element of choice between sub-contractors within their contract package. This approach will provide customer choice and diversity of provision, as suppliers will be asked to demonstrate how they would meet individual customer needs through using specialist sub-contractors or Special Purpose Vehicle (SPV)/consortium partners.

1.27 It should also be noted that Remploy currently deliver similar provision to Work Choice across some parts the Contract Package areas and therefore customers may have a choice of service provider.

For more information about choice and Remploy see Annex 1 of the Supporting Information.

Right to Control

1.28 The Right to Control policy was proposed in the December 2008 White Paper, 'Raising expectations and increasing support: reforming welfare for the future', and

forms part of the Welfare Reform Bill. The Bill creates a legislative right for disabled adults to have choice and control over some of the support they receive from the State. The powers in the Bill are broad, regulation-making powers. The services and support that come under the Right to Control will be set out in secondary legislation. The White Paper highlighted the Government's intention for existing specialist disability employment programmes to be included under the Right to Control. Legislation is likely to come into force during the contract period.

1.29 The Right to Control will give a disabled adult the right to know the monetary value of the support they are eligible for, to agree the outcomes that the money should be used to achieve with the public authority, to review and revise the plan as necessary and to have a direct payment if they wish. Disabled adults will have the opportunity to have certain services delivered in the way that best suits them, or to require a payment (a "direct payment") as an alternative to having their service arranged. It will also allow people to use a mixed approach.

1.30 Eight trailblazing areas will go live with the Right to Control (having been identified in January 2010) from October 2010 and will last for two years (with an option to extend for an additional year). Trailblazing areas will involve a number of public authorities working closely together to enable disabled adults to have greater choice and control over the support and services they receive. Contractors within these trailblazing areas will be expected to offer a service to customers in line with the principles of the Right to Control. These key principles are:

- a. Exercising the Right to Control will be easy and user friendly.
- b. An assessment of eligibility and needs will take place.
- c. Disabled adults who take part in the Right to Control trailblazers will be told how much they are eligible to receive in support and will be able to choose how the money is used to achieve agreed outcomes.
- d. If possible, the supplier will work with other agencies involved in the trailblazers to take a holistic view of all the money that the disabled adult is eligible for and all of their needs.
- e. Maximising choice and control should be made the key element of these arrangements and there will be an option of a direct payment if that is what is requested.
- f. The disabled person should have a range of options on how the support is delivered, they could take a cash payment, commissioned services or a mixed approach.

1.31 The evaluation of the trailblazers will be used to inform the government decision on whether to roll the right out nationally. We will work with impacted Work Choice providers to develop appropriate arrangements when this is rolled out.

1.32 The Office for Disability Issues (ODI) launched a public consultation exercise on 11 June 2009, to ask disabled people how to make choice and control a reality in their lives. The consultation will take place throughout the summer ending on 30th September 2009.

<http://www.officefordisability.gov.uk/working/right-to-control.asp>

Transition Arrangements

1.33 This paragraph sets out the principles that will govern transition arrangements. It is not a detailed statement of process. Further details are included in the Transitional Stage (para 2.17.1) of the Service Requirement and at Annex 10. The transitional arrangements period will commence from contract award in April 2010 and some activities relating to transition will need to be completed prior to contract go-live in October 2010.

1.34 All current WORKSTEP participants will continue to be supported by Work Choice where they have a relevant support requirement. This will entail a carefully managed transition plan for participants who will transfer from existing to new suppliers. There are currently up to 14,000 WORKSTEP participants. The majority are employed, but a small number are registered with providers but have not yet found work. All these participants are guaranteed a place, so arrangements will need to be made to move participants to new suppliers and for each individual to be assessed to ensure that they continue to receive the support they need within the new programme.

1.35 New suppliers will have to:

- work with existing suppliers and with DWP to ensure that sensitive issues are managed effectively on behalf of all current participants;
- work closely with the existing provider to ensure a smooth and seamless transition for participants;
- conduct an assessment of the support and development needs for existing WORKSTEP participants in the Contract Package area prior to contract go-live;
- have support arrangements in place to help existing WORKSTEP participants understand the changes;
- effectively communicate the changes to employers of WORKSTEP participants;

- it should be noted that some participants who began work under the Supported/Sheltered Employment Programme (WORKSTEP's predecessor programme) and who are working fewer than 16 hours may transfer to Work Choice and continue to receive support. Provided their support needs remain unchanged, they will not be required to increase their hours to 16 or more.

Supported Business Places

1.36 There are approximately 14,000 participants currently employed on WORKSTEP, of which there are up to 3,000 Full Time Equivalent (FTE) places within supported businesses. (See Annex 3 – para 3.13.1 for definition of full and part time). These 3,000 places will receive some contractual protection for the full five years of the Work Choice contracts. The supported business protection will come in the form of a guaranteed financial payment of **£4,800** per FTE place per year. Please see Funding and Payment Model, Annex 3, for further details.

Financial Incentives

1.37 Of the approximately 14,000 existing employed participants we estimate there are around 5,500 places where some financial incentive is being paid to an employer. Where a protected financial incentive is being paid, the new supplier will not be able to withdraw or reduce this funding without the agreement of the employer as long as the individual continues on supported employment. More information about the way this affects the funding model can be found at Annex 2. Also see Funding and Payment Model, Annex 3, for further details.

1.38 It should be noted that any future financial incentives can only be offered for the duration of the life of the Work Choice contract.

Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE)

1.39 As a consequence of these design changes, Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) may apply. Potentially, if TUPE applies there may be a transfer of employees from existing service suppliers to the new suppliers, this may include administration staff from existing suppliers and also those participants on the programme who are directly employed by existing suppliers. If TUPE applies, successful suppliers to whom public sector staff may transfer will also be required to comply with the provisions for pensions laid down in Annex 3 to “Staff Transfers in the Public Sector Statement of Practice”, including the provision of pensions certified by the Government Actuary's Department as being

broadly comparable to those provided by the Principal Civil Service Pension Scheme. Annex 4 provides further information relating to these requirements.

Budget and Funding Model

1.40 We will apply the standard DWP funding model approach to payments – with a service fee and job outcome payment. See Annex 3 for details.

Procurement Approach

1.41 We are procuring this service via a two stage procurement exercise.

1.42 The first stage was via a Pre Qualification Questionnaire (PQQ) to shortlist a number of bidders for each contract against the criteria outlined in the Instructions to Bidders.

1.43 This stage, the second, through an Invitation to Tender (ItT) for those suppliers selected following the first stage.

1.44 Work Choice will be delivered by a network of prime contractors. We expect all prime contractors to ensure that their sub-contractors whether in the private, public or third sector are treated fairly and in line with the Code of Conduct, part of the DWP Commissioning Strategy.

1.45 It is extremely unlikely that any prime contractor will be able to deliver the Work Choice programme without support from other specialist niche disability organisations. The DWP Code of Conduct spells out the key values and principles of behaviour that DWP expects of suppliers and which are essential for creating healthy and high performing supply chains.

1.46 We expect all prime contractors to develop effective delivery arrangements that ensure they have the capacity to meet a wide range of needs for this diverse customer group. The supplier capabilities laid out in the DWP Commissioning Strategy will need to be demonstrated at both the bid stage and during live running.

1.47 Tender events will be held during August 2009 and your invitation to attend is included with this Invitation to Tender pack.

1.48 Proposals are invited from selected organisations across the private, voluntary/non-profit and public sectors, either alone or in partnership, that have the

expertise and commitment to work with this diverse customer group bringing them together with employers to achieve sustainable employment.

Flexibility within the contracts

1.49 In addition to the service requirements within this specification, DWP may make available further opportunities during the life of the contract, such as, changes in funding or the delivery model to reflect good practice or changing Ministerial and policy requirements. Such opportunities will be subject to discussions and agreement according to the terms of the contract at the appropriate time.

2. THE SERVICE REQUIREMENT

The Aim

2.1. The introduction of Work Choice will bring together the best elements of WORKSTEP and Work Preparation into a new unified programme which will improve our existing specialist employment services so they better equip disabled people to move into, retain and progress in employment. The new programme is aimed specifically at those customers who, by reason of significant disability, cannot be helped into employment through Jobcentre Plus mainstream programmes. It will create a more flexible, easy to use service that is better at enabling Jobcentre Plus frontline staff and our external partners to meet the needs of individual disabled people and their employers.

2.2. This will be delivered by a single programme with a flexible modular approach in which customer control and choice is embedded.

2.3. We will promote more active customer involvement in our programmes. Their experience will be important in shaping our future programmes. We are working with customer representative groups and advocacy organisations to develop ways of doing this.

2.4. The key principles to be observed for Work Choice are:

- a greater focus on those who need specialist support;
- less prescription and greater flexibility;
- better links between elements of provision;
- better consistency and quality of provision;
- provision for all types of disability;
- more opportunity for the customer to exercise choice and control;
- a greater focus on job entries;
- improved support for people in either employment or self employment;
- improved progression to unsupported employment;
- a greater emphasis on achieving potential within longer-term supported employment.

Key Requirements:

2.5. Work Choice suppliers will need to demonstrate how they will:

- comply with the DWP Code of Conduct. This spells out the key values and principles of behaviour which DWP expects of suppliers and which are essential for creating healthy, high performing supply chains;
 - ensure that the participant retains full choice and control at all times over the support that they receive;
 - work with, and provide a quality service to, customers regardless of their employment related issues. Suppliers should be able to demonstrate how they will ensure they are delivering quality provision;
- ensure staff will be suitably trained and equipped with the knowledge to deal with the wide range of these particular customers' needs, including vocational guidelines for people with long term neurological conditions ;
 - introduce innovative approaches to working with those with the most complex support needs in work, such as people with learning disabilities and mental health conditions;
 - consider best practice and evidence based approaches;
- provide appropriate support for each customer enabling them to achieve their potential;
 - identify niche organisations to deliver specialist provision to meet the needs of a diverse customer group;
 - work effectively with sub-contractors to ensure the efficacy of this programme for all customers;
 - embed the social model of disability in all their interactions with customers, employers and third parties;
 - work closely with others, e.g. social care organisations, to identify customers for this programme and ensure the full available range of support is identified and utilised for the benefit of customers;
 - work closely with education, learning and training organisations to support the transition of disabled customers leaving full time education, into the programme;
 - support employers to retain staff who, as a consequence of an illness or disability, would otherwise be made redundant. This role will involve supporting and liaising with the NHS, social care services, occupational health workers and the DEA to ensure that appropriate 'back to work'/'work retention' action can be taken;
 - provide an accessible service throughout the whole geographic area to which they have been contracted;
 - support and encourage employers to employ disabled customers;
 - build and maintain good working relationships with:
 - DWP;

- JCP e.g. DEAs, Access to Work advisers, Work Psychologists and benefit advisers;
 - customers;
 - Centres for Independent Living;
 - supported businesses;
 - employers (in the public, private and third sectors);
 - health and social service teams and organisations;
 - carer groups;
 - organisations that represent the interests of disabled people. (e.g. user groups);
 - education and learning institutions;
 - Department of Health e.g. Mental Health Support Teams;
 - Healthy Working Lives Centres (Scotland only);
 - Scottish Supported Employment Framework;
 - The Welsh Assembly Government;
 - The Wales Employment and Skills Board;
 - **NB: This list is not exhaustive**
- develop and maintain good quality communications that show what services and support individual customers can expect to receive;
- operate a recognised quality standards toolkit for all customers (i.e. a portfolio containing the quality processes and procedures used in delivery of the provision, from which the most appropriate journey can be chosen);
 - deliver high quality provision to all customers in line with the DWP Quality Framework;
- have a robust feedback and complaints procedure;
 - ensure systems are available for inspection by DWP and/or representative organisations;
 - implement and continually develop a robust continuous improvement programme.

2.6 In addition, DWP also expects its suppliers to demonstrate four key principles in establishing their systems of internal control and these are:

- enabling supplier staff to report inappropriate behaviour by colleagues in respect of performance claims (i.e. a 'whistleblowers' charter);
- performance management systems within the organisation that do not generate perverse incentives among individual employees to falsely claim performance achievement;
- segregation of duties within the supplier's operations between those achieving performance and those reporting it to DWP; and

- an audit regime in place that provides for periodic checks of the performance reporting regime.

It should be noted that **suppliers of Work Choice will not be able to recruit directly onto the programme.**

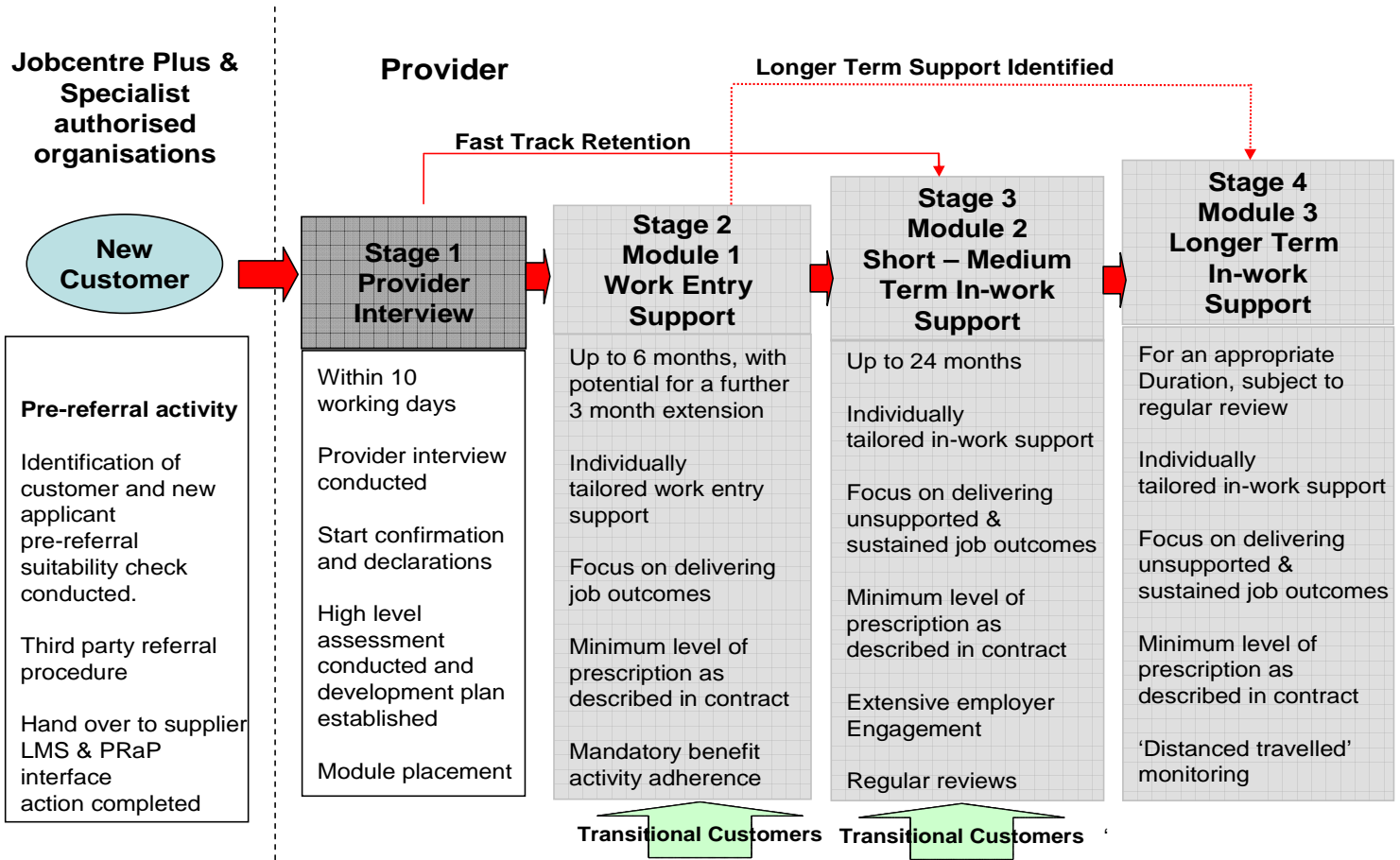
In addition to Jobcentre Plus DEAs, a limited number of organisations (e.g. potentially Social Services and Secondary Mental Health Services) will be able to directly refer suitable disabled people to Work Choice. We believe this will be particularly helpful for people with learning disabilities and/ or mental health conditions, who might not go/ contact a Jobcentre Plus office and therefore would not normally come into contact with DEA services.

This recognises some of the responses we received to the original public consultation 'Helping people achieve their full potential: Improving Specialist Disability Employment Services' (December 2007), where we proposed that the Jobcentre Plus DEAs should be the 'gatekeeper' to the new programme.

Specific statutory organisations will be identified at local level following contract award. The statutory organisation will notify the service provider of the referral, which will then be generated by Jobcentre Plus using the PRaP system.

Design

2.7.1. The high level process diagram below shows the customer journey through the Work Choice programme.



Annex 1- Provides the full high level process maps for Work Choice.

2.7.2. Referrals to Work Choice will be generated by Jobcentre Plus using the PRaP system. (See para 4.54 for further information on PRaP)

2.7.3. Approved specialist organisations will also be invited to identify and refer suitable customers for Work Choice. (See para 2.6) The specialist organisation will notify the service provider of the referral and update Jobcentre Plus, who will then generate an electronic referral using the PRaP system.

2.7.4. This will then be followed by a four stage modular specialist provision delivered by suppliers or their sub contractors. The design of the programme is described in the following stages.

STAGE 1: PROVIDER INTERVIEW

2.7.5. Suppliers will need to conduct an interview for each customer within ten working days of referral. Suppliers should note that it is the role of the DEA or nominated Referral Organisation to determine a customer's suitability for the programme. Suppliers may only decline to accept a customer if their provision is full. The supplier interview should, as a minimum:

- provide the customer with information on the supplier's services, and a discussion of the features and benefits of Work Choice, what support is available and how suitable support can be tailored to meet individual needs;
- ensure agreement of clear goals and aspirations;
- conduct an employment assessment, including a discussion on support needs in work and work history;
- where the referral is made by a specialist organisation (see para 2.6), check customer benefit status to provide advice and guidance on IB/JSA/ESA benefit regime conditionality procedures whilst on Work Choice; NB Provider Guidance will be supplied in due course;
- agree and assign the customer to the most appropriate module and discuss what this means for the customer;
- complete a development plan that adheres to the principles of SSMART (i.e. that is Specific, Stretching, Measurable, Achievable, Realistic and Time bound) and initiate a distance travelled plan;
- start the customer on the programme within ten working days of the initial interview.

STAGE 2: WORK ENTRY SUPPORT – MODULE 1

2.7.6. Work Entry Support module, suppliers will need to provide:

- a choice of activities;
- individually tailored vocational guidance and development planning to help identify and address support needs (disability related and otherwise);
- personal and job-skills support, confidence building, and capacity building;

- jobsearch support – advice, job matching of individuals to identified vacancies, active sourcing of suitable jobs, and advising employers on opportunities for ‘job-carving’;
- job application support – including managing disclosure of health/disability information, CV and interview preparation, skills development, advocacy to the employer if needed;
- labour market advice and support including:
 - providing Better Off In Work calculations;
 - promoting in work benefits;
 - assisting with tax credit applications;
- close working with employers to help them see beyond perceptions of a person’s disability and help them focus on abilities and strengths;
- brokerage between employers and participants – analysing the support needed with the participant prior to the support being put into place;
- an explanation to both the participant and the employer of the appropriate types of adjustment or customisation of the workplace and the wider support available from DWP and beyond;
- knowledge of support available within the local labour market that helps the participant manage their personal circumstances which is relevant to their job aspirations;
- help for participants wanting to enter self-employment;
- for all participants entering paid employment providers must:
 - obtain assurance that the individual has settled into their workplace;
 - ensure that their transport arrangements are working;
 - ensure that the individual is receiving appropriate benefits advice;
 - with the help of the individual and employer, put into place an agreed support plan that indicates how the support they receive will change over time;
 - help the employer make independent adjustments for the individual and where appropriate, offer advice to the employer and colleagues;
 - be available to provide advice and support where, for example, an unexpected issue occurs.

There will be a contractual expectation that providers will devote a minimum of 8 hours support a week to each Module 1 participant. This is expected to increase, leading up to 16 hours, as or if the participant prepares to move into Module 2 or 3. Should the provider believe that the participant would benefit from extra time in Module 1 (up to a maximum of nine months), providers are expected to be clear about what additional support they intend to give to the participant that will help justify the need to extend the time in Module 1.

It is expected that some people will move directly into unsupported employment following completion of ‘Module 1’.

STAGE 3: IN WORK SUPPORT – MODULE 2

2.7.7. Once a participant has found paid employment, (or self employment) the supplier will work with the employer and participant to identify the support required for the participant to start work.

This module can last up to two years, although the expectation is that the majority of participants will remain on the module for a shorter period.

2.7.8. Suppliers need to be fully conversant with the range of complementary support that can be made available.
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Suppliers and participants may decide that other employees need information about working with a disabled colleague. This should be discussed.

2.7.9. Within the In Work Support module, suppliers will need to:

- discuss with the participant what their career goals are;
- discuss with the participant and employer how these goals can be met;
- agree a support package that is tailored to the needs of the individual customer which will ensure the customer is able to stay in employment and develop further;
- ensure the participant is aware of any changes to their benefit entitlement and ensure that they are receiving all appropriate in-work benefits;
- work with Access to Work Business Centres, where appropriate, to provide advice and support about accessibility solutions;
- agree, with all parties, a development plan that will normally taper off the support from the supplier;
- conduct regular reviews* with the participants and their employer to ensure:
 - agreed actions have been fulfilled;
 - the participant is making progress towards unsupported employment;
 - appropriate adjustments to the support package and the participant's roles and responsibilities can be agreed;
 - progress is recorded and agreed;
- work with other organisations;
- ensure the participant is aware of their rights as a disabled person (e.g. under the Disability Discrimination Act - DDA).

*Normally, reviews will be face-to-face meetings and involve the supplier, participant and employer.

As a minimum, providers are expected to be working with the participant, or with others on behalf of the participant, for at least 8 hours per month, in Module 2, to help progression to unsupported employment.

2.7.10. As life circumstances, including impairments, can change over time, some people are likely to start off receiving transitional support – because at the time unsupported employment looked an achievable goal – but subsequently require longer-term supported employment. A change could occur because it has become clear that the need for support is likely to be ongoing, or because the move to unsupported employment, whilst still achievable, is likely to take longer than two years.

2.7.11 When appropriate the provider will need to liaise between the participant, the employer and the DEA, as applicable, to ensure that the long term module is suitable and all is being done to fulfil the participant's needs to move them into the unsupported labour market.

Financial Incentives

2.7.12 Suppliers should note that any future financial incentives can only be offered for the duration of Work Choice contract.

STAGE 4: LONGER TERM IN-WORK SUPPORT – MODULE 3

2.7.13 The longer-term supported employment strand will focus on helping provide a stable working environment and helping the individual develop their career. This module will recognise that, for some people, there will always be a need for them to be supported in the workplace. Longer-term supported employment will have a clear focus on the ongoing development of customers through their career.

2.7.14 Suppliers need to be aware there must be a continuing focus on the possibility that each participant can move into unsupported work (such work may necessitate the use of Access to Work).

2.7.15 There are likely to be circumstances in which some participants, for example those whose support started before 2001 (when Sheltered Employment was replaced by WORKSTEP), should be encouraged and assisted into unsupported employment.

2.7.16 As part of the longer-term service there should be regular checks to ensure that participants are receiving a quality service, they are in receipt of all in work benefits and that the support they are continuing to receive remains appropriate.

Bidders are expected to set out how they will provide agreed support to long term supported employment participants.

Support Provided within Module 3

2.7.17. The support for each participant needs to be tailored for their individual support needs. Some examples of support include:

- taking on a job coach role, for example, to help a person with a learning disability adapt to new work tasks;
- delivering disability awareness training to an employer and co-workers to help them understand how everyone can contribute to a successful workplace, for example, explaining how to overcome some of the communication and social issues that may arise from working with someone with a moderate to severe form of autism;
- working with the employer and co-workers so that they become skilled in adapting tasks or training procedures to facilitate employing people with more significant disabilities; and
- helping an individual with an aspect of their home life that is adversely affecting their ability to do their job.

As a minimum, in Module 3, providers are expected to be working with the participant, or with others on behalf of the participant, for at least 4 hours per month.

Financial incentives

2.7.18 Suppliers are reminded that any future financial incentives can only be offered for the duration of the Work Choice programme contract.

Returning to the programme

2.8.1 It is recognised that a significant barrier to people progressing to unsupported employment is the perception that once they have left the provision they could find it difficult to return to it, should they need to. We would want to give people the confidence to fulfill their potential by ensuring they are aware they can return for support if they get into difficulties

2.8.2 If a supported employee leaves the programme on progression into unsupported employment, they can re-enter the programme. There is no need to re-assess their eligibility if they return within 24 months of leaving. If a supported

employee leaves for any reason other than progression, they can return within one year without eligibility being reassessed, at the discretion of the DEA.

Suppliers will need to make customers aware of their returnee rights and how to regain access to the programme when they leave.

Retention

2.9.1 Supported jobs are primarily intended for unemployed disabled people with complex support needs which prevent them from being able to work in an unsupported environment. People who become disabled whilst already in work can often retain their job with support from their employer. Under the Disability Discrimination Act 1995 employers have a duty to make "reasonable adjustments" to accommodate disabled employees. These adjustments may include adaptations to equipment or premises, or alterations to their employee's duties or conditions of service. In these circumstances Work Choice is not normally the first recourse and Access to Work support may provide the solution.

2.9.2 Where necessary, support from Work Choice may be available for newly disabled employees, or for employees whose existing disabilities change in a way that affects their work.

2.9.3 Where a customer requires retention support from the programme, the DEA will advise the provider of the customer's situation by phone and the provider will look to arrange a referral interview as soon as possible, subject to a place being available. In retention cases this referral interview can be held at the customer's place of work, should it be appropriate.

Detailed guidance will be supplied in Provider Guidance in due course

Development/Actions Plans

2.10.1 A key element of Work Choice is the Development Plan, which reflects the participants' abilities, aspirations and job goals. All participants in Work Choice must have an agreed Development Plan that is regularly reviewed, and revised if required (to reflect the needs of the individual customer). As a minimum, providers will be expected to review participants' progress on a quarterly basis, to monitor progress against what was agreed in the Development/Action Plan and to be able to demonstrate Distance Travelled.

2.10.2 The Development Plan must be developed and agreed with the participant

and their employer, if applicable. It must be signed and dated by all parties. Suppliers should ensure that all participants in their programme have a current Development Plan.

2.10.3 The Development Plan original should be retained for future Quality Management/Financial Appraisal Monitoring Checks.

2.10.4 Customers must be actively involved in discussing their circumstances and the steps needed to assist their development while on the Work Choice programme, including how they may progress to work without support where it is appropriate.

2.10.5 Suppliers may also need to consult and work with the customer's support network, which may include family, carers, social workers etc, if the person agrees with such consultation. This should also be recorded within the Development Plan.

'Distance Travelled'

2.11.1 Given the longer-term nature of support offered by Work Choice it is important that there is a mechanism for measuring progression within the programme. We refer to this as 'Distance Travelled'. Distance Travelled is defined as the "progress beneficiaries make in terms of achieving soft outcomes that lead towards sustained employment or associated hard outcomes". Based on this definition, distance travelled within Work Choice can be defined as "the progress supported employees make towards achieving outcomes that can lead to sustained open employment". It can also be used for those remaining on long term supported employment to ensure they maintain skills to continue meeting the requirements of the job.

2.11.2 We will expect a distance travelled mechanism to form a vital part of the planning and ongoing monitoring of the participants' development throughout their period on the Work Choice programme.

2.11.3 The University of Northumbria's report 'Developing a Distance Travelled approach in WORKSTEP development planning' is one recommended example.

It can be accessed via the following link:

<http://research.dwp.gov.uk/asd/asd5/rports2009-2010/rrep566.pdf>

Exit Report

2.12.1 A key element of Work Choice is the Exit Report, which reflects the participant's provision history, exit reason and recommended next steps. Customers who leave the programme should have an Exit Report developed and agreed when possible to do so. The Exit Report will need to be sent through to the nominated DEA for them to be able to consider the next steps for the customer.

Self Employment

2.13.1 In some cases the most suitable and effective type of employment for a customer might be self employment. In circumstances where this is the case we would expect the provider to support the customer in realising this goal. We would expect the provider to be able to identify suitable avenues the customer can access to receive additional support to enter and sustain self employment. Some of the support that may be given, or arranged, by the provider includes:

- self employment vocational profiling;
- benefit advice, including tax credit, self employment test trading rules and regulations;
- accessibility solutions;
- identifying training needs (i.e. accessing business courses);
- sign-posting to help and advice services;
- accessing funding where possible;
- ongoing mentoring and support ;
- networking opportunities.
- help to produce a business plan and undertake market research.

Jobseekers Regime and Flexible New Deal (JRFND)

2.14.1 A customer within the first 12 months of JRFND (stages 1 to 3) can have access to Work Choice. The customer would still be expected to attend fortnightly signing at their local Jobcentre Plus. The customer remains subject to JSA conditionality and the regime and therefore must continue to comply with benefit requirements, attend back-to-work discussions and 13 & 26 week reviews.

2.14.2 JRFND Advisers should take customers' activity into account at all stages of the regime and the customer will exhibit their Work Choice action/development plan as evidence of back to work activity. The Adviser has discretion to decide if this

activity fulfils some/all of the requirements to undertake up to 3 mandatory activities at stage 3, and the Adviser will agree the frequency of the interviews.

2.14.3 A customer who is on the second 12 month stage of JRFND (stage 4), can have access to Work Choice. The customer would still be expected to attend fortnightly signing at their local Jobcentre Plus. The customer remains subject to JSA conditionality and the regime and therefore continues on FND and Work Choice at the same time whilst in Module 1. We would expect the FND Adviser and the Work Choice programme provider to work together to support the customer in achieving their employment goals.

Pathways to Work

2.15.1 Where a customer has volunteered to join Pathways to Work from the ESA support group and it is subsequently identified that Work Choice is more suitable to support the customer's needs, the customer can have access to Work Choice, but must leave Pathways to Work to do so.

2.15.2 Where a customer has been mandated onto Pathways to Work and it is subsequently identified that Work Choice is more suitable to support the customer's needs, the customer can have access to Work Choice.

2.15.3 The customer remains subject to Pathways conditionality and the regime and therefore continues on Pathways and Work Choice at the same time. The Pathways and the Work Choice provider will work closely together to support the customer in realising their employment goals.

2.15.4 Customers will take part in all stages of Pathways applicable to them and ensure they take their up-to-date Work Choice Development Plan with them to demonstrate to the Pathways adviser the activities in which they are taking part.

2.15.5 This process is currently under review and further information will be available at a later date.

Access to Work (AtW)

2.16.1 The underlying principle of Access to Work is to fund the additional support required to enable someone with a disability to overcome practical obstacles and enable them to do their job.

2.16.2 AtW does not fund normal business running costs or general costs that every employer and employee has.

2.16.3 AtW can support the additional costs of disabled people in self employment and home working, but only in relation to the disability-specific need, not for the normal set up or running costs of a business

2.16.4 There are a number of elements (or types of support) within AtW, some of which are one-off payments and some ongoing funding:

- adaptations to premises and equipment – one off payment;
- specialist equipment – one off payment;
- travel to work – ongoing funding;
- travel in work – could be ongoing or ad hoc;
- support workers of many kinds - ongoing funding;
- communication support at job interview – one off payment.

2.16.5 AtW would only be available for people in employment, self employment or people in receipt of a firm job offer, so would not be available to every customer in module 1 of Work Choice.

2.16.6 Anyone moving into unsupported work at any point would be able to make a claim to AtW in the normal way.

2.16.7 People moving into supported work would be entitled to claim AtW for long term or more expensive support but not for short term support designed to settle them into their job, as this is the role of the Work Choice provider. To avoid double-funding, providers will not be able to claim Work Choice funding in respect of costs covered by AtW funding.

So people in supported work would be able to claim:

- adaptations to premises;
- specialist equipment;
- support worker for personal care;
- BSL interpreter or other support worker for ongoing and regular communication support;
- travel to work and travel in work;
- flexible job coach.

2.16.8 Service providers (or an expert with whom they contract) will assesses the support requirement of the individual, this will include:

- discussing reasonable adjustments and DDA responsibilities with the employer before any AtW applications are made;
- discussing with the individual how their support needs may reduce over time, e.g. they may need a support worker all the time at the start of their job but that need may decrease over time as they become used to the job;
- making the employer aware that they will be responsible for any normal cost share;
- supporting the customer in completing an AtW application.

The process for submitting AtW applications will need to be agreed with the Jobcentre Plus Access to Work team. They will however aim to make this as straightforward as possible.

It should be noted that the ultimate decision on the eligibility of customers for Access to Work and, if eligible, the types and level of support they should receive, will rest with the Jobcentre Plus Access to Work team.

2.16.9 The AtW programme is being expanded and developed to make it more responsive to the needs of customers with particularly complex support needs, such as mental health conditions, moderate to severe learning disabilities and fluctuating conditions. The role of job coaches is being developed so that they can be drawn on as required. The programme is also developing ways to work with third-sector organisations and employers so employers can become more engaged in supporting staff with mental health problems and other fluctuating conditions, building a greater capacity from within to assist their employee. This approach should help increase the confidence of the employee and remove the uncertainty from the employer. Further information on this aspect of AtW and its availability to support customers whilst on Work Choice will be available within Provider Guidance.

In all cases the application will be in the customer's name and the customer will be responsible for notifying any changes in circumstances.

TRANSITIONAL STAGE

2.17.1 There are up to 14,000 WORKSTEP participants, the majority of whom are employed, but there are a small number of participants who are registered with providers who have not yet found work. Consequently, arrangements will need to be made to move participants to new suppliers and for each individual to be re-

assessed to ensure they continue to receive the support they need within the new programme. This will require a carefully managed transition plan for participants who will transfer from existing to new suppliers and **potential suppliers' attention is particularly drawn to the importance of this element and the information given in the following paragraphs.**

2.17.2 Transitional arrangements for existing Work Preparation and WORKSTEP suppliers will be put in place to ensure that participants referred to the current programmes prior to start of Work Choice will be able to either complete provision, (in the case of Work Preparation) or in the case of WORKSTEP, access the appropriate module with all the appropriate support from the first day of the new programme. This will involve joint working between the existing and new supplier.

2.17.3 An individual support package needs to be agreed and in place for all 14,000 (approx) transitional WORKSTEP participants and this work will need to be carried out, by the new suppliers, between contract award date and implementation in October 2010.

Suppliers will want to understand the possible scale of transitional activities within their contract package areas. Please see Annex 2 for a table indicating how many participants are currently employed within the programme.

Work Preparation

2.18 New suppliers will not be required to support participants on existing Work Preparation provision. Existing suppliers will offer starts on provision up to and including the last day of their contract. All participants will be allowed to complete 13 weeks on the programme and contract extensions of up to 13 weeks will be offered to existing suppliers, where appropriate.

Referrals to WORKSTEP

2.19 WORKSTEP suppliers will continue to accept referrals up to and including the last day of the contract, after which point all referrals will be made to the new Work Choice programme suppliers.

Participants Currently on WORKSTEP

2.20.1 WORKSTEP suppliers will continue to support participants up to and including the last day of the contract.

2.20.2 As part of the transitional requirements to support a smooth handover of transferees, new suppliers will need to ensure that they:

- work closely with the existing provider to ensure a smooth and seamless transition for participants;
- confirm that existing WORKSTEP participants (including pre-employment participants and those referred during the period between contract award and start of the new contracts), have made an informed decision whether or not to transfer to Work Choice;
- conduct an assessment of the support and development needs for each existing WORKSTEP participant in the contract package area during the transitional period, prior to go-live;
- ensure that WORKSTEP participants who have decided to transfer to Work Choice have been allocated to the appropriate module;
 - check that participants transferring to Work Choice have agreed the range and extent of support and know who to contact in the event they have questions or concerns;
- have support arrangements in place to help existing WORKSTEP participants understand the changes;
 - effectively communicate the changes to employers of WORKSTEP participants;
- in appropriate cases, to ensure the family of a transferring participant and / or any other party that provides support to the participant understands the key features of Work Choice and the range and extent of support the participant will receive.

N.B. It should be noted that some participants who began work under the Supported/Sheltered Employment Programme (the predecessor programme to WORKSTEP) and who are working fewer than 16 hours may transfer to the new programme and continue to receive support. Provided their support needs remain unchanged, they will not be required to increase their hours to 16 or more.

Of the 13,480 individuals in WORKSTEP Supported Employment at 1st January 2009, 5,170 (38%) are estimated to be SEP participants based

on their recorded start date on the programme being before 1st April 2001. (Data sourced from WORKSTEP Evaluation Database).

Working with Supported Businesses and Employers of WORKSTEP Participants

2.21.1 A key aim of transitional activity is to ensure continued stability of employment for existing WORKSTEP participants.

2.21.2 Therefore, the project requires new suppliers to:

- ensure prompt payment to supported businesses of the monies paid to suppliers for that purpose;
- ensure arrangements are in place for prompt payment of any financial incentives agreed between existing WORKSTEP suppliers and employers to support participants in employment;
- not enter into discussions or agreements before contract start, to reduce or withdraw financial incentives;

- ensure employees of current suppliers (including and WORKSTEP participants) affected by TUPE have been dealt with in line with the requirements of the TUPE Regulations 2006 and associated Codes of Practice;
- ensure employers of WORKSTEP participants have been advised of the key features of Work Choice and have had the opportunity to raise questions about the support arrangements of any of their supported employees;
- work with supported businesses to agree payment arrangements in respect of payment by the prime provider for protected places in those businesses.

Transition Aims

2.22.1 Work Preparation, WORKSTEP and Job Introduction Scheme (including any run-on and outcome tracking) are closed on stipulated dates.

2.22.2 Transition for WORKSTEP participants to Work Choice provision is seamless – there are no negative impacts for them.

2.22.3 All parties to Work Choice transition (participants, providers, supported businesses, employers and DWP/JCP staff) understand what will happen when, and why.

Transition Success Criteria – i.e. circumstances that must exist on Day One of Work Choice

2.22.4 All employed WORKSTEP participants (approximately 14,000) choosing to move to Work Choice provision remain employed at their current work location and with their current (or better) terms and conditions, including pension rights.

2.22.5 All WORKSTEP participants choosing to move to Work Choice provision have discussed and agreed with their Work Choice provider (whether prime or sub-contractor) which Module and what nature and level of support will enable them to progress to unsupported employment, where it is appropriate. They have access to that support from the first day of the Work Choice programme.

2.22.6 Employees of current providers (including any WORKSTEP participants) affected by TUPE have been dealt with according to all appropriate employment law.

2.22.7 Employers of WORKSTEP participants understand the nature and level of support that they will receive from Work Choice providers.

2.22.8 There are no delays in payments of financial incentives to employers of WORKSTEP participants.

2.22.9 There are no delays in payments to Supported Businesses in respect of payments for protected places.

Some hypothetical examples of possible Transition scenarios can be found in the Supporting Information, Annex 7. Fuller details of Transition issues are in Annex 10.

TUPE and Pension Protection Activities

2.23 DWP is currently exploring how best to support suppliers in dealing with any potential TUPE (including Public Sector Pension Protection requirements) for:

- staff of existing suppliers who are employed to deliver the current programmes;

- WORKSTEP participants employed by the supplier within a host organisation; and
- WORKSTEP participants employed within a supported business.

Annex 4 provides further guidance on TUPE.

Suppliers will be required to provide details of plans for supporting the management of people issues relating to current WORKSTEP and Work Preparation staff and participants where TUPE may not apply.

Suppliers' response should include plans for working with existing employers to resolve potential disputes about the applicability of TUPE and for developing solutions for those participants whose contract of employment may be adversely affected by a change in service provider.

Re– referrals to Work Preparation & WORKSTEP

2.24 All re-referrals up to and including the last day of the WORKSTEP contract will be made to existing suppliers. Re-referrals after the start of Work Choice will be made to the new supplier.

Management Information

2.25.1 The supplier will be expected to provide any additional management information as required by DWP to support management of performance.

2.25.2 Regular management information required from suppliers by DWP will be included in more detail in the DWP Supplier Guidance, including the arrangements for collection of data and the timetables for returns. Where DWP requires additional information, suppliers must complete and return this within the agreed time limits. DWP will work with suppliers in developing the management information process.

Supplier Performance Targets

2.26 The Work Choice programme has three national key performance indicators:

- as a minimum, we expect 55% of new participants who start provision to achieve a supported employment outcome;
- as a minimum, for every hundred participants who either start or transfer onto Work Choice, we expect 30% to achieve an unsupported employment outcome, which should be for a minimum of 16 hours per week and be

expected to last 13 weeks, or to have lasted for 13 weeks. For customers entering self employment, the customer must have traded independently for 13 weeks;

- as a minimum, for every hundred participants who achieve an unsupported employment outcome, we expect 60% of these to be sustained in unsupported employment for at least 26 out of 30 weeks. This work must be at least 16 hours per week. Breaks in employment should not exceed 4 weeks. For self employment, once the customer has traded independently for 26 weeks out of a 30 week period the supplier can claim the sustained employment outcome.

Annex 2 provides details of the performance expectations at contract package level.

Critical Success Factors

2.27 The critical success factors (CSFs) for the Work Choice programme, are defined as the areas where suppliers will need to be successful in order to deliver the overall aims of the programme, as follows:

- suppliers will ensure that effective transition arrangements have been implemented and customer service maintained for all customers;
- suppliers will ensure every customer receives a level and type of support appropriate to their individual needs, by means of scrupulous assessment and allocation to the most appropriate Work Choice module;
- suppliers will deliver a service that represents excellent value for money and a step-change improvement in performance compared with previous programme. There will be an increase in the cost effectiveness of the programme and benefit to the Exchequer (measured by cost benefit analysis);
- suppliers will deliver high quality provision to all customers in line with the DWP Quality Framework and achieve high standards at external inspection by developing their continuous improvement strategy in line with the relevant Common Inspection Framework. (Section 4 describes in more detail elements of the service requirement that relate to quality, evaluation, performance and contract management);
- suppliers will deliver an increase in the overall number of people helped through the new programme ensuring a greater focus on disabled people with

- the highest support needs who cannot best be served by Jobcentre Plus mainstream provision (details of performance targets are at 2.26, above);
- suppliers will deliver an increase in the percentage of individuals who progress into sustained unsupported employment for the same funding envelope;
 - suppliers will ensure the new programme contributes to an increased level of employment for disabled people, particularly people with learning disabilities and mental health conditions (the PSA16 target group – see 3.5);
 - suppliers will liaise effectively with JCP, including the DEA, enabling them to understand and use Work Choice provision effectively for the benefit of their disabled customers.

3. ELIGIBILITY AND TARGET GROUP

3.1. Participation will be voluntary and any candidate for Work Choice must be disabled as defined by the [Disability Discrimination Act 1995](#), amended 2005.

Suitable candidates for Work Choice:

- experience complex work-related support needs arising primarily from disability; AND
- have requirements in work which cannot be overcome through workplace adjustments required under the Disability Discrimination Act and/or Access to Work support; AND
- need support in work as well as help with finding work, AND
- Cannot be helped through other DWP programmes

Link to Disability Discrimination Act 1995 -

http://www.opsi.gov.uk/acts/acts1995/ukpga_19950050_en_1

3.2. Target groups are those with complex disabilities for whom other DWP provision is not appropriate and those who are in work but under threat of losing their job as a result of their disability.

3.3. It should be noted that mandatory provision for certain jobseeker groups will take precedence over Work Choice provision, provided it is able to meet the disability-related needs of the customer.

3.4 It should be further noted that **suppliers of Work Choice will not be able to recruit directly onto the programme.**

In addition to Jobcentre Plus DEAs, a limited number of organisations (e.g. potentially Social Services and Secondary Mental Health Services) will be able to directly refer suitable disabled people to Work Choice. We believe this will be particularly helpful for people with learning disabilities and/ or mental health conditions, who might not go/ contact a Jobcentre Plus office and therefore would not normally come into contact with DEA services.

This recognises some of the responses we received to the original public consultation 'Helping people achieve their full potential: Improving Specialist Disability Employment Services' (December 2007), where we proposed that the Jobcentre Plus DEAs should be the 'gatekeeper' to the new programme.

Specific statutory organisations will be identified at local level following contract award. The statutory organisation will notify the service provider of the referral, which will then be generated by Jobcentre Plus using the PRaP system.

Public Service Agreement 16

3.5 Although employment rates for disabled people have been improving, two groups, people with learning disabilities and mental health conditions, continue to have unacceptably low employment. For people with moderate and severe learning disabilities and severe mental health conditions this is estimated to be at around 10%. To reflect the importance of these groups the government has introduced specific improvement targets in the form of Public Service Agreement 16 (PSA16). This is led by the Cabinet Office with the Department for Work and Pensions, the Department for Business, Innovation and Skills, the Ministry of Justice, the Department for Children, Schools and Families, the Department of Health and the Department for Communities and Local Government. Further information on PSA16 can be obtained through the links below:

http://www.cabinetoffice.gov.uk/social_exclusion_task_force/psa.aspx
http://www.hm-treasury.gov.uk/d/pbr_csr07_psa16.pdf

3.5.1 To drive progress against these indicators, the Government has committed to cross Government employment strategies for both groups. *Valuing Employment Now: Real Jobs for People with Learning Disabilities* was published on 24th June 2009¹ and the Government will publish the National Mental Health and Employment Strategy later in 2009. These strategies will need to be considered, alongside the new programme, as they are intended to support the Government's commitment to increase the employment rate of these two groups.

3.6 The Work Choice programme will contribute to an increased level of employment for disabled people, particularly, (but not exclusively) for customers with learning disabilities and mental health conditions. There is a wide cross government interest in achieving an improvement in the employment rate for customers who are covered by PSA 16. DWP, the Cabinet Office and the Department of Health are working closely together to provide a range of support. Partnership working is key to meeting the complex needs of these groups and it will be important for providers to show how they will work with local services provided by the Department of Health, Local Authority Social Services and specialist education establishments to ensure

¹

http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_101401

customers have access to the full range of support they need to ensure successful transition into employment. We are considering how appropriate local specialist organisations, which already offer support to these customers, could have direct access to Work Choice. Further detail on this will be set out in Provider Guidance.

3.7 Through Work Choice, we want providers to deliver innovative approaches to working with these groups based upon best practice and evidence based approaches. There are existing models of good practice for both of groups. Typically, these bring together relevant customer support arrangements and funding into a single delivery team, are based on a 'place and train' model, and target, from the outset, real jobs of at least 16 hours per week. We are interested in asking providers to consider how the principles of evidence based models can be delivered and improved upon through the new service. Providers may also wish to put forward their own ideas based upon other approaches.

3.8 For people with severe mental health conditions, we are aware, for example, of the "Individual Placement and Support" approach supported by the Sainsbury Centre for Mental Health. The seven key elements include:

- aiming to get people into competitive employment;
- ensuring it is open to all those who want to work;
- trying to find jobs consistent with peoples preferences;
- working quickly;
- bringing employment specialists into clinical teams;
- providing time unlimited, individualised support for the person and their employer;
- benefits counselling.

This model has achieved significant outcomes and one study found that this model is twice as effective as traditional vocational rehabilitation. Further information can be found at: http://www.scmh.org.uk/pdfs/briefing37_Doing_what_works.pdf

3.9 For people with moderate and severe learning disabilities, supported Employment is a well-evidenced way for people to access and retain open employment, with support. Within this, a 'customised' approach starts from the premise that severely disabled people may not be able to compete in the labour market, even with reasonable adjustments. A job coach therefore negotiates a bespoke ('customised') job that matches the individual's interests and talents, before supporting the person in work as with supported employment.

3.10 **Project Search** is an internships programme running in the Norfolk and Norwich University Hospital, Leicester City Council and Leicester College since 2008. Over a year, students with learning disabilities rotate through a series of

placements, with the opportunity for many to then gain permanent work with the host employer, and the others work-ready and supported to find jobs elsewhere. The model was developed by Cincinnati Children's Hospital 13 years ago and now runs in 120 US sites including many hospitals, banks, universities and the Department of Labor. In 2003-2005, 78% of students secured real jobs either with the host employer or elsewhere.

3.11 Valuing Employment Now announced the extension of these pilots to other areas. Successful suppliers will be expected to work collaboratively with these organisations.

http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_101401

<http://www.cincinnatichildrens.org/svc/alpha/p/search/>

4. QUALITY, EVALUATION, PERFORMANCE AND CONTRACT MANAGEMENT

Purpose

4.1. This section describes elements of the contracted employment provision that relate to quality, evaluation, performance and contract management. Key policy areas covered are:

- the Provider Capabilities Framework;
- quality and inspection (including the DWP Quality Framework);
- contract management;
- financial appraisal and monitoring;
- Star Rating;
- evaluation.

Introduction

4.2. DWP is committed to raising the standards of its contracted provision. Continuous improvement is an integral part of our contracting arrangements. Our intentions for developing a high-performing supply chain are set out in the DWP Commissioning Strategy. Suppliers are required to apply the principles set out in the DWP Quality Framework which provides the foundation for maintaining and improving the quality of DWP contracted employment provision.

4.3. Continuous self-assessment and development planning are key aspects of quality improvement and all DWP suppliers are expected to produce an annual Self Assessment Report which feeds into the Contract Management review process.

The Provider Capabilities Framework

4.4. The DWP Commissioning Strategy introduces the Provider Capabilities Framework. The framework spells out the specific capabilities and requirements that make up a high-performing supply chain and an effective prime contractor. DWP will contract, inspect, manage and intervene on the basis of these capabilities and requirements.

Principles

4.5. The capabilities described in the framework will need to be demonstrated by the supply chain as a whole. Some individual capabilities will be relevant to the prime contractors; others will more likely be evidenced by sub-contractors or partners. Some will need to be demonstrated by everyone.

4.6. DWP will work with organisations who share our commitment to promote equality in the workplace. We will ask potential suppliers about their equal opportunities policies as employers and will work with suppliers to raise the employment of under-represented groups, amongst other key equality outcomes. We want to contract with organisations that are prepared to work with us to make progress within their own workforce and supply chain; we believe this is an indispensable part of demonstrating the capability to deliver employment services to our customers.

4.7. Some capabilities will be reviewed as part of supplier management. This will include:

- ability to understand what works best for people who have complex disabilities and to describe the evidence base and preferred models of support, in particular for people who have mental health conditions or learning disabilities;
- ability to work effectively with other delivery partners, including those in the public sector, notably Jobcentre Plus, skills organisations and local authorities;
- ability to build good working relationships with other agencies working with disabled groups e.g. mental health teams, social services, further education colleges etc;
- rigorous performance management;
- case management to assist people, particularly disadvantaged people, into sustained employment;

- strategic employer engagement to provide suitable and sustained jobs and a sound employer-facing infrastructure;
- local labour market knowledge and identification of skills needs and job opportunities;
- specialist understanding of sources of disadvantage and strategies to overcome it for all customer groups based on evidence;
- capacity and capability to respond to changing economic conditions.

4.8 Many will also be reviewed as part of the suppliers' self-assessment process and external inspection, which will then inform the contract management review process. Some may best be evidenced by this process such as:

- assessment of customer needs, and flexibility and personalisation in assisting them into employment;
- excellent customer experience;
- investment by suppliers in the development of their own staff and their supply chains.

DWP Quality Framework

4.9 Suppliers must invest in and be active in their own improvement and development. DWP will be actively involved in shaping and promoting the infrastructure that supports continuous improvement.

4.10 The DWP Quality Framework provides the basis of our approach to maintaining and improving all DWP Contracted Employment Provision.

4.11 Key principles of the DWP Quality Framework are:

- learning and development Plans;
- continuous self-assessment and development planning;
- management and review;
- commitment to develop and share good practice;
- independent external inspection.

External Inspection

4.12 Suppliers of DWP contracted employment provision are subject to external inspection by Ofsted in England and Estyn in Wales. This is to provide assurance to the taxpayer, through the Secretary of State for Work and Pensions, that publicly funded provision is delivering a quality service. DWP are implementing an inspection

regime with Her Majesty's Inspectorate for Education (HMIE) in Scotland from January 2010.

External inspection will be crucial when assuring supplier commitment to the capabilities framework. DWP will work with the Inspectorates to ensure that their inspection processes remain focused and relevant.

4.13 The primary focus of inspection is the experience and expectations of customers on provision, looking at:

- the evaluation of standards and achievements;
- the quality of training and learning;
- the effectiveness with which provision is managed, quality assured and improved;
- how efficiently resources are used to ensure value for money;
- the extent to which provision is educationally and socially inclusive;
- whether it promotes equality of access to employment and skills opportunities.

4.14 The key purpose of inspection is to:

- give an independent public account of the quality of provision, the standards achieved and the efficiency with which resources are managed;
- help bring about improvement by identifying strengths and weaknesses and highlighting good and poor practice;
- keep the Secretary of State and the funding body informed about the quality and standards of DWP contracted employment provision.

4.15 Ofsted, Estyn and HMIE have Inspection Frameworks which they use to make judgements about the quality of the provision. Ofsted and Estyn are in the process of making changes to their Common Inspection Frameworks. The new frameworks will be used for the inspection of DWP contracted employment provision in England and Wales from April 2010.

4.16 The current inspection frameworks and details of the proposed changes are available on the Inspectorate's websites

Ofsted - www.ofsted.gov.uk

Estyn - www.estyn.gov.uk

HMIE - <http://www.hmie.gov.uk/>

4.17 The DWP Provider Guidance chapter 16 and 17 gives current information on self-assessment and external inspection. This will be updated to reflect the changes to Ofsted and Estyn's Common Inspection Framework and the introduction of

inspection in Scotland from January 2010. The DWP Provider Guidance is available at the following links:

<http://www.dwp.gov.uk/docs/pg-chapter-16.pdf>

<http://www.dwp.gov.uk/docs/pg-chapter-17.pdf>

4.18 DWP will work with the external inspectorates and key stakeholders to develop an inspection model and guidance which is appropriate for the new programme once it is operational.

4.19 Suppliers must co-operate fully with all representatives of Ofsted in England, Estyn in Wales and Her Majesty's Inspectorate of Education in Scotland.

Partners

4.20 In England, we will work with the Department for Business, Innovation and Skills (DBIS), the Learning and Skills Council (LSC) and the new Further Education (FE) sector improvement organisation. The Learning and Skills Improvement Service is the new sector-owned body, formed from the Centre for Excellence (CEL) and the Quality Improvement Agency (QIA) to develop excellent and sustainable FE provision across the sector to develop integrated improvement strategies covering employability and skills provision and advisory services.

4.21 In Scotland, we will seek to align our services with those of the new skills body, Skills Development Scotland. In Wales, we will work closely with the Welsh Assembly Government and the new Wales Employment and Skills Board on the ongoing development of this shared agenda.

4.22 We will work with Lifelong Learning UK (<http://www.lluk.org>) to ensure that the implementation of the Workforce Strategy for the Further Education Sector in England and our framework are aligned.

4.23 We will work with the Office of the Third Sector and Devolved Administrations to identify ways in which specific support can be developed that will help third sector organisations grow and flourish in the welfare to work market.

Quality of provision delivered

4.24 The supplier will be responsible for ensuring that customers have access to suitable, high quality support and guidance in a way that provides a good service and an excellent customer experience. It must be clearly understood that the prime provider will be responsible for all sub-contractors in this matter.

4.25 For Work Choice to offer the most effective support possible to customers a number of key features need to be integral to its delivery. Suppliers must:

- demonstrate comparable employment impact/outcomes across different types of disabilities;
 - demonstrate innovative approaches to working with those with the most complex support needs in work based upon best practice and evidence based approaches;
 - focus strongly on performance;
 - deliver quality support;
 - provide minimum standards of support for all;
 - build strong links with local employers and key partner organisations;
 - support the DWP Diversity and Equality policy.
- NB This list is NOT exhaustive.

Contract Management

4.26 Work Choice contracts will be managed using the Contract Management Framework (CMF). This sets out a standard process for managing CEP supplier performance based on an assessment of risk against a range of factors including contract value, performance and an assessment of quality.

4.27 Suppliers of Work Choice will need to take responsibility for managing issues and addressing poor performance with sub-contractors. Suppliers will be responsible for ensuring that sub-contractors meet all performance, quality, equality and legislative standards. This must include ensuring they understand their duty towards the protection of vulnerable adults.

Please see Annex 8 for detailed description of Supply Chain Tiers

4.28 Suppliers of Work Choice will be managed by the Supplier Relationship Management (SRM) Teams in DWP. These teams which are based in Sheffield, Edinburgh and London have responsibility for the development and maintenance of working relationships with our major suppliers. Some smaller suppliers may be managed by the Local Procurement Management (LPM) teams which are based throughout the country.

4.29 DWP's Contract Management Framework is moving away from a basic contract compliance model and into an approach where we will be able to share future thinking and insights from other delivery/management experience, jointly identifying opportunities for efficiency gains or better outcomes. We will be looking to suppliers to signal changes they are experiencing in customer characteristics so that we can factor those changes into policy development.

4.30 The contract management process incorporates monthly analysis of management information, performance management, quality assessment and customer satisfaction feedback.

4.31 The supplier will need to appoint a named Supplier Manager who shall cooperate with the DWP Contract Manager to ensure that the Work Choice programme is delivered as specified in the Contract, that the quality of service is high and that required standards and performance levels are met. Any change to sub-contractors must be agreed in advance with DWP Contract Manager.

4.32 The SRM/LPM team will regularly monitor the supplier's performance and will conduct regular supplier performance reviews. The risk assessment will inform the frequency of reviews. There will also be informal meetings and reviews, as required, to address specific issues.

4.33 Suppliers will also be required to attend provider engagement meetings with Jobcentre Plus to discuss local issues related to performance. These meetings will be important to develop good local working relationships with Jobcentre Plus and provide an opportunity to address local operational delivery issues.

Sub-Contractors

4.34 The responsibility for managing and monitoring the performance and quality of sub-contractors will rest entirely with the prime contractor who will be required to ensure that the terms of the contract with DWP are fully reflected in the terms of contracts with all sub-contractors; they adhere to the Code of Conduct; they have appropriate Safeguarding policies in place and they shall be bound by the same obligations as will apply to the prime. This means that primes will need to ensure that sub-contractors understand the objectives of the provision, and their part in the delivery of this, so that there is no compromise in the levels of quality and performance.

4.35 Specifically primes will need to:

- contract manage and support sub-contractors closely;
- ensure that they have in place appropriate administrative systems;
- have appropriate arrangements in place to check health and safety requirements (included in the HSQ1) of sub-contractors;
- make sure sub-contractors are aware and have a copy of DWP guidance; and
- ensure that DWP have right of access to sub-contractors.

4.36 In particular, prime contractors will be responsible for ensuring that sub-contractors meet performance, quality, DDA, Disability Equality Duty, Human Rights Act, Health and Safety regulations and Data Protection Act standards and will need to take responsibility for managing issues and addressing poor performance within sub-contractors.

4.37 The DWP will reserve the right to exercise its discretion to veto the use of any proposed sub-contractor(s) before, during and after the award of any contract.

Please see Annex 8 for detailed description of Supply Chain Tiers

Contracted Employment Programme Assurance Function (formally FAM)

4.38 The primary purpose of the CEP Assurance function is to provide the DWP Employment Group (EG) Delivery Director with an assurance that payments made to DWP Contracted Employment Programme Providers are in accordance with DWP and Treasury requirements, that public funds are protected and that value for money has been obtained. This is achieved through the operation of a national standard risk based approach to CEP Assurance work.

4.39 The CEP assurance function will operate at a national level enabling them to present CEP providers operating across regions with a single view of the effectiveness of their systems – each provider will have a nominated Senior Assurance Manager going forward and therefore a single point of contact within DWP for management of assurance related issues/concerns.

4.40 The work of the CEP Assurance team is delivered primarily by visiting providers to review the systems of internal control in place to manage the risks to DWP in relation to CEP expenditure. This will include the arrangements they have in place for their sub-contractors.

4.41 At the conclusion of their visit the CEP Assurance Team will discuss their findings with the provider and subsequently produce a report which will include an assurance rating for the overall system and an action plan detailing areas where control could be improved if necessary.

4.42 CEP Assurance will feedback to contract managers and other key stakeholders any relevant issues.

Audit requirements

4.43 The supplier will arrange, where necessary, access to any of their delivery locations, including those operated by sub-contractors. More details will be included in the DWP Provider Guidance.

The Star Rating System

4.44 The Star Rating System is a supplier performance tool that has been recently developed in conjunction with existing DWP suppliers. It is derived from three key performance areas, each of which has a number of Key Performance Indicators (KPIs), weighted as follows:

- 70% job outcomes comprising
 - 10% for a supported job outcome
 - 30% for an unsupported job outcome
 - 30% for an unsupported sustained job outcome

- 20% quality; and
- 10% contract compliance.

The Star Rating is a four-measure scale with four stars being the highest and one star being the lowest. Each supplier will be awarded a Star Rating for each contract package. Scores are calculated out of a maximum of 100 Star Rating Points and Stars awarded as follows:

Star Rating Points	Star Ratings Awarded
75 points and over	4 Stars
Under 75 points and 60 points and above	3 Stars
Under 60 points and 45 points and above	2 Stars
Under 45 points	1 Star

Outcomes

4.45 The KPI for job outcomes is based upon relative assessment. The relative assessment element compares performance against targets set out in each individual contract and ranks these against the other contracts delivering the

same provision. Points are then awarded to each contract dependent upon where it appears in the ranked order.

Quality

4.46 the suppliers quality score is taken from their completed Quality Assessment Questionnaire. The QAQ includes key questions from Ofsted's Common Inspection Framework and forms part of the contract management review process

Contract Compliance

4.47 Compliance is made up of two absolute measures. The first is an assessment made by the Contract Manager about contract compliance, measured against a set of agreed benchmarks. The second measure is the contract's Financial Appraisal and Monitoring Risk Rating.

As an illustration you can learn more about Star Rating as it applies to Employment Zones at [http://research.dwp.gov.uk/supplyingdwp/what we buy/starrating.asp](http://research.dwp.gov.uk/supplyingdwp/what_we_buy/starrating.asp)

Evaluation

4.48 DWP will require additional information from suppliers in order to monitor and evaluate the success of provision and their management and delivery of it. Suppliers must co-operate fully with any evaluation activity commissioned by Jobcentre Plus and/or DWP.

4.49 Independent evaluation will be an important element of Work Choice. It will seek to investigate the extent to which the programme meets its objectives and critical success factors. This will include comparisons with previous initiatives for the same customer groups.

4.50 The evaluation will be concerned with outcomes, such as job outcomes, proportions leaving benefit, skills outcomes and earning. It will also be concerned with processes, for example, the continuity of service between Jobcentre Plus and Work Choice suppliers, the customer experience and the nature and organisation of provision.

4.51 The evaluation will also seek to understand and measure the customer experience. The evaluation will be contracted out to research organisations with the

appropriate expertise within this field but managed by DWP. Suppliers must participate fully in the evaluation.

4.52 Researchers will wish to visit and interview suppliers and other delivery partners, Jobcentre Plus, customers, employers and other strategic partners involved in service delivery. Suppliers will be contacted in advance of the fieldwork and given information on how the evaluation will impact on their time. The findings will be disseminated to all suppliers in order to facilitate a greater understanding of how to engage successfully with customers. Evaluation findings will also be published as part of the DWP research series.

4.53 Given the importance of supply chain management within the prime contractor procurement model, one strand of the evaluation will look at the management of sub-contractors and wider Third Sector involvement.

Provider Referrals and Payments System

4.54 From October 2009, DWP will introduce an automated Provider Referrals and Payments (PRaP) system to replace the current clerical processes for new Contracted Employment Provision. PRaP will deliver a quicker, more secure and accurate service for customers and suppliers.

4.55 Suppliers will be able to use a standard web browser (Internet Explorer or Mozilla Firefox) to access PRaP following user authentication via the Government Gateway. Suppliers will be able to download referral information such as contact details and other relevant customer data.

4.56 Suppliers will need to record certain actions within PRaP e.g. start dates, leaver dates and outcomes. PRaP will automate payments of monthly service fees and payable outcomes as appropriate.

4.57 Direct access to PRaP will be limited to prime providers, and, as suppliers will have access to some personal customer data, they will need to comply with the DWP Security policies and the Data Protection Act for onward transfer of this data through their own systems.

4.58 DWP Minimum Security Standards can be found at Annex 9. These are not new but DWP will need assurance that suppliers are compliant with them before they will be given access to PRaP. This will be done via a Security Plan which suppliers will be asked to submit during the tendering process. The standards will be included in the contract Terms & Conditions, and suppliers should make them available to their planning and IT departments.

5. EUROPEAN SOCIAL FUND REQUIREMENTS

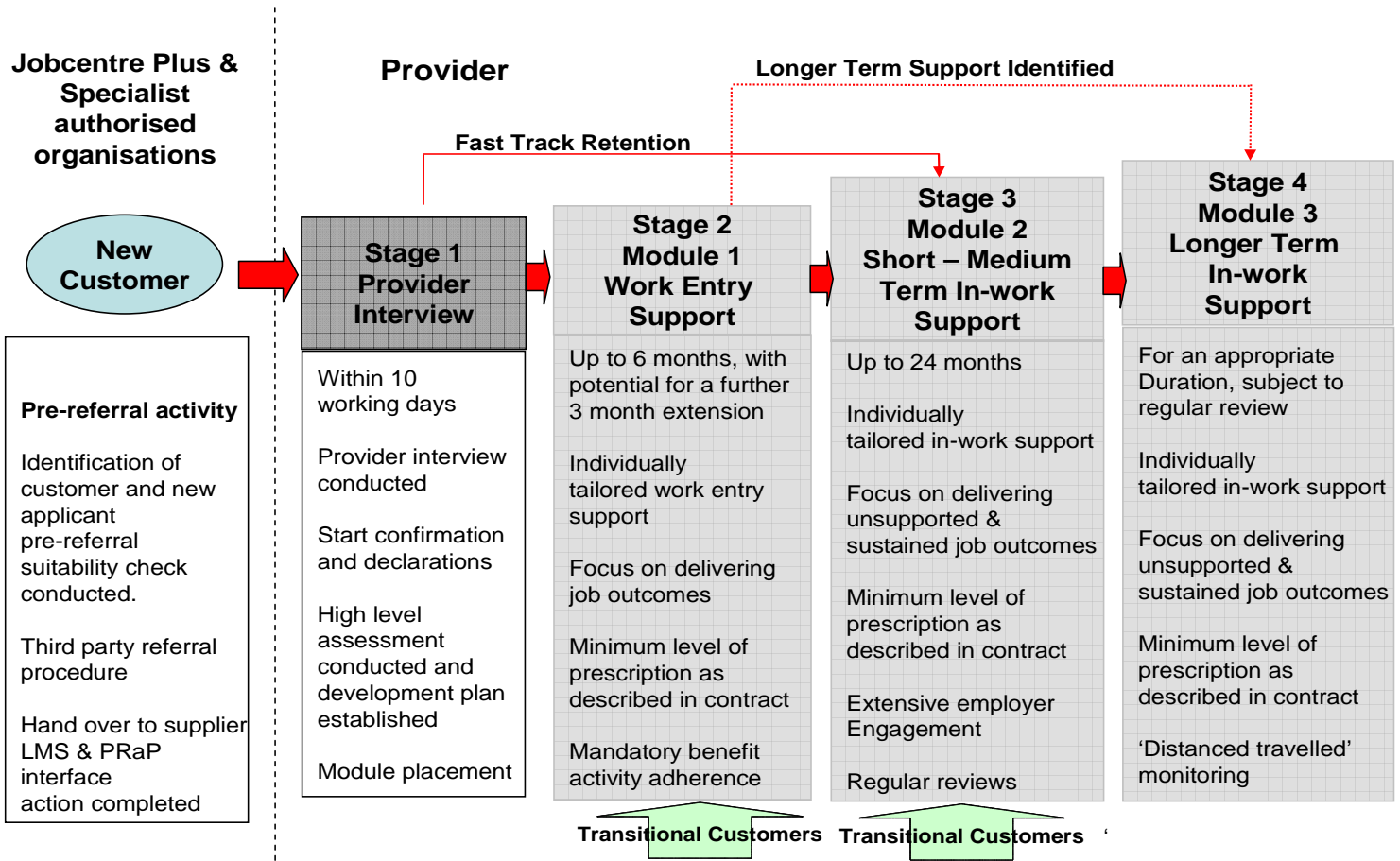
5.1 DWP may choose the Work Choice provision to support our European Social Fund (ESF) co-financed programme. DWP has to identify a certain number of contracts to use as match funding for its ESF provision. When DWP has identified suitable contracts, the suppliers concerned will be informed that they will have to abide by certain publicity and audit requirements. More details of ESF can be found at Annex 6.

Annexes

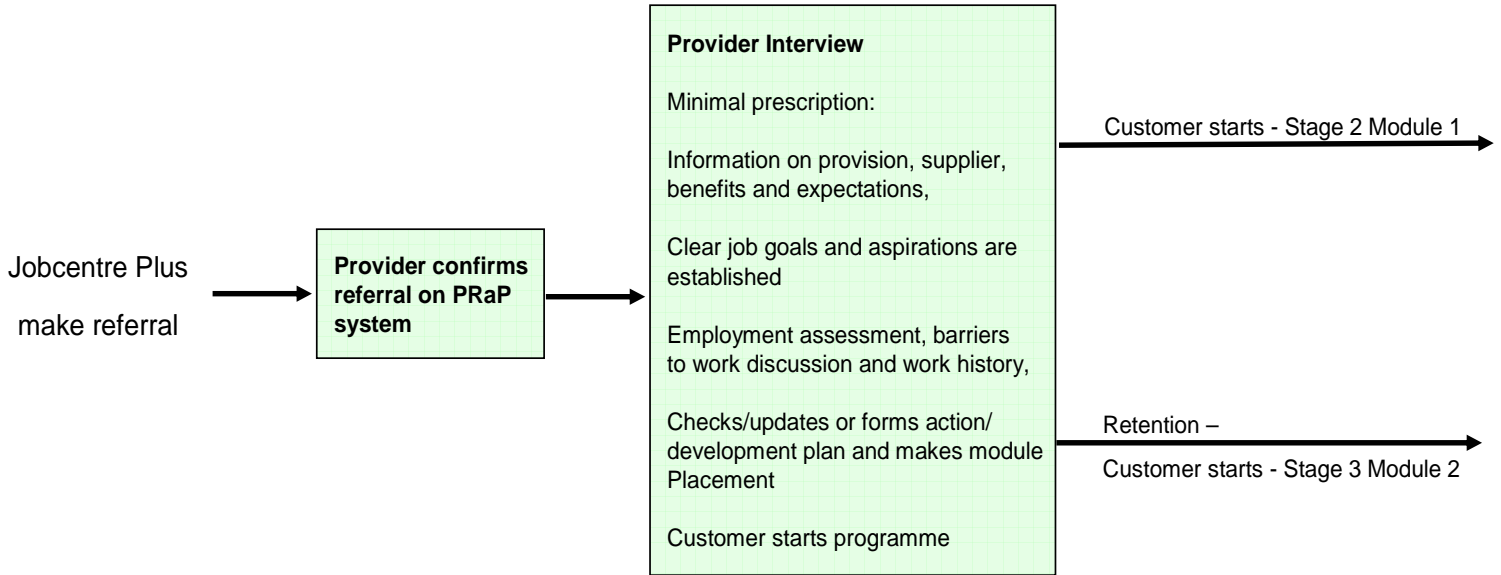
Annex 1

Design

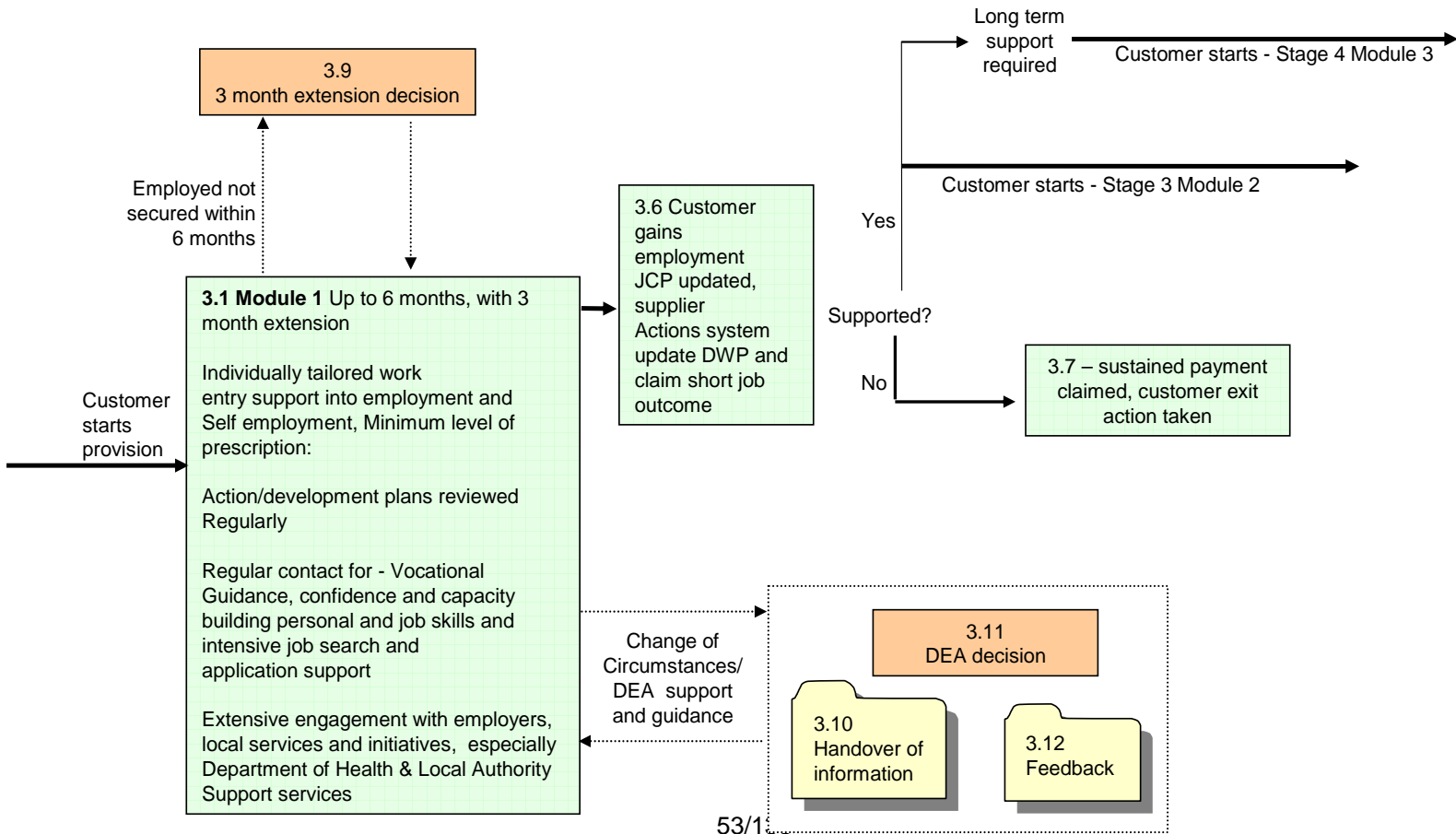
The high level process diagram below shows the customer journey through Work Choice.



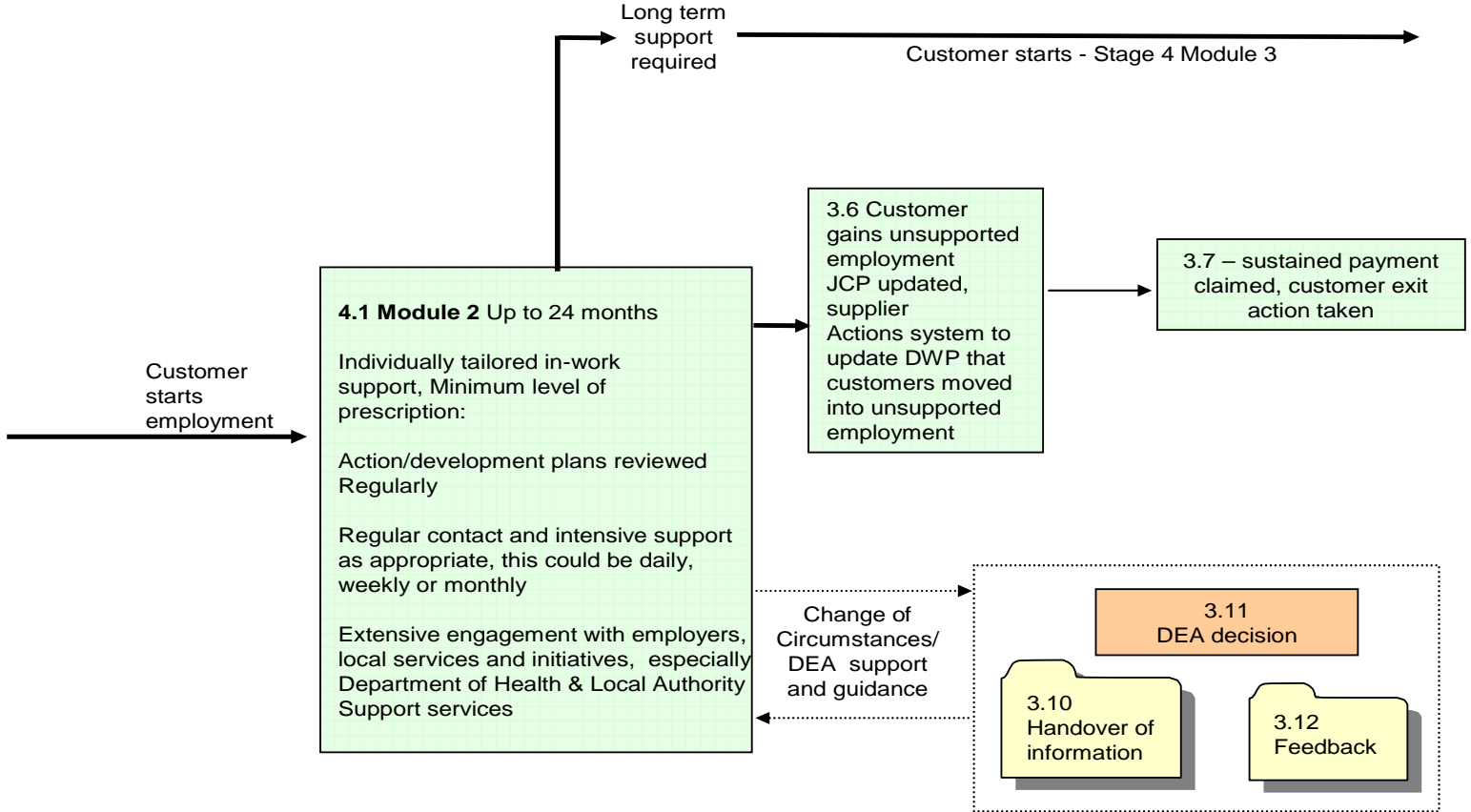
STAGE 1: PROVIDER INTERVIEW



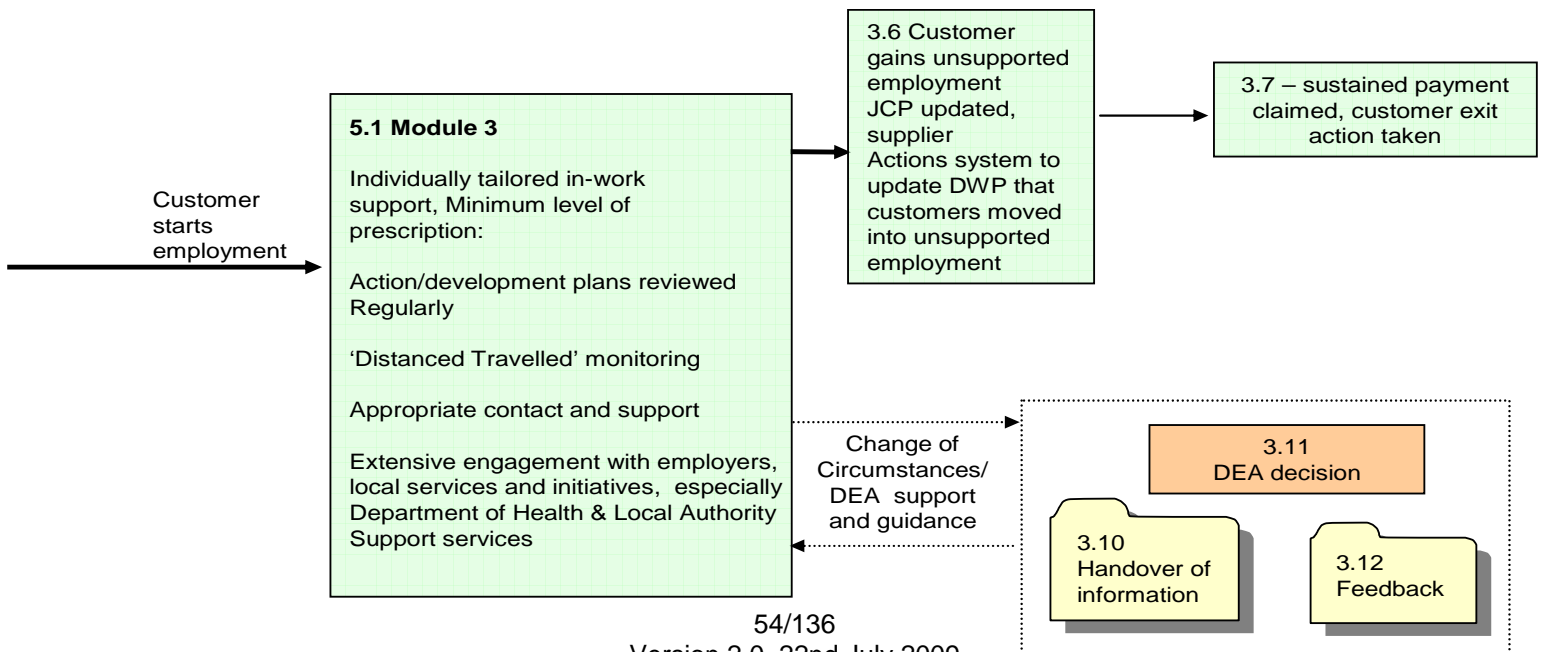
STAGE 2: WORK ENTRY SUPPORT – MODULE 1



STAGE 3: IN WORK SUPPORT – MODULE 2



STAGE 4: LONGER TERM IN WORK SUPPORT – MODULE 3



Annex 2 Contract Packages

Please note, Table 1, “Summary of contract packages, indicative budgets and customer volumes (rounded)” published in this Annex at PQQ Stage has been updated and replaced.

The following tables now provide contract package level indicative budgets and minimum customer volumes and performance expectations.

The National minimum performance expectations are set out in paragraph 2.26, just as published at PQQ. This is an average figure of the 28 contracts package areas for the full 5 years of the contracts. Bidders are asked to provide their Performance Offer against these minimum performance expectations.

The following tables now include the transitional start positions, supported business places/associated expected performance and increases in participants due to the extra funding available.

This, therefore, means every single contract package area has a slightly different performance % based on their transitional start position and capacity build up.

The financial incentive protected funding will be paid as outlined in this annex. This is the expected level of financial commitment beyond 2010 within the contract package areas, with the assumed depreciation based on minimum performance expectations. Should this level of financial incentive not be present at contract commencement in October 2010, then DWP will expect a re-allocation of the unused funding towards new places and associated outcomes as priced within the contract. Exact arrangements for notifying DWP of the level of financial incentives are set out within the transitional arrangements section of the Service Requirement. Further information on financial incentives can be found in the Service Requirement and Annex 3.

The number of supported business places and associated protected funding is outlined in this annex. This is the expected level of supported business places and funding commitment beyond 2010 within the contract package areas. Should this level of supported business places not be present at contract commencement in October 2010, then DWP will expect a re-allocation of the unused funding towards new places and associated outcomes as priced within the contract. Exact arrangements for notifying DWP of the number of supported business places are set out within the transitional arrangement section of the Service Requirement. Further information on supported businesses can be found in the Service Requirement.

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REF:	1	Region:	Scotland	Jobcentre Plus Districts in contract package:	Highlands, Islands, Clyde Coast and Grampian		
Indicative Budgets							
Supported Business – Protected Funding per annum		Financial Incentives – Protected Funding for 5 years			Total Contract Budget per annum		
£456,000		£1,003,952			£2.7m		
Indicative Financial Incentive profile of funding in £'s							
Indicative number of participants at start	Year 1	Year 2	Year 3	Year 4	Year 5		
85	£406,458	£264,198	£142,260	£109,744	£81,292		
Supported Business Places at contract start and to be maintained throughout the 5 year contract				95			
Supported Places in mainstream Employment at contract start				400			
Amount of places where the participant start date was pre 2001, Supported Employment Programme SEP				DWP still gathering this data			
Minimum Performance Expectations Per Year							
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	
Starts	280	385	310	310	290		
Supported Outcomes	160	215	175	175	165		
Unsupported Outcomes	90	135	120	120	110		
Sustained Outcomes	27	84	101	93	91	33	
Year End Participant Stock	626	678	641	641	632		

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REF:	2	Region:	Scotland	Jobcentre Plus Districts in contract package:	Forth Valley, Fife and Tayside	
Indicative Budgets						
Supported Business – Protected Funding per annum		Financial Incentives – Protected Funding for 5 years		Total Contract Budget per annum		
£590,400		£921,831		2.55m		
Indicative Financial Incentive profile of funding in £'s						
Indicative number of participants at start	Year 1	Year 2	Year 3	Year 4	Year 5	
62	373,211	242,587	130,624	100,767	74,642	
Supported Business Places at contract start and to be maintained throughout the 5 year contract			123			
Supported Places in mainstream Employment at contract start			350			
Amount of places where the participant start date was pre 2001, Supported Employment Programme SEP			DWP still gathering this data			
Minimum Performance Expectations Per Year						
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Starts	251	342	276	286	265	
Supported Outcomes	144	193	158	163	152	
Unsupported Outcomes	83	119	105	107	102	
Sustained Outcomes	25	77	91	85	84	31
Year End Participant Stock	588	634	601	606	601	

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REF:	3	Region:	Scotland	Jobcentre Plus Districts in contract package:	Lanarkshire and East Dunbartonshire, Glasgow		
Indicative Budgets							
Supported Business – Protected Funding per annum		Financial Incentives – Protected Funding for 5 years			Total Contract Budget per annum		
624,000		1,135,956			2,55m		
Indicative Financial Incentive profile of funding in £'s							
Indicative number of participants at start	Year 1	Year 2	Year 3	Year 4	Year 5		
116	459,901	298,936	160,965	124,173	91,980		
Supported Business Places at contract start and to be maintained throughout the 5 year contract				130			
Supported Places in mainstream Employment at contract start				200			
Amount of places where the participant start date was pre 2001, Supported Employment Programme SEP				DWP still gathering this data			
Minimum Performance Expectations Per Year							
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	
Starts	283	349	357	286	288		
Supported Outcomes	141	197	202	164	165		
Unsupported Outcomes	65	111	121	114	110		
Sustained Outcomes	20	66	92	95	90	33	
Year End Participant Stock	481	601	646	611	620		

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REF:	4	Region:	Scotland	Jobcentre Plus Districts in contract package:	Ayrshire, Dumfries, Galloway and Inverclyde, Edinburgh, Lothians and Borders		
Indicative Budgets							
Supported Business – Protected Funding per annum		Financial Incentives – Protected Funding for 5 years			Total Contract Budget per annum		
1,010,400		1,596,999			3,3m		
Indicative Financial Incentive profile of funding in £'s							
Indicative number of participants at start	Year 1	Year 2	Year 3	Year 4	Year 5		
87	646,558	420,263	226,295	174,571	129,312		
Supported Business Places at contract start and to be maintained throughout the 5 year contract				210.5			
Supported Places in mainstream Employment at contract start				350			
Amount of places where the participant start date was pre 2001, Supported Employment Programme SEP				DWP still gathering this data			
Minimum Performance Expectations Per Year							
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	
Starts	308	381	322	323	324		
Supported Outcomes	180	221	189	190	190		
Unsupported Outcomes	96	136	125	125	123		
Sustained Outcomes	29	89	106	100	99	37	
Year End Participant Stock	698	759	733	733	750		

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REF:	5	Region:	Wales	Jobcentre Plus Districts in contract package:	South East Wales, North and Mid Wales		
Indicative Budgets							
Supported Business – Protected Funding per annum		Financial Incentives – Protected Funding for 5 years			Total Contract Budget per annum		
998,400		1,053,722			3,75m		
Indicative Financial Incentive profile of funding in £'s							
Indicative number of participants at start	Year 1	Year 2	Year 3	Year 4	Year 5		
114	426,608	277,295	149,313	115,184	85,322		
Supported Business Places at contract start and to be maintained throughout the 5 year contract				208			
Supported Places in mainstream Employment at contract start				400			
Amount of places where the participant start date was pre 2001, Supported Employment Programme SEP				DWP still gathering this data			
Minimum Performance Expectations Per Year							
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	
Starts	382	513	474	418	394		
Supported Outcomes	203	292	270	240	228		
Unsupported Outcomes	109	169	168	165	154		
Sustained Outcomes	33	105	135	133	129	46	
Year End Participant Stock	799	924	940	912	900		

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REF:	6	Region:	Wales	Jobcentre Plus Districts in contract package:	South Wales Valleys, South West Wales	
Indicative Budgets						
Supported Business – Protected Funding per annum		Financial Incentives – Protected Funding for 5 years			Total Contract Budget per annum	
595,200		2,517,773			5,25	
Indicative Financial Incentive profile of funding in £'s						
Indicative number of participants at start	Year 1	Year 2	Year 3	Year 4	Year 5	
514	1,019,341	662,572	356,769	275,222	203,868	
Supported Business Places at contract start and to be maintained throughout the 5 year contract				124		
Supported Places in mainstream Employment at contract start				800		
Amount of places where the participant start date was pre 2001, Supported Employment Programme SEP				DWP still gathering this data		
Minimum Performance Expectations Per Year						
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Starts	546	755	652	688	673	
Supported Outcomes	302	414	359	379	370	
Unsupported Outcomes	173	257	233	245	241	
Sustained Outcomes	52	164	198	190	195	72
Year End Participant Stock	1186	1291	1261	1309	1328	

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REF:	7	Region:	North East	Jobcentre Plus Districts in contract package:	Northumbria, South Tyne and Wear Valley		
Indicative Budgets							
Supported Business – Protected Funding per annum		Financial Incentives – Protected Funding for 5 years			Total Contract Budget per annum		
384,000		1,809,749			3,1		
Indicative Financial Incentive profile of funding in £'s							
Indicative number of participants at start	Year 1	Year 2	Year 3	Year 4	Year 5		
203	732,692	476,250	256,442	197,827	146,538		
Supported Business Places at contract start and to be maintained throughout the 5 year contract				80			
Supported Places in mainstream Employment at contract start				450			
Amount of places where the participant start date was pre 2001, Supported Employment Programme SEP				DWP still gathering this data			
Minimum Performance Expectations Per Year							
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	
Starts	309	426	359	384	378		
Supported Outcomes	172	235	199	212	209		
Unsupported Outcomes	98	146	131	137	135		
Sustained Outcomes	30	93	112	106	109	41	
Year End Participant Stock	678	736	711	740	753		

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REF:	8	Region:	North East, Yorkshire and the Humber	Jobcentre Plus Districts in contract package:	Tees Valley, North & East Yorkshire and The Humber	
Indicative Budgets						
Supported Business – Protected Funding per annum		Financial Incentives – Protected Funding for 5 years		Total Contract Budget per annum		
264,000		499,263		2.9		
Indicative Financial Incentive profile of funding in £'s						
Indicative number of participants at start	Year 1	Year 2	Year 3	Year 4	Year 5	
126	202,131	131,385	70,746	54,575	40,426	
Supported Business Places at contract start and to be maintained throughout the 5 year contract			55			
Supported Places in mainstream Employment at contract start			400			
Amount of places where the participant start date was pre 2001, Supported Employment Programme SEP			DWP still gathering this data			
Minimum Performance Expectations Per Year						
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Starts	400	474	427	420	399	
Supported Outcomes	197	258	233	229	128	
Unsupported Outcomes	98	157	152	152	146	
Sustained Outcomes	29	96	124	121	120	44
Year End Participant Stock	672	774	772	784	785	

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REF:	9	Region:	North West	Jobcentre Plus Districts in contract package:	Cumbria and Lancashire		
Indicative Budgets							
Supported Business – Protected Funding per annum		Financial Incentives – Protected Funding for 5 years			Total Contract Budget per annum		
24,000		1,189,177			2.25		
Indicative Financial Incentive profile of funding in £'s							
Indicative number of participants at start	Year 1	Year 2	Year 3	Year 4	Year 5		
187	481,448	312,941	168,507	129,991	96,290		
Supported Business Places at contract start and to be maintained throughout the 5 year contract				5			
Supported Places in mainstream Employment at contract start				400			
Amount of places where the participant start date was pre 2001, Supported Employment Programme SEP				DWP still gathering this data			
Minimum Performance Expectations Per Year							
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	
Starts	263	368	292	293	275		
Supported Outcomes	142	198	157	157	148		
Unsupported Outcomes	81	123	107	108	101		
Sustained Outcomes	24	77	93	86	84	30	
Year End Participant Stock	536	588	551	551	542		

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REF:	10	Region:	North West	Jobcentre Plus Districts in contract package:	Greater Manchester East and West, Greater Manchester Central		
Indicative Budgets							
Supported Business – Protected Funding per annum		Financial Incentives – Protected Funding for 5 years			Total Contract Budget per annum		
307,200		236,998			3.8		
Indicative Financial Incentive profile of funding in £'s							
Indicative number of participants at start	Year 1	Year 2	Year 3	Year 4	Year 5		
41	95,951	62,368	33,358	25,907	19,190		
Supported Business Places at contract start and to be maintained throughout the 5 year contract				64			
Supported Places in mainstream Employment at contract start				350			
Amount of places where the participant start date was pre 2001, Supported Employment Programme SEP				DWP still gathering this data			
Minimum Performance Expectations Per Year							
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	
Starts	592	674	717	552	520		
Supported Outcomes	276	366	389	301	284		
Unsupported Outcomes	110	205	234	215	200		
Sustained Outcomes	33	117	173	182	168	60	
Year End Participant Stock	750	1017	1131	1049	1033		

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REF:	11	Region:	North West	Jobcentre Plus Districts in contract package:	Cheshire, Halton and Warrington, Merseyside		
Indicative Budgets							
Supported Business – Protected Funding per annum		Financial Incentives – Protected Funding for 5 years			Total Contract Budget per annum		
0		1,487,319			3.1		
Indicative Financial Incentive profile of funding in £'s							
Indicative number of participants at start	Year 1	Year 2	Year 3	Year 4	Year 5		
214	602,153	391,400	210,754	162,581	120,431		
Supported Business Places at contract start and to be maintained throughout the 5 year contract				0			
Supported Places in mainstream Employment at contract start				400			
Amount of places where the participant start date was pre 2001, Supported Employment Programme SEP				DWP still gathering this data			
Minimum Performance Expectations Per Year							
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	
Starts	413	544	526	437	411		
Supported Outcomes	194	292	282	234	220		
Unsupported Outcomes	94	166	173	166	154		
Sustained Outcomes	28	97	135	136	129	46	
Year End Participant Stock	633	801	846	802	789		

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REF:	12	Region:	Yorkshire and the Humber	Jobcentre Plus Districts in contract package:	West Yorkshire	
Indicative Budgets						
Supported Business – Protected Funding per annum		Financial Incentives – Protected Funding for 5 years		Total Contract Budget per annum		
432,000		374,111		3.65		
Indicative Financial Incentive profile of funding in £'s						
Indicative number of participants at start	Year 1	Year 2	Year 3	Year 4	Year 5	
59	151,462	98,450	53,012	40,895	30,292	
Supported Business Places at contract start and to be maintained throughout the 5 year contract			90			
Supported Places in mainstream Employment at contract start			300			
Amount of places where the participant start date was pre 2001, Supported Employment Programme SEP			DWP still gathering this data			
Minimum Performance Expectations Per Year						
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Starts	576	630	678	517	488	
Supported Outcomes	255	345	370	284	269	
Unsupported Outcomes	103	193	222	204	189	
Sustained Outcomes	31	109	163	172	158	57
Year End Participant Stock	731	970	1083	1003	989	

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REF:	13	Region:	East Midlands, Yorkshire and the Humber	Jobcentre Plus Districts in contract package:	South Yorkshire, Derbyshire	
Indicative Budgets						
Supported Business – Protected Funding per annum		Financial Incentives – Protected Funding for 5 years		Total Contract Budget per annum		
350,400		608,105		3.9		
Indicative Financial Incentive profile of funding in £'s						
Indicative number of participants at start	Year 1	Year 2	Year 3	Year 4	Year 5	
106	246,196	160,028	86,169	66,473	49,239	
Supported Business Places at contract start and to be maintained throughout the 5 year contract			73			
Supported Places in mainstream Employment at contract start			350			
Amount of places where the participant start date was pre 2001, Supported Employment Programme SEP			DWP still gathering this data			
Minimum Performance Expectations Per Year						
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Starts	558	694	744	565	531	
Supported Outcomes	251	378	404	308	290	
Unsupported Outcomes	107	205	237	221	204	
Sustained Outcomes	32	115	174	186	172	61
Year End Participant Stock	749	1030	1162	1073	1057	

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REF:	14	Region:	East Midlands	Jobcentre Plus Districts in contract package:	Lincolnshire and Rutland, Nottinghamshire		
Indicative Budgets							
Supported Business – Protected Funding per annum		Financial Incentives – Protected Funding for 5 years			Total Contract Budget per annum		
547,200		1,434,527			3.4		
Indicative Financial Incentive profile of funding in £'s							
Indicative number of participants at start	Year 1	Year 2	Year 3	Year 4	Year 5		
174	580,780	377,507	203,273	156,811	116,156		
Supported Business Places at contract start and to be maintained throughout the 5 year contract				114			
Supported Places in mainstream Employment at contract start				200			
Amount of places where the participant start date was pre 2001, Supported Employment Programme SEP				DWP still gathering this data			
Minimum Performance Expectations Per Year							
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	
Starts	393	565	644	457	428		
Supported Outcomes	159	312	354	254	239		
Unsupported Outcomes	72	155	195	184	168		
Sustained Outcomes	22	83	136	152	142	51	
Year End Participant Stock	561	826	987	894	880		

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REF:	15	Region:	East Midlands	Jobcentre Plus Districts in contract package:	Northamptonshire, Leicestershire	
Indicative Budgets						
Supported Business – Protected Funding per annum		Financial Incentives – Protected Funding for 5 years		Total Contract Budget per annum		
100,800		1,138,650		2.05		
Indicative Financial Incentive profile of funding in £'s						
Indicative number of participants at start	Year 1	Year 2	Year 3	Year 4	Year 5	
42	460,992	299,645	161,347	124,468	92,198	
Supported Business Places at contract start and to be maintained throughout the 5 year contract			21			
Supported Places in mainstream Employment at contract start			350			
Amount of places where the participant start date was pre 2001, Supported Employment Programme SEP			DWP still gathering this data			
Minimum Performance Expectations Per Year						
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Starts	233	325	259	259	244	
Supported Outcomes	127	176	140	140	132	
Unsupported Outcomes	72	109	95	96	90	
Sustained Outcomes	22	69	83	76	75	27
Year End Participant Stock	486	532	499	499	491	

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REF:	16	Region:	West Midlands	Jobcentre Plus Districts in contract package:	Coventry and Warwickshire, Staffordshire, The Marches		
Indicative Budgets							
Supported Business – Protected Funding per annum			Financial Incentives – Protected Funding for 5 years			Total Contract Budget per annum	
547,200			1,569,804			4.2	
Indicative Financial Incentive profile of funding in £'s							
Indicative number of participants at start	Year 1	Year 2	Year 3	Year 4	Year 5		
292	635,548	413,106	222,442	171,598	127,110		
Supported Business Places at contract start and to be maintained throughout the 5 year contract				114			
Supported Places in mainstream Employment at contract start				450			
Amount of places where the participant start date was pre 2001, Supported Employment Programme SEP				DWP still gathering this data			
Minimum Performance Expectations Per Year							
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	
Starts	498	677	671	547	514		
Supported Outcomes	237	372	369	302	284		
Unsupported Outcomes	118	207	221	213	197		
Sustained Outcomes	35	121	170	174	166	59	
Year End Participant Stock	843	1062	1137	1076	1060		

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REF:	17	Region:	West Midlands	Jobcentre Plus Districts in contract package:	Black Country, Birmingham and Solihull		
Indicative Budgets							
Supported Business – Protected Funding per annum			Financial Incentives – Protected Funding for 5 years			Total Contract Budget per annum	
405,600			1,186,900			3.4	
Indicative Financial Incentive profile of funding in £'s							
Indicative number of participants at start	Year 1	Year 2	Year 3	Year 4	Year 5		
169	480,526	312,342	168,184	129,742	96,105		
Supported Business Places at contract start and to be maintained throughout the 5 year contract				84.5			
Supported Places in mainstream Employment at contract start				400			
Amount of places where the participant start date was pre 2001, Supported Employment Programme SEP				DWP still gathering this data			
Minimum Performance Expectations Per Year							
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	
Starts	344	613	548	469	432		
Supported Outcomes	161	335	300	258	238		
Unsupported Outcomes	94	170	181	183	166		
Sustained Outcomes	28	98	140	145	141	50	
Year End Participant Stock	680	876	942	903	885		

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REF:	18	Region:	East of England	Jobcentre Plus Districts in contract package:	Norfolk, Cambridgeshire and Suffolk	
Indicative Budgets						
Supported Business – Protected Funding per annum		Financial Incentives – Protected Funding for 5 years		Total Contract Budget per annum		
595,200		1,207,303		3.6		
Indicative Financial Incentive profile of funding in £'s						
Indicative number of participants at start	Year 1	Year 2	Year 3	Year 4	Year 5	
231	488,787	317,711	171,075	131,972	97,757	
Supported Business Places at contract start and to be maintained throughout the 5 year contract			124			
Supported Places in mainstream Employment at contract start			550			
Amount of places where the participant start date was pre 2001, Supported Employment Programme SEP			DWP still gathering this data			
Minimum Performance Expectations Per Year						
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Starts	382	526	422	423	398	
Supported Outcomes	215	292	236	236	223	
Unsupported Outcomes	123	180	159	160	151	
Sustained Outcomes	37	116	138	127	125	45
Year End Participant Stock	854	926	874	875	863	

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REF:	19	Region:	East of England	Jobcentre Plus Districts in contract package:	Essex, Bedfordshire and Hertfordshire		
Indicative Budgets							
Supported Business – Protected Funding per annum		Financial Incentives – Protected Funding for 5 years			Total Contract Budget per annum		
76,800		962,675			3.9		
Indicative Financial Incentive profile of funding in £'s							
Indicative number of participants at start	Year 1	Year 2	Year 3	Year 4	Year 5		
79	389,747	253,336	136,411	105,232	77,949		
Supported Business Places at contract start and to be maintained throughout the 5 year contract				16			
Supported Places in mainstream Employment at contract start				350			
Amount of places where the participant start date was pre 2001, Supported Employment Programme SEP				DWP still gathering this data			
Minimum Performance Expectations Per Year							
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	
Starts	462	834	782	622	565		
Supported Outcomes	190	448	420	335	304		
Unsupported Outcomes	91	205	247	244	216		
Sustained Outcomes	27	107	176	197	187	65	
Year End Participant Stock	654	1010	1188	1108	1081		

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REF:	20	Region:	London	Jobcentre Plus Districts in contract package:	City and East London, Waltham Forest, Redbridge, Havering, Barking and Dagenham		
Indicative Budgets							
Supported Business – Protected Funding per annum		Financial Incentives – Protected Funding for 5 years			Total Contract Budget per annum		
199,200		498,697			2.2		
Indicative Financial Incentive profile of funding in £'s							
Indicative number of participants at start	Year 1	Year 2	Year 3	Year 4	Year 5		
14	201,902	131,236	70,666	54,513	40,380		
Supported Business Places at contract start and to be maintained throughout the 5 year contract				41.5			
Supported Places in mainstream Employment at contract start				200			
Amount of places where the participant start date was pre 2001, Supported Employment Programme SEP				DWP still gathering this data			
Minimum Performance Expectations Per Year							
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	
Starts	222	391	419	357	307		
Supported Outcomes	84	213	228	194	168		
Unsupported Outcomes	50	105	125	129	119		
Sustained Outcomes	15	57	90	101	100	36	
Year End Participant Stock	387	548	638	628	603		

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REF:	21	Region:	London	Jobcentre Plus Districts in contract package:	Barnet, Enfield and Haringey, Central London, West London		
Indicative Budgets							
Supported Business – Protected Funding per annum		Financial Incentives – Protected Funding for 5 years			Total Contract Budget per annum		
240,000		719,947			4.5		
Indicative Financial Incentive profile of funding in £'s							
Indicative number of participants at start	Year 1	Year 2	Year 3	Year 4	Year 5		
75	291,477	189,460	102,017	78,699	58,295		
Supported Business Places at contract start and to be maintained throughout the 5 year contract				50			
Supported Places in mainstream Employment at contract start				200			
Amount of places where the participant start date was pre 2001, Supported Employment Programme SEP				DWP still gathering this data			
Minimum Performance Expectations Per Year							
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	
Starts	511	829	998	1053	771		
Supported Outcomes	167	449	539	569	417		
Unsupported Outcomes	75	206	282	318	306		
Sustained Outcomes	23	99	187	236	251	92	
Year End Participant Stock	613	1062	1369	1493	1448		

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REF:	22	Region:	London	Jobcentre Plus Districts in contract package:	Lambeth, Southwark and Wandsworth, South London	
Indicative Budgets						
Supported Business – Protected Funding per annum		Financial Incentives – Protected Funding for 5 years		Total Contract Budget per annum		
144,000		770,413		2.9		
Indicative Financial Incentive profile of funding in £'s						
Indicative number of participants at start	Year 1	Year 2	Year 3	Year 4	Year 5	
51	311,908	202,740	109,168	84,215	62,382	
Supported Business Places at contract start and to be maintained throughout the 5 year contract			30			
Supported Places in mainstream Employment at contract start			300			
Amount of places where the participant start date was pre 2001, Supported Employment Programme SEP			DWP still gathering this data			
Minimum Performance Expectations Per Year						
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Starts	321	513	532	551	437	
Supported Outcomes	132	278	288	298	237	
Unsupported Outcomes	72	144	163	178	169	
Sustained Outcomes	22	79	121	135	140	51
Year End Participant Stock	530	725	819	863	842	

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REF:	23	Region:	South East	Jobcentre Plus Districts in contract package:	Berkshire, Buckinghamshire and Oxfordshire		
Indicative Budgets							
Supported Business – Protected Funding per annum		Financial Incentives – Protected Funding for 5 years			Total Contract Budget per annum		
235,200		1,140,618			2.5		
Indicative Financial Incentive profile of funding in £'s							
Indicative number of participants at start	Year 1	Year 2	Year 3	Year 4	Year 5		
97	461,789	300,163	161,626	124,683	92,358		
Supported Business Places at contract start and to be maintained throughout the 5 year contract				49			
Supported Places in mainstream Employment at contract start				200			
Amount of places where the participant start date was pre 2001, Supported Employment Programme SEP				DWP still gathering this data			
Minimum Performance Expectations Per Year							
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	
Starts	250	415	449	422	344		
Supported Outcomes	97	226	245	230	189		
Unsupported Outcomes	53	113	134	143	135		
Sustained Outcomes	16	60	97	110	112	40	
Year End Participant Stock	410	585	684	693	677		

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REF:	24	Region:	South East	Jobcentre Plus Districts in contract package:	Hampshire and Isle of Wight		
Indicative Budgets							
Supported Business – Protected Funding per annum		Financial Incentives – Protected Funding for 5 years			Total Contract Budget per annum		
561,600		569,037			2.7		
Indicative Financial Incentive profile of funding in £'s							
Indicative number of participants at start	Year 1	Year 2	Year 3	Year 4	Year 5		
105	230,379	149,747	80,633	60,202	46,076		
Supported Business Places at contract start and to be maintained throughout the 5 year contract				117			
Supported Places in mainstream Employment at contract start				400			
Amount of places where the participant start date was pre 2001, Supported Employment Programme SEP				DWP still gathering this data			
Minimum Performance Expectations Per Year							
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	
Starts	282	387	311	312	294		
Supported Outcomes	161	217	176	176	167		
Unsupported Outcomes	92	134	118	119	112		
Sustained Outcomes	28	86	102	95	93	34	
Year End Participant Stock	648	700	663	663	654		

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REF:	25	Region:	South East	Jobcentre Plus Districts in contract package:	Kent, Surrey and Sussex		
Indicative Budgets							
Supported Business – Protected Funding per annum		Financial Incentives – Protected Funding for 5 years			Total Contract Budget per annum		
410,400		1,349,950			4.8		
Indicative Financial Incentive profile of funding in £'s							
Indicative number of participants at start	Year 1	Year 2	Year 3	Year 4	Year 5		
312	546,539	355,250	191,289	147,565	109,308		
Supported Business Places at contract start and to be maintained throughout the 5 year contract				88.5			
Supported Places in mainstream Employment at contract start				800			
Amount of places where the participant start date was pre 2001, Supported Employment Programme SEP				DWP still gathering this data			
Minimum Performance Expectations Per Year							
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	
Starts	540	749	598	698	602		
Supported Outcomes	296	408	328	381	330		
Unsupported Outcomes	170	253	222	237	227		
Sustained Outcomes	51	161	193	182	186	68	
Year End Participant Stock	1151	1255	1180	1255	1232		

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REF:	26	Region:	South West	Jobcentre Plus Districts in contract package:	Gloucestershire, Wiltshire and Swindon, West of England		
Indicative Budgets							
Supported Business – Protected Funding per annum		Financial Incentives – Protected Funding for 5 years			Total Contract Budget per annum		
552,000		1,025,090			2.8		
Indicative Financial Incentive profile of funding in £'s							
Indicative number of participants at start	Year 1	Year 2	Year 3	Year 4	Year 5		
146	415,016	269,761	145,256	112,054	83,003		
Supported Business Places at contract start and to be maintained throughout the 5 year contract				115			
Supported Places in mainstream Employment at contract start				400			
Amount of places where the participant start date was pre 2001, Supported Employment Programme SEP				DWP still gathering this data			
Minimum Performance Expectations Per Year							
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	
Starts	282	387	311	312	294		
Supported Outcomes	160	216	176	176	167		
Unsupported Outcomes	92	134	118	119	112		
Sustained Outcomes	28	86	102	95	93	34	
Year End Participant Stock	646	698	661	661	652		

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REF:	27	Region:	South West	Jobcentre Plus Districts in contract package:	Dorset and Somerset		
Indicative Budgets							
Supported Business – Protected Funding per annum		Financial Incentives – Protected Funding for 5 years			Total Contract Budget per annum		
307,200		633,196			2.5		
Indicative Financial Incentive profile of funding in £'s							
Indicative number of participants at start	Year 1	Year 2	Year 3	Year 4	Year 5		
155	256,355	166,630	89,724	69,216	51,271		
Supported Business Places at contract start and to be maintained throughout the 5 year contract				64			
Supported Places in mainstream Employment at contract start				400			
Amount of places where the participant start date was pre 2001, Supported Employment Programme SEP				* DWP still gathering this data			
Minimum Performance Expectations Per Year							
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	
Starts	273	338	316	312	294		
Supported Outcomes	152	213	175	172	163		
Unsupported Outcomes	87	130	116	118	111		
Sustained Outcomes	26	82	100	93	92	33	
Year End Participant Stock	595	652	622	625	617		

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REF:	28	Region:	South West	Jobcentre Plus Districts in contract package:	Devon and Cornwall	
Indicative Budgets						
Supported Business – Protected Funding per annum		Financial Incentives – Protected Funding for 5 years		Total Contract Budget per annum		
1,027,200		1,385,800		3.9		
Indicative Financial Incentive profile of funding in £'s						
Indicative number of participants at start	Year 1	Year 2	Year 3	Year 4	Year 5	
295	561,053	364,684	196,368	151,484	112,211	
Supported Business Places at contract start and to be maintained throughout the 5 year contract			214			
Supported Places in mainstream Employment at contract start			500			
Amount of places where the participant start date was pre 2001, Supported Employment Programme SEP			* DWP still gathering this data			
Minimum Performance Expectations Per Year						
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Starts	364	495	401	461	402	
Supported Outcomes	212	282	232	264	232	
Unsupported Outcomes	122	174	154	165	157	
Sustained Outcomes	37	113	133	127	129	47
Year End Participant Stock	878	943	896	953	924	

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Numbers of Employed WORKSTEP Participants per Contract Area.

Suppliers will want to understand the possible scale of transitional activities within their contract package areas. For those tasks that relate exclusively to current WORKSTEP participants, the following table indicates how many participants are currently employed within the programme.

Information provided to DWP by current providers will be made available shortly after the invitations to tender. It will give indications of the scale of tasks relating to TUPE and to payments of financial incentives to employers.

NOTE: It will only be provided on the understanding that the information will only be used in confidence and for the purpose for which it is provided.

Contract Area	Contract Area Name	Number
1	Highlands, Islands, Clyde Coast and Grampian	401
2	Forth Valley, Fife and Tayside	466
3	Glasgow Lanarkshire and East Dunbartonshire	342
4	Edinburgh, Lothians and Borders Ayrshire, Dumfries, Galloway and Inverclyde	555
5	North and Mid Wales South East Wales	482
6	South West Wales South Wales Valleys	876
7	South Tyne and Wear Valley Northumbria North & East Yorkshire and The Humber Tees Valley	493
8	Valley	424
9	Cumbria and Lancashire Greater Manchester Central Greater Manchester	359
10	East and West	363
11	Merseyside Cheshire, Halton and Warrington	370
12	West Yorkshire	405
13	Derbyshire South Yorkshire	379
14	Nottinghamshire Lincolnshire and Rutland	313
15	Leicestershire and Northamptonshire The Marches Staffordshire Coventry and	328
16	Warwickshire	464
17	Birmingham and Solihull Black Country	326
18	Cambridgeshire and Suffolk Norfolk	520
19	Bedfordshire and Hertfordshire Essex Waltham Forest, Redbridge, Havering, Barking	352
20	and Dagenham City and East London West London Central London Barnet, Enfield	170
21	and Haringey	221

	South London Lambeth, Southwark and	
22	Wandsworth	295
23	Berkshire, Buckinghamshire and Oxfordshire	238
24	Hampshire and Isle of Wight	419
25	Surrey and Sussex Kent	767
	West of England Gloucestershire, Wiltshire and	
26	Swindon	510
27	Dorset and Somerset	435
28	Devon and Cornwall	667

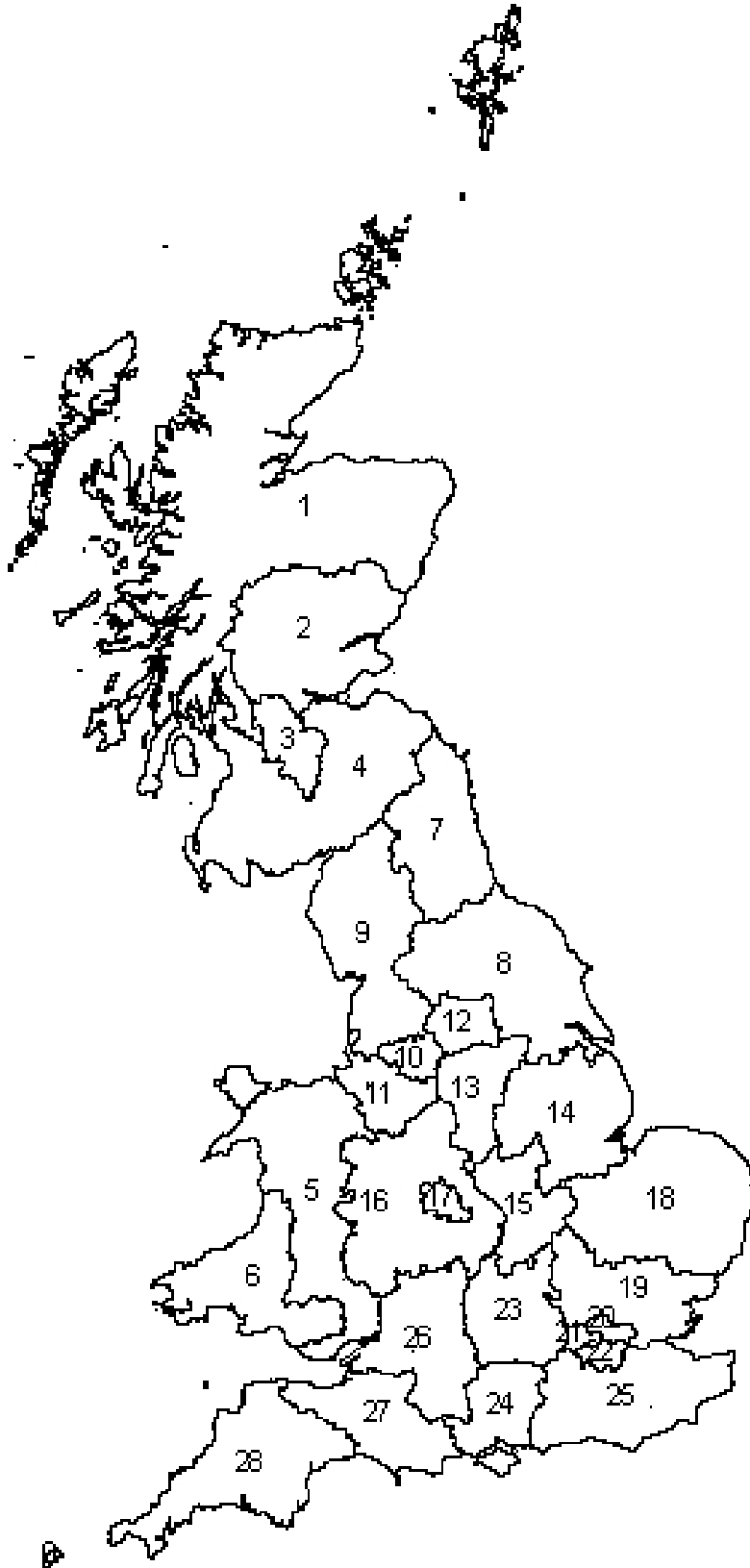
Source: WORKSTEP Database 6 April 2009.

Numbers are subject to change (leavers and joiners) before October 2010.

Monochrome Map

KEY

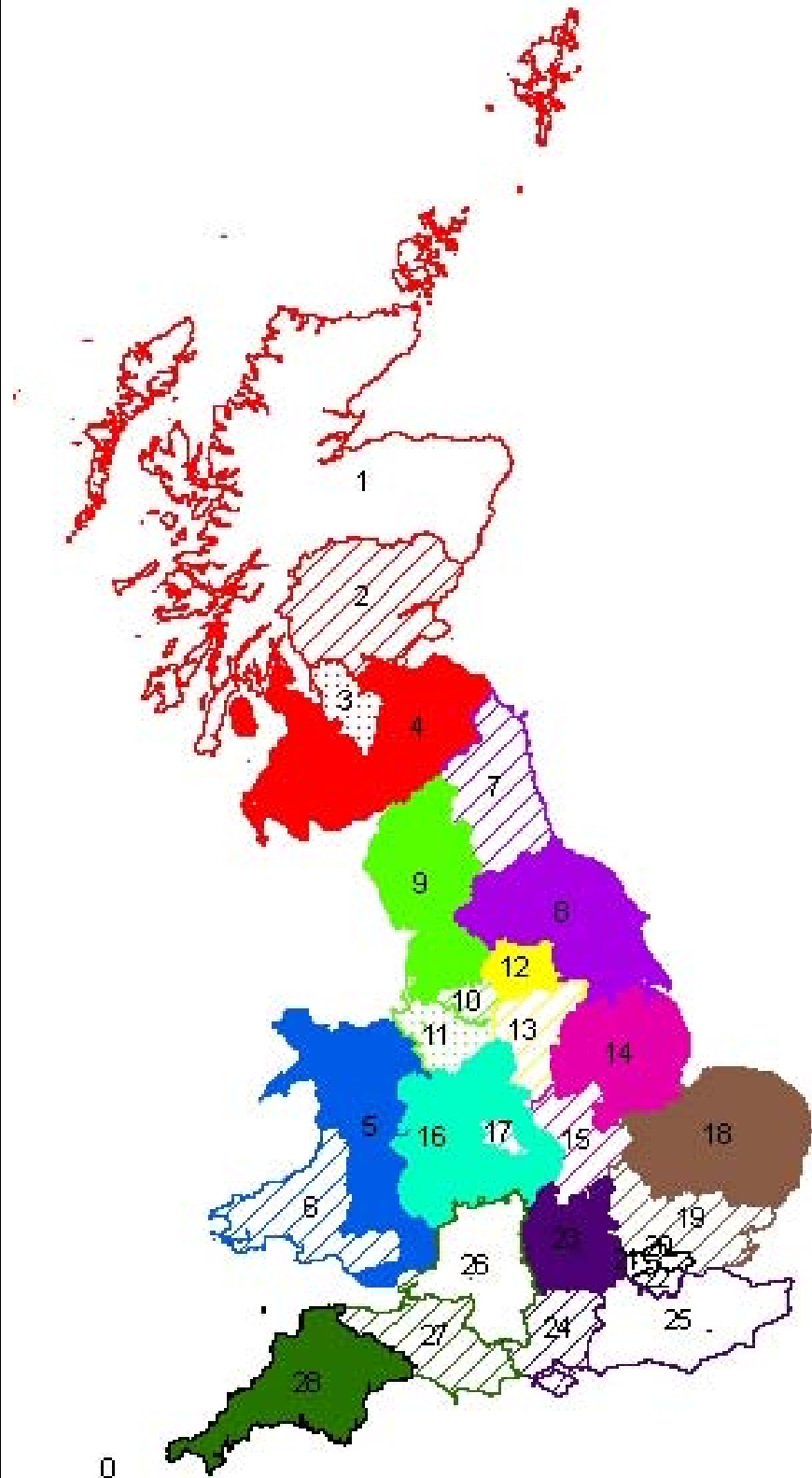
- 1 = Highlands, Islands, Clyde Coast and Grampian
- 2 = Forth Valley, Fife and Tayside
- 3 = Glasgow, Lanarkshire and East Dunbartonshire
- 4 = Ayrshire, Dumfries, Galloway and Inverclyde, Edinburgh, Lothians and Borders
- 5 = North and Mid Wales, South East Wales
- 6 = South West Wales, South Wales Valleys
- 7 = Northumbria, South Tyne and Wear Valley
- 8 = North & East Yorkshire and The Humber, Tees Valley
- 9 = Cumbria and Lancashire
- 10 = Greater Manchester East and West, Greater Manchester Central
- 11 = Merseyside, Cheshire, Halton and Warrington
- 12 = West Yorkshire
- 13 = Derbyshire, South Yorkshire
- 14 = Nottinghamshire, Lincolnshire and Rutland
- 15 = Leicestershire and Northamptonshire
- 16 = The Marches, Staffordshire, Coventry and Warwickshire
- 17 = Birmingham and Solihull, Black Country
- 18 = Cambridgeshire and Suffolk, Norfolk
- 19 = Bedfordshire and Hertfordshire, Essex
- 20 = Waltham Forest, Redbridge, Havering, Barking and Dagenham, City and East London
- 21 = Central London, West London, Barnet, Enfield and Haringey
- 22 = Lambeth, Southwark and Wandsworth, South London
- 23 = Berkshire, Buckinghamshire and Oxfordshire
- 24 = Hampshire and Isle of Wight
- 25 = Kent, Surrey and Sussex
- 26 = Gloucestershire, Wiltshire and Swindon, West of England
- 27 = Dorset and Somerset
- 28 = Devon and Cornwall



Coloured Map

KEY

- 1 = Highlands, Islands, Clyde Coast and Grampian
- 2 = Forth Valley, Fife and Tayside
- 3 = Glasgow, Lanarkshire and East Dunbartonshire
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- 18 = Cambridgeshire and Suffolk, Norfolk
- 19 = Bedfordshire and Hertfordshire, Essex
- 20 = Waltham Forest, Redbridge, Havering, Barking and Dagenham, City and East London
- 21 = Central London, West London, Barnet, Enfield and Haringey
- 22 = Lambeth, Southwark and Wandsworth, South London
- 23 = Berkshire, Buckinghamshire and Oxfordshire
- 24 = Hampshire and Isle of Wight
- 25 = Kent, Surrey and Sussex
- 26 = Gloucestershire, Wiltshire and Swindon, West of England
- 27 = Dorset and Somerset
- 28 = Devon and Cornwall



Annex 3 Funding and Payment Model

Programme Funding

3.1 The indicative funding available to deliver the national Work Choice programme over a five year period is £470m, subject to the necessary approvals.

3.2 Given that there are financial commitments that will need to carry through from existing WORKSTEP contracts to the new programme, the Right to Control Trailblazers and Specialist Organisation engagement, DWP will effectively take out of this tendering exercise a proportion of the budget that will be needed to meet these ongoing commitments. Existing data suggests that this equates to £100m across the 5 year contract term leaving an indicative budget of £370m against which short-listed bidders would be expected to tender.

3.3 Of course it will become the responsibility of the new suppliers to actually pay these financial commitments so a proportion of the £100m (appropriate to the financial commitments within each individual contract) will be added to the successful bidder's agreed contract price at contract award stage.

3.4 Annex 2 provides data as we currently understand it broken down across the contract package areas.

Payment Arrangements

3.5 Bidders will be required to compete on price as well as quality for Work Choice contracts. The successful bidders will then be paid as follows:-

- **a service fee** which will be paid monthly in arrears. The service fee will equate to 70%* of the successful bidder's contract price and is intended to provide a degree of certainty in meeting fixed costs associated with delivery of the service;
- on achievement of **job outcomes**. Payments will be made on a unit price basis, which will be calculated by dividing 15%* of the successful bidder's contract price by the number of job outcomes offered in the bid. (See Section 2, The Service Requirement, para 2.26 for the definition of a job outcome);
- on achievement of **Sustained job outcomes**. Payments will be made on a unit price basis, which will be calculated by dividing the remaining 15%* of

the successful supplier's contract price by the number of expected sustained job outcomes. The number of expected, sustained job-outcomes will be a minimum of 60% of the number of **unsupported** job outcomes offered in the bid. (See Section 2, The Service Requirement, para 2.26 for the definition of a sustained job outcome).

*This calculation will exclude the additional money that will be added to contract prices to cover the existing financial commitments. The money needed to continue to meet these ongoing financial commitments will be paid to providers as part of their service fee payment (in effect increasing the overall value of the service fee payments for each provider commensurate with the level of financial commitment involved in each contract package).

Service Fee

3.6 An important element of Work Choice is to provide not only support to those who have a chance of progressing into unsupported employment, but to support and provide a quality service to those for whom working without support is not a realistic option. In view of this we will expect suppliers to maintain a minimum number of people on the programme at any one time. As part of the bid process, short-listed bidders will be asked to tell us if they are able to offer additional places over and above our minimum expectations.

3.7 Annex 2 provides contract package level indicative budgets and minimum customer volumes and performance expectations.

Short Job Outcomes/Sustained Job Outcomes

3.8 It will be the responsibility of suppliers to report achievement of job outcomes/sustained job outcomes to DWP and therefore initiate the claim for payment.

3.9 Before doing so, suppliers will need to satisfy themselves that their outcomes meet the standard definitions outlined in Section 2 of The Service Requirement, para 2.26 and that they have the appropriate evidence to support their claim (see paras 3.10 to 3.12 of this section).

Short Job Outcome payments

3.10 Before raising claims, suppliers will need to assure themselves that a customer has been in work for the relevant period, and therefore must

obtain/maintain adequate assurance/evidence to support any claim should a review of the claim be undertaken by DWP (e.g. FAM, exceptions report or failure to pass validation within the electronic payment system).

3.10.1 Suppliers will need to become familiar with and understand the standard definition for a Short Job Outcome, which can be found at para 2.26 of The Service Requirement. All claims for Short Job Outcomes will be validated against this standard definition.

Sustained Job Outcome payments

3.11 Before raising claims, suppliers will need to assure themselves that a customer has been in work for the relevant period, and therefore must obtain/maintain adequate assurance/evidence to support any claim should a review of the claim be undertaken by DWP (e.g. FAM, exceptions report or failure to pass validation within the electronic payment system).

3.11.1 Suppliers will need to become familiar with and understand the standard definition for a Sustained Job Outcome, which can be found at para 2.26 of The Service Requirement.

3.11.2 All claims for Sustained Job Outcomes will be validated against this standard definition.

Evidence requirements and checks to support claims

3.12 Suppliers will be expected to maintain sound systems of internal control which must include appropriate checks, monitoring and evidence to ensure that they only submit claims for payments to which they are entitled.

3.12.1 DWP will validate all claims for payment using off benefit checks and audit inspections. In the event of any claims failing the off benefit check, suppliers will be invited to supply additional evidence which will have to be sent to DWP prior to payment of the outcome claim.

Honouring financial commitments within existing WORKSTEP contracts

3.13 Suppliers of Work Choice will be required to honour some of the financial commitments already established within existing WORKSTEP contracts and, as such will be given guaranteed funding to do so. The details of this guarantee are shown in paragraph 3.13.1 below.

3.13.1 This additional funding equates to around £90m across the five year contracts and can be broken down as follows:

1. Supported business places within the contract - a guaranteed financial payment of £4,800 per full time equivalent place (FTEP) per year.

Providers should note: for participants who occupy a protected place within a Supported Business and transfer to Work Choice, 'full time' continues to be defined as working 21 hours and over. (This definition applies only to existing participants who transfer; participants who start under the new Work Choice programme will be defined as full time when working 16 hours and over).

2. Financial Incentives for transitional customers within the contract – a guaranteed financial payment to the value of the financial incentive; with a depreciation year on year over the five years of the contract to reflect the expectation that some participants will progress into unsupported employment. (Providers will have flexibility to re-negotiate these payments with the employer at any time in order to achieve a saving, if and when appropriate).

3.13.2 It should be noted that suppliers are not required to continue payment of **financial incentives** where;

- the participant works in a supported business; or
- the participant works, whether as a permanent civil servant or as a placement in the civil service, in a Government Department or one of its agencies; or
- the participant works in a Local Authority post and the WORKSTEP provider currently paying the financial incentive is an agency/or part of that Local Authority.

3.13.3 The financial commitments based on current data are included alongside the indicative contract package values at Annex 2.

Annex 4 Provisions Relating to Staff

Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE)

4.1 As this programme replaces the existing DWP WORKSTEP and Work Preparation programmes and the Job Introduction Scheme, bidders are advised that they will need to consider the likelihood that the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) will apply to this transfer of work.

4.2 The purpose of TUPE is to protect employment rights, continuity of employment and the terms and conditions of service of people who are transferred from one employer to another when a business or part of a business (“an undertaking”) in which they work is transferred. The new employer takes over all rights, duties and obligations of the former employer. It is as though the individual’s contract of employment was originally made with the new employer and not the original employer. TUPE also places obligations on both the existing employer (the transferor) and the new employer (the transferee) to inform, and where appropriate, consult, representatives of all “affected employees”

4.3 Under TUPE, where there is a relevant transfer, TUPE applies the principle of an automatic transfer of contracts of employment from the previous service supplier to the new service supplier, whether the new supplier is a prime contractor or a sub-contractor. Note also that TUPE may also apply when it is only part of a service that is subcontracted: in that case, staff who worked in the relevant part can expect to transfer to the sub-contractor delivering that part of the service. The operation of TUPE can become very complex when subcontracting is involved and/or the service ends up being delivered by a number of suppliers. Suppliers should seek their own advice in relation to TUPE.

4.4 Set out below is the DWP position with regard to TUPE and its application within this programme based on our legal advice.

In the context of the re-tendering of a contract, a relevant transfer under TUPE occurs:

- when there is a transfer of an economic entity that retains its identity in the hands of the new supplier;
- when there is a service provision change, as defined (i.e. where previously a supplier had an organised grouping of employees carrying out activities on behalf of a customer who intends that the same activities be carried out by another supplier).

4.5 Further, the Cabinet Office Statement of Practice Staff Transfers in the Public Sector, published in January 2000, requires that TUPE should apply to a re-tendering of contracts where staff originally transferred from the public sector.

Where there is a relevant transfer, employees assigned to the undertaking being transferred have their contracts transferred automatically to the new supplier.

4.6 DWP expects successful bidders to investigate whether TUPE applies in all cases to establish whether there should be an automatic transfer of staff from outgoing suppliers.

4.7 Where it is clear an employee is assigned to an undertaking which transfers to an identifiable new supplier, TUPE must be allowed to apply so that the contract transfers in the usual way. It is also open to preferred bidders to offer employment to staff working in the service even if TUPE does not strictly apply to transfer employment automatically.

4.8 DWP will take very seriously any failure by preferred bidders to apply the law further, any such failure will expose preferred bidders to legal action in the employment tribunal by redundant staff. It is imperative therefore, that each of the preferred bidders seeks its own legal advice as to the application of TUPE and the Statement of Practice.

Potential transferees

4.9 There are potentially several different groups of employees who may fall to transfer to new suppliers for the delivery of these services:

- staff, from existing suppliers, who manage and administer the current DWP contract;
- participants on the programmes, who are directly employed by the existing suppliers, but working within host organisations;
- participants on the programmes who are employed by existing suppliers in 'supported businesses' established for the purpose.

Initial investigations suggest there may be approximately 6000 transferees, 800 of whom provide administrative services, the remainder being participants who are employed direct by existing suppliers either in a host organisation or in supported businesses. Since PQQ, DWP has received further legal advice which can be found at the end of this section at para 4.34.

Support for bidders on supplier to supplier TUPE

4.10 Clearly it is in all our interests to ensure that there is an early exchange of information to allow all stakeholders to consider the options and effect transfers where this is legally required or where both parties agree that it will ensure a smooth transition to the new contracts.

4.11 DWP will facilitate, where necessary, the exchange of full and complete TUPE information between out-going suppliers of the service and the incoming service supplier in line with the statement set out in DWP Code of Conduct, Annex 1 to the DWP Commissioning Strategy 2008. (Link to be found in Supporting Information Annex 2) We shall expect the transferor and transferee to reach agreement on compliance with the information provisions of TUPE and will not be offering any warranties as to the completeness of any information where we facilitate exchange (since we have no way of assuring this).

4.12 Consequently DWP cannot provide an indemnity against any losses or liabilities resulting from failure to comply with TUPE.

Pensions

4.13 Whilst it is unlikely that any DWP staff will transfer to new suppliers, there will be groups of staff potentially transferring to new suppliers from existing suppliers for whom pension arrangements will need to be made.

4.14 These arrangements are set out in the following legislation and codes and statements of practice:

- Local Government Pension Scheme (Amendment etc.) Regulations 1999;
- Staff Transfers in the Public Sector (2000, rev 2007);
- A Fair Deal for Staff Pensions (2002) and (2004);
- Code of Practice on Workforce Matters in Local Authority Service Contracts (2003);
- Pensions Act 2004;
- Transfer of Employment (Pension Protection) Regulations 2005;
- Code of Practice on Workforce Matters in Public Sector Service Contracts (2005); and,
- The Best Value Authorities Staff Transfers (Pensions) Direction 2007.

4.15 Although the transfer of occupational pensions is excluded from TUPE, the Cabinet Office has set out best practice guidelines initially in Staff Transfers in the Public Sector (2000) and subsequently A Fair Deal for Staff Pensions (Fair Deal). A

copy of these guidelines can be obtained from the Cabinet Office.
(www.cabinetoffice.gov.uk).

4.16 The guiding principles are that the new employer must provide public sector transferring staff with the option of membership to a pension scheme, which, though not identical, is certified by the Government Actuary's Department as "broadly comparable" to the public service pension scheme which they are leaving. Staff should also be given options for the handling of the accrued benefits which they have already earned (bulk transfer arrangements). This also applies to staff subject to a second or subsequent transfer who were originally transferred from the contracting authority. It will be a condition of the contract that the successful supplier will comply with these requirements.

4.17 In addition, transfers from local authorities are covered by the Code of Practice on Workforce Matters in Local Authority Service Contracts (the Code) which was set out in the Department for Communities and Local Government circular 02/2003. A copy of the Code can be found at:
<http://www.communities.gov.uk/publications/localgovernment/odpmcircularbest>

4.18 The Code obliges the new employer to make pension provision for the transferred employees, as in Fair Deal above, or to apply for admitted body status, thus allowing employees to remain members of the Local Government Pension Scheme (LGPS), by virtue of the enabling provisions of the Local Government Pension Scheme (Amendment etc.) Regulations 1999.

4.19 Further, employees who transfer from local authorities or who had previously transferred from local government service are protected under The Best Value Authorities Staff Transfers (Pensions) Direction 2007 (the Pensions Direction). Made under section 101 of the Local Government Act 2003, the Pensions Direction requires that all employees and former employees of "best value" authorities (as listed in section 1 of the Local Government Act 1999) are entitled to enforceable pension protection after a change of employer on a contracting-out exercise or subsequent contract. 'Pension protection' is defined in the Pensions Direction as the right to acquire pension benefits which are the same as, or count as broadly comparable to, or better than, those which the employees had the right to acquire before the change of employer. The Pensions Direction can be found at:
<http://www.communities.gov.uk/publications/localgovernment/authorities-staff-transfers>

4.20 Transfers from public sector organisations other than local authorities are covered by the Code of Practice on Workforce Matters in Public Sector Service Contracts which requires a treatment of staff pensions similar to that provided for by the Code. It can be found at:
http://archive.cabinetoffice.gov.uk/opsr/workforce_reform/code_of_practice/index.asp

4.21 Suppliers' employees who are in private pension schemes are excluded from the provisions of The Fair Deal for Staff Pensions and the Code. Pension provision for this group of employees is covered by the Pensions Act 2004 (the Pensions Act) at: http://www.opsi.gov.uk/Acts/acts2004/ukpga_20040035_en_1 and the Transfer of Employment (Pension Protection) Regulations 2005 at: <http://www.opsi.gov.uk/si/si2005/20050649>

Identified employee groups for pensions purposes

4.22 Potential suppliers will need to consider the pension arrangements required for the following groups of employees who could transfer to them from existing suppliers:

- Local authority employees who are members of the Local Government Pension Scheme;
- Supplier's employees in private pension schemes - including Further Education Establishment employees and other Private Sector suppliers.

Local Authority staff

4.23 Local authority staff working for current local authority suppliers will be members of the Local Government Pensions Scheme (the LGPS). For these employees a new employer must either:

- provide, under Fair Deal, a pension scheme certified by Government Actuary's Department as "broadly comparable" to the relevant LGPS scheme for their future service and a bulk transfer agreement to allow them, if they wish, to maintain the link between their future earnings growth and their past service pension benefits. The authority will provide a bulk transfer agreement with the relevant actuarial assumptions specified; or
- under the Code, apply for admitted body status, thus allowing employees to remain members of the LGPS, by virtue of the enabling provisions of the Local Government Pension Scheme (Amendment etc.) Regulations 1999; and
- in either case, observe the Pensions Direction by providing for pensions protection (as defined) to be enforceable for the relevant staff transferring to them. This may be achieved by the inclusion in the relevant contractual documents with the DWP a provision for the right to pension protection to be enforced pursuant to the Contracts (Rights of Third Parties) Act 1999.

Suppliers' employees in private pension schemes (including further education establishment employees and other private sector suppliers)

4.24 These employees will be covered by the Pensions Act and the Transfer of Employment (Pension Protection) Regulations 2005 which require the new employer to offer transferring employees the opportunity to participate in an occupational or stakeholder pension scheme following the transfer if they are eligible to participate in an occupational pension scheme before the transfer.

4.25 Minimum benefits of the schemes to be offered are set out in the Pensions Act.

4.26 Suppliers are advised to check the status of Further Education Establishment pension schemes. If there is any doubt whether they are private pension schemes or not advice should be sought from DWP on the expected treatment of such schemes.

Supplier Requirements

4.27 Suppliers must provide details of their proposals for providing a pension scheme for all the above groups of staff.

4.28 In order to achieve the requirements of Fair Deal in respect of provision of broadly comparable pension schemes and bulk transfer agreements it is **mandatory** that suppliers start these negotiations as soon as possible so that the likely outcome of these negotiations is transparent before the award of contract.

4.29 Suppliers must provide details of their proposals for negotiating a pensions bulk transfer including a timetable with the incumbent service supplier and the employer's actuary.

4.30 In addition, consideration must be given to pensions arrangements for new joiners to the workforce following commencement of the contract, as required by the Code, which applies to employees transferring out of local government service, and the Code of Practice on Workforce Matters in Public Sector Service Contracts, which applies to employees transferring out of other public sector organisations.

Prevention of a “Two-Tier” Workforce

4.31 Any transfers from DWP or other government Departments are subject to the Code of Practice on Workforce Matters in Public Sector Service Contracts (2005); <http://archive.cabinetoffice.gov.uk/opsr/documents/pdf/copwm.pdf>

4.32 Similarly, transfers from local authorities are covered by the Code of Practice on Workforce Matters in Local Authority Service Contracts (2003). <http://www.lge.gov.uk/lge/core/page.do?pageId=119743>

4.33 These codes of practice should be applied where a public sector employer transfers its employees to a private or voluntary sector partner as part of a contract to provide any service to the authority. They will ensure that new joiners to the transferred-out workforce are offered terms and conditions which are, overall, no less favourable than those of the transferred staff. and will prevent the damaging 'two-tier' situation where TUPE transferred staff on good conditions work beside newly recruited staff on much poorer terms and conditions.

4.34 Potential suppliers will need to consider the provisions of the respective codes and the extent to which they will apply to this transfer of work.

TUPE – a précis of the legal advice obtained by DWP in relation to Work Choice 29/6/09

Whether or not the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) applies in any specific set of circumstances is ultimately a matter for the courts and tribunals, taking account of the circumstances which apply in individual cases. It may be necessary to consider each case, or groups of cases, individually. It would not therefore be either possible or proper for DWP to make a definitive statement on the applicability or otherwise of TUPE.

However, we have taken legal advice on the subject and we have decided to provide a précis of it for you for information only, to assist you in the transfer process.

DWP will not be entering into any further correspondence on this advice. You should not take this as a definitive statement of the position and it is strongly recommended that you continue to seek your own legal advice. DWP does not warrant that this précis of the legal advice applies in all cases.

The main groups identified as affected by this contracting activity applicable to Work Choice are:

Group 1 – The WORKSTEP and Work Preparation administrators

These are the staff who, in being employed by the WORKSTEP provider, are actually engaged in administering the WORKSTEP programme, whether that involves placing participants within their own organisation or with third parties.

It is likely that this group would transfer automatically to the new service providers after October 2010, under the new "service provision change" definition of a relevant transfer under TUPE.

Group 2 - Participants employed by third parties

These are participants in the WORKSTEP programme who have been placed by the service provider with a third party. Often these will be people who are found “permanent” work with commercial organisations like supermarkets, in respect of which financial incentives are paid.

The key factor is that the participant has a contract of employment with the third party. TUPE would not operate to transfer their contract since the underpinning employment contract continues between the participant and the third party and this would not, in the legal sense, be affected by the transfer of the WORKSTEP contracts from one service provider to another.

Group 3^a – Participants employed by the service provider performing work for that provider

These are participants who are placed by the service provider (e.g. a local authority) within their organisation but not linked to the administration of the WORKSTEP programme. They may work, for instance, in the parks or gardens department.

There is some uncertainty here but the general position is that it appears that TUPE would not apply to this group. The work that they do for the service provider is embedded in a distinct part of the provider’s organisation and it is considered that they would be assigned to that part. Consequently, the transfer of the WORKSTEP contract from one service provider to another would not in the legal sense affect their employment contract. This does not preclude the possibility that, depending on the facts, TUPE may apply to some of these individuals in some specific circumstances.

Group 3^b – Participants employed by provider but performing work for the third parties

These are participants engaged in contracts of employment with the service provider but whose services are offered to third parties, such as supermarkets.

There is considerable uncertainty with regard to this group. On balance TUPE is unlikely to apply but it may apply in some cases under the traditional definition of a relevant transfer. The position of this group might be compared with that of agency workers being employed by an employment business (and sent to work for a third party) where that business is transferred to another employment business. The application of TUPE to this group is likely to depend heavily on the particular facts – for instance, on whether the participants are taken on by the new service provider and are to be sent to work for the same third party after the transfer. It is

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considered that the other definition of relevant transfer (i.e. where there is a “service provision change”) cannot apply to this group.

Annex 5 Legislative Requirements

Equality of Opportunity

5.1. Suppliers are responsible for ensuring they comply with all Equal Opportunities legislation - the Race Relations Act 1976, the Race Relations Act (Amendment) Act 2000, the Sex Discrimination Act 1975, the Disability Discrimination Act 1995 and, if they are a public sector organisation, they are required to adhere to the requirements of the Disability Equality Duty (DED), which came into force in December 2006.

5.2. Participants must be provided with an environment free from discrimination or harassment, which protects their dignity. Suppliers must ensure that provision makes a positive contribution to achieving the Government's equal opportunities objectives. They must work with DWP and Jobcentre Plus to achieve outcomes set out in equal opportunities action plans, which will be developed by Jobcentre Plus locally. These action plans should identify specific activities to improve equality of access and outcome for participants on DWP provision. Suppliers must be aware of and deliver provision that takes account of equal opportunities issues in their local area and more generally, for example providing full access and support for disabled people, avoiding age and gender stereotyping, encouraging and facilitating access by people from minority groups and tailoring provision to meet the needs of all participants.

5.3. Whilst equality of opportunity is enshrined in law and increasingly embedded in culture, suppliers must be especially mindful that all of the participants in this particular provision will have a disability. A sound awareness of all the implications that this entails must underpin every dealing and contact with programme participants, or potential participants.

5.4. Before the award of any contract (to the value of £50k and over), suppliers are required to complete the accreditation process unless they are already accredited through Momenta, (an external organisation who undertake this work on behalf of DWP) within the last 12 months. As part of this they will be asked how they have ensured that any previous or existing provision meets the requirements of the relevant Acts, including whether they have a written equal opportunities policy that adheres to the requirements of the following:

- Sex Discrimination Act 1975;
- Race Relations Act 1976 and Race Relations (Amendment) Act 2000;
- Disability Discrimination Act 1995;
- Employment Equality (Religion and Belief) Regulations 2003;
- Employment Equality (Sexual Orientation) Regulations 2003;

- Age Discrimination 2006.

Employment Strategy for People with Learning Disabilities

5.5 *Valuing Employment Now* is based on the Government's belief that all people with learning disabilities, like all other people, can and should have the chance to work. To deny people that opportunity is a waste of talent for the individuals, employers, society, and the wider economy. The current economic situation makes it all the more urgent to take action.

5.6 The *Valuing Employment Now Strategy* (launched on 24th June 2009) therefore sets out the Government's goal to increase radically the number of people with moderate and severe learning disabilities in employment by 2025. The Government wants to close the gap between the employment rate of people with learning disabilities and that of disabled people generally.

5.7 We need a dedicated employment strategy for people with learning disabilities because they have not benefited from the progress made for disabled people generally. While the employment rate of disabled people in Britain overall has risen steadily, that of people with learning disabilities is much lower - just 10% for people receiving adult social services. This represents a waste of talent and opportunity for people with learning disabilities, employers, and our wider economy and society.

5.8 By 'work', the Government means real jobs in the open labour market and paid the prevailing wage, or self-employment. It does not mean volunteering or work experience, unless this is part of a genuine pathway to real work. This goal is about getting people into good jobs that both employers and employees value.

5.9 To encourage closer join-up of services, DWP have made clear that providers will need to work closely with external parties such as social care organisations and education providers to support the transition of disabled customers onto the programme. This will help ensure that people with learning disabilities access the programme. And evidence shows that with the right support people with learning disabilities – including moderate and severe learning disabilities – can not only work, but do an excellent job that they and their employers value highly.

http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_101401

National Mental Health and Employment Strategy

5.10 In November 2007 a Written Ministerial Statement committed to producing the first ever cross-government National Mental Health and Employment Strategy.

5.11 As reflected in *Improving health and work: changing lives*, the Government's response to Dame Carol Black's review of the health of the working age population, the Strategy aims to bring health and employment services closer together, support employers and healthcare professionals and tackle stigma and discrimination in the workplace

5.12 Dame Carol Black chairs the National Mental Health and Employment Steering Group of mental health specialists, academics, business and third sector leaders who are overseeing the development of the Government's Strategy. The Steering Group is focusing in particular on how mental health provision can be better tailored and integrated to help people find, stay in or return to work quickly.

5.13 The Strategy will cover the continuum of mental health conditions, from mild to moderate conditions such as anxiety and depression to more severe conditions such as schizophrenia. It is scheduled to be published in 2009.

Welsh Language

5.14 The Welsh Language Act 1993 established the principle that the Welsh and English languages should be treated on a basis of equality in the conduct of public business and the administration of justice in Wales. DWP operates a Welsh language scheme which helps the public in Wales to use Welsh as part of their day to day lives. It is our normal practice to ensure that all the services we provide for the public in Wales are available in Welsh and that our customers are aware of this fact. The principle also applies to all services delivered on our behalf by our agents and contractors. Suppliers must, therefore, ensure that they are able to satisfy this requirement when tendering to deliver services to our customers in Wales.

Health and Safety

5.15 Suppliers must:

- ensure appropriate precautionary measures are taken when customers could come into contact with vulnerable groups such as children or the elderly;
- ensure that all elements of provision (including work placements) are delivered in a safe environment and customers receive health and safety

induction, supervision, training and equipment, including safety equipment, which is appropriate to the provision being delivered (these are statutory requirements for all employees and customers);

- ensure that the health and safety arrangements set out within the contracting process are monitored and reviewed as appropriate, both at the providers' and at any sub-contractors' premises;
- provide Jobcentre Plus with timely and accurate reports of any relevant accidents occurring to Jobcentre Plus customers. Further details are supplied in Jobcentre Plus Provider Guidance which can be viewed on the DWP website at: <http://www.dwp.gov.uk/supplying-dwp/what-we-buy/welfare-to-work-services/provider-guidance/>

5.16 This requirement is in addition to Health and Safety legislation e.g. RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 1995) and the provider's own accident and investigation arrangements.

5.17 Through tender documents bidders will be asked to give details of their knowledge of the particular needs of the customer groups included in the specification, and the services they require. Evidence must be provided on how their organisation has met the specific needs of those most disadvantaged, including disabled people, people with particular learning disabilities, and people from black and ethnic minority communities. Evidence must also be provided on how their organisation has met the specific needs of those most vulnerable who, because of their disability or lack of exposure to the labour market, could be inappropriately influenced by provider staff, sub-contractors etc. Where providers do not have relevant experience they will be asked to explain how they plan to address this.

5.18 Organisations providing a health, social, or education service for these vulnerable groups have a duty to protect these individuals from harm. The term used to denote these duties and responsibilities is 'Safeguarding'. Safeguarding relates to all DWP provision and is generally the principle that all people accessing provision should be safe from abuse, bullying etc.

5.19 In addition, from Oct 09 new legislation will come into force which will place a legal obligation on providers to ensure they comply with 'The Safeguarding Vulnerable Groups Act 2006, The Safeguarding Vulnerable Groups Order (Northern Ireland) 2007 and the Protection of Vulnerable Groups (Scotland) Act 2007 and any requirements needed because of the introduction of subsequent schemes to support this legislation. For DWP provision this will relate to provision targeted at Vulnerable Adults e.g. our disability programmes.

5.20 It is important for all our providers to have a Safeguarding policy - this could be an extension to a provider's current policies. It is recommended that there should be a whole organisational approach to Safeguarding (i.e. not just for vulnerable adults) and the following areas should be covered:

- accountabilities;
- adopting a whole organisational approach to safety and security;
- policies and procedures;
- recruitment;
- induction, training and awareness;
- protecting vulnerable adults from abuse;
- how are participants involved;
- how is information disseminated.

5.21 DWP's Provision Quality Improvement Team is responsible for external inspection policy and both Ofsted and Estyn make judgements on providers' Safeguarding policies which is just one of many important areas they consider during inspection.

Data Protection

5.22 Suppliers will be required to comply with DWP data storage and data movement requirements and standards. Suppliers will be required to work with DWP to put in effect and maintain appropriate technical and organisational measures to ensure the prevention of unauthorised or unlawful processing of personal data and accidental loss or destruction of, or damage to, personal data.

5.23 Data must not be transferred outside the UK without the express permission of DWP, which must be applied for in writing.

5.24 Further information on Data Protection and Freedom of Information can be found in the draft terms and conditions of the contract which is included in the Invitation to Tender pack.

Security Policy for Suppliers of services to the Department for Work and Pensions

5.25 In order to protect DWP information appropriately, our suppliers must provide the security measures and safeguards appropriate to the nature and use of the information. All suppliers of services to the DWP must comply, and be able to demonstrate compliance, with the Department's relevant policies and standards.

5.26 All suppliers must comply with the relevant Standards from the DWP Information Systems Security Standards. The Standards are based on and follow the same format as International Standard 27001, but with specific reference to the Department's use.

5.27 The following are key requirements and all suppliers must comply with relevant DWP policies concerning:

Personnel Security

- staff recruitment in accordance with government requirements for pre-employment checks;
- staff training and awareness of Departmental security and any specific contract requirements.

Secure Information Handling and Transfers

- physical and electronic handling, processing and transferring of DWP data, including secure access to systems and the use of encryption where appropriate.

Portable Media

- the use of encrypted laptops and encrypted storage devices and other removable media when handling Departmental information.

Offshoring

- the Department's Data must not be processed outside the United Kingdom without the prior written consent of DWP and must at all times comply with the Data Protection Act 1998.

Premises Security

- security of premises and control of access.

Security Incidents

- includes identification, managing and agreed reporting procedures for actual or suspected security breaches.

5.28 The supplier shall develop, implement and maintain a Security Plan during the period of the Contract, showing how they will address the key requirements of

the Security Policy, and how they will implement appropriate arrangements which ensure that the Department's information and any other Departmental assets are protected in accordance with prevailing statutory and central government requirements. These arrangements will clearly vary according to the size of the organisation.

5.29 Draft Security Plans may be required at the Invitation to Tender stage of the tendering exercise. The final version of the Security Plan will need to be submitted to and approved by the Department within 20 days of the Effective Date of any contract awarded.

5.30 It is the supplier's responsibility to monitor compliance of any sub-contractors and provide assurance to DWP.

Annex 6 The European Social Fund

Background

- a. The European Social Fund (ESF) is one of four European Structural Funds² designed to strengthen economic and social cohesion in the European Union (EU). Broader background information about all the European Structural Funds and their administration in the United Kingdom is contained in the UK National Strategic Reference Framework. <http://www.berr.gov.uk/consultations/page28796.html>
- b. The ESF aims to:
 - i. help unemployed and inactive people enter work;
 - ii. provide opportunities for people at a disadvantage in the labour market;
 - iii. promote lifelong learning;
 - iv. develop the skills of employed people;
 - v. improve women's participation in the labour market.
- c. The ESF channels money into strategic, long-term programmes in member states and regions across the EU, particularly those where economic development is less advanced. Seven-year programmes are planned by member states together with the European Commission and then implemented through a wide range of organisations, both in the public and private sector. These organisations include national, regional and local authorities, educational and training institutions, non-governmental organisations (NGOs) and the voluntary sector, as well as social partners, for example, trade unions and works councils, industry and professional associations, and individual companies.
- d. The ESF is administered differently across the United Kingdom. England, Northern Ireland, Scotland and Wales each receive their funding allocations separately and have chosen to deliver ESF programmes differently. As a Government department with responsibilities across England, Scotland and Wales, DWP plays a different role in the delivery of ESF programmes in each country.

² The other three Structural Funds are the European Regional Development Fund, the European Agricultural Fund for Rural Development and the European Fisheries Fund.

England

- e. ESF Division, within the Joint International Unit, has overall accountability for ESF in England. ESF Division distributes the funding via Government Offices in the English regions. The Government Offices work with regional committees to develop and approve the proposals of organisations such as the Learning and Skills Councils, DWP, Regional Development Agencies and other organisations such as local authorities. These organisations (known as Co-financing Organisations) then deliver or arrange delivery of ESF projects at regional level.
- f. Most ESF money in England is distributed to projects through Co-financing Organisations (CFOs). These organisations are responsible for finding the match funding. This system of 'co-financing' enables successful applicants to receive 100 per cent funding for their projects.
- g. All Government departments and their local representatives (i.e. the Regional Development Agencies, local authorities, Learning and Skills Councils and Jobcentre Plus regions) work within this framework to develop delivery plans in order to secure ESF monies from the Government Offices. Since the strategic delivery model for DWP involves delivery through the private and voluntary sector, DWP must contract with suppliers to deliver the agreed projects.

Scotland

- h. The Scottish Government is responsible for administering ESF programmes in Scotland. Each of the Scottish regions has its own Intermediate Administration Body (IAB), which performs certain functions on behalf of the Scottish Government within each region (a bit like the Government Offices do for ESF in England). However, rather than Jobcentre Plus Office for Scotland working with DWP to develop a Co-financing Plan and submitting it to the Scottish Government, suppliers of DWP/Jobcentre Plus programmes including the Jobseekers Regime Flexible New Deal will submit bids direct to the appropriate IAB. This is called 'direct bidding'.

Wales

- i. The Welsh European Funding Office (WEFO) is responsible for administering ESF programmes in Wales. Like the Scottish Government, WEFO uses the 'direct bid' approach, inviting all potential ESF providers to submit bids directly to them.

ESF requirements in England

Match funding

- j. The ESF only funds a proportion of the total overall project costs; the rest must be found by the (publicly funded) organisation(s) delivering the project(s). As one of these organisations, DWP has to identify broadly similar domestically funded contracts to secure ESF monies. These contracts are known as 'match funded'.
- k. Contracts can be part funded by ESF or entirely by ESF. DWP has chosen to fund all its co-financed ESF contracts entirely by ESF, but it can only do this if the total value of other match contracts is in the right proportion to the value of ESF contracts. For example, if ESF provide a 50 per cent proportion and domestic funding 50 per cent, for every £50 spent on ESF provision DWP has to show that £50 has been spent on match provision.
- l. It is expected that the majority of DWP match funding will be from the Provider-led Pathways to Work, Programme Centres and the Jobseekers Regime Flexible New Deals programme. Any contracts used by DWP as match funding cannot be used by suppliers as match funding for ESF direct bids to Government Offices, the Welsh European Funding Office or the Scottish Government.
- m. Like the ESF-funded contracts, suppliers of domestic match contracts must also comply with ESF programme requirements in the following areas:
 - i. Marketing and publicity;
 - ii. Document retention; and
 - iii. ESF audit requirements.
- n. It will be possible that, owing to a change in the amount of match funding required, a supplier may be asked part way through a year to either start following these requirements or indeed to cease doing so in cases where sufficient match funding has been obtained.

Marketing and Publicity

- o. There are a number of regulatory requirements in terms of marketing and publicity and these apply equally to those suppliers who deliver ESF funded provision and those who deliver match funded provision. ESF funding can be withdrawn if the requirements are not followed.

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- p. To meet the regulatory requirements providers must have specific ESF publicity measures, which must include but are not restricted to the following:
- i. Publicising funding opportunities to potential applicants;
 - ii. Ensuring that all ESF and match funded support activities are publicised to customers and the general public;
 - iii. Providing DWP with “Good News” stories, this includes collecting the relevant information and obtaining customer permissions;
 - iv. Displaying an ESF plaque in each delivery location, in a prominent place, where it is clearly visible to staff, customers and wherever possible, others using the building;
 - v. Reminding ESF and match funded customers of EU and ESF support throughout their activity;
 - vi. Supplying provider and provision details for inclusion in the ESF public databases;
 - vii. Using the ESF logo in line with guidance on any documents including forms and letters concerning the administration of the ESF/ match funded activity. Information and a copy of the ESF 2007-2013 logo can be found at <http://www.esf.gov.uk>;
 - viii. Approving all publicity materials with DWP before publishing and use; and
 - ix. Issuing customers with a leaflet which explains ESF funding.

Document retention

- q. There are specific rules that apply to ESF provision about the length of time documents must be retained. This includes documents and information generated by suppliers. For the 2007-2013 programme, for example, ESF documentation must be retained until at least 31 December 2022. Suppliers will be updated should this date be changed at any stage in the future. Suppliers with programmes (both ESF and match funded) part or fully funded by ESF are required to keep evidence of the project costs they claim from DWP for the full retention period. The contract will specify what these costs are and the documentation that must be kept. There is a requirement under EU Regulations that these costs must be actual, eligible and relevant to the project and be supported by original documents. Non-compliance can result in recovery of funds.

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- r. Where a sub-contractor ceases to trade or is no longer doing business with the prime contractor, the prime contractor must ensure that all original documents are retained for the full retention period.
 - s. Where a prime contractor ceases to trade or is no longer doing business with DWP, all original documents must be passed to the DWP Contract Manager.
 - t. Suppliers can keep documents as either the original paper copies or as an electronic copy of the originals. If keeping copies of original documents electronically, they must meet with Commission Regulation (EC) 2355/2002. Please see Annex 7 of Chapter 12a of the DWP Provider Guidance.

ESF Audit Requirements

- u. Both prime contractors and sub-contractors of match funded provision are subject to audit controls and review. The following is a list of the bodies, which require access for audit purposes - it is not exhaustive:
 - i. European Social Fund – ESF Audit Authority;
 - ii. the European Court of Auditors;
 - iii. the European Commission’s Auditors;
 - iv. the National Audit Office;
 - v. DWP and Pensions Risk Assurance Division; and
 - vi. other bodies as required by or on behalf of DWP/European Commission.
- v. Failure to meet audit requirements results in a high financial risk for both suppliers and DWP, as funds used inappropriately or for ineligible customers or purposes are recoverable.

ESF Evaluation

- w. Independent evaluation is an important element of ESF provision. Match funded provision, is also subject to evaluation. Suppliers may be asked to support a variety of evaluation projects, including:
 - i. evaluation by ESF Division;
 - ii. regional evaluation commissioned by or on behalf of the Regional Skills Partnership; and
 - iii. programme delivery evaluation commissioned by DWP.

- x. Other interested parties may administer further evaluations.
- y. Suppliers will also be asked to report on progress and evaluate their own provision at regular intervals to support DWP's reporting requirement to the Managing Authority (ESF Division) at regional and national levels. An end of project evaluation report will also be required, summarising project activities and outcomes achieved, and highlighting key issues.

Further information about the ESF in England

- z. To comply with these requirements in full, suppliers must familiarise themselves with the Chapter 12 of the DWP Provider Guidance:
<http://www.dwp.gov.uk/docs/pg-chapter-12.pdf>
<http://www.dwp.gov.uk/supplying-dwp/what-we-buy/welfare-to-work-services/provider-guidance/>
- aa. More general information about administration of the European Social Fund in England and the implications of ESF match funding can be found at: <http://www.esf.gov.uk>.

ESF arrangements in Scotland and Wales

- bb. Information about the ESF in Scotland can be found at:
<http://www.esep.co.uk>.
- cc. Information on the ESF in Wales can be found at:
<http://www.wefo.wales.gov.uk>.

Annex 7 Sustainable Development

7.1 DWP supports the main goal set out in the UK Strategy for Sustainable Development, *Securing the Future*, (Securing the Future: <http://www.dwp.gov.uk/about-dwp/sustainable-development/>) which is to “enable all people throughout the world to satisfy their basic needs and enjoy a better quality of life without compromising the quality of life of future generations”.

7.2 The UK Strategy for Sustainable Development has four main aims:

- social progress that recognises the needs of everyone;
- effective protection of the environment;
- prudent use of natural resources;
- maintenance of high and stable levels of economic growth.

7.3 An overview of sustainable procurement in DWP can be found at http://www.dwp.gov.uk/supplyingdwp/doing_business_with_dwp/sustainableprocurement.aspx This document also gives details of the targets towards which DWP, along with all other central Government departments, must make progress.

7.4 When delivering services outside the DWP estate, suppliers (including sub-contractors) should, where possible, make all reasonable endeavours to comply with the principles set out in the UK Strategy for Sustainable Development and the Sustainable Operations on the Government Estate (SOGE) targets.

7.5 When delivering services on the DWP estate (Jobcentre Plus premises) suppliers (including sub-contractors) should, where possible, work with DWP to assist in making progress towards the SOGE targets and the wider sustainable development principles.

7.6 Suppliers will be required to complete a policy statement (within six months of the contract start date) to demonstrate how they will satisfy and adhere to the principles of sustainable development. As part of this policy statement, suppliers will need to give an assurance that their waste is disposed of by a registered waste collector, in accordance with current regulations, and that items such as ink cartridges and toners are recycled or disposed of in the correct way. Assurance must also be provided that Waste Electrical and Electronic Equipment (WEEE) regulations are observed with regard to the disposal of electrical and electronic equipment.

7.7 Suppliers must produce an action plan (within six months of the contract start date) to explain:

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- a. how waste produced will be minimised and the promotion of recycling within their business;
 - b. how energy consumption will be minimised;
 - c. how the use of transport will be minimised and how they will promote the use of public transport;
 - d. how staff awareness of sustainability will be increased;
 - e. details of a baseline assessment of their current position in terms of waste minimisation, recycling levels and energy consumption (energy consumption will only be required if current energy usage is available); and
 - f. annual estimates of the progress of their actions detailed in their plan.

7.8 Sustainability must be integrated into services so that they are delivered through a sustainable, innovative and productive economy that delivers high levels of employment and a just society that promotes social inclusion, sustainable communities and personal well being. This will be done in ways that protect and enhance the physical and natural environment and uses resources and energy as efficiently as possible.

7.9 Provision will improve the employability of participants and deliver environmental or community benefits by:

- g. using innovative methods (including those that reduce travel requirements) to deliver services;
- h. supporting skills and jobs identified that will work towards improving conservation;
- i. identify skills needed in work areas that will have a positive effect on the environment;
- j. reduce skills gaps locally;
- k. providing placements delivered through local and charitable organisations.

Annex 8 CONTRACT DEFINITIONS – Supply Chain Tiers

Introduction

The following contract definitions provide some clarity about the possible tiers within prime contract supply chains and the respective expectations of responsibility of organisations depending where they are positioned within the supply chain hierarchy.

DWP as commissioner and as described in the DWP Commissioning Strategy: “ will be making sure that responsibilities are clearly defined and will exploit the benefits of contestability and competition to drive quality, performance and value for money”

The Commissioning Strategy also states:

“We envisage a market were smaller providers will mainly act as sub-contractors (or ‘delivery providers’) and in which excellent sub-contractual relationships are the norm.”

Supply chain tiers

Supply chains within prime contracts can have as little as two tiers; prime and subcontract. They typically involve three or four tiers, although the structural arrangements can be different from those below



Note: Prime contractors may not deliver the service directly and therefore act as **‘managing agents’**. If they do deliver part of the service they may be referred to as **‘prime providers’**. Either status will be referred to as **‘primes’** in this document. The following tiers can sometimes be referred to as ‘top tier, second, third and fourth tier’ respectively. Any combination of Tier 2, 3 and 4 providers are referred to as **‘delivery partners’**

TIER ONE – (T1)**Definition of PRIME CONTRACTOR**

Single legal entity responsible to DWP (as commissioner) for all aspects of the contract and its underpinning service delivery. Directly responsible for all aspects of the supply chain and customers receiving services by any part of it

Contractual Relationships

- upstream** - responsible for prime contract with DWP
- downstream** - subcontracts in place with sub-contractors (T2)
- may also have subcontracts or SLAs in place with delivery partners (T3) and specialist providers (T4)

Financial Arrangements

- Upstream** the prime is solely responsible for the financial transaction with DWP and the right to monies paid for the service, including:
- fulfilment of purchase order
 - evidence that claims are accurate and correct – being liable for any false claim or declaration
- payments made by DWP to prime contractor as specified in the terms and conditions of the prime contract. The following are brief details of the types of payment:
- monthly service fee for running the contract – paid monthly in arrears (70% of overall contract value)
 - job outcome – paid once appropriate evidence obtained (15% of overall contract value)
 - sustained job outcome – paid for a job sustained for 26 weeks out of 30 weeks (remaining 15 %of overall contract value)
- downstream** - responsible for agreeing payment terms within the prime supply chain:

- if mirrored terms of the main contract are agreed, primes will arrange for service fee payments to be paid automatically to their supply chain partners (T2, T3 and T4 as required)
- directly to sub-contractors (T2) – who may pass on payments to delivery partners (T3) and specialist providers (T4) who have contributed to monthly claims
- providing a schedule of monthly cut-off dates to their supply chain to allow all levels to provide information to support achieving monthly DWP claims
- agreeing payment terms for making payments to supply chain partners within stated number of days of cleared funds being received from DWP. NB In some circumstances primes may agree preferential terms with supply chain partners

Quality and Customer Service Responsibilities

upstream

- Supplier Relationship Management (SRM) activity (contract management) is between DWP and the prime
- responsible for all customers within the prime contract and the quality of service they receive on behalf of DWP
- DWP will ensure that primes have the quality assurance and monitoring arrangements in place throughout the supply chain (T2, T3 and T4) to make sure quality is consistent and at least in line with their own minimum standards

downstream

- primes will gain assurances and monitor quality systems and approaches via subcontract arrangements with sub-contractors (T2)
- may also have subcontracts or SLAs in place with delivery partners (T3) and specialist providers (T4) in respect of quality assurance and monitoring arrangements

TIER TWO – (T2)**Definition of SUB-CONTRACTOR**

Typically delivering the 'end to end' service for customers in an area, or part of the 'end to end' service on behalf of the prime. In such an arrangement, they may also take full or partial supply chain responsibility for other delivery partners on behalf of the prime, but not in place of the prime

Sub-contractors may have a range of different subcontract arrangements with primes which differ from the above

Contractual Relationships

- upstream** - no contractual relationship with DWP
- responsible for subcontract with prime (T1)
- downstream** - may manage subcontract relationships (subcontracts or SLAs) with delivery partners (T3) and specialist providers (T4)

Financial Arrangements

- upstream** - payments made by prime contractor to sub-contractor as specified in the terms and conditions of the subcontract agreement. These typically mirror the payment terms between DWP and primes, but can differ by mutual agreement
- downstream** - may be responsible for agreeing payment terms with delivery partners (T3) and specialist providers (T4) either in line with the main contract or by mutually agreeable terms which differ

Quality and Customer Service Responsibilities

- upstream** - no direct relationship with DWP
- responsible for all customers within the subcontract and the quality of service they receive on behalf of the prime, in line with contractual agreements and expectations
- downstream** - may have subcontracts or SLAs in place with delivery partners (T3) and specialist providers (T4) in respect of quality assurance and monitoring arrangements

TIER THREE – (T3)**Definition of DELIVERY PARTNER**

Typically delivering either a locally configured 'end to end' or part 'end to end' service for customers, or a partial or specialist service to some customers. Can formally hold their contractual relationship with either the prime (T1) or a sub-contractor to the prime (T2)

Contractual Relationships

- upstream** - no contractual relationship with DWP
- responsible for subcontract or SLA with prime (T1) or sub-contractor to prime (T2)
- downstream** - typically no formal relationships, but may have subcontract or SLA arrangements with specialist providers (T4)

Financial Arrangements

- upstream** - payments made by prime (T1) or sub-contractor (T2) as specified in the terms and conditions of the subcontract agreement or SLA. These may mirror the payment terms between DWP and primes, those between primes and their sub-contractors, but can differ by mutual agreement
- downstream** - may be responsible for agreeing payment terms with specialist providers (T4) either in line with the main contract or by mutually agreeable terms which differ

Quality and Customer Service Responsibilities

- upstream** - no direct relationship with DWP
- responsible for all customers within the subcontract or SLA and the quality of service they receive on behalf of the prime, in line with contractual agreements and expectations
- downstream** - may have subcontracts or SLAs in place with specialist providers (T4) in respect of quality assurance and monitoring arrangements

TIER FOUR – (T4)**Definition of SPECIALIST PROVIDER**

Typically delivering either a very local 'end to end' or part 'end to end' service for customers or a partial or specialist service to some customers. Can formally hold their contractual relationship with either the prime (T1), sub-contractor to the prime (T2) or delivery partner to the prime/sub-contractor (T3)

Contractual Relationships

- upstream**
- no contractual relationship with DWP
 - responsible for subcontract or SLA arrangements with prime (T1), sub-contractor to prime (T2) or delivery partner to prime/sub-contractor (T3)
- downstream**
- bottom tier of supply chain so typically no formal arrangements

Financial Arrangements

- upstream**
- payments made by prime (T1), sub-contractor or delivery partner to prime (T2 & T3) as specified in the terms and conditions of the subcontract agreement or SLA. These may mirror the payment terms between DWP and primes, those between primes and their sub-contractors, but can differ by mutual agreement
- downstream**
- bottom tier of supply chain so typically no formal arrangements

Quality and Customer Service Responsibilities

- upstream**
- no direct relationship with DWP
 - responsible for all customers within the subcontract or SLA and the quality of service they receive on behalf of the prime, in line with contractual agreements and expectations
- downstream**
- bottom tier of supply chain so typically no formal arrangements

Other Relevant Definitions:

Consortia: Combination of organisations who collectively plan to work in partnership to deliver a contract. Although DWP are keen to encourage partnership (consortia) working between organisations, there must be a single legal entity with which it can contract. The consortia must either therefore have a '**lead partner**' who will hold the contract, or legally construct a '**special purpose vehicle**' (SPV) to hold the contract, as described below:

Special Purpose Vehicle (SPV): legal entity specifically constituted to represent the collective interests of a number of organisations who wish to combine their capabilities to deliver a contract(s) on behalf of DWP. Normally formed under the companies act or other such legislation (depending upon domicile of the legal entity)

Additional Guidance Notes Pertinent to the Work Choice Contract**1. PQQ stage (pre qualifying questionnaire)**

When submitting a PQQ, prospective primes do not have to formally declare their sub-contractors and supply chain partners. Key sub-contractors can be declared in a PQQ to assist the overall assessment that primes have the necessary capacity and capability to present a subsequent bid at invitation to tender stage.

2. ItT stage (invitation to tender)

It is a formal requirement when submitting a bid that primes provide a signed declaration from each of their main sub-contractors (those operating at tier 2). In doing so, primes are formally including those organisations within their bid which creates a formal contractual requirement at post-contract award stage. There is no formal requirement for primes to include declarations from other supply chain partners. The relevant parties may choose to make their own formal agreements to support the anticipated working relationship in line with the principles of the Code of Conduct.

3. Contract award stage

During post tender negotiations and also during the transition and implementation stages of the contract, primes must gain permission from DWP if they intend to change any of the sub-contractors formally declared in their bid. They must also inform DP if they make changes to any of their other supply chain partners.

4. Specific to the Work Choice contract

There is an additional contractual commitment for primes to provide subcontract arrangements and guaranteed financial payments for a specified number of existing WORKSTEP places in current Supported Businesses. See below for details.

Work Choice Contract - Prime Contractor and Supported Business Relationship

1. Introduction

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

The DWP Commissioning Strategy intends to impose minimal constraints around the dynamics of Prime Contractor led supply chains. Within the Work Choice contract, protected places agreed within Supported Businesses are positioned within the funding package and are therefore subject to contractual requirements and expectations within the Prime contract.

2. Prime Contractors

2.1 Contractual obligations

2.1.1 The Prime is responsible for the contractual relationship and interface with DWP. This includes responsibility for Supported Businesses who have a subcontract with the Prime directly as part of the new contract. The number of protected Supported Business places has been agreed with DWP and forms part of the main contract.

2.1.2 The Prime is contractually required by DWP to manage a subcontract with the Supported Business for protected places under the terms of the Prime contract. Points 2.2 to 2.4 below provide high level guidance regarding this contractual requirement.

2.2 Financial obligations

2.2.1 DWP is in the process of agreeing the number of protected places within Supported Businesses. The Prime as a result will be given guaranteed funding corresponding to the protected places 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 full time equivalent place (FTEP) during the 5 year contract period, under the terms specified in the contract specification. The supported business can only expect to receive guaranteed financial payments up to the level of protected places agreed in the contract.

2.3 Quality and customer service obligations

2.3.1 In addition to making payments, Primes will need to monitor the service provided to Work Choice participants within any Supported Business in line with the quality and customer service expectations of the main contract, in the same way as for all their subcontractors. This will include working with the Supported Business in anticipation of such places being reviewed as part of external inspection (e.g. by OFSTED). As the subcontract 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 Numbers of 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 protected places within the Supported Business is expected to mirror the approach of the main Prime contract. Further detail will be published in Provider Guidance.

2.4 Customer and Employer Relationships

2.4.1 For some existing participants that will transfer into the new contract as protected places, 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 contract 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 It is the responsibility of Jobcentre Plus to fill places where vacancies occur within the protected place numbers, but it is the joint responsibility of the Prime and Supported Business to notify vacancies promptly and appropriately in keeping with the requirements of the Supported Business as an employer. Further guidance will be available to help set expectations about referrals and the timescales for filling vacant places.

2.4.3 If the Prime and the Supported Business propose to make permanent changes regarding numbers, up to the maximum agreed within the contract, 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 receive guaranteed financial payments for protected places of £4,800 for up to the 5 year period of the new contract, subject to accepting the subcontract arrangement with the Prime, including for meeting quality requirements.

3.1.2 Supported Businesses will 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 of participants. These levels reflect that expected progression rates may be different for protected and non-protected places. It is expected that progression rates will be considered on an individual basis.

3.1.3 There may be situations where a Supported Business is successful in becoming the Prime contractor. The terms of the contract will remain the same and the Supported Business will be expected to manage its own subcontract based on protected places as part of its main contract.

3.1.4 Supported Businesses provide positive opportunities for participants and may be able to expand their role providing a wider package of employability skills by agreement with the Prime over and above any guaranteed funding places. The terms and conditions of any subcontract arrangement beyond the guaranteed places is purely a matter for the Prime and Supported Business to agree.

3.1.5 Although there are contractual guarantees regarding protected places for up to the end of the 5 year contract period, where it is of mutual benefit to consider changes during the life of the contract, it will be expected that Supported Businesses and Primes will discuss the proposed changes and be in agreement before making recommendations to DWP via the Prime.

3.2 Financial obligations

3.2.1 Supported Businesses will need to provide regular information regarding filled and unfilled protected places to the Prime to support the receipt of payments as detailed in the contract.

3.2.2 As part of normal business planning activity, the Prime and the Supported Business should consider in advance the implication that contract arrangements based on guaranteed funding are not certain beyond the 5 year contract period.

3.3 Quality and customer service obligations

3.3.1 The Prime must work with the Supported Business to ensure that the quality of customer service for participants meets the quality and customer service obligations within the main Prime contract and the service delivery requirements relevant to the Modules (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.

3.3.3 DWP will ensure through Supplier Relationship Management (SRM) and contract management interfaces that Primes fulfil their obligations to Supported Businesses, including by reference to the principles of the Code of Conduct.

3.4 Customer and employer relationships

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

Annex 9 DWP Baseline Security Standards

These minimum security standards are not new but DWP will need assurance that suppliers are compliant with them before they will be given access to PRaP (para 4.54 refers). This will be done via a Security Plan which suppliers will be asked to submit during the tendering process. The standards will be included in the contract Terms & Conditions, and suppliers should make them available to their planning and IT departments.

Standard
Significant Assets associated with the DWP Information Systems and Services must be the direct responsibility of nominated owners.
Significant physical Assets associated with DWP Information Systems and Services must be marked with an Asset number.
An Asset register must be maintained for all significant Assets associated with the DWP Information Systems and Services.
All Assets associated with DWP Information Systems and Services must be assessed to determine whether a Projective Marking is required.
Information that relates to the configuration, security or architecture of a DWP Information System or Service must carry a Protective Marking of RESTRICTED or the Protective Marking of the System to which it relates.
An identifying label must be applied to any DWP Official Information, such as Special Customer Records, that requires protective measures over and above those appropriate for the Protective Marking of the DWP Information System or Service with which it is associated.
The Protective Marking of Assets used for DWP Information Systems and Services, and of DWP Official Information, must be made known to all those who may have access.
Organisations with access to the DWP Information Systems and Services and DWP Official Information must, for each post, assess whether and to what level of Security Clearance is required.
Before any individual is allowed physical or electric access to DWP Information Systems and Services and or Assets associated with such systems an appropriate level of security check must be undertaken.
The use and protection of DWP Information Systems and Services and DWP Official Information must form part of a formally agreed contract that includes confidentiality (i.e. non-disclosure) requirements for DWP Official Information. Where DWP Information is the sole Asset concerned, the in the absence of a formally agreed contract its use and protection must form part of a legally binding confidentiality (i.e. non-disclosure) agreement,
Procedures must be in place to ensure that DWP Information Systems and Services and DWP Official Information are protected, and security preserved, when an individual terminates his/her employment or changes duties.

<p>Personnel requiring access to DWP Information Systems and Services and DWP Official Information must be provided with an appropriate level of training to undertake their duties securely, before being granted access.</p>
<p>Personnel requiring access to DWP Information Systems and Services and DWP Official Information in support of DWP business must be made aware, before being granted access, of their personal responsibilities with regard to associated security policies and procedures and their legal obligations.</p>
<p>Personnel who will use or have access to DWP Information Systems and Services must be made aware:</p> <p style="padding-left: 40px;">a) of the Department's ability to identify users and track their interactions with DWP Information Systems and Services;</p> <p>that all suspected incidents of misuse will be investigated and appropriate disciplinary action will be taken.</p>
<p>Personnel requiring access to DWP Information Systems and Services and DWP Official Information must on induction and regularly throughout their employment, receive effective security training and appropriate security awareness information.</p>
<p>All staff must be advised of their responsibility to recognise and to make known to the appropriate authority, all Security incidents and any information which indicates a security weakness in DWP Information Systems and Services.</p>
<p>All security incidents which affect DWP Information Systems and Services and DWP Official Information or affect the ability of the Department to meet the needs of its customers, must be reported, investigated and documented.</p>
<p>Procedures for reporting and investigating Security incidents must ensure the confidentiality of the information and its source.</p>
<p>There must be formal disciplinary process defined for individuals who breach or attempt to breach the security of DWP Information Systems and Services.</p>
<p>Controls and procedures must be in place to secure:</p> <p style="padding-left: 40px;">a) the perimeter of sites; b) buildings; c) offices</p> <p>which hold or provide a means to access DWP Information Systems and Services and DWP Official Information.</p>
<p>DWP Official Information must be safeguarded from unauthorised access and accidental and deliberate loss or damage at all times.</p>
<p>Equipment used in DWP Information Systems and Services must not be sited in areas where it is known that there is an unaccepted risk of loss, damage or compromise.</p>
<p>The use of privately owned equipment to carry out DWP work must be controlled.</p>
<p>Comprehensive Work Instructions must be prepared and maintained for all DWP Information Systems and Services to ensure their secure and correct operation.</p>
<p>Operational and test and development environments for DWP Information Systems</p>

and Services must be segregated and access to them controlled.
The procurement process for DWP Information Systems and Services must ensure that the Department's security requirements are clearly communicated to all actual and potential Service Providers.
Contracts and agreements with an organisation providing DWP Information Systems and Services must include an undertaking on their part to comply with all HMG and DWP security policies, standards and procedures.
Organisations providing DWP Information Systems and Services must document the implementation of security controls and how they comply with ISSS and any associated security policies and standards.
Service Providers for DWP Information Systems and Services must allow and provide for access to their premises and systems to enable compliance to be checked and monitored by the Department.
Adequate capacity and resources must be provided for the operation of DWP Information Systems and Services throughout the life of the system and service.
All DWP Information Systems and Services must meet defined acceptance criteria and be fully tested prior to deployment.
All DWP Information Systems and Services must obtain formal Accreditation prior to it becoming operational.
The deployment of new or upgraded DWP Information Systems and Services must ensure that the security of the system and its information is maintained throughout the deployment process.
All proposed changes to operational DWP Information Systems and Services or Services including changes to software, equipment and processes must be subject to formal DWP Change Control procedures.
Effective measures and procedures must be implemented for DWP Information Systems and Services to prevent or detect their infection by Malicious Software.
DWP Official Information and software held within DWP Information Systems and Services must be protected against loss by the implementation of formal procedures to generate, record, store and control the use of, back-up copies.
Measures must be established to archive DWP Official Information and provide access to archived information.
DWP Information Systems and Services must operate in an environment that protects them against the risks from environmental threats and hazards.
All Media containing DWP Official Information must be given a level of protection appropriate to the risks to the type of media and to the Protective Marking of the information it contains.
System Documentation must be protected from loss and access to it controlled and restricted to those with the appropriate and Need to Know.
All Media must be disposed of securely and safely in accordance with its Protective Marking and value when it is no longer required.
Access to DWP Official Information by third party organisations and their staff, must be controlled.
Where DWP Official Information or software that is used to provide DWP Information Systems and Services is to be exchanged, electronically or physically, the information must be protected to ensure the Confidentiality and Integrity and Availability of the

information or software.
Cryptographic materials used in encryption products to protect DWP Official Information in storage or transit must be managed to protect against unauthorised access, usage and from loss.
DWP Official Information and security countermeasures must not be compromised through the use of electronic office systems.
DWP Official Information must not be put at risk of disclosure through the improper and careless use of telephone, fax and video facilities.
Access to DWP Information Systems and Services and DWP Official Information must be controlled in accordance with an access control policy statement and clearly defined and documented supporting procedures.
All equipment connected to DWP Information Systems and Services must be identifiable and controlled.
DWP Office Information in application systems must not be accessed or used without authority and business need.
DWP Office Information handled by DWP Information Systems and Services, by users and other systems and services, must be controlled in accordance with the Access Control Policy for the system or service.
DWP Information Systems and Services must have processes defined to authorise and report emergency access.
The provision, use and retention of Operational Data for training or testing purposes must be approved and strictly controlled.
Output from application systems handling Protectively Marked Information must be controlled.
DWP Official Information processed or stored in DWP Information Systems and Services must be protected in accordance with its Protective Marking.
Access to information on the configuration, security or architecture of information systems and services must only be available in accordance with the Access Control Policy for that system or service. Such as information must carry a minimum Protective Marking at least equal to which it relates.
For all DWP Information Systems and Services security requirements must be identified at the requirements phase of a project and justified, agreed and documented as part of the overall business requirement.
The use of backup data on DWP Information Systems and Services must be authorised, controlled and recorded.
The use of cryptographic techniques to protect the confidentiality, authenticity and integrity of DWP Official Information must be approved by the Department's Security Authorities and procedures implemented to securely manage the cryptographic material.
Test Data must be protected and controlled and the provision, use and retention of Operational Information for system and acceptance testing must be strictly controlled.
All changes to DWP Information Systems and Services must be strictly controlled.
All key business processes must have a Business Continuity Strategy Plans and facilities must be put in place and maintained to ensure the DWP Information Systems and Services can recover and continue should a serious incident occur.

All organisations with access to DWP Information Systems and Services and DWP Office Information, including those within the Department, must have an organisational structure in place which clearly defines roles and responsibilities for the protection of those systems and information in accordance with the Department's security policies standards and procedures.
Personnel with specific security roles must have the training, resources and authority necessary to enable them to undertake their security responsibilities.
Design and use of all DWP Information Systems and Services must be compliant with all relevant statutory, regulatory and contractual requirements.
Access to and the use of cryptographic controls must comply with national agreements, laws and regulations.
All copyright or Intellectual Property Rights of others must be complied with by anyone undertaking work for, or on behalf of, the Department.
Organisational records produced and retained to support essential business activities or to meet statutory requirements must be safeguarded from unauthorised access, loss, destruction or falsification.
All DWP Official Information containing personal information must be handed in accordance with the Data protection legislation in force within the UK.
Any use of DWP Information Systems and Services for non business or other unauthorised purposes, without management approval, must be regarded as improper use of the facilities.
Reviews must be carried out to ensure the protection provided for official DWP Information Systems and Services is sufficient taking into account the assessed level of risks and reflects current threats and vulnerabilities.
Assurance must be provided that all DWP Information Systems and Services comply with the appropriate security policies and standards.
Terms of DWP audit access must be established for all DWP Information Systems and Services.

Annex 10 Transition**Transition Success**

10.1 Transition will be deemed a success if all participants who choose to, are transferred smoothly to Work Choice. The actions that prime providers carry out between contract award and contract start are therefore crucial. DWP will continue to provide relevant information to support prime providers during transition and has carefully considered the information and activities prime providers will need to undertake to support the needs of participants and ensure the quality of service during transition.

10.2 This Annex outlines transfer activities and module allocation for participants moving from WORKSTEP to Work Choice.

Transfer activities for a current WORKSTEP provider who will become a prime provider or sub-contractor

10.3 Where the prime provider or sub-contractor intends to continue direct delivery to participants, the prime provider or sub-contractor should, as a minimum, undertake the following activity.

10.4 Contact each participant at the earliest opportunity, at least 8 weeks prior to programme start, to:

- explain the changes to the programme;
- offer the opportunity to transfer to Work Choice;
- discuss the allocation to module one or two and what it will mean;
- confirm the participant's personal details for PRaP (Provider Referral and Payment system) purposes and obtain participant's written consent to pass information to DWP.

10.5 Ensure participants are allocated to an agreed module in Work Choice. (See Para 10.20).

10.6 Ensure the ongoing support requirements under WORKSTEP are available under Work Choice.

10.7 Confirm protection of supported business place(s) to named representative in all supported businesses within the contract package area.

10.8 Communicate to current employers and supported businesses the change from WORKSTEP to Work Choice.

Initial communications (including method) to be discussed and agreed with DWP during transition.

10.9 At least 8 weeks prior to the start date of Work Choice, provide DWP with written confirmation of:

- all WORKSTEP participants who are transferring to Work Choice;
- which module individual participants will enter;
- details of WORKSTEP participants who have declined the offer to transfer and reasons why;

10.10 Carry out the actions as detailed in Para 10.4, 10.5, 10.9 at the earliest opportunity, where participants subsequently start WORKSTEP within the 8 weeks prior to Work Choice starting.

Transfer activities for a prime provider where the current WORKSTEP provider will cease delivery

10.11 Where the current WORKSTEP provider will not be delivering Work Choice and participants need to be transferred to a prime provider, the prime provider or sub-contractor should as a minimum carry out actions detailed in Para 10.4 – 10.10, and in addition:

10.12 Engage with the exiting WORKSTEP provider(s) via information provided by DWP at contract award and agree the transfer arrangements with the exiting provider(s).

10.13 Obtain relevant employer and supported business details from the exiting WORKSTEP provider(s) to support the transfer of participants.

10.14 Confirm with current employers that participants will remain in employment and ensure any relevant checks are carried out in relation to the ongoing employment of the participant(s) (i.e. H&S checks)

10.15 In the event that a risk to the ongoing employment of a participant is identified, the prime provider must use their best endeavours with the employer to ensure the ongoing employment of the participant. Contingencies should also be in place to support any participant if, despite best endeavours, they lose their employment.

10.16 Engage with supported businesses linked to an exiting WORKSTEP provider to build a relationship and ensure payment arrangements continue.

10.17 Obtain financial incentive information from the exiting WORKSTEP providers to ensure ongoing commitments (*as agreed by DWP) and payment arrangements are met.

(*See Annex 3, Para 3.13 for further information on financial incentives)

10.18 Offer support to WORKSTEP participants identified as TUPE transfers which in addition to TUPE requirements (Annex 4) means the prime provider or sub-contractor will need to deliver / support the delivery of workshops or other appropriate forms of communication to participants, to explain, for example: the transfer of employment and protection of pensions for public sector workers.

10.19 Carry out the actions as detailed in 10.11 – 10.18 at the earliest opportunity where participants subsequently start WORKSTEP within the 8 weeks prior to Work Choice starting.

Module Allocation

10.20 Below are the modules existing WORKSTEP participants should be allocated to in Work Choice:

- Participants in the pre-employment stage of WORKSTEP should enter Module 1 of Work Choice.
- All other participants should initially enter Module 2 of Work Choice.

Prime providers and sub-contractors may at any stage review the module allocation and subsequently place a participant into Module 3.

10.21 Before confirming the allocation of a module, prime providers or sub-contractors will need to confirm with the participant that they are content to transfer to Work Choice and they agree with the module choice.

10.22 It is anticipated that the majority of participants will remain with existing employers and the only noticeable change some participants will see is the change of provider delivering support to the participant.

Actions required if a participant declines to transfer to Work Choice

10.23 If a participant indicates during the review meeting with the prime provider, sub-contractor or at any other point during transition that they do not wish to transfer from WORKSTEP to Work Choice the prime provider or sub- contractor should confirm the participant's understanding and explore further the reasons for refusal and try to alleviate any concerns the participant may have. The implications of declining to transfer should be fully explained to the participant and all other options should be explored (e.g. participant enters unsupported work) by the current WORKSTEP provider, prime provider and sub-contractor. If the participant is adamant that they do not wish to transfer, the participant should be referred back to the DEA by the prime provider or sub-contractor, giving specific information to the DEA as to why the participant is refusing to transfer, before a final agreement is reached not to transfer. The style and format of discussions should be tailored to best suit the participant's understanding and may mean the discussion taking place over a number of meetings.