

ANNEX 2 - FUNDING MODEL OVERVIEW

This annex provides details of the funding model for suppliers of WFYB.

The overall contract value will be split into a service fee and employment outcomes. In accordance with the following model:

- a service fee worth 50 per cent of the overall indicative contract value;
- job outcome payment worth 50 per cent of the overall indicative contract value.

The Service Fee will be paid in monthly instalments. This will provide each successful bidder with a guaranteed contribution to help maintain the infrastructure and deliver the requirement.

The Job Outcome Payment will be paid on a unit price basis. The job outcome definition for this contract is:

- A minimum of 16 hours per week, continuous employment lasting 13 weeks.
- Following completion of 13 weeks employment, provider claims and payments will be made against this definition and on the basis of evidence as set out in the contract.

DWP will work closely with bidders to respond to any changes that may impact on this competition in order to ensure provision continues to meet need. Following consultation with successful providers, this may include applying tolerances to the service fee.

More detailed information about the funding model outlined above will be provided at the bidder events and at the Invitation to Tender stage.