

Work for Your Benefit Programme

Specification Pre-Qualification Stage

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Abbreviations

CEP	Contracted Employment Provision
DDA	Disability Discrimination Act
DED	Disability Equality Duty
DWP	Department for Work and Pensions
FND	Flexible New Deal
HRA	Human Rights Act
ItT	Invitation to Tender
JCP	Jobcentre Plus
JRFND	Job Seeker's Regime and Flexible New Deal
JSA	Job Seeker's Allowance
LEP	Local Employment Partnerships
MI	Management Information
PQQ	Pre Qualification Questionnaire
PRaP	Provider Referrals and Payments
SoS	Secretary of State
WfYB	Work for Your Benefit

1 EXECUTIVE SUMMARY

- 1.1 This document sets out the service required by the Department for Work and Pensions (DWP) for the Work for Your Benefit Contract (WfYB). The resultant contract will provide a programme of full-time work-experience and employment support for up to 6 months predominantly for those Jobseekers who reach the end of the Flexible New Deal (FND).
- 1.2 This document provides an overview of the WfYB pilot. It clarifies how customers will be allocated, details of the pilot locations, the proposed funding approach and information about performance and contract management arrangements.
- 1.3 The information is provided to help prospective providers decide whether to compete in the first stage of this competition – Pre Qualification Questionnaire (PQQ). A more detailed specification will be made available to those suppliers who are successful at the PQQ stage, and invited to the detailed Invitation to Tender (ItT) stage.
- 1.4 The WfYB provision will be for customers receiving Jobseekers Allowance and will be tested in pilot areas from October 2010. The contracts will run for two years and six months. (The last opportunity for referrals will be at 24 months).

2 Introduction

2.1 In the Green Paper “No one written off: reforming welfare to reward responsibility” published in July 2008 the Government announced its intention to pilot a “Work for Your Benefit” programme. This will involve Jobseekers who reach the end of the FND being required to undertake full time activity in order to receive their Jobseekers Allowance (JSA). In addition advisers will have the choice to “early refer” a limited number of customers that meet relevant criteria to the mandatory WfYB provision.

2.2 The principle underlying the new Jobseeker’s Regime and Flexible New Deal (JRFND) is one of increasing conditionality the longer someone remains on benefit. As well as increased support there will be corresponding increases in the requirements placed on customers (the new JRFND regime is detailed at Annex 1). However, the current design means a customer who does not find sustained work during FND will return to an earlier and less intensive stage of the JRFND Regime.

2.3 The WfYB provision and support aims to test initiatives to follow FND, to address this issue as follows:

- ensuring that customers with longer duration unemployment get additional help;
- improving the flexibility of provision and increased personalisation to meet customer needs;
- helping customers get the skills training they need to help them get better jobs; and
- making greater use of the flexibility and innovation that partnership working with the Public, Private and Voluntary Sectors can provide.

3 Background

- 3.1 In the new JRFND regime shown in Annex 1, customers who do not find sustained work during FND return to stage 3 in order to build on the investment made under FND.
- 3.2 The pilots are designed to test new options for a positive intervention to follow FND, which will help those furthest from the labour market move closer to sustained work. The pilots will build our evidence base of what support works in helping long term Jobseekers enter employment.
- 3.3 The pilot locations have been selected from the FND Phase 1 areas in order to offer ongoing support for those who complete FND provision in October 2010.
- 3.4 The first stage of WfYB implementation will be to introduce a Random Allocation Tool in pilot locations from October 2009. Customers will be assigned to one of the three options outlined in paragraph 3.5. Some of these assignments will take place during stages 1 to 3 in order to allow evaluation of any potential deterrent effect. Further assignments will take place after FND in order to manage volumes of customers moving onto WfYB. Both allocations will be random.
- 3.5 The second implementation stage of WfYB pilot will happen in October 2010 as the first Phase 1 FND customers finish FND provision. In WfYB pilot areas, customers who continue to meet the labour market conditions for JSA and do not go on to extend their time with an FND provider will be required to progress to the option they were randomly allocated to, prior to starting FND. This could be one of the following three scenarios:
- **a contracted ‘Work for Your Benefit’ programme - consisting of full-time work-experience and employment support for up to 6 months - to be offered as contracts to prime providers who will be responsible for the delivery and management of the provision across the contract package area;** or
 - an enhanced support regime to be delivered by Jobcentre Plus - to be more intensive than the supported job-search stage of the JRFND regime;
or
 - the same jobseekers regime as non-pilot areas. This involves customers returning to the supported job-search stage.
- 3.6 The WfYB programme will predominantly be for customers who reach the end of the FND. However, a small number of places will be available for Jobcentre Plus advisers to refer some customers earlier in their claim, i.e. during Stages 1 -3 of FND. Advisers will be able to allocate a fixed number of places to customers they believe are most likely to benefit from the

- support offered by WfYB. The exact number of places available for early referral and how they will be determined is yet to be decided. Further details will be available at the ItT stage. However, we do not expect the percentage of starts available for early referral to be significant and will form a small minority of overall starts. A summary of WfYB pilots is detailed at Annex 3.
- 3.7 Participation in the programmes outlined above will be mandatory. Customers who, without good cause, do not participate in the pilot programmes will be subject to a benefit sanction. The sanctions regime will operate in the same way as that applicable during FND. As with other employment programmes the sanctions regime will be delivered by Jobcentre Plus.
- 3.8 There will also be a linking rule to ensure that customers cannot break their claim for a short period in order to avoid more intensive conditionality. Further details will be available at Invitation to Tender Stage.
- 3.9 The assumption is that Jobseekers will be paid JSA rather than an allowance whilst on WfYB using powers that are being sought in the current Welfare Reform Bill. Further details of how this will work will be available at the ItT stage of the procurement.

4 The Service Requirement

- 4.1 This section describes the minimum requirements for a contracted WfYB programme in the pilot areas of:
- **Jobcentre Plus Districts of Greater Manchester Central and Greater Manchester East and West; and**
 - **Jobcentre Plus Districts of Norfolk, Cambridgeshire and Suffolk.**
- 4.2 WfYB is a mandatory employment programme designed to increase a customer's chance of entering sustained employment.
- 4.3 Jobseekers will be randomly assigned between contracted WfYB, enhanced support delivered by Jobcentre Plus or the JRFND Regime delivered in non-pilot areas.
- 4.4 The customer group will be mainly those who have been long term unemployed and may have lost, or never gained, the necessary work habits and routines that are expected in most jobs.
- 4.5 WfYB will address identified barriers to the specific job or jobs sought by the jobseeker.

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- 4.6 Customers will be referred to WfYB via the Provider and Referral and Payment (PRaP) system, which will be introduced by October 2009. Suppliers will need to access the web-based system via Internet Explore or Mozilla Firefox and download the information.
- 4.7 WfYB will last for a maximum of 6 months. At the end of the provision a customer will be referred directly back to the supported job search stage of the JRFND regime, in order to capitalise on the work experiences they have gained on WfYB.
- 4.8 WfYB provision will consist of 2 elements:
- full time work experience; and
 - employment support.

5 Work Experience

- 5.1 Work experience will offer full time opportunities for up to six months and must consist of roles that offer customers the opportunity to carry out tasks that are similar to a normal working environment.
- 5.2 Suppliers will be expected to work with local employers and organisations to source work experience placements that are tailored to the customer, and address identified barriers to the specific job or jobs sought by the jobseeker.
- 5.3 Where possible placements will be of benefit to the community, but it is more important that the roles have the best chance of helping Jobseekers back to work.
- 5.4 Placements must be in addition to existing or expected vacancies in an organisation. This is to ensure that employers do not take advantage of Jobseekers as a source of labour at the expense of employing workers in the open labour market. Suppliers will be expected to put arrangements in place to ensure that customers and/or organisations can raise with Jobcentre Plus concerns around job substitution.

The Government has agreed with the Trades Unions Congress (TUC) that the following principles will bind WfYB contractors when they source work experience placements:

- placements should form part of a programme of employment support for the participant and they should receive appropriate help, support and training from the host organisation (and / or provider);
- participants are engaged in a healthy and safe working environment;

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- the host organisation understands what is expected of them; and that
- the host organisation is required to declare that the placement does not displace existing jobs and is in addition to any vacancies the organisation currently has or expects to have;
- if the host organisation has a vacancy that it expects to fill with the participant then the position should be offered as a work-trial (for up to a maximum of 6 weeks) rather than work-experience as part of a WfYB programme;
- placements should be as close to a real working environment as possible because evidence shows that this is more likely to lead to successful employment outcomes.

5.5 It will be for providers to decide what roles best suit these criteria and bids for contracts will be evaluated on this basis.

5.6 It is expected that customers will undertake work experience that is “fulltime”. This will normally mean 30 hours a week work experience over 5 days. However, if a customer has an easement within their jobseekers agreement – for example a lone parent that has agreed with Jobcentre Plus availability for work of 20 hours a week, then the work experience should reflect this.

5.7 Work must be appropriate for the individual. For example if a customer has a back injury that prevents them from doing any job with heavy lifting this should be taken into account when sourcing work experience placements. This is particularly important to ensure that those with health conditions and disabilities are not disadvantaged when taking part in WfYB. Providers must of course adhere to all Disability Equality Duty (DDA), Disability Equality Duty (DED) legislation.

5.8 In pilot areas, Jobcentre Plus advisers will also be able to refer some customers to the WfYB programme earlier in their claim. These customers will be those who advisers believe would benefit from the support offered by the programme. This will be an additional “tool” for advisers in pilot areas, to support them in engaging customers with the labour market. More details will be included at ItT.

6 Employment Support

6.1 In addition to the full-time work-experience, (30 hours a week) customers could receive up to 10 hours a week of employment support activity. This will be consistent with the declaration in a Jobseeker’s agreement that the majority of JSA customers are available for up to 40 hours a week.

- 6.2 This support must maintain a focus on work search to avoid any perception that placements are “real jobs”. The supplier will determine the best way to work with the customer to achieve a work outcome and it will not be specified what activity must be undertaken, or the duration of any additional support. However, suppliers will be expected to have minimum regular contact with jobseekers over and in addition to their work-experience. The level of minimum contact will be dependent on individual circumstance.
- 6.3 The restrictions that can be placed on work experience outlined above also apply to employment support.

7 First 4 weeks of the Programme

- 7.1 In order to give participants the best chance of benefiting from their work experience, suppliers will be allowed to vary the balance between employment support and work experience within the first 4 weeks of a placement.

For example, if a supplier considered it appropriate they could start a customer off with just 10 hours of work experience in the first 2 weeks, backed up with 20 hours of employment support in order to ensure that when full time work experience starts at week 3, they will be more likely to cope with the change. There must still be a minimum of 30 hours a week (or maximum agreed in the Jobseekers agreement) activity during this period, regardless of how the time was made up.

- 7.2 If a customer stops claiming benefit during the WfYB provision but then returns to benefit within 13 weeks, they will also return to the WfYB provision at the point that they left. When a customer returns they must complete the balance of time (up to six months) that they have left on the programme.

8 Procurement

- 8.1 The detailed commercial strategy has been developed and the contract management strategy will be developed to ensure that the procurement process is transparent and conducted in full compliance with the Public Contracts Regulations 2006, DWP Commissioning Strategy, and in accordance with best practice guidance from OGC. This provision has been identified as a ‘Part B Service.’
- 8.2 Current assumptions are that contracts will be awarded to prime providers, who will be responsible for delivering and managing provision across each of the contract package areas in:

- **Jobcentre Plus Districts of Greater Manchester Central and Greater Manchester East and West ; and**

- **Jobcentre Plus District of Norfolk, Cambridgeshire and Suffolk**

8.3 Contract packages are to be delivered by the prime supplier directly and may include delivery through sub-providers. There is an expectation that prime suppliers will work with a diverse range of organisations to ensure that the specific needs of eligible customers are met.

8.4 Contracts will be awarded to bidders who meet all the stipulated criteria and submit the most economically advantageous tender, with a specific focus on identifying suitably experienced organisations who can deliver innovative and flexible support services to eligible customers.

8.5 Contracts will be awarded to one prime supplier in each contract package area through a two-stage approach and bidders will be expected to bid to deliver a range of work experience opportunities using appropriately qualified sub-contractors if necessary.

8.6 Contracts will be awarded for a period of two years and six months. (The last opportunity for referrals to work experience will be at 24 months).

8.7 DWP may choose WfYB provision as match funding to support our European Social Fund (ESF) co-financed programmes. 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 information on ESF will be included in the ItT.

9 The Work for Your Benefit Funding Model

9.1 Organisations who are successful at Stage One (PQQ) will be required, as part of their bid at Stage Two (ItT), to compete on price as well as quality and contracts will be awarded on the basis of the DWP Outcome Based funding model. The key features of this model include:

9.2 The overall contract value will be split into a service fee (50%) and employment outcome fee (50%).

9.3 The service fee (50%) will be paid monthly over the life on the contract.

9.4 The remaining 50% of the indicative contract value will be reserved for the achievement of employment outcomes and this will be paid on a unit price basis, with the value of each outcome being derived from the overall contract value and performance offer within the bids.

- 9.5 The funding model therefore requires bidders to be able to demonstrate the ability to fund the initial period until outcomes revenue is earned. More details on the funding model and definition of employment outcomes can be found in Annex 2 of this document.
- 9.6 Annex 4 provides detail on the expected volumes (starts) for each contract package area and an indication of the available budget for the pilot.

10 Travel, Childcare and Financial Assistance and Equipment

- 10.1 Suppliers are responsible for ensuring customers have the support they need to move towards employment and to participate in WfYB. Suppliers will be expected to cover these costs within their organisation. Bidders will need to include these costs within the financial part of their bid at the second stage. Further information will be provided in the ItT.
- 10.2 In some circumstances suppliers may need to coordinate childcare arrangements with Jobcentre Plus. Further details will be provided in the ItT.

11 Localisation / Devolution

- 11.1 In the White Paper, *Raising expectations and increasing support: reforming welfare for the future*¹, there was a commitment to devolve power in welfare to allow expertise to be drawn from providers of employment support, in local communities and individuals. It was also confirmed that the intention was to devolve power to communities and set out three levels of local devolution within DWP commissioning. These levels represent progressively greater flexibility and discretion to tailor services to meet local needs and will facilitate and support efforts to join up services at the local level.
- 11.2 Level 1 will involve more consultation with Sub-Regional partnerships.
- 11.3 Level 2 (co-commissioning) will support alignment of DWP programmes with other local funding and allow Sub-Regional partnerships to bring additional investment and funding to DWP contracts to enhance provision, however, DWP will retain control of procurement and the contract management. Suppliers will be expected to work with key local partners in the delivery of Work for Your Benefit.
- 11.4 Level 3 (further devolution) could include devolving responsibility for contracting to Sub-Regional partnerships. It is not expected that Level 3 will be a factor of WfYB.

- 11.5 For this procurement we are exploring with Manchester City Region how we will work with them to ensure that provision is tailored to meet the needs of the locality. More information will be included in the ItT as appropriate.
- 11.6 Working with partnerships in this way may create a potential conflict of interest. Assurance is given that DWP takes very seriously its responsibility to ensure competition is maintained, value for money is achieved and all bidders are treated equally and in a non-discriminatory way during the tendering and contract award procedures. DWP has therefore agreed with Manchester City Region a system of management processes, barriers, disciplines and confidentiality undertakings to ensure there is no conflict of interest in the procurement process and to prevent any disclosure to any City Region representative involved in submitting a tender for this procurement of any confidential information from other bidders. Full details of the processes and procedures which have been put in place are available on request.
- 11.7 By confirming your intention to respond to this PQQ you acknowledge the potential involvement of this City Region in this procurement and confirm your acceptance of the adequacy of the measure put in place by DWP.
- 11.8 Annex 5 provides more detail on Localisation/ Devolution.

12 Local Employment Partnerships

- 12.1 The supplier will be expected to work with all local partners who support people in moving back to work. In particular, suppliers should be aware that Districts are setting up Local Employment Partnerships with employers and suppliers will be expected to tailor their support to work with these partnerships.
- 12.2 Annex 6 provides more detail on Local Employment Partnerships.

13 Performance

- 13.1 DWP is committed to raising the standards of provision so continuous improvement is an integral part of its contracting arrangements. Suppliers will be measured on achievement of job outcome targets and on offering quality support to customers.
- 13.2 Suppliers will be required to give feedback to DWP on performance. The Management Information that the Department requires from suppliers will be included in more detail in the Provider guidance. This may include arrangement for collection of data and timetables for returns. Where the

Department requires additional information, suppliers must complete and return such requests within the agreed time limits.

14 Data Exchange

- 14.1 By October 2009, the Department expects to be using an electronic PRaP System – see Annex 7. Suppliers will be expected to use the new payment process and exchange information with JCP using this system, which will replace existing paper-based processes for referring customers and their work action plans to providers. Further information will be available in the ItT pack.
- 14.2 Suppliers will be required to provide management information to Jobcentre Plus using the Provider Referrals and Payments.

15 Quality support

- 15.1 Suppliers are required to apply the principles set out in the DWP Quality Framework which provides the foundation to maintaining and improving the quality of DWP contracted employment provision. Further information can be found at the link below
<http://www.dwp.gov.uk/supplying-dwp/what-we-buy/welfare-to-work-services/quality-framework/>
- 15.2 The supplier will be responsible for ensuring that customers have access to suitable and high quality support in a way that provides a good service and an excellent customer experience.
- 15.3 For WfYB to offer the most effective support possible to customers a number of key features need to be integral to its delivery. We expect suppliers to:
- focus strongly on performance;
 - deliver quality support;
 - provide minimum standards of support for all;
 - build strong links with local employers and key partner organisations; and
 - support the Department’s Diversity and Equality policy.
- 15.4 Rigorous self-assessment and action planning are key factors in effective quality assurance. Suppliers will be required to produce an annual Self-assessment Report which feeds into the Contract Management Review process. The report should be supported by an action plan that shows how the supplier will address areas for improvement and build on strengths.

16 Ofsted inspection

- 16.1 Suppliers of government funded training or education is covered by the Learning Skills Act 2000 and is subject to inspection by Ofsted in England.
- 16.2 Suppliers will be required to evaluate their provision against the requirements in the Ofsted Common Inspection Framework and submit an annual report that feeds into the DWP review process. The report should be supported by an action plan that shows how the provider will address areas for improvement and build on strengths.
- 16.3 External inspection gives an independent, public account of the quality of provision and keeps the funding body and SoS informed of the standards and efficiency of DWP Contracted Employment Provision (CEP).
- 16.4 The primary focus of inspection is the experience and expectations of customers on provision, through the evaluation of standards and achievements, quality of training and learning, effectiveness with which provision is managed, quality assured and improved, how efficiently resources are used to ensure value for money and the extent to which provision is educationally and socially inclusive and promotes equality of access to employment and skills opportunities.
- 16.5 Star Rating is an assessment of a supplier's performance in terms of outcomes and quality, DWP plans to apply Star Rating to all contracted employment provision and details of how the process would apply to WfYB will be supplied at the ItT stage.

17 Contract management

- 17.1 The WfYB programme will be managed in line with DWP Contract Management arrangements. Suppliers will need to take responsibility for managing issues and addressing poor performance with sub-contractors. Suppliers will also be responsible for ensuring that sub-suppliers meet all performance, quality, equality and legislative standards.
- 17.2 Suppliers will be monitored on a pre-agreed range of quality measures which will be detailed within the ItT.

18 Evaluation

- 18.2 Evaluation serves an important role to determine the impact on job outcomes. The 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 DWP. This may include individual data of customers' age, gender, ethnicity, disability, progress and achievements. Participants will also take part in interviews to inform the evaluation. Further details will be included in the ItT pack.

19 Equal Opportunities

- 19.1 In the specification, Prime Suppliers will be advised that they must take steps during the lifetime of the contract to ensure that they remain compliant with current and future changes in the law.

Suppliers are responsible for ensuring they comply with all Equal Opportunities legislation. The more recent legislation includes the Equality Act 2006, Race Relations (Amendment) Act 2000, the Employment & Equality (Age) Regulations 2006, Employment & Equality (religion & Belief) Regulations 2006 and the Employment & Equality (Sexual Orientation) Regulations 2006.

Additionally, suppliers will be expected to support the Secretary of State (SoS) in meeting their obligations under the DDA and Human Rights Acts (HRA). This includes the new DED, which places a new obligation upon Public Authorities to promote equality of opportunity for disabled people.

- 19.2 Further detail can also be obtained using the following website link.
<http://www.equalityhumanrights.com/advice-and-guidance/information-for-employers/>

- 19.3 Customers 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 JCP locally. These action plans should identify specific activities to improve equality of access and outcomes for customers on JCP 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 customers.

20 Health and Safety

20.1 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 equipment, which is appropriate to the provision being delivered (these are statutory requirements for all employees and customers);
- ensure that all health and safety arrangements set out within the contracting process are monitored and reviewed as appropriate, both at the suppliers' and at any sub-suppliers' premises;
- provide JCP with timely and accurate reports of any relevant accidents occurring to JCP customers.

20.2 The above requirements are in addition to Health and Safety legislation e.g. RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrence Regulations 1995) and the suppliers' own accident and investigation arrangements.