



# **The Work Programme**

## **Invitation to Tender**

### **Specification and Supporting Information**

Version 5.0

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# 1. OVERVIEW

## Introduction

1.01 The Coalition Agreement<sup>1</sup> set out a number of major welfare to work reforms, including a core integrated welfare to work programme plus a number of additional measures, designed to support people in finding employment. These measures will contribute to the overall aims of the Department for Work and Pensions (DWP) which are:

- help and support people who are out of work to move into work;
- encourage responsibility and fairness by simplifying the welfare system so that work always pays;
- recognise work as the primary sustainable route out of poverty and reduce the number of children in workless households;
- tackle pensioner poverty by providing decent State Pensions and encourage employers to provide high quality pensions for all employees;
- ensure that disabled people have the same opportunities as non-disabled people to succeed in life and fully participate in society; and
- to work with communities and partners to deliver excellent service to the Department's 20 million customers.

1.02 On the 25th November 2010 DWP announced successful bidders for the Framework for the Provision of Employment Related Support Services (thereafter referred to as the Framework), consisting of organisations with the capacity and expertise to deliver these services. Organisations successful in the competition in any given geographical lot are eligible to tender for employment related provision contracts within that lot. This Invitation to Tender (ItT) document, is for those Providers who have been awarded a place on the Framework.

## DWP Business Plan

1.03 The Work Programme (WP) has been designed to deliver the outcomes described in the Critical Success Factors in paragraph 1.04 and, in doing so contribute to the DWP structural reform plan. See: <http://www.dwp.gov.uk/publications/corporate-publications/structural-reform-plan.shtml>

## Critical Success Factors

1.04 Below are the Critical Success Factors against which the success of the WP will be judged:

- increase off flow rates for WP customer groups (more people into work);
- decrease average time on benefit for WP customer groups (people into work sooner);
- increase average time in employment for WP customer groups (longer sustained jobs);

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<sup>1</sup> The Coalition Agreement was published on 12 May 2010.

- narrow the gap between off flow/time in employment rates for disadvantaged groups and everyone else; and
- contribute to a decrease in numbers of workless households.

## **The WP Specification**

- 1.05 DWP is seeking proposals from successful Framework Providers to deliver the WP as part of the Government's welfare reforms.
- 1.06 This document provides information about DWP's requirement so that Providers can develop comprehensive delivery proposals and relative pricing schedules. It comprises two parts:
- the main specification which sets out requirements for delivery and additional information; and
  - the annexes, which contain further detail, including indicative volumes and pricing information that may be useful in preparing bids.
- 1.07 The WP will commence from summer 2011 across Great Britain<sup>2</sup> in a number of Contract Package Areas (CPAs) outlined in Annex 1. There will be at least two Providers operating within each CPA. The exact start date will be agreed with Providers but DWP is committed to having the WP in place in all CPAs by summer 2011. As part of their bids, Providers will be asked to provide an implementation plan and advise DWP of their earliest start date.
- 1.08 Referrals under the Work Programme contract will be made up until 31<sup>st</sup> March 2016. At the end of year five there will be a further two year period for Providers to carry out their service delivery obligations as outlined in this document.

## **Bid Evaluation**

- 1.09 The specification gives Providers the freedom to deliver services in the way which will lead to the best outcomes. As a result, when evaluating bids, DWP will look for the optimum mix of quality and value for money via two separate assessments. The scores from these two assessments will then be brought together into one overall score out of 120. 60 marks of the combined evaluation score will relate to the quality evaluation and up to 60 marks can also be scored in the financial evaluation. All information about the evaluation criteria and how Providers will be selected can be found in the Evaluation Strategy and Selection of Preferred Bidders at Appendix B in the Instructions to Bidders included in this ItT pack.
- 1.10 DWP, including Jobcentre Plus, will be working during the tender assessment stage to obtain input on local issues, which will be informed by regular engagement with local partners. There is no direct role for strategic partners in the assessment of WP bids.

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<sup>2</sup> Great Britain does not include Northern Ireland, the Channel Islands or the Isle of Man

- 1.11 DWP will only award contracts to organisations that have been Momenta accredited and it is a condition of joining the Framework that Providers go through this process prior to any contracts being awarded.

### **Transition from existing programmes**

- 1.12 Specific arrangements will be put in place to manage the transition from legacy programmes (see Annex 2). We will work with Providers during the implementation stage to ensure that as many people as possible who require WP support receive it as soon as they can and that appropriate support continues to be made available for all customers during the transition to the WP. As a consequence of the service delivery and design changes, it is likely that the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) will apply to the WP contracts. Annex 7 provides more information about TUPE and associated matters.

### **Flexibility during the life of the Contracts**

- 1.13 Contracts will be sufficiently flexible to handle the changes that might occur during their lifetime because of changes in funding, unexpected performance trends, or changes in policy. In particular the Department is undertaking fundamental reform of the welfare system with the introduction of the Universal Credit in 2013. This will potentially have impacts on Work Programme contracts. Annex 5 provides further details.

## 2. THE SERVICE REQUIREMENT

2.01 The Government believes that Providers are best placed to understand what works to help individual customers back to work. To achieve this, Providers should have freedom to deliver in the most efficient and innovative way possible. The specification focuses in general, on setting out the outputs and outcomes required (see sections 3 and 5). DWP is inviting Providers to demonstrate through their bids how they will support customers in getting and sustaining employment.

2.02 There are however some necessary requirements including those relating to:

- compliance with legislation;
- functions on behalf of the Secretary of State;
- complying with DWP codes and standards; and
- compliance requirements to meet European Social Fund commitments (see Annex 6).

### The WP Delivery Model

2.03 Providers will have considerable freedom to determine what activities each customer will undertake in order to help them into, and to sustain, employment. Specialist delivery partners from the public, private and voluntary sectors are best placed to identify the best ways of getting people back to work, and will be allowed the freedom to do so without detailed prescription from central government. We will specify some minimum requirements (for example around data security) but these will be minimised. During implementation and when the WP is in live running we will look for light touch methods to assure delivery of the proposals and standards, as set out in the bids and to minimise the burden on Providers.

2.04 The WP will deliver provision for:

- Jobseeker's Allowance (JSA) customers;
- Employment and Support Allowance (ESA) customers; and
- when Universal Credit is introduced, the WP will continue to provide support to relevant customers.

2.05 The existing customer groups, their referral points and respective payment groups can be seen in the table below:

<b>Customer Group</b>	<b>Time of Referral</b>	<b>Basis for referral</b>	<b>Payment Group</b>
Jobseekers Allowance customers aged 18 to 24	From 9 months	Mandatory	1
Jobseekers Allowance customers aged 25 and over	From 12 months	Mandatory	2
Jobseeker Allowance - Early Access customers facing significant disadvantage (e.g.	From 3 months	Mandatory or voluntary depending on	3

young people with significant barriers, NEETs, ex offenders)		circumstance	
Jobseekers Allowance customers who have recently moved from Incapacity Benefit	From 3 months	Mandatory	4
All Employment Support Allowance customers including contribution based, work related activity unlikely to be fit for work in the short term and support group customers.	At any time	Voluntary	5
Employment Support Allowance flow (income related) customers who are placed in the Work Related Activity Group and Support Group	At any time When customers are expected to be fit for work in 3 months	Mandatory or voluntary depending on circumstance	6
Ex-IB Employment Support Allowance (income related) customers who are placed in the Work Related Activity Group and Support Group (who have recently moved from Incapacity Benefit)	At any time When customers are expected to be fit for work in 3 months	Mandatory or voluntary depending on circumstance	7

Further information about customer groups and referral points can be found at Annex 2.

- 2.06 Whilst on the WP and on benefit the decision making in relation to benefit entitlement remains the responsibility of Jobcentre Plus.
- 2.07 Providers will deliver an individually tailored service for each customer. The Allotted Time for this service will be 104 weeks. Further details can be found in Annex 3 on the customer journey and Annex 4 on the payment model.
- 2.08 The Government is clear that Providers are best placed to know what works for customers and as such we will not specify what Providers should deliver. However, customers should know what level of service they can expect. Therefore, Providers will be asked to provide a summary of the minimum service they will offer to all customer groups. These minimum service levels will be translated into a small number of Key Performance Indicators within each contract and will be articulated to customers at the point they start the provision. These minimum service levels will be made public so that customers and their representatives will be able to judge whether Providers are delivering what they have promised. DWP may treat it as a breach of contract if Providers fail to deliver these minimum service levels.
- 2.09 Jobcentre Plus will make referrals providing customer details. For each customer Providers must make initial contact and agree the action(s) they and the customer will be taking forward. This should be recorded in an Action Plan.

- 2.10 Whilst working with each customer, the Provider must ensure the customer has a clear understanding of their responsibilities and enable them to attend and meet requirements of Fortnightly Jobsearch Reviews (FJR) or Work Capability Assessments (WCAs) as required.
- 2.11 Where a Provider chooses to require mandatory activity they must record this activity in an Action Plan. When a customer fails to comply with mandatory activities the Provider will be expected to inform Jobcentre Plus promptly, so Jobcentre Plus can consider applying sanctions.
- 2.12 Should a customer still be on benefit after the Allotted Time is completed Providers will need to provide an exit report to enable Jobcentre Plus to support the customer to return to Jobcentre Plus support. Further information about exit reports can be found at Annex A3.17.
- 2.13 Providers are responsible for ensuring customers have the support, including the financial support, they need to move towards employment. Annex 8 provides further details.

### **3. THE PAYMENT MODEL, PERFORMANCE AND MARKET SHARE**

3.01 This section sets out information on the Payment Model, DWP's performance expectations and Market Share. Further information can be found at Annex 4.

#### **Payment Model**

3.02 The contract, based on indicative volumes, will be paid through a payment model which focuses on giving incentives to Providers by rewarding additional outcomes after they have been realised. This includes:

- an attachment fee;
- a Job Outcome payment;
- Sustainment Outcome payments; and
- Incentive payments.

3.03 Attachment Fees and outcome payments will be paid at different rates depending upon the customer group. This reflects that some customer groups will need more support.

For payment purposes, the customer groups and payment groups are outlined in the following table. The table provides a high level overview.

Please refer to the Pricing Schedule Guidance for further information.

Additionally included is a payment model diagram to illustrate some of the above payment elements.

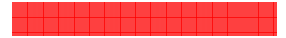
Benefit Type	Customer groups	Payment Group	Year 1 Attachment fee	Job outcome fee Maximum – to be completed	Job Outcome paid week:	Sustainment payment per 4 weeks	Sustainment payment (4-weekly) from week:	Sustainment: maximum amount of 4 weekly payments	Incentive payment
JSA	Aged 18 to 24	1	£400	£1,200	26	£170	30	13	£1,000
	Aged 25 and over	2	£400	£1,200	26	£215	30	13	£1,000
	Early Access	3	£400	£1,200	13	£250	17	20	n/a
	Ex-IB	4	£400	£1,200	13	£250	17	20	n/a
ESA	Contribution based - volunteers	5	£400	£1,000	13	£115	17	20	n/a
	Work related activity group – unlikely to be fit for work in short term (income related)- volunteers								
	ESA flow: Work related activity group – likely to be fit for work within 3 months (income related)	6	£600	£1,200	13	£235	17	20	£1,000
	Support Group	7	£600	£3,500	13	£370	17	26	n/a
	Ex-IB: Work related activity group – likely to be fit for work within 3 months (income related)								
Ex-IB Support Group.									

*Note – attachment fee will reduce as set out in para 3.05; job outcome fee will also reduce as set out in para 3.08.*

# Payment Model – Payment Points

Key

Customer on benefits



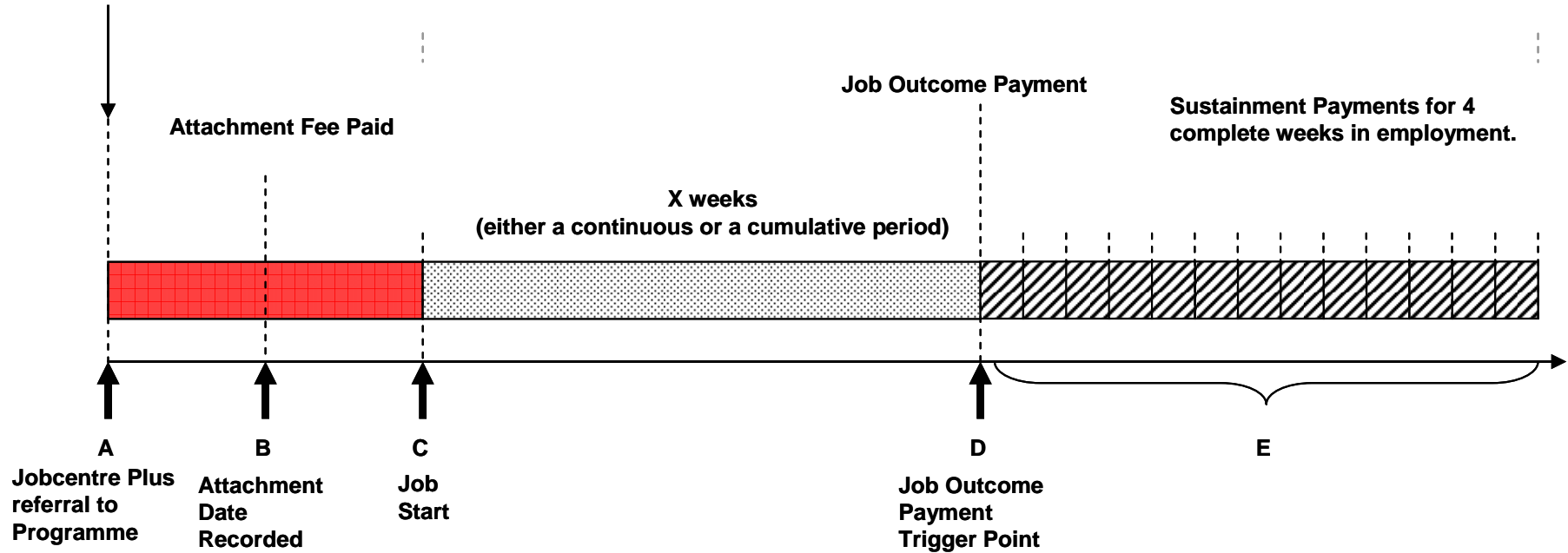
Period counted towards Outcome Trigger Point.



Customer in work & Provider receiving sustainment payments



Allotted Time begins



Please refer to Annex 4 for further details on all of the above payment points and associated claim conditions.

## **Attachment Fee**

- 3.04 The Attachment Fee gives Providers a payment at the point of engagement. The payment does not need to be claimed and will be automatically triggered by the Provider entering the date of the initial discussion with the customer and registering that date in the Provider Referral and Payment system (PRaP). The attachment fee will be paid at different rates as defined in the payment schedule for each customer group.
- 3.05 The attachment fee will reduce over the first three years of the contract and will be nil from 1<sup>st</sup> April 2014 - the start of year four. The profile for this payment is:
- Yr 1 = 100%
  - Yr 2 = 75% of the original amount
  - Yr 3 = 50% of the original amount
  - Yr 4/5 = 0%
- 3.06 In the unlikely circumstance of a customer completing, as defined in Annex 4, and then becoming eligible for WP support again then that customer will be treated as a new referral.

## **Job Outcome payment**

- 3.07 A Job Outcome payment will be paid when a customer has been in work for either a continuous or a cumulative period as defined in Annex 4.
- 3.08 Providers are asked to consider whether they can identify price efficiencies for this element of their bids. For example we would expect Providers working in different areas to have different cost bases and would expect those differences to be reflected in their bids. DWP will set a maximum job outcome payment level for each customer group. For customers in payment groups 1,2 and 6 the value of the maximum Job Outcome payments will reduce by 10 percentage points of the original level each year for customer starting from year three of the contract. Please refer to the Pricing Schedule Guidance for further information.
- 3.09 Bidders will be asked to propose a discount from the maximum Job Outcome payment by proposing:
- a) a percentage reduction below the maximum rates for starts in years 1-2 (a single percentage figure); and
  - b) a percentage reduction below the maximum rates for starts in years 3-4-5 (a single percentage figure).
- 3.10 Only one Job Outcome payment will be payable for each customer.

## Sustainment Outcome payments

- 3.11 Sustainment Outcome payments will be paid to the Provider whilst they keep a customer in work up to a maximum number of weeks as set out in the table in paragraph 3.03. A significant proportion of the contract value will come from sustainment outcome payments.
- 3.12 Customers who leave employment before the Allotted Time has elapsed will return to their Work Programme Provider until either the Allotted Time elapses or they find employment. If the customer returns to work during the Allotted Time, the Provider will be able to claim further sustainment payments until the cumulative total reaches the maximum allowable for the relevant customer group. However, customers who leave employment after the Allotted Time has elapsed will not return to the Provider, and no further payments can be claimed.

## The Key Performance Measure

- 3.13 Performance will be measured by comparing job outcomes achieved in the previous 12 months to referrals in the same period. In years six and seven there are no referrals and performance will be measured by jobs outcomes achieved in the previous 12 months divided by year five referrals.

## Non-intervention Performance

- 3.14 DWP will set a non-intervention performance for payment groups 1, 2 and 6 reflecting the number of job outcomes that would be expected to occur in the absence of the WP. This is calculated by DWP based on analysis of historical job entry rates.

The non-intervention performance profile is:

<b>Jobs / Referrals</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Year 6</b>	<b>Year 7</b>
JSA 18 to 24	5%	30%	40%	40%	40%	30%	10%
JSA 25 and over	5%	25%	30%	30%	30%	25%	5%
ESA Flow	5%	15%	15%	15%	15%	10%	5%

## Incentive payments

- 3.15 Incentive payments will be paid to Providers who deliver high performance for payment groups 1, 2 and 6. Incentive payments will be made for jobs delivered beyond a given performance level, defined as non-intervention performance plus 30%.
- 3.16 The reduction in job outcome payments (described in paragraph 3.08) and introduction of additional incentive payments in later years of the contract will

mean that an increased level of performance will be required to achieve the same level of total outcome payments as in earlier years of the contract.

### **Minimum Performance Standard**

- 3.17 Minimum performance standard will apply to payment groups 1, 2 and 6. It will be defined as non-intervention performance level plus 10%. See Annex 4 for further details.
- 3.18 DWP expects that Providers will significantly exceed these minimum levels. However, should Providers fail to reach minimum levels for any of the customer groups; it will lead to contractual action up to and including contract termination if improvements to performance are not made.

### **Shifting Market Share**

- 3.19 We will encourage ongoing competition between Providers in each CPA by shifting market share to those who perform most strongly and shifting from those who perform the least well to maximise job outcomes.
- 3.20 Where there is a performance difference of three percentage points or more for a particular customer group at 31<sup>st</sup> March 2013 we will move market share (new referrals) of that group from the lower performing Provider to the highest performing Provider. This process will be repeated every 12 months thereafter.
- 3.21 Market share shift will operate under the following parameters:
- the shift of market share will happen within a CPA;
  - only new customers will be referred to the Provider due to receive a higher level of referrals. Existing customers will remain with their original Provider;
  - prior to moving market share to a higher performing Provider, DWP will check that the Provider who is due to receive the higher levels of referrals has met the required Provider assurance rating and Merlin accreditation (see section 5);
  - the relatively poorly performing Provider will lose five percentage points of their market share for that customer group in new referral levels at each review point;
  - if there are three Providers in a CPA, the shift will be from the lowest to the highest performing Provider;
  - if a shift in market share does not take place in a particular CPA (for example, because a particular Provider has not met the minimum assurance standards) this will be reviewed again at six-monthly intervals;
  - at regular points, Providers will be made aware of how they are performing against their competitor; and
  - PRaP will be used for gathering performance data.

- 3.22 DWP has an expectation that Providers have the capacity and capability to accept extra market share. Shifting market share does not preclude DWP from taking appropriate actions, such as, breach action where Provider performance falls below minimum expectations.

### **Contract Price Change Date**

- 3.23 The date that contract prices will change will be 1<sup>st</sup> April. For example contract year 2 will run from 1 April 2012 to 31 March 2013 and so on.

### **Payments to Providers**

- 3.24 It is our intention to make all payments through the Provider Referrals and Payments system (PRaP) in line with the amounts agreed in the contract payment schedules attached to the T&Cs. Please note that DWP can only make direct payments to United Kingdom (UK) bank accounts. Any clerical processes that are required to support PRaP in the short-term will be developed and information will be available in Provider guidance. Annex 4 includes the standard definitions for all outcomes.

## 4: ADDITIONAL INFORMATION AND DELIVERY STANDARDS

- 4.01 This section provides additional information Providers may wish to consider when setting out their bid, and expected delivery standards.

### Additional information

#### Local Level Delivery Information

- 4.02 Further information on the local labour market can be found in Annex 9 and at this link:

<http://www.dwp.gov.uk/supplying%2Ddwp/what%2Dwe%2Dbuy/welfare%2Dto%2Dwork%2Dservices/>

#### Partnership Working

- 4.03 **Working with Government, DWP and Jobcentre Plus:** During the lifetime of the contracts, there will be regular interactions between Providers and Jobcentre Plus staff to ensure the effective delivery of provision and services to customers.
- 4.04 Whilst on the WP other DWP provision will not be available to customers, however, Providers should be aware of services available through the skills system delivered by the Skills Funding Agency (SFA) in England and may wish to consider what part the skills system may play when developing their bids. Further information on the Welsh and Scottish equivalents can be found at Annex 8 paragraph A8.34.
- 4.05 Additionally, Jobcentre Plus is committed to making its premises available to their local strategic and service delivery partners, when and where spare capacity exists. If the service delivery model includes the use of premises, Providers may wish to consider the use of Jobcentre Plus premises as the first option and initiate discussions with the local Jobcentre Plus Manager on the viability of pursuing this. Providers will be charged the market rate.
- 4.06 However Providers must not assume that they will have access to Jobcentre Plus premises now or for the life of the contract. Full costs for premises should therefore be reflected in bids.
- 4.07 **Working with strategic and local Partners:** Partnerships are central to the delivery of DWP objectives and statutory duties and DWP believes that effective partnership working will be key to effective delivery of the WP. As a result, Providers are expected to work, with a wide range of local partners and partnerships. Our track record in working with voluntary sector organisations within existing Welfare to Work supply chains is an excellent one. Currently, some 30% of sub-contracts are with voluntary sector organisations - and we are confident the WP will build on this to ensure the best possible experience for every WP customer. We will therefore be closely scrutinising each bidders'

partnership proposals when evaluating the tenders, particularly when considering the supply chain and service requirement criteria, to ensure that the level of community involvement is commensurate with the needs of the WP's customers. This will be a key factor in the tender assessment process.

- 4.08 **Working with employers:** suitable employment opportunities will be key to Providers achieving sustained job outcomes. Providers should therefore consider, when developing their bids, how they will work with a wide range of diverse employers who will be able to offer sustainable employment.

Annex 8 provides further information on all these areas.

## **Delivery Standards**

### Referrals and payment system

- 4.09 Providers will use the PRaP system to receive their referrals and make all claims for these contracts. Providers will therefore need to have met relevant security requirements when contracts go live. More information on PRaP can be found at:

<http://www.dwp.gov.uk/supplying-dwp/what-we-buy/welfare-to-work-services/prap/>

- 4.10 Information about the payment model and outcome payments can be found in section 3. Providers can only claim outcome payments for customers once an attachment date and a job start date have been registered in PRaP.

Further information on claims and evidence requirements can be found in Annex 8.

- 4.11 Direct access to PRaP will be limited to Prime Providers.

### Business Continuity

- 4.12 As part of the contract start up, Providers will be asked to supply details of how business continuity arrangements will be implemented and how these requirements will be covered. We expect Providers to:

- provide robust Business Continuity Plans and Disaster Recovery Arrangements for all services;
- provide DWP with sufficient evidence to demonstrate these are in place;
- regularly test all contingency arrangements, providing relevant evidence and outcomes of tests to DWP via Account Managers; and
- immediately notify DWP in the event of a business continuity incident or a significant disaster.

## Customer feedback and complaints handling

- 4.13 Providers must have an appropriate complaints process across the whole supply chain to attempt to resolve customers' complaints.
- 4.14 Where complaints cannot be resolved, a customer can complain direct to the Independent Case Examiner (ICE). ICE will mediate between the Prime Provider and customer to attempt to broker a resolution. If a resolution cannot be agreed between either party, ICE will undertake a full investigation of the complaint. If the complaint is upheld at this stage, in part or in full, then the Provider will be charged a fee of £5,000.

## Data Storage and Security

- 4.15 As outlined in the Framework competition, Providers will be required to comply with overall DWP data storage and data movement requirements. These obligations are included in the standard T&Cs for all contracts called off from the Framework, and should be made available to a Provider's planning and IT departments. More information can be found at: <http://www.dwp.gov.uk/docs/dwp-model-tc-national-w2w.pdf> and <http://www.dwp.gov.uk/docs/prap-tandc.pdf>

Annex 8 outlines data protections and security requirements.

## Legal Requirements and Minimum Standards

- 4.16 As outlined in the Framework competition, Providers must ensure that they remain compliant with current and future changes in the law, supporting the Secretary of State in meeting all obligations under the relevant legislation and principal regulations including fraud prevention.
- 4.17 Additionally, Providers will need to have met the minimum standards for equality, diversity and equal opportunities including training and diversity plans throughout the supply chain, as detailed in the Framework Specification.

## Code of Conduct and Merlin Standard

- 4.18 Providers must ensure that all sub-contractual relationships adhere to the DWP Code of Conduct and they attain the Merlin Standard. Information on the Code of Conduct and Merlin Standard was included in the Framework specification. Providers will be assessed against the Merlin Standard by a third party organisation within a year of contract go live and potentially every 3 years thereafter. Further information will be supplied in Provider Guidance.

For further information on the Merlin Standard, please see <http://www.dwp.gov.uk/docs/merlin-standard.pdf>; and <http://www.dwp.gov.uk/docs/sub-contracting-merlin-guidance.pdf>

## Provider Charter

- 4.19 The Provider Charter outlines how DWP expects to build strong Provider relationships in order to deliver joint objectives, including what Providers can expect from DWP and what DWP expects from Providers. Please see: [www.dwp.gov.uk/docs/dwp-Provider-charter.pdf](http://www.dwp.gov.uk/docs/dwp-Provider-charter.pdf)

## **5. ACCOUNT AND PERFORMANCE MANAGEMENT, QUALITY AND EVALUATION**

### **Purpose**

- 5.01 This section provides a summary of the information requirements to meet contractual obligations relating to quality, evaluation, performance and contract management. Further details will be set out in Provider Guidance.
- 5.02 DWP is committed to raising the standards of its contracted provision making continuous improvement an integral part of its contracting arrangements.

### **Performance Management and Account Management**

- 5.03 The WP contracts will be managed using the Performance Improvement Framework (PIF). This sets out a standard process for managing contracted employment programmes. Provider performance is based on an assessment of performance priority which considers a range of factors including contract value, compliance with the contract, performance and security.
- 5.04 WP Providers will be responsible for managing their sub-contractors, including addressing poor performance. The Prime Provider will need to ensure that all systems and processes used for the monitoring and recording of performance are robust, provide a clear audit trail of evidence, and give confidence to DWP that the Prime Provider and its supply chain are delivering the Programme in accordance with the Prime Provider's overall contractual obligations.

### **The Performance Improvement Framework**

- 5.05 The PIF will be used by the Performance Managers to help ensure they are getting the best possible performance from each Provider. It incorporates guidance for monthly analysis of Management Information (MI) and performance management. This informs performance reviews with Providers at CPA level.
- 5.06 The Provider must appoint an appropriate named contact who will work with the DWP performance manager to ensure that the WP is delivered as specified in the contract and that required standards and performance levels are met.

### **Performance and Performance Information**

- 5.07 Providers will be invited to attend regular (usually monthly) Provider Engagement Meetings (PEM) which will focus on performance, delivery and customer experience; Jobcentre Plus and Strategic partners will also be invited to attend.
- 5.08 DWP will use MI presented by PRaP for the ongoing management of the programme and for discussion with individual Providers

5.09 As DWP is committed to transparency on how its programmes are working, Providers need to be aware that MI may also feed into published Official Statistics on the WP. Consequently Providers must treat information they have access to as restricted, and for their use only, ahead of formal publication. Official Statistics may also cover performance expectations at Provider level, such as job outcome profiles.

### **Provider Assurance Team**

5.10 The Provider Assurance Team (PAT) provide DWP with assurance that:

- payments to contracted employment provision Providers are in accordance with DWP and Treasury requirements;
- public funds and DWP data are protected; and
- value for money has been obtained.

5.11 This is done through an operation of a national standard risk approach, for example through visits to review internal systems and sub contractor arrangements.

5.12 The PAT will work with successful Providers, particularly those new to DWP business, to ensure that they understand what is expected of them and are, therefore, adequately equipped to develop robust systems to support their service delivery model when the WP goes live. This will be via an action plan completed in conjunction with the PAT as part of the contract start up activities. Where existing Providers of contracted employment provision with 'weak' or 'limited' Provider Assurance ratings are successful, DWP expects them to make improvements and address any weaknesses in their systems before the WP contract goes live.

### **Quality**

5.13 Our expectation is that Providers will invest in and be active in their own improvement and development through a process of continuous self-assessment and action planning.

### **Programme Evaluation**

5.14 Evaluation of the programme will seek to determine the success of the WP. DWP will use existing MI and conduct qualitative research to build up a picture of the support delivered. Researchers will wish to visit and interview suppliers as part of the evaluation and Providers will be contacted in advance of the fieldwork. Providers must fully cooperate with WP evaluation activity commissioned by DWP or the ESF Managing Authority.

## Annex 1

### CONTRACT PACKAGES AND INDICATIVE VOLUMES

#### The Work Programme Contract Package Area

A1.01 The Work Programme CPAs are outlined in table 1 below:

**Table 1**

<b>CPA (aligned to Framework Lots)</b>	<b>CPA sub-divisions</b>	<b>No. of Providers per CPA</b>
CPA 1 East of England	Bedfordshire and Hertfordshire Cambridge and Suffolk Essex Norfolk	2
CPA 2 East Midlands	Nottinghamshire Derbyshire Lincolnshire and Rutland Leicestershire and Northamptonshire	2
CPA 3 London	West : Ealing, Hammersmith & Fulham, Brent, Harrow, Hillingdon, Hounslow, Richmond Upon Thames, Kingston Upon Thames, Wandsworth, Enfield, Kensington & Chelsea, Barnet, Camden, Westminster, Islington, Haringey	3
CPA 4 London	East: Hackney, Newham, Tower Hamlets, Barking & Dagenham, Redbridge, Havering, Waltham Forest, City of London, Croydon, Bexley, Lambeth, Bromley, Greenwich, Lewisham, Southwark, Merton, Sutton	3
CPA 5 North East	Northumbria South Tyne and Wear Valley Tees Valley	2
CPA 6 North West	Cumbria and Lancashire Merseyside Halton <sup>3</sup>	2
CPA 7 North West	Greater Manchester Central Greater Manchester East and West Cheshire and Warrington	3

<sup>3</sup> Halton currently resides within the Cheshire and Warrington area. For the WP purposes, Halton will move to CPA 6 North West.

CPA 8 Scotland	Ayrshire, Dumfries, Galloway and Inverclyde Edinburgh, Lothian and Borders Forth Valley, Fife and Tayside Glasgow Highlands, Islands, Clyde Coast and Grampian Lanarkshire and East Dunbartonshire	2
CPA 9 South East	Hampshire and Isle of Wight Thames Valley (Berkshire, Buckinghamshire, Oxfordshire)	2
CPA 10 South East	Kent Surrey and Sussex	2
CPA 11 South West	Devon and Cornwall Dorset and Somerset	2
CPA 12 South West	Gloucester, Wiltshire, and Swindon West of England	2
CPA 13 Wales	North and Mid Wales South West Wales South Wales Valleys South East Wales	2
CPA 14 West Midlands	Birmingham and Solihull Black Country	3
CPA 15 West Midlands	Coventry and Warwickshire Staffordshire The Marches	2
CPA 16 Yorkshire and The Humber	West Yorkshire	2
CPA 17 Yorkshire and The Humber	South Yorkshire	2
CPA 18 Yorkshire and The Humber	North East Yorkshire and The Humber	2

### Indicative volumes

A1.02 We set out below in table 2 the indicative volumes for customer starts by CPA. Providers should note that DWP does not guarantee volumes. These are total volumes per CPA, so will be divided equally between the number of Providers at the start of the contract.

To note: volumes have been updated since draft ItT.

**Table 2**

<b>CPA</b>	<b>No. of Providers</b>	<b>Payment Group</b>	<b>2011/12<sup>4</sup></b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>
1 East of England	2	JSA 18-24	6,000	5,000	4,000	4,000	4,000
		JSA 25+	24,000	19,000	17,000	16,000	14,000
		JSA Early Access	3,000	3,000	3,000	3,000	3,000
		JSA Ex-IB	1,000	2,000	2,000	1,000	-
		ESA Volunteer	4,000	4,000	3,000	1,000	1,000
		ESA Flow	3,000	3,000	3,000	3,000	3,000
		ESA Ex-IB	3,000	4,000	5,000	2,000	-
		Total	44,000	40,000	37,000	30,000	25,000
2 East Midlands	2	JSA 18-24	8,000	7,000	6,000	5,000	5,000
		JSA 25+	22,000	17,000	16,000	14,000	13,000
		JSA Early Access	3,000	3,000	3,000	3,000	2,000
		JSA Ex-IB	1,000	2,000	2,000	1,000	-
		ESA Volunteer	4,000	4,000	3,000	1,000	1,000
		ESA Flow	3,000	3,000	3,000	3,000	3,000
		ESA Ex-IB	3,000	5,000	5,000	2,000	-
		Total	44,000	41,000	38,000	29,000	24,000
3 London	3	JSA 18-24	4,000	3,000	3,000	2,000	2,000
		JSA 25+	21,000	17,000	16,000	14,000	13,000
		JSA Early Access	3,000	3,000	2,000	2,000	2,000

<sup>4 4</sup> Figures for 2011/12 are based on a full year of volumes assuming contracts begin in April 2011. A later contract start date will result in lower volumes.

		JSA Ex-IB	1,000	2,000	2,000	1,000	-
		ESA Volunteer	3,000	4,000	3,000	1,000	1,000
		ESA Flow	2,000	2,000	2,000	2,000	2,000
		ESA Ex-IB	3,000	4,000	4,000	2,000	-
		Total	37,000	35,000	32,000	24,000	20,000
4 London	3	JSA 18-24	5,000	4,000	4,000	3,000	3,000
		JSA 25+	26,000	21,000	19,000	17,000	16,000
		JSA Early Access	3,000	3,000	3,000	3,000	3,000
		JSA Ex-IB	1,000	2,000	2,000	1,000	-
		ESA Volunteer	4,000	4,000	3,000	1,000	1,000
		ESA Flow	3,000	3,000	3,000	3,000	3,000
		ESA Ex-IB	3,000	4,000	4,000	2,000	-
		Total	45,000	41,000	38,000	30,000	26,000
5 North East	2	JSA 18-24	6,000	5,000	4,000	4,000	3,000
		JSA 25+	20,000	16,000	14,000	13,000	12,000
		JSA Early Access	2,000	2,000	2,000	2,000	2,000
		JSA Ex-IB	1,000	2,000	2,000	1,000	-
		ESA Volunteer	3,000	4,000	3,000	1,000	1,000
		ESA Flow	3,000	3,000	3,000	3,000	3,000
		ESA Ex-IB	3,000	4,000	4,000	2,000	-
		Total	38,000	36,000	32,000	26,000	21,000
6 North West	2	JSA 18-24	6,000	5,000	4,000	4,000	4,000
		JSA 25+					

			20,000	16,000	14,000	13,000	12,000
		JSA Early Access	3,000	2,000	2,000	2,000	2,000
		JSA Ex-IB	2,000	2,000	2,000	1,000	-
		ESA Volunteer	4,000	5,000	4,000	2,000	1,000
		ESA Flow	3,000	3,000	3,000	3,000	3,000
		ESA Ex-IB	3,000	5,000	5,000	2,000	-
		Total	41,000	38,000	34,000	27,000	22,000
7 North West	3	JSA 18-24	7,000	6,000	5,000	5,000	4,000
		JSA 25+	20,000	16,000	14,000	13,000	12,000
		JSA Early Access	3,000	3,000	2,000	2,000	2,000
		JSA Ex-IB	1,000	2,000	2,000	1,000	-
		ESA Volunteer	5,000	5,000	4,000	2,000	1,000
		ESA Flow	3,000	3,000	3,000	3,000	3,000
		ESA Ex-IB	3,000	5,000	5,000	2,000	-
		Total	42,000	40,000	35,000	28,000	22,000
8 Scotland	2	JSA 18-24	8,000	7,000	6,000	5,000	5,000
		JSA 25+	26,000	20,000	18,000	17,000	15,000
		JSA Early Access	4,000	4,000	3,000	3,000	3,000
		JSA Ex-IB	2,000	3,000	3,000	1,000	-
		ESA Volunteer	7,000	7,000	5,000	2,000	2,000
		ESA Flow	5,000	5,000	5,000	5,000	5,000
		ESA Ex-IB	5,000	7,000	7,000	3,000	-
		Total	57,000	53,000	47,000	36,000	30,000

9 South East	2	JSA 18-24	3,000	3,000	2,000	2,000	2,000
		JSA 25+	14,000	12,000	10,000	9,000	9,000
		JSA Early Access	2,000	2,000	2,000	2,000	2,000
		JSA Ex-IB	1,000	1,000	1,000	-	-
		ESA Volunteer	2,000	2,000	2,000	1,000	1,000
		ESA Flow	2,000	2,000	2,000	2,000	2,000
		ESA Ex-IB	2,000	3,000	3,000	1,000	-
		Total	26,000	25,000	22,000	17,000	16,000
10 South East	2	JSA 18-24	4,000	4,000	3,000	3,000	3,000
		JSA 25+	15,000	12,000	11,000	10,000	9,000
		JSA Early Access	2,000	2,000	2,000	2,000	2,000
		JSA Ex-IB	1,000	2,000	2,000	-	-
		ESA Volunteer	3,000	3,000	2,000	1,000	1,000
		ESA Flow	2,000	2,000	2,000	2,000	2,000
		ESA Ex-IB	2,000	3,000	3,000	1,000	-
		Total	29,000	28,000	25,000	19,000	17,000
11 South West	2	JSA 18-24	2,000	2,000	2,000	1,000	1,000
		JSA 25+	8,000	6,000	6,000	5,000	5,000
		JSA Early Access	1,000	1,000	1,000	1,000	1,000
		JSA Ex-IB	1,000	1,000	1,000	-	-
		ESA Volunteer	3,000	3,000	2,000	1,000	1,000
		ESA Flow	2,000	2,000	2,000	2,000	2,000
		ESA Ex-IB					

			2,000	3,000	3,000	1,000	-
		Total	19,000	18,000	17,000	11,000	10,000
12 South West	2	JSA 18-24	2,000	2,000	2,000	2,000	1,000
		JSA 25+	9,000	7,000	7,000	6,000	5,000
		JSA Early Access	1,000	1,000	1,000	1,000	1,000
		JSA Ex-IB	1,000	1,000	1,000	-	-
		ESA Volunteer	2,000	2,000	1,000	1,000	1,000
		ESA Flow	1,000	1,000	1,000	1,000	1,000
		ESA Ex-IB	1,000	2,000	2,000	1,000	-
		Total	17,000	16,000	15,000	12,000	9,000
13 Wales	2	JSA 18-24	6,000	5,000	4,000	4,000	3,000
		JSA 25+	14,000	11,000	10,000	9,000	8,000
		JSA Early Access	2,000	2,000	2,000	2,000	2,000
		JSA Ex-IB	1,000	2,000	2,000	1,000	-
		ESA Volunteer	4,000	5,000	3,000	2,000	1,000
		ESA Flow	3,000	3,000	3,000	3,000	3,000
		ESA Ex-IB	3,000	5,000	5,000	2,000	-
		Total	33,000	33,000	29,000	23,000	17,000
14 West Midlands	3	JSA 18-24	8,000	7,000	6,000	5,000	5,000
		JSA 25+	23,000	18,000	16,000	15,000	14,000
		JSA Early Access	2,000	2,000	2,000	2,000	2,000
		JSA Ex-IB	1,000	1,000	1,000	-	-
		ESA Volunteer	3,000	3,000	2,000	1,000	1,000

		ESA Flow	2,000	2,000	2,000	2,000	2,000
		ESA Ex-IB	2,000	3,000	3,000	1,000	-
		Total	41,000	36,000	32,000	26,000	24,000
15 West Midlands	2	JSA 18-24	5,000	4,000	3,000	3,000	3,000
		JSA 25+	14,000	11,000	10,000	9,000	8,000
		JSA Early Access	2,000	2,000	2,000	2,000	2,000
		JSA Ex-IB	1,000	1,000	1,000	-	-
		ESA Volunteer	3,000	3,000	2,000	1,000	1,000
		ESA Flow	2,000	2,000	2,000	2,000	2,000
		ESA Ex-IB	2,000	3,000	3,000	1,000	-
		Total	29,000	26,000	23,000	18,000	16,000
16 Yorkshire and The Humber	2	JSA 18-24	4,000	3,000	3,000	2,000	2,000
		JSA 25+	15,000	12,000	10,000	9,000	9,000
		JSA Early Access	2,000	2,000	2,000	2,000	1,000
		JSA Ex-IB	1,000	1,000	1,000	-	-
		ESA Volunteer	2,000	2,000	2,000	1,000	1,000
		ESA Flow	2,000	2,000	2,000	2,000	2,000
		ESA Ex-IB	2,000	3,000	3,000	1,000	-
		Total	28,000	25,000	23,000	17,000	15,000
17 Yorkshire and The Humber	2	JSA 18-24	3,000	3,000	2,000	2,000	2,000
		JSA 25+	8,000	7,000	6,000	5,000	5,000
		JSA Early Access	1,000	1,000	1,000	1,000	1,000

		JSA Ex-IB	1,000	1,000	1,000	-	-
		ESA Volunteer	2,000	2,000	1,000	1,000	-
		ESA Flow	1,000	1,000	1,000	1,000	1,000
		ESA Ex-IB	1,000	2,000	2,000	1,000	-
		Total	17,000	17,000	14,000	11,000	9,000
18 Yorkshire and The Humber	2	JSA 18-24	3,000	2,000	2,000	2,000	2,000
		JSA 25+	9,000	8,000	7,000	6,000	6,000
		JSA Early Access	1,000	1,000	1,000	1,000	1,000
		JSA Ex-IB	-	1,000	1,000	-	-
		ESA Volunteer	1,000	1,000	1,000	-	-
		ESA Flow	1,000	1,000	1,000	1,000	1,000
		ESA Ex-IB	1,000	2,000	2,000	1,000	-
		Total	16,000	16,000	15,000	11,000	10,000
<b>National Total</b>			605,000	565,000	510,000	395,000	335,000

**Totals may not sum due to rounding**

## Understanding the indicative volumes

A1.03 WP volumes are made up of JSA and ESA customer groups, which are estimated separately based on their differing customer journeys.

A1.04 A two stage process has been used to estimate the number of WP starts. First, the number of starts at a national level has been estimated. Second, the national WP starts have been allocated to Contract Package Areas (CPA) based on the existing split of customer groups between each area.

A1.05 Table 3 provides a summary of the assumptions used to estimate the number of WP starts nationally

### JSA customer volumes

#### *National Level*

A1.06 There are a number of factors that affect the number of JSA customers expected to receive a WP attachment fee including the following:

- the expected number of jobseekers who will reach given unemployment durations at which they will be expected to join the WP;
- the impact of policy changes on the number of JSA customers reaching given unemployment durations; and
- ratio of referrals to attachment fee recipients.

A1.07 The key driver is the DWP planning assumptions around the number of customers reaching each unemployment duration. Changes to the economy in recent years have made this figure more difficult to accurately estimate than in the past, and so these figures are subject to a significant degree of uncertainty.

#### *CPA level*

A1.08 To allocate the estimated number of national JSA Work Programme attachment fee recipients to individual CPAs we have assumed the same distribution across areas as existing claims for an available time period, using historical data:.

- Proportion of JSA YP claims reaching 9 months between August 2008 and July 2009;
- Proportion of JSA 25+ claims reaching 12 months between August 2008 and July 2009;
- Proportion of all claims reaching 3 months between August 2008 and July 2009 (for JSA Early Access);
- ESA ex-IB caseload February 2010 (for JSA ex-IB).

A1.09 Geographical distributions have been calculated at a local authority level and then aggregated up to CPAs.

## ESA customer volumes

### *National level*

A1.10 ESA customer volumes are based on internal planning assumptions about the number of people claiming ESA each year (both new and existing claims). Within this there are two groups that start the WP:

- ESA customers in the Work Related Activity Group (WRAG) with 3 or 6 month prognosis, who are mandated to attend; and
- ESA(Contributory) customer who volunteer.

The total WRAG group is made up of three claimant types:

- ESA Flow (new entrants after April 2011);
- ESA Stock (existing claims at April 2011); and
- Ex-IB (those migrated to the WRAG from IB).

A1.11 The number of customers in the WRAG group who receive a three or six month prognosis is then calculated using DWP Official Statistics for the Work Capability Assessment.

A1.12 The proportion of ESA(C) customers who volunteer for the WP is assumed to be 25%, based on the volunteering rate of Pathways to Work.

### *CPA level*

A1.13 National level ESA volumes starting on WP are broken down to CPA volumes based on their geographical distribution using the following data:

- ESA on flows between September and November 2009; and
- ESA ex-IB caseload February 2010.

A1.14 Geographical distributions have been calculated at a local authority level and then aggregated up to CPAs.

**Table 3 Summary of factors affecting Work Programme volume calculations**

<b>Factor</b>	<b>Description</b>
<b>Baseline volumes</b>	
JSA 18 to 24	the expected number of jobseekers aged 18-24 who will reach nine months of unemployment (net of those eligible to join earlier)
JSA 25+	the expected number of jobseekers aged 25 or over who will reach 12 months unemployment (net of those eligible to join earlier)

JSA Early Access	the expected proportion of 3 month JSA flow who have claimed for 22 of the previous 24 months; the expected proportion of three month flow who are NEET; and the expected proportion three month flow who will volunteer
JSA ex-IB	the expected number of jobseekers who claimed incapacity benefit (IB) directly prior to their JSA claim who reach three months unemployment
ESA (C) volunteers	the proportion of ESA(C) customers volunteering for the WP
ESA Flow	the expected number of new ESA customers with a three or six month prognosis in the Work Related Activity Group (WRAG)
ESA ex-IB	the expected number of ESA customers who have migrated from IB with a three or six month prognosis in the Work Related Activity Group (WRAG)
<b>Impact of the WP Linking Rules</b>	
Linking rule impacts	A pre WP linking rule will mean that customers leaving JSA for less than a specified period return to the same point in their claim. This will increase the number of people reaching the stage of claim where they start the WP.
<b>Adjusting referrals to starts</b>	
Ratio of referrals to attachment fee recipients	Based on experience from previous programmes such as the New Deal for Young People, it has been assumed that 90% of those referred to the WP will receive an attachment fee.

## Annex 2

### OVERVIEW OF THE CUSTOMER GROUPS

- A2.01 This annex describes the WP eligibility referral points for differing customer groups. Providers will be expected to work with customers, based upon their individual needs. They should use their experience and expertise to meet the needs of customers, acknowledging that the skills, personal circumstances, capability and capacity to move into sustained employment, is individual to each customer.
- A2.02 WP Providers will determine what provision and activities a customer participating on the WP will undertake and for the majority of customers have the autonomy to decide the mandatory nature of any such activity and or training. For example Providers may decide attendance and participation to be voluntary for some, where for others they may notify and mandate.
- A2.03 WP Providers can expect to receive referrals for customers that fall into one of the following customer groups:
- Jobseeker's Allowance customers;
  - Employment and Support Allowance.
- A2.04 Customers within these customer groups will be referred to the WP at different points of their benefit claims dependent on their circumstances as seen in the table at section 2, paragraph 2.05.
- A2.05 For some customers who reach the relevant WP trigger point, (those with an offer of work, for example) JCP may postpone referral by up to three months.

#### Jobseekers Allowance Customers

- A2.06 This group includes customers who are in receipt of JSA and will be varied, including some JSA lone parents, partners and carers. JSA is a benefit for people who are unemployed and capable of work and in order to be eligible, the customer must be actively seeking and available for work. Customers in this group are assessed as ready to look for and take up work straightaway.
- A2.07 All JSA customers that are referred to the WP will be required to undertake activity the Provider requires and notifies them to. Activities and jobs must be appropriate to the customers' circumstances and further detail will be provided within Provider Guidance.
- A2.08 JSA eligibility for entry to the WP is defined below:
- **JSA customers aged 18 to 24** – Customers aged 18 to 24 will be referred **from** when they have been in receipt of JSA for nine months;
  - **JSA customers aged 25 and over** – Customers aged 25 and over will be referred **from** when they have been in receipt of JSA for 12 months;

- **JSA mandatory early access** – Some JSA customers will be referred *from* when they have been in receipt of JSA for three months. These are as follows:
  - JSA customers aged 18 who have not been in employment, education or training (NEET) in the previous six months;
  - JSA customers returning to JSA who have previously received benefit for 22 out of the last 24 months, ‘Repeaters’;
  - JSA customers who have moved onto JSA from incapacity benefits following re-assessment.
- **JSA voluntary early access** – Some JSA customers can volunteer to access the WP *from* when they have been in receipt of JSA for three months, with the agreement of their adviser. This would be before their normal referral point (for example at 9 or 12 months). Once the customer has been referred to provision early by Jobcentre Plus, they will be required to participate as any other JSA customer.

A2.09 Customers may be granted early access at the discretion of Jobcentre Plus if their circumstances show they are either:

- An ex-offender;
- A disabled person;
- A person with mild to moderate mental health issues;
- A care-leaver;
- A carer on JSA;
- An ex-carer;
- A homeless person;
- A former member of HM Armed Forces personnel;
- A partner of current or former HM Armed Forces personnel; or
- A person with either current or previous substance dependency problems that present a significant barrier to employment.

A2.10 Couples who are part of joint claims to JSA will both become eligible to support through the WP as soon as the first member of the couple becomes eligible, with both members joining the same Provider at the same time. This is because the barriers that prevent an individual from finding work may also affect other family members, leading to family worklessness. As joint customers will join the same Provider at the same time, Providers will have the opportunity to tackle broader family barriers to work, in addition to individual barriers.

A2.11 From 2012, customers making new claims to JSA who do not have children under 5 will not be able to make partner claims. Instead, they will make joint claims to JSA and will be subject to normal JSA conditionality. As such, they will be referred to the same WP Provider at the same time, at the point that the first member of the claim becomes eligible.

A2.12 From October 2010, DWP started a process of reassessing incapacity benefits (IB) customers to ESA. IB customers will have a WCA and, if found fit for work they may move to JSA. If not found fit for work they may move to ESA.

A2.13 From early 2012, Lone Parents conditionality will be extended to parents with children over the age of 5. These customers have been included within the volumes in table 1.

### **Employment and Support Allowance Customers**

A2.14 ESA is an integrated contributory and income-based benefit, which replaced Incapacity Benefit (IB) and Income Support (IS) paid on the grounds of incapacity for most new and repeat customers from October 2008. It is the main working age benefit for people with health conditions. It aims to help people who are not working due to ill-health to move towards sustainable employment whilst also providing support to those whose health condition is so serious that they have no obligations to prepare for work.

A2.15 ESA customers are required to attend a Work Capability Assessment (WCA). The WCA result should be delivered at around week 13 of each customer's claim to benefit.

A2.16 This assessment will place the customer in either the ESA Work Related Activity Group (WRAG) or the ESA Support Group, and all ESA customers will have the option of accessing the WP at any point after their WCA.

A2.17 The WCA will also identify the time after which the customer should be expected to be fit for work. This is the "prognosis".

### **Employment and Support Allowance - Work Related Activity Group (WRAG) Customers**

A2.18 The ESA WRAG comprises people for whom paid work is a reasonable and positive possibility if sufficient time, encouragement and support are provided.

A2.19 All ESA WRAG customers (with the exception of lone parents with a youngest child under five and full time carers) that are referred to the WP may be required to undertake Work Related Activity (WRA). Customers can be required by Providers to undertake any reasonable activity which assists a customer to obtain or retain work, so long as this does not include undertaking medical treatment, applying for jobs or taking up work.

A2.20 ESA WRAG customers who are lone parents with a youngest child under five or full time carers are not required to take part in the WP and their participation remains on an entirely voluntary basis. Providers cannot mandate these customers to undertake any activity. ESA WRAG customers with a child under 13 may restrict their availability for WRA to normal school hours.

A2.21 ESA WRAG eligibility for entry to the WP is defined below:

- **ESA (Contribution Based) customers** – do not have a required referral point to the WP, but will instead have the option to volunteer to be part of the WP *from* their WCA outcome;

- **ESA (Income Related) customers long prognosis**– do not have a required referral point to the WP, but will either:
  - await a subsequent WCA result that places them in the 3 or 6 month prognosis sub groups; or,
  - volunteer to be part of the WP.
- **ESA (Income Related) customers short prognosis** –will be referred *from* their WCA outcome;

**Please Note:** Where ESA customers volunteer they will be required to undertake activity and participate as any other ESA WRAG Customer.

- A2.22 Customers who appeal against a decision to place them into the ESA WRAG will not be referred to the Provider until the outcome of that appeal is known. They will only be referred if the original decision is upheld and they are still claiming ESA.
- A2.23 For some customers who reach the relevant WP trigger point, (those with an offer of work, for example) JCP may postpone referral by up to three months. Referrals to the WP will exclude ESA customers who have retained a contract of employment.

### **Employment and Support Allowance - Support Group Customers**

- A2.24 The ESA Support Group comprises of customers whose illness or disability has a severe effect on their ability to work, and customers will not be expected to undertake work **or** work related activity. Although it is not reasonable to require these customers to undertake any activity, where they choose to do so, they are able to access the WP.
- A2.25 Where ESA Support Group customers volunteer and have been granted access by JCP, their participation remains on entirely voluntary basis. Providers cannot mandate Support Group customers to undertake any activity.

### **Migration of existing customers to the WP**

- A2.26 Our intention is that those JSA customers who do not start on existing provision before referrals to those programmes end will be migrated to the WP within three months of the start of the contract. JSA customers who completed provision before October 2010 will also be migrated in the same period, whilst ESA customers in a similar position will be able to volunteer to join the WP if they wish.
- A2.27 Additionally, we intend that customers who complete existing provision after October 2010, customers on Flexible New Deal who have not finished their provision by the time contracts come to an end in June 2011 and those who have been receiving Young Person's Guarantee support will move onto the WP within twelve months. DWP anticipates that there will be approximately 300,000 in these groups. Numbers for each CPA are included in the indicative volumes provided. Please be advised that these arrangements have still to be finalised and any update during the bidding period will be through the QA log.

## Cross Cutting Customers Groups

A2.28 The customer groups set out above will include a range of customers with circumstances that need be taken into account in designing WP support. These will include:

- customers with caring responsibilities, including lone parents;
- disabled customers or those with health conditions;
- customers who are over 50 years old; and
- socially excluded customers, including ex-offenders, offenders serving a community sentence, homeless customers, and customers with a drug or alcohol dependency problem.

A2.29 Providers will need to work closely, and in an integrated way, with drug and alcohol treatment Providers and demonstrate that they will be able to call on the specialist expertise needed to deliver employment services to this group.

A2.30 In addition, Providers will need to identify wherever possible whether individuals are serving community sentences whilst on the WP, and ensure that work-related activities complement the requirements of the Criminal Justice System (for example, individuals may be required to undertake unpaid voluntary work, have restrictions on their movements, or be under curfew at certain times as part of the conditions of their sentence).

A2.31 To help Providers identify customers aged 50 and over who may need additional support due to age related barriers, a freely available web-based good practice guide has been developed with welfare to work Providers. This can be accessed at [www.50plusworks.com](http://www.50plusworks.com).

## Annex 3

### THE CUSTOMER JOURNEY

- A3.01 Customers may have participated in the Jobcentre Plus Offer before joining the WP and will have different entry points as outlined in A3.19.
- A3.02 All mandatory customers will have a Jobcentre Plus interview prior to being referred to the WP. Jobcentre Plus will determine the format for this interview. Its purpose is to:
- explain the aims of the WP;
  - discuss and agree the customer's roles and responsibilities whilst on the programme;
  - re-emphasise the conditionality for receipt of benefit; and
  - explain the role of the Provider.
- A3.03 All customers will be randomly allocated to one of the Providers within the customer's CPA and Jobcentre Plus will make a referral to the allocated WP Provider. Where a Provider's delivery model supports it, a 'warm' handover process may be implemented.
- A3.04 Once referred, Providers must have a discussion with the customer before they can register an attachment (Attachment Activity see A4.04). Providers will have 104 weeks (from the referral date) to work with the customer to help them find and stay in employment. If the customer moves to different geographical area the responsibility remains with the original Provider to deliver the Service Requirement.

#### Customer referral from Jobcentre Plus

- A3.05 Information sent as part of the referral is personal data within the meaning of the Data Protection Act and handling, processing and transmission rules apply. The information sent as a minimum will include:
- full name (including title);
  - National Insurance Number;
  - address and contact telephone number (where available);
  - customer type – indicating whether a mandatory or voluntary customer and which payment group the customer falls into;
  - if a customer has informed Jobcentre Plus that they have a health condition;
  - the JSA customer's signing arrangements;
  - if the customer has childcare/caring needs, such as lone parents or carers;
  - a customer's preferred working pattern;
  - details of any employment restrictions a customer may have on their availability, which has been agreed by Jobcentre Plus;
  - activities already undertaken; and
  - details of customer qualifications.

## Registering attachment

- A3.06 The Provider must engage with the customer by discussing the programme with them and begin to develop an Action Plan. Providers must keep evidence of this two-way discussion to register the start on PRaP and release payment of the attachment fee. This should be available on request.
- A3.07 If a customer fails to engage with the Provider and does not show reasonable justification, the Provider will be expected to notify Jobcentre Plus that this did not happen. Providers must keep evidence that every effort has been made to engage customers on the programme, such as re-booking appointments, conducting home visits where required and informing Jobcentre Plus of non-compliance.

## During the WP

- A3.08 The Provider will have the freedom to determine appropriate activities for each customer. To assist them in doing so, the Provider (including sub-contractors if the Prime requests it) will have the authority to instruct all mandatory customers to undertake mandatory activity whilst participating in the WP; for JSA customers' mandatory activity includes instructions to apply for and take up specific job vacancies. In both cases personal circumstances including childcare/caring responsibilities must be taken into account.
- A3.09 Ongoing participation in the WP is mandatory (except the voluntary customer groups outlined at Annex 2) and Providers have the authority to require mandatory customers on the WP to undertake activity which would help them find and retain work. Where a Provider wishes to make a particular activity mandatory, the customer must be informed of the requirement in writing, through their Action Plan. Mandatory activity must take into account any agreed restriction which will be outlined in the information sent to the Provider when the customer is referred and must be reasonable in the customer's circumstances. If the customer fails to undertake mandatory activity Providers should raise a compliance doubt using the Action Plan as supporting evidence.

## **Enforcing benefit rules (including conditionality):**

- A3.10 **Conditionality:** Providers must raise compliance doubts with Jobcentre Plus where a customer does not comply with mandatory activities. Conditionality ceases to apply when a customer leaves benefit.
- A3.11 **Benefit entitlement:** Providers must advise Jobcentre Plus on other aspects of a customer's actions that bring their entitlement to benefit into question. Jobcentre Plus will make a decision based on the available information and will be responsible for communicating decisions directly to the customer. Throughout the customer's claim to JSA they are required to attend Jobcentre Plus, and meet the requirements of FJRs. Providers must allow time for customers to attend, as failure to attend could result in loss of benefit for the customer.
- A3.12 When instructing JSA customers to undertake mandatory activity, Providers must consider whether a customer has a learning difficulty or a health condition that

affects cognition, and must take appropriate steps to ensure the customer understands what is required of them. If a customer with one of these conditions fails to attend support to which they have been mandated by the Provider, then the Provider must consider whether further steps need to be taken to ensure the customer understands what is required of them. Where a customer with one of these conditions is on ESA and fails to comply with a mandatory requirement, then the supplier must attempt to conduct a home visit as soon as practically possible to ensure that the customer has understood the requirement to attend. The Provider should notify Jobcentre Plus if it is satisfied that the customer has understood the requirements to attend mandatory provision, and has failed to attend in spite of this.

- A3.13 **Training Allowance:** in certain circumstances, as a consequence of WP Activity, some JSA customers may need to move onto a Training Allowance. Providers must facilitate this process with Jobcentre Plus and will be required to conduct a face to face pre training allowance appointment with the customer.
- A3.14 **Exempt work:** under the Exempt Work rule some ESA customers may undertake some work to help them with the transition into sustained employment. There are set rules on the type of work and hours a customer can undertake whilst claiming benefit. Only Jobcentre Plus can decide whether work is exempt. Providers should familiarise themselves with exempt work rules and the relevant procedures before arranging for relevant customers to undertake Work Trials, Voluntary Work or other work activity. Further information will be available in Provider guidance.
- A3.15 **Change of circumstances:** it is the customer's duty to report to Jobcentre Plus most changes of circumstances that might affect their entitlement to benefit. Jobcentre Plus will process all changes of circumstances and pass relevant information onto the appropriate WP Provider. Providers must notify the following changes of circumstances directly to Jobcentre Plus:
- if a customer finds employment, including part-time and voluntary work;
  - periods of sickness; and
  - if a customer dies.

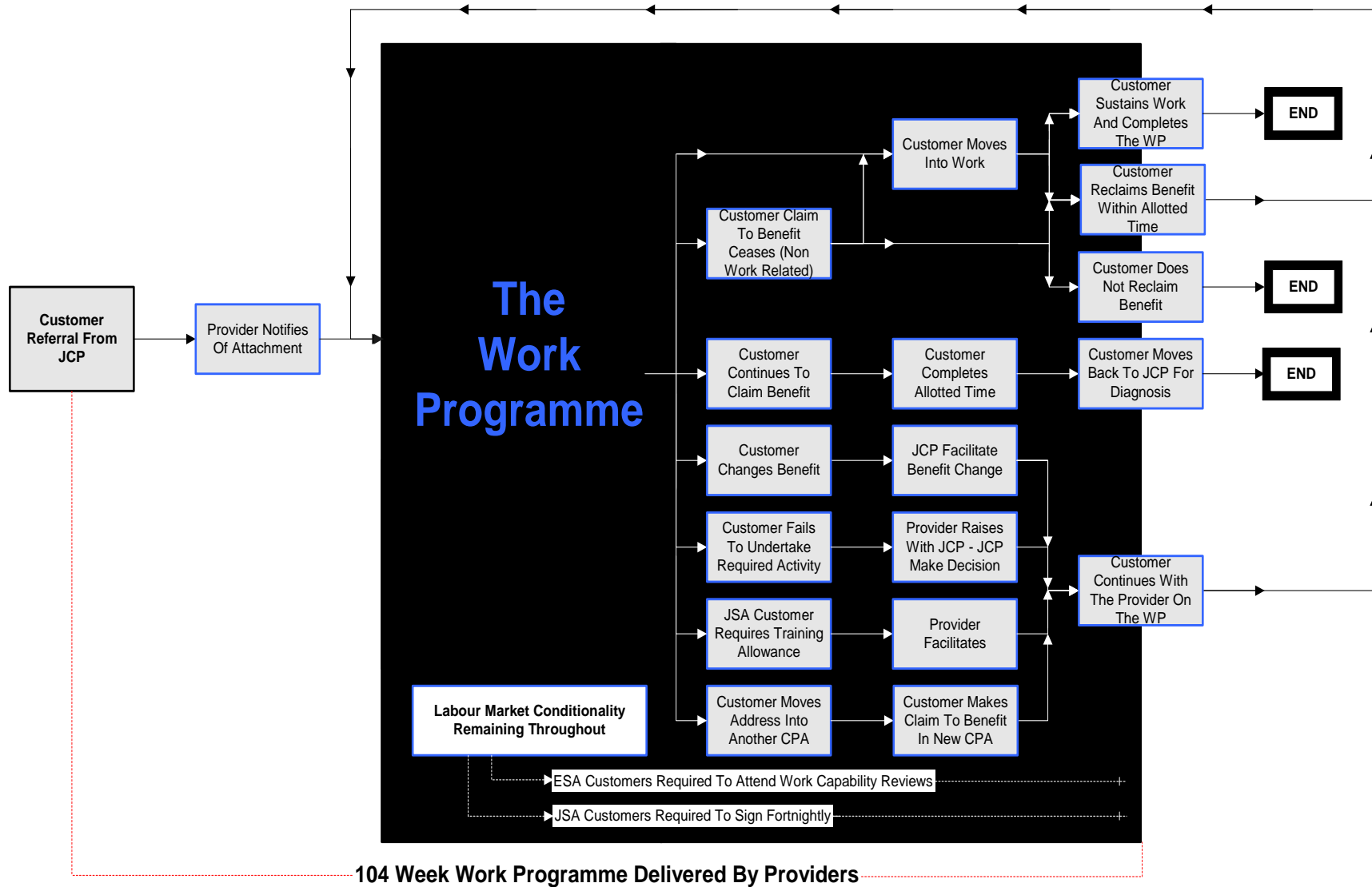
### **Completing the WP**

- A3.16 Once a customer has been referred, the Provider is contracted to deliver support until the customer has completed the programme. A completer is defined in Annex 4 at paragraph A4.12.
- A3.17 Some customers on completion of the WP will return to Jobcentre Plus for further support. A notification will be sent to the Provider to inform them that the customer is due to return. The Provider must then supply an exit report to Jobcentre Plus as soon as possible; as a minimum, the exit report must include:
- customer's action plan, including a brief history of activity undertaken while with the Provider; and
  - Provider's recommendations on next steps.

- A3.18 The Provider must also complete the customer's record promptly via PRaP to enable the smooth return of the customer to Jobcentre Plus.
- A3.19 The following diagrams outline the key aspects of the customer journey and handover points.



# The Work Programme



## **Annex 4**

### **Work Programme Definitions**

This section sets out how the payment model will work.

#### **Referral**

A4.01 The date Jobcentre Plus records a referral to the WP Provider on a DWP prescribed IT or clerical system.

#### **Allotted Time**

A4.02 The WP Allotted Time is 104 weeks from and including the date of the referral from Jobcentre Plus, unless a customer has completed the programme before the end of the Allotted Time (see definition of a completer in paragraph A4.12). If a customer has not completed the programme within the Allotted Time they must return to the Provider.

#### **Allotted Time Start**

A4.03 A customer is defined as 'starting Allotted Time' on the WP from and including the date of the referral from Jobcentre Plus.

#### **Attachment Activity**

A4.04 The Attachment Activity is the initial two way engagement between the customer and the WP Provider and recording of this activity by the Provider resulting in an Action Plan. This may be by any manner and media they deem appropriate.

#### **Attachment Date**

A4.05 The date the Attachment Activity is recorded on a DWP prescribed IT or clerical system by the Provider.

#### **Attachment Fee**

A4.06 An Attachment Fee will be paid, where appropriate, upon recording of attachment activity, following confirmation of an Attachment Date on a DWP prescribed IT or clerical system.

A4.07 Only one Attachment Fee will be payable for each customer per period of Allotted Time.

#### **Job Start**

A4.08 The date the customer starts a job which:

- takes them off benefit; and
- is within the 104 weeks Allotted Time; and

- is after the Attachment Activity has been recorded on a DWP prescribed IT or clerical system by the Provider.

NB: This job definition will be subject to change when Universal Credits is introduced without materially altering the economic balance of the contract.

### **Job Outcome payment**

A4.09 A Job Outcome payment can be claimed when:

- the Job Outcome is after the Job Start date; and
- a customer has been in employment and off benefit each week; and
- there has been a either continuous or cumulative individual period of employment (Job Outcome payment trigger point) as defined for each customer group in paragraph 3.03.

To note:

- this period begins to accrue from and including the Job Start date;
- only one Job Outcome payment can be claimed for each customer per period of Allotted Time; and
- following a break in employment after the 104 weeks Allotted Time a Provider will no longer be eligible to a Job Outcome payment.

### **Sustainment Outcome payments**

A4.10 Providers can only claim a Sustainment Outcome payment where:

- a customer has been in employment and off benefit each week; and
- a Job Outcome payment has been paid; and
- four **continuous** weeks in employment have elapsed between the Job Outcome payment date and the Sustainment Outcome payment date for a maximum period of four weekly payments as outlined paragraph 3.03.

A4.11 Following a break in employment after the 104 weeks Allotted Time a Provider will no longer be eligible to receive further Sustainment payments.

### **Completer**

A4.12 A completer is a customer:

- who has reached the end of the Allotted Time from the date of referral; or
- for whom the Provider has claimed the final eligible outcome payment; or
- who has had a decision made by JCP that it is appropriate for them to be referred to Work choice; or
- who has died.

If a customer has left benefit for a period of time which brings them beyond the Allotted Time and then returns to benefit the completer will return to Jobcentre Plus.

## **Incentive payment**

A4.13 A Job Outcome that will count towards an Incentive payment will be for outcomes achieved:

- that meet the Job Outcome definition at A4.09; and
- beyond the trigger level (non-intervention performance + 30%) for the relevant year when comparing Job Outcomes over the previous 12 months to referrals for the same period.

## **Did not engage**

A4.14 A customer who has moved off benefit for a period of more than four weeks, where an Attachment Date has not been recorded on a DWP prescribed IT or clerical system.

## **Minimum performance levels and incentive payment model**

A4.15 Minimum performance expectations and Incentive payments will apply to payment groups 1, 2 and 6.

A4.16 The minimum performance and trigger level for incentive payments will be based on referrals in the respective years to the Job Outcome ratio calculated by DWP. This level has been calculated based on:

- the expected non-intervention performance on a cohort basis;
- the profile for the length of time taken for a start to become a Job Outcome; and
- expected referrals (see Annex 1 for details on the ratio of referrals to attachments).

A4.17 Any Provider who does not deliver the expected minimum proportion of jobs to referrals in a given year will be defined as not meeting minimum performance standards. The minimum performance standard is non-intervention level plus 10%. The non-intervention performance is outlined in section 3.

A4.18 Providers will be paid an additional incentive payment, on top of the job outcome payments, for any job outcomes achieved beyond the trigger level for payment groups 1, 2 and 6 only from year 4 of the contract. Incentive payments will be made for job outcomes above non-intervention performance plus 30%.

A4.19 Incentive payments will be calculated and paid after the end of each contract year from year four.

## Annex 5

### Flexibility during the life of the Contracts

#### Change Management

- A5.01 Contracts will need to be sufficiently flexible to handle the changes that might occur during their lifetime because of funding changes, unexpected performance trends, or changes in policy (see section 6.3 of draft T&Cs on change control).
- A5.02 Variations will be subject to discussion at the appropriate time. Potential changes fall into two broad categories:
- change necessitated by economic change or by change in anticipated volumes; and
  - changes resultant on known or likely policy change.
- A5.03 This information is provided to Providers to help them in developing their bid. The changes listed below should not be seen as exhaustive and DWP may approach Providers to discuss further changes as appropriate.

#### Volume and economic changes:

- A5.04 **Economic change:** DWP reserves the right to review contracts for changes in economic conditions.
- A5.05 **Volumes and Customer groups:**
- we may begin referring customers from groups not currently eligible for the WP. We may also stop referring customers from a group if it becomes clear that the WP is inappropriate for them;
  - we may change the points at which any customer group is referred to the WP to reflect changes in the wider economy or labour market, or new policy priorities;
  - we will keep referral numbers under review and may flex eligibility criteria during the lifetime of the contract; and
  - the scope and nature of the customer groups may change.

#### Volunteers

- A5.06 Some customers (see annex 2 for customer group descriptions) will be able to choose whether to enter the WP. As a result, we are unable to accurately forecast take-up of the WP by these customers.<sup>5</sup>

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<sup>5</sup> The indicative volumes in Annex 1 have been derived using evidence of voluntary take up of Pathways to Work

## Changes resultant on known/ likely policy change:

A5.07 The Government is currently considering a range of different welfare reforms. DWP's intention will be that the economic balance of the contracts will not be materially altered by these changes.

For example these may include:

### Reducing Workless Households

A5.08 We may look to extend the joint claim offer (second partner in a JSA joint claim referred along with the first partner who becomes eligible) to parents and their adult children in the same household.

### Ex-offenders

A5.09 The Ministry of Justice (MoJ) are currently considering a range of payment by results models to reduce re-offending. DWP and MoJ are looking into the possibility of offering WP Providers extra incentives to support ex offenders. We envisage any such offer being introduced from 2011.

### Universal Credit

A5.10 As set out in the White Paper 'Universal Credit: welfare that works,' published on 11 November 2010, Universal Credit is due to be introduced from 2013. Some changes will be necessary to the WP contracts as a result of this and will be subject to discussion as the development of Universal Credits progresses.

The full document can be found at: <http://www.dwp.gov.uk/policy/welfare-reform/legislation-and-key-documents/universal-credit/>

A5.11 Potential changes to the WP contracts as a result of the introduction of Universal Credit may include:

- changes to customer grouping. Main customer groups are likely to be similar under Universal Credit (i.e. long term and disadvantaged unemployed customers and those with health conditions or disabilities) but there may be some other changes to customer groups to reflect the new benefit structure and Ministers' associated policy aims;
- Job Outcome definitions may change; and
- other consequential changes maybe required.

A5.12 In light of the introduction of Universal Credit, DWP will review the systems and processes which Providers use in connection with delivery of the Work Programme services to ensure that these systems and processes align, and are compatible, with any changes arising as a consequence of the introduction of universal credit. Arising out of this review, DWP will require Providers to make changes to their systems and processes.

## **Conditionality**

### Welfare Reform Act 2009, section 31

A5.13 We currently expect to introduce a commencement order for section 31 in March 2011. Section 31 relates to the drawing up of Jobseeker's Agreements and Action Plans, and places a specific duty on the Secretary of State to have 'regard (so far as is practicable) to its impact on the well-being of any child [under the age of 16] who may be affected by it'. The duty may transfer to WP Providers.

### New conditionality and sanctions regime

A5.14 As outlined in 'Universal Credit: welfare that works,' the Government intends to reform the conditionality and sanctions regime. The aim is to introduce legislation in 2011 to give effect to the changes. The changes are subject to Parliamentary approval.

A5.15 Until the new system comes into effect, all customers on the WP will be subject to the existing sanctions regime.

A5.16 Whilst the revised system will be structurally different it should not lead to new responsibilities for Providers.

## European Social Fund

A6.01 The WP will be used as match funding for ESF in England. There are specific rules that apply to ESF and Match provision to meet EU audit and regulatory requirements. Providers must:

- keep evidence of customers starting and achieving job outcomes;
- keep supporting evidence of the claim for payment from DWP for the full retention period i.e. until at least 31 December 2022 in England and at least until 2024 in Wales;
- meet EU regulations in connection with publicising ESF; and
- meet the requirements relating to sustainable development, equality, diversity and equal opportunities.

A6.02 The requirements above apply to the whole supply chain throughout delivery. It is the responsibility of the Prime Provider to adhere to these requirements and to ensure their supply chain does the same. The Prime Provider is ultimately accountable for the ESF compliance of their contract. Failure to comply with any of the ESF requirements can result in the repayment of funds. ESF Provider Guidance will provide further information on requirements for ESF and Match Providers. Further information on ESF can be found on the ESF website: <http://www.esf.gov.uk/>.

A6.03 Providers in CPAs in England and their supply chain must:

- display an ESF 2007-2013 plaque (or equivalent specified by DWP) in each delivery location, in a prominent place, where it is clearly visible to staff, customers and, wherever possible, others using the building;
- use the ESF logo and strapline in line with guidance on any website and public and customer documents, including forms and letters;
- remind ESF and match funded customers of EU and ESF support throughout their activity;
- provide Provider and provision details for inclusion in the ESF public databases;
- provide DWP with 'Good News' stories, including collecting the relevant information and obtaining customer permissions, some of these will be included on the external ESF internet website; and
- issue customers when they start ESF/match funded activity with an ESF leaflet – this is currently the DWP produced MKT8000 - which explains ESF funding. Versions available include: [English](#), [Arabic](#), [Bengali](#), [Punjabi](#), and [Urdu](#). It is available in Braille and other languages on request.

A6.04 In addition, as DWP ESF Match funded provision, Providers and their supply chain in CPAs in England must provide a sustainable development policy statement outlining how the principles of sustainable development are satisfied/adhered to. A sustainable development action plan must be in place and submitted to the DWP within six months of the contract start. This must include details on how the policy

will be monitored and how progress will be measured. Provider's self assessments will be regularly reviewed by DWP staff to assess how progress is being made.

### **ESF Documentation Requirements (England & Wales)**

A6.05 Providers in CPAs in England must keep key documentation about the WP delivery. It is the Prime Provider's responsibility to ensure that documents and data can be relied on for ESF audit purposes. The Provider must have robust systems in place to ensure that documentation (paper or electronic) is securely held and is easily accessible throughout the retention period.

A6.06 Providers will be required to retain all relevant documentation until at least 31 December 2022 in England and at least until 2024 in Wales. This covers:

- a complete audit trail of all relevant documents at all stages of the process, (e.g. customer and claim-related documentation);
- documentation down to individual customer to provide evidence of payments claimed from DWP; and
- evidence to show compliance with ESF publicity requirements, sustainable development, equality, diversity and equal opportunities.

A6.07 Documentation must be:

- properly organised. (It is recommended that all the required information for the participant is held on a personal file linked to a contract number, which is cross-referenced to a main file to aid retrieval of specific documents to support audit activity).
- maintained in good condition; and
- secure, controlled and easy to access if and when required for audit purposes throughout the retention period.

A6.08 A document retention policy must be in place and submitted to the DWP within four weeks of the contract start. This must include details on how the policy will be monitored throughout the supply chain.

A6.09 The Prime Provider (including sub-contractors) can be audited by DWP internal auditors, ESF Audit Authority, the European Court of Auditors or the European Commission. ESF Provider Guidance will provide further information.

### **ESF in Wales and Scotland**

A6.10 Although DWP does not currently plan to use the WP as match funding in Wales, it is possible that this may change. The Department will contact suppliers to consider any change and outline the additional ESF requirements should this become an issue. Responsibility for the implementation of the two ESF Programmes in Wales, Convergence in West Wales and the Valleys and the Regional Competitiveness and Employment programme in East Wales rest with the Welsh Assembly Government, through the Welsh European Funding Office. Both programmes provide support to help economically inactive and unemployed people into sustainable employment.

Further detail on the scope or activity and beneficiaries under each of these programmes can be found at: [www.wefo.wales.gov.uk](http://www.wefo.wales.gov.uk).

A6.11 There are different ESF arrangements in Scotland. DWP programme spend can be used as match funding in Scotland. However, the preferred model in Scotland is to use ESF funding via local Community Planning Partnership Priority Five bids. DWP, therefore, will not use the WP for its match funding in Scotland. Further information can be found at: <http://www.scotland.gov.uk/Topics/Business-Industry/support/17404/latest-news> and <http://www.scotland.gov.uk/esf>

## Annex 7

### TRANSFER OF UNDERTAKINGS (PROTECTION OF EMPLOYMENT) REGULATIONS 2006 (TUPE)

A7.01 This annex provides information which Providers may find useful when developing their bids and costing their proposals.

#### TUPE

A7.02 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.

A7.03 Under TUPE, where there is a relevant transfer, TUPE applies the principle of an automatic transfer of contracts of employment from the previous service Provider to the new service Provider, *whether the new Provider is a prime contractor or a subcontractor*.

A7.04 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 Provider; or
- when there is a service provision change, (i.e. where previously a Provider 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 Provider).

A7.05 DWP will expect organisations to fully comply with the law, and also guidelines in relevant codes of practice (in particular, the Cabinet Office, Staff Transfers in the Public Sector Statement of Practice). DWP will take very seriously any failure to apply the law, or to adhere to relevant codes of practice and may take breach action.

A7.06 It will also be open to Providers and their subcontractors to offer employment to staff working in the service even if TUPE does not strictly apply to transfer employment automatically.

A7.07 Some of the scope and nature of the work being contracted is currently being provided by staff employed by the external Providers of Welfare to Work and associated programmes. Bidders are advised that it is likely that the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) will apply to the WP contract.

- A7.08 Jobcentre Plus currently delivers services to customers that will in future be dealt with by WP Providers. As such, bidders are advised of the potential for TUPE to apply to this change in service.
- A7.09 DWP has asked incumbent Providers to provide details of staff currently working on employment provision contracts that will be impacted by the WP. A detailed summary of this information is available on request to help inform bids. However, bidders are advised this information does not imply TUPE will automatically apply in full or in part, nor should the information be used to indicate which staff (if any) may be the subject of a TUPE transfer.
- A7.10 DWP will facilitate, where necessary, the exchange of full and complete TUPE information between out-going Providers of the service and the incoming service Provider. However, DWP expects 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 DWP facilitates exchange (since it has no way of assuring this). Consequently DWP cannot provide an indemnity against any losses or liabilities resulting from failure to comply with TUPE.

#### Staffing Information

- A7.11 To receive the staffing data referred to above Providers will need to send an email to [TUPE.DATA@DWP.GSI.GOV.UK](mailto:TUPE.DATA@DWP.GSI.GOV.UK) indicating for which geographical LOT the information is required. Please include the organisation name in the subject heading of the email along with the title "WP Bid".
- A7.12 To protect individual identities DWP requires the data to be encrypted before being transmitted. DWP uses PGP encryption. Providers will need to send their PGP Key when they request the information. Please send this in a separate e-mail.
- A7.13 The version that should be used is PGP version 9.6 or later. If an earlier version an upgrade will need to be purchased. Please be advised that "Free Trial" or unlicensed versions of PGP software are highly unlikely to work.
- A7.14 Guidance on where PGP encryption software can be purchased can be obtained via the above e-mail address.

#### Pensions

- A7.15 Although the transfer of occupational pensions is excluded from TUPE, there are arrangements in place relating to occupational pensions for specific groups of employees.

#### Public Sector Employees

- A7.16 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.gad.gov.uk](http://www.gad.gov.uk)).

- A7.17 Under *Fair Deal* a new employer must provide a pension scheme certified by Government Actuary's Department as broadly comparable to the relevant 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 transferring employer will provide a bulk transfer agreement with the relevant actuarial assumptions specified. It will be a condition of the WP contract that the successful Provider will comply with these requirements, and will ensure their subcontractors comply.
- A7.18 In addition, **transfers from local authorities** are covered by the *Code of Practice on Workforce Matters in Local Authority Service Contracts* (the Code). A copy of the Code can be found at:  
<http://www.communities.gov.uk/publications/localgovernment/odpmcircularbest>
- A7.19 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, 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*.
- A7.20 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>

#### Employees in private pension schemes

- A7.21 Providers' 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) and the *Transfer of Employment (Pension Protection) Regulations 2005* at: <http://www.opsi.gov.uk/si/si2005/20050649>
- A7.22 Providers will be required to provide details of their proposals for ensuring that appropriate pension schemes for all groups of employees covered by the arrangements detailed above will be put in place in respect of the WP contract.
- A7.23 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 Providers start these negotiations as soon as possible so that arrangements are completed before award of contract

## Annex 8

### Additional Information

#### Travel, Additional Costs and Additional Support

A8.01 Customers should not be worse off by virtue of attending employment programmes. Providers are responsible for travel, childcare, replacement caring costs and additional support costs while the customer is on the WP. The following paragraphs provide the guidelines used by Jobcentre Plus when determining financial support in these areas.

##### Travel expenses

A8.02 When the Customer attends either an interview with the Provider, a job interview arranged by the Provider or undertakes other Work related Activities the Provider is responsible for funding the customers travel costs. The customer is responsible for meeting their travel costs for attending FJR's.

##### Childcare

A8.03 Childcare for attendance should only be funded for an approved activity or for attendance at interview if it is provided by:

- carers registered with Ofsted (Office for Standards in Education), the Scottish Commission for the Regulation of Care or Welsh equivalent;
- a carer accredited under the Childcare Approval Scheme, run on school premises out of school hours or as an out of hours club by a Local Authority; or
- schools or establishments exempted from registration under the Children's Act 1989 or operated on Crown property.

The parent can make alternative arrangements. However, payment cannot be authorised unless the arrangements are in one of the above categories.

A8.04 The child/children must satisfy the age requirement (in paragraph 8.05) and be a dependant of and residing with the customer.

A8.05 Jobcentre Plus currently sets its costs for childcare up to the Tax Credit limits. Providers should consider the following limits when developing and pricing their proposals:

- help with childcare costs can be paid up to, but not including, the first Tuesday in the September following the child's 15th birthday;
- parents requiring childcare for five days a week can claim up to a maximum of £175 per week for one child and £300 per week for two or more children;
- if the customer is attending an approved activity of less than five days a week, they can claim up to the maximum daily rates of £35 per day for one child and £60 per day for two or more children.

A8.06 Providers must not recommend particular childcare facilities to customers. This is to ensure that DWP/Jobcentre Plus and/or the Provider does not take on the liability for the safety of children. It is the parents' responsibility to decide with whom they entrust the care of their children.

A8.07 Providers may choose to arrange for a crèche facility to be on their premises. However, they must ensure it is the parents' choice whether their child uses the facility. Providers should also ensure that any crèche facilities adhere to current legislation.

#### Replacement caring costs

A8.08 Providers are only expected to fund replacement care costs for customers who are:

- aged 18 or over;
- not in work, or work less than 16 hours per week; and
- spend a significant proportion of their time providing unpaid support to relatives, partners or friends who are ill, frail, disabled or have a mental health or substance misuse problem.

A8.09 Carers must be participating in an approved activity and/or incur one-off replacement care costs when attending an interview with a Provider or employer which has been pre-arranged /agreed by the Provider. Other alternatives, such as moving the time/date, should be considered before replacement care costs are paid.

A8.10 Replacement care costs should not be paid if this is provided by family members.

A8.11 Replacement care must be provided by a local authority registered Provider, a local authority preferred Provider, or a recognised care organisation within the local area. Providers should work with Jobcentre Plus to ensure that the Provider meets these criteria.

A8.12 Providers must not recommend particular replacement care Providers to customers. The carer, or the person being cared for, must do this, as it is their responsibility to decide who should provide the care.

#### Additional Support

A8.13 Additional support is defined as any support that allows a customer who needs extra help to attend and participate fully in provision. Providers must, as part of their obligations under the duties in the Equality Act 2010 take the necessary steps to obtain and provide special aids or services that might be needed for participation. Providers must include these costs within the financial part of their proposal.

#### Advice and Support

A8.14 Providers may wish to help customers understand the financial implications of returning to work, including explaining the impact on benefits and any entitlement to tax credits and in-work support.

A8.15 The Provider may also wish to offer appropriate advice and support to customers. The Provider should determine what advice and support is required following consultation with the customer. Examples of advice and support previously offered by Jobcentre Plus include:

- providing better off in work calculations<sup>6</sup>;
- promoting in work benefits; and
- assisting with tax credit/in-work benefit applications.

A8.16 Providers may wish to consider offering customers appropriate advice and assistance, by directly providing debt counselling services or engaging with suitable services to which customers can be referred. This could be a debt counselling service or a Credit Union.

### **Transforming Labour Market Services**

A8.17 In 2011, DWP expects to deliver a new managed service, making online job searching for customers more effective and improving business relationships with employers. This will:

- extend current job search facilities for customers, allowing them to register their profiles;
- make it easier for employers to create, post and manage their vacancies; and
- enable both to receive automated customer job matches based on their requirements.

### **Partnerships**

A8.18 Providers are encouraged to work with local partners to ensure that their proposals reflect the specific needs of customers in each CPA and take into account local strategies and services. Providers should aim to improve performance and customer service across the piece, reduce duplication wherever possible and improving the holistic use of public funds in a locality/area.

A8.19 Local Partners may include, but are not limited to:

- DWP/Jobcentre Plus;
- Regional ESF partners;
- Employers;
- Local Authorities;
- local Health services;
- Voluntary and Community sector and specialist organisations;
- Statutory partners named in the Child Poverty Act; and
- Sub-Regional Partnerships, including Multi Area Agreement, City Strategy, City Region and emerging Local Enterprise Partnerships.

A8.20 To facilitate effective employer engagement, Providers should consider a co-ordinated approach with Jobcentre Plus, both at a local and national level. This will avoid multiple approaches to the same employer about the same customer groups and ensure consistency of approach with regard to, for example,

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<sup>6</sup> Successful Providers can obtain a free copy of the Personal Benefit Advice software from Jobcentre Plus to help them estimate in-work benefits

encouraging the creation of more flexible working opportunities. In their bids, DWP expects Providers to outline their strategy for employer engagement.

- A8.21 **Working with the skills system:** Ensuring customers can access the right skills interventions at the right time is key to ensuring that they get the support they need to find work, stay in work and to progress in work. DWP and Department for Business, Innovation and Skills (BIS) and Ministers have set out their commitment to helping the skills and employment systems work together to move benefit customers back to work. [Skills for Sustainable Growth](#)<sup>7</sup> sets out the Government's proposals on skills, including what kinds of provision and which customer groups will attract state subsidy for training in the future.
- A8.22 In Scotland and Wales skills are the responsibility of the Devolved Administrations. Further information of the availability of skills support in Scotland and Wales can be found via these links - Skills Development Scotland <http://www.skillsdevelopmentscotland.co.uk/> and Welsh Assembly Government and the Wales Employment and Skills Board <http://wales.gov.uk/topics/educationandskills/?lang=en>
- A8.23 As part of their wider remit of supporting customers to move off benefits and into sustainable employment, WP Providers should consider any outstanding skills needs. WP Providers will be able to refer eligible customers to flexible skills provision on offer locally. Alternatively they may decide to deliver training and skills support in-house or buy this in. Where a skills need is preventing a customer getting a job and at the point at which skills conditionality is rolled out nationally, WP Providers will have powers to instruct customers to undertake certain types of skills provision.
- A8.24 A key role in determining the right skills intervention for customers is played by the Next Step<sup>8</sup> adult careers service. Next Step was launched in August 2010 and offers careers and skills advice nationally for adults in England. Next Step works closely with Jobcentre Plus to provide personalised advice to those out of work, through signposting and direct referrals by Jobcentre Plus Advisers. Partnerships between Next Step and Jobcentre Plus are being strengthened by co-locating some Next Step advisers within Jobcentres on a regular basis, providing more immediate access for customers. In the future WP Providers will also be able to refer customers to Next Step<sup>9</sup> for additional help with skills assessments, careers advice and sourcing the right type of work related training courses.

## Data Protection

- A8.25 Providers must 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

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<sup>7</sup> Published in November 2010

<sup>8</sup> The Next Step service is available to customers via three channels; web, telephone and face to face.

<sup>9</sup> From April 2012 the new all-age careers service will replace Next Step

damage to, personal data. Personal data must not be processed outside the European Economic Area without the express written permission of DWP, which must be applied for in writing. Providers cannot store any DWP personal data outside the UK without the explicit written permission of DWP.

- A8.26 Security assurance for Providers and their supply chain is through completing a security plan. Providers submitted their draft security plans as part of the Framework competition and were expected to maintain this. This set out the security measures to be implemented and maintained by the prime Provider throughout the entire supply chain in relation to all aspects of the service, including processes associated with delivery. Providers must send an updated Outline Security Plan as part of their bid for the WP by completing and returning the template found at Appendix Two, Part B included in the ItT pack. Further information is available in the Instructions to Bidders and draft T&Cs.
- A8.27 Data security is one of the areas risk assessed by the Provider Assurance Team (PAT) (see paragraphs 5.10 to 5.12). In addition data security will remain subject to spot checks by the Supply Chain Information Assurance Team (SCIAT). Furthermore, the Head of Compliance will continue to regularly report the number and outcomes of data security checks carried out during the previous quarter to the DWP Permanent Secretary.
- A8.28 In the event of any breach of information security resulting in an investigation by the Information Commissioner's Office (ICO), DWP will consider whether a major breach of contract has occurred within the T&Cs of the contract. Providers will be responsible for paying any fine levied on DWP following an investigation by the ICO.

### **Legislation and Principal Regulations**

- A8.29 As outlined in the Framework competition, Providers must ensure that they remain compliant with current and future changes in the law. For example:
- ensuring the WP supports the DWP's Public Sector Equality Duty as outlined in the Equality Act 2010;
  - providing appropriate services to enable communication with customers who do not speak English as a first language or who are deaf, hearing impaired or have a speech impediment;
  - where the Provider is operating in an area with a high minority ethnic population, materials in the appropriate ethnic minority language must be made available on request; and
  - where the Provider is delivering in Wales, materials must both be displayed and made available as per the requirements of the Welsh Language Act 1993.

### **Making claims for payment**

- A8.30 Before submitting any claim, Providers will need to assure themselves that they only submit claims for payment to which they are entitled. Providers will be expected to make a declaration to this effect.

- A8.31 To do this, Providers will be expected to maintain a robust system of internal control which must include appropriate checks, monitoring arrangements and adequate records to demonstrate that they are entitled to make the claim.
- A8.32 DWP will validate payments on a regular basis by conducting a series of pre and post payment checks. These checks will be performed at the optimum time to allow DWP systems to be updated. This will include an off benefit check for outcome payments in all cases which matches customer benefit records with the information held on PRaP. The off benefit check will be supplemented by a post payment check using HM Revenue and Customs records and/or direct contact with the customer or employer on a sample basis. Further details will be provided in Provider guidance.
- A8.33 To do this, Providers will need to ensure that they have the customer's written, informed consent allowing DWP to contact employers directly. It is the Provider's responsibility to obtain this consent and to determine when it is obtained. Failure to obtain this consent may result in DWP not being able to validate Providers' claims. Information, including the legal wording which must be used, will be available in Provider guidance.
- A8.34 As part of the validation process, if DWP identifies overpayments it will recover monies previously paid to Providers. DWP will analyse the error rate found in the sample of claims selected. This error rate will be extrapolated across the total population of all like for like payments made during this period and DWP will recover monies at that rate. DWP will use a statistically valid sample which will give it confidence that the error rate in the sample will be representative across the total claim population.

## Annex 9

### LABOUR MARKET INFORMATION SOURCES

A9.01 Providers will be expected to conduct research on the labour market and demographics of the customer base in the CPAs they are bidding in.

A9.02 On 17<sup>th</sup> November 2010, DWP published **Analysis of the DWP Working Age Customer Base:**

[http://statistics.dwp.gov.uk/asd/asd1/wacb/wacb\\_nov2010.pdf](http://statistics.dwp.gov.uk/asd/asd1/wacb/wacb_nov2010.pdf).

A9.03 This analysis supports the commitment by DWP to understand its customers better by creating a consolidated view of DWP working age customers from the wealth of information held in Departmental systems. The analysis draws upon well established principles to create ten segments based on shared characteristics, such as length of time on benefits, demographics and situation, mainly drawn from DWP administrative data and supplemented by external socio-demographic profiling information. Providers may find this information useful when considering their service delivery model.

A9.04 DWP expects that more detailed analysis, down to CPA and Jobcentre Plus District will be available to bidders during December 2010.

A9.05 Local partners may have a range of data about localities which may help but some other sources of further information on proportions of key customer groups are:

- **Census Output Area Data on Workless Benefit Customers:**

[http://campaigns.dwp.gov.uk/asd/asd1/tabtools/census\\_output\\_area\\_data/index.php?page=census\\_output\\_area\\_data](http://campaigns.dwp.gov.uk/asd/asd1/tabtools/census_output_area_data/index.php?page=census_output_area_data)

- **NOMIS Official Labour Market Statistics:**

<https://www.nomisweb.co.uk/Default.asp> NOMIS provides a history of information on benefit counts and flows. It is possible to breakdown by geographical areas, certain characteristics, claim durations, occupation sought and recorded destination on leaving benefit.

- **The Office for National Statistics:** [www.ons.gov.uk](http://www.ons.gov.uk) produces independent information to improve our understanding of the UK's economy and society.

## Annex 10

### SOURCES OF ADDITIONAL INFORMATION

Further background information can be found in the following:

- Census Output Area Data on Workless Benefit Customers:  
[http://campaigns.dwp.gov.uk/asd/asd1/tabtools/census\\_output\\_area\\_data/index.php?page=census\\_output\\_area\\_data](http://campaigns.dwp.gov.uk/asd/asd1/tabtools/census_output_area_data/index.php?page=census_output_area_data)
- Corporate Publications: <http://www.dwp.gov.uk/resourcecentre/corporate-publications.asp>
- Data Protection Act 1998, Chapter 29:  
[http://www.opsi.gov.uk/acts/acts1998/ukpga\\_19980029\\_en\\_1](http://www.opsi.gov.uk/acts/acts1998/ukpga_19980029_en_1)
- Development of a Customer Experience Metric for Contracted Employment Provision:  
<http://research.dwp.gov.uk/asd/asd5/rports2009-2010/rrep655.pdf>)
- Disability Equality Duty (DED): <http://www.dotheduty.org/>
- DWP Information Directorate Statistical Tab Tool:  
<http://research.dwp.gov.uk/asd/index.php?page=tabtool>
- DWP Policy Publications: <http://www.dwp.gov.uk/resourcecentre/policy-publications.asp>
- DWP Provider Guidance:  
[http://www.dwp.gov.uk/supplyingdwp/what\\_we\\_buy/Provider\\_guidance.asp](http://www.dwp.gov.uk/supplyingdwp/what_we_buy/Provider_guidance.asp)
- DWP Structural Reform Plan: <http://www.dwp.gov.uk/publications/corporate-publications/structural-reform-plan.shtml>
- Employability in Scotland:  
[http://www.employabilityinScotland.com/workforceplus\\_3.aspx](http://www.employabilityinScotland.com/workforceplus_3.aspx)
- European Social Fund in England: <http://www.esf.gov.uk/>
- European Social Fund in Scotland: <http://www.scotland.gov.uk/esf>
- European Social Fund 2007 to 2013 Provider Guidance: <http://dwp.gov.uk/docs/pg-chapter-12a.pdf>
- Employer Helpdesk: 01256 846414 and email: [employerhelpdesk@cabinet-office.x.gsi.gov.uk](mailto:employerhelpdesk@cabinet-office.x.gsi.gov.uk)
- Employment and Support Allowance – Help if you are ill or disabled:  
<http://www.direct.gov.uk/en/DisabledPeople/FinancialSupport/esa/index.htm>
- Employment protection during business transfers and takeovers:  
[http://www.direct.gov.uk/en/Employment/Employees/BusinessTransfersandtakeovers/DG\\_10026691](http://www.direct.gov.uk/en/Employment/Employees/BusinessTransfersandtakeovers/DG_10026691)
- Employment, Retention and Advancement:  
[http://www.psi.org.uk/research/project.asp?project\\_id=134](http://www.psi.org.uk/research/project.asp?project_id=134)
- Guidance on TUPE in the DWP contracting process:  
<http://www.dwp.gov.uk/docs/guidance-on-tupe-contracting-process110609.pdf>
- Independent Safeguarding Authority: <http://www.isa.gov.org.uk/>

- Information on Civil Service Pensions: <http://www.civilservice-pensions.gov.uk/Menu.asp>
- Jobseeker's Allowance – Help while you look for work: <http://www.direct.gov.uk/en/Employment/Jobseekers/index.htm>
- Jobseeker's Allowance Regulations 1996: [http://www.opsi.gov.uk/SI/si1996/Uksi\\_19960207\\_en\\_1.htm](http://www.opsi.gov.uk/SI/si1996/Uksi_19960207_en_1.htm)
- Merlin Standard: <http://www.dwp.gov.uk/docs/merlin-standard.pdf>
- Merlin Standard: draft guidance: <http://www.dwp.gov.uk/docs/sub-contracting-merlin-guidance.pdf>
- More Choices, More Chances: A Strategy to Reduce the Proportion of Young People not in Education, Employment or Training in Scotland: <http://www.scotland.gov.uk/Publications/2006/06/13100205/0>
- NOMIS Official Labour Market Statistics: <https://www.nomisweb.co.uk/Default.asp>
- Office of public sector information - UK legislation: <http://www.opsi.gov.uk/legislation/uk.htm>
- Office for National Statistics at [www.statistics.gov.uk](http://www.statistics.gov.uk) or [www.ons.gov.uk](http://www.ons.gov.uk)
- Race Relations Amendment Act (2000): [http://www.opsi.gov.uk/acts/acts2000/ukpga\\_20000034\\_en\\_1](http://www.opsi.gov.uk/acts/acts2000/ukpga_20000034_en_1)
- The Law Relating to Social Security: <http://www.dwp.gov.uk/advisers/docs/lawvols/bluevol/>
- The Scottish Parliament: <http://www.scotland.gov.uk/>
- Staff Transfers in the Public Sector Statement of Practice, Annex A: [http://www.hm-treasury.gov.uk/media/D/C/staff\\_transfers\\_145.pdf](http://www.hm-treasury.gov.uk/media/D/C/staff_transfers_145.pdf)
- The Transfer of Undertakings (Protection of Employment) Regulations 2006: <http://www.opsi.gov.uk/si/si2006/20060246.htm>
- Welsh Assembly Government : <http://new.wales.gov.uk/?jsessionid=V8tgMTPQ4dYTv1ST4m2PypxVDYzqPMym70LG1cByqwrn9GGV6pQ!-1351106478?lang=en>
- Welsh European Funding Office: [www.wefo.wales.gov.uk](http://www.wefo.wales.gov.uk)
- Welsh Language Act 1993: [http://www.opsi.gov.uk/acts/acts1993/Ukpga\\_19930038\\_en\\_1.htm](http://www.opsi.gov.uk/acts/acts1993/Ukpga_19930038_en_1.htm)

## Annex 11

### GLOSSARY OF TERMS

Action Plan	A document that specifies each element of mandatory activity.
Better off in work calculation	A better off calculation produces accurate estimates of how much better off a customer could be in work. Based on information supplied by the customer, of potential in-work benefits and tax credits, it can be a powerful and valuable tool in influencing a customer to leave benefit and enter paid employment.
BIS	The Department for Business, Innovation and Skills.
Co-financing	ESF funds are distributed through Co-financing Organisations (CFOs). These are public bodies which bring together ESF and domestic funding for employment and training so that ESF complements national programmes. DWP is a CFO for the ESF employment priority in every region in England.
Community Based Budgets	Community Budgets will organise public spending by place rather than by individual organisations or services and will allow local public service partnerships to work together more effectively, help improve outcomes and reduce duplication and waste.
Contract Package Area	Successful Providers will be offered contracts to deliver in specific areas. Contract Package Area (CPA) is the term used to describe the geographic area.
Critical Success Factors	The factors (i.e. the positive outcomes or benefits) against which the success of a programme will be judged in order to justify the investment.
Customer	An individual of working age who uses Jobcentre Plus services for the purposes of preparing for work, returning to work or claiming benefits.
Devolved Administrations.	Devolution of powers to Scotland, Wales and Northern Ireland. Each has their own Parliament with legislative powers and elected Governments free to develop their own policies.
Employment and Support Allowance (ESA)	ESA is an integrated contributory and income-based benefit, which replaced IB and IS paid on the grounds of incapacity for most new and repeat customers from October 2008. ESA is paid to those who have limited capability for work (i.e. the customer's physical or mental condition limits their capability to work such that it is not reasonable to require them to work). An ESA customer in the work related activity group must undertake work focused interviews, participate in work related activity and agree an action plan.
Fortnightly Job	These supplement more in depth advisory interviews. Job

search Review (FJR)	search is discussed, customers sign to declare they remain entitled to benefit and they are matched and submitted to jobs. The intervention is also used to input evidence to ensure benefit is paid accurately and on time.
Framework	Framework for the supply of employment related services. The framework is an umbrella agreement setting out the terms and conditions for subsequent call-offs, but which places no obligations, in itself, on the contracting authority to purchase any services.
Invitation to Tender (ItT)	A package of documentation issued to Providers as part of a procurement exercise.
Jobcentre Plus	Part of DWP, Jobcentre Plus provides an integrated service to people of working age. It offers help to people looking to move into work and support for people who cannot. Jobcentre Plus also provides services to employers wishing to fill vacancies.
Jobcentre Plus District	A specified area of England, Scotland or Wales within which to deliver services to Jobcentre Plus customers.
Jobseekers Allowance (JSA)	JSA – an allowance payable to customers who are out of work, or working less than 16 hours a week, are aged under pension age and are actively seeking and capable of work.
Local Enterprise Partnership	Joint Local Authority and business-led bodies based on natural economic geography, brought forward by Local Authorities to promote local economic development, tackling issues including planning and housing, local transport and infrastructure, employment, enterprise and business start-up support.
Local Strategic Partnership (LSP)	LSPs (England only) are non-statutory, multi-agency partnerships, which match local authority boundaries. They bring together at local level the different parts of the public, private, community and voluntary sectors; allowing different initiatives and services to support one another and work more effectively.
Mandatory activity	Collective term to cover work related activity and requirements on JSA customers to apply for jobs and take up work.
Match funding	Match funding is a requirement of EU regulations. ESF meets only part of the eligible costs of a project and the balance (match funding) must be found from other (public) sources. Under Co-financing, DWP, Skills Funding Agency and other public agencies supply match funding. This means ESF Providers in England do not need to find their own match funding.
Multi-Area Agreement (MAA)	A multi area agreement (MAA) is designed to be cross-boundary local area agreement (LAA). They bring together key players in flexible ways to tackle issues that are best addressed in partnership – at a regional and sub-regional level.
Non-intervention performance	The number of job outcomes that would be expected to occur in the absence of the WP, if customers only undertook fortnightly signing with Jobcentre Plus. This is calculated by DWP based on analysis of historical job entry rates

Ofsted	Office for Standards of Education (in England) inspects and regulates care for children and young people, and inspects education and training for learners of all ages.
Percentage points	The difference between two percentages, e.g. 50% - 20% = 30 percentage points
Prime Provider	An organisation that delivers a service directly and/or via a network of sub-contractors or a combination of both.
Procurement	The process of purchasing goods and/or service: identification to payment.
Provider(s)	The generic term used to describe Providers of employment support. This includes all subcontractors involved in service delivery under the prime contractor procurement model.
Provider Guidance	Detailed guidance and information (including processes) which is provided by DWP/Jobcentre Plus to the successful Providers to use when delivering the contracted service.
Provision	A term used to describe the services offered to a customer when they are participating in a government programme. These can be services provided in-house, for example, by Jobcentre Plus, or by organisations from the private and voluntary sector.
Sanction	A 'sanction' reduces or extinguishes benefit even when there is underlying entitlement. Sanctions are imposed by a Jobcentre Plus Decision Maker for a fixed period because of, for example, failure to participate in a mandatory activity.
Serious Offender	Sex offenders or dangerous/violent offenders that require managing through the statutory Multi Agency Public Protection Arrangements (MAPPA).
Special Customer Records	Information about people whose official records warrant heightened protection against compromise because of personal circumstances or the sensitive nature of their work. For example, celebrities, Members of Parliament, people who have changed gender and any person deemed vulnerable for security purposes (customers who are deemed to be at risk of severe personal harm).
Sub-Regional Partnership	A collective term for a range of strategic bodies responsible for directing, influencing and co-ordinating a range of economic development and regeneration activities in a sub-region, including City Strategy, Multi Area Agreement, City Regions and developing Local Enterprise Partnerships.
TUPE	Transfer of Undertakings (Protection of Employment). 2006
Work Capability Assessment	An assessment that establishes whether an ESA customer has a limited capability for work and is, therefore, capable of engaging in work-related activity. If they do have limited capability they are placed into the ESA Support Group.
Work Related Activity	Any activity which makes it more likely that a customer will obtain or remain in work, or be able to do so. Some customers will be closer to the labour market than others and may be ready to enter work more quickly. Others may need to

	undertake some more limited activity before moving into paid work
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## Annex 12

### LIST OF ABBREVIATIONS

CFO	Co-financing Organisation
CPA	Contract Package Area
DED	Disability Equality Duty
DWP	Department for Work and Pensions
ESA(C)	Employment and Support Allowance (Contribution Based)
ESA(IR)	Employment and Support Allowance (Income Related)
ESF	European Social Fund
EU	European Union
FJR	Fortnightly Jobsearch Review
IB	Incapacity Benefits
ICO	Information Commissioner's Office
IS	Income Support
IT	Information Technology
ItT	Invitation to Tender
JSA	Jobseekers Allowance
MI	Management Information
MoJ	Ministry of Justice
NEET	Not in Employment, Education or Training
Ofsted	Office for Standards in Education
PAT	Provider Assurance Team
PEM	Provider Engagement Meetings
PET	Pre-employment Training
PIF	Performance Improvement Framework
PMD	Provision Management Division
PRaP	Provider Referral and Payment system
SCIAT	Supply Chain Information Assurance Team
T&Cs	Terms & Conditions
TUPE	Transfer of Undertakings (Protection of Employment) Regulations 2006
UK	United Kingdom
WCA	Work Capability Assessment
WP	Work Programme