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**Invitation to Quote for Research and Consultancy Services**

**R1015a: Employment and Complex Dependency**

London Councils is committed to fighting for more resources for London and getting the best possible deal for London’s 33 councils. We lobby for local governance for London boroughs, promoting their leadership of local communities and services and arguing for the tools necessary for them to do that job. We also act as a catalyst for effective sharing of practice, knowledge, information and services between boroughs.

The Policy and Public Affairs (PaPA) directorate has four strategic themes:

* Devolution – Devolution to our boroughs ensures better results for Londoners;
* Partnership – Our partnership expertise delivers local feel and London scale; so driving innovation and efficiency;
* Democracy and trust – clear accountability and real engagement with Londoners happens best at borough level. London boroughs aim to be every Londoner’s first choice for a fair hearing and a fair deal; and
* Resources and risks – London boroughs have the confidence and talent to take on challenges that others are too remote to handle.

Robust evidence and innovative thinking is critical to our success in achieving the objectives set out above.

The Economy, Culture and Tourism team focuses on providing London’s boroughs with the tools and resources they need to increase jobs and growth in the capital. A key part of this is supporting London boroughs and sub-regional partnerships to make the case for a devolved programme around employment support and complex dependency across London.

**Context**

London Councils has been working with boroughs, sub-regional partnerships and the Greater London Authority (GLA) on developing proposals for devolution and public service reform. These proposals cover a range of policy areas, including employment support and complex dependency.

London Councils has been working with the Department of Work and Pensions (DWP) on the development of these proposals and expect an intense period of work between October and December 2015 to develop these further in order to secure a devolution deal in this area.

London’s propositions for devolution are organised around two related objectives:

1. *Integrating and enhancing the support provided to out of work residents**by national and local government through the joint development of ‘local hubs’ as part of the transition to a new welfare system under Universal Credit;*
2. *Improving employment support for the most disadvantaged residents, where extra investment and more integrated services are needed to secure better employment outcomes and deliver significant reductions in welfare expenditure.*

**This work will support the development of strand B only.**

Under this strand, London is proposing that central and local government jointly design and commission employment support for disadvantaged residents in London, on a sub-regional basis reflecting local priorities. This would use the framework of devolution to achieve extra investment and meaningful integration of support around an agreed cohort, drawing in funding and expertise from across key national programmes and local areas.

Drawing on discussions with DWP and other Whitehall colleagues to date, we suggest there are two models for how central and local government could work together to achieve these objectives. These options depend significantly on key outstanding policy and funding decisions in relation to Work Programme Plus, such as cohort, volumes and pricing.

In the **first model**, the local contributions to employment support would be matched by DWP DEL to create a ‘joint pot’ which would be used to finance a sub-regional employment programme supporting a cohort of disadvantaged residents ‘carved out’ from Work Programme Plus. Attempts should also be made through this model to pool other national funding streams focused on the same cohort within this programme. Work Programme Plus and the sub-regional employment programme would operate in parallel, but across the same geography.

In the **second model**, there would be a single specialist employment programme for disadvantaged residents in each of London’s sub-regions. Local contributions would be pooled with DWP DEL (for Work Programme Plus) to finance the programme, which would be co-designed and co-commissioned between DWP and sub-regions. The key difference in this second model is that ‘local hubs’ – with Jobcentre Plus at their heart – would be responsible for supporting (non-complex) JSA claimants for longer (perhaps for up to 18 months). For those out of work over six or nine months, more dedicated Work Coach time should be provided, alongside access to ‘spot purchased’ additional provision.

**Proposal**

London Councils is looking to procure additional support and expertise to develop London’s devolution proposals around employment support and complex dependency further, so that the proposals are financially robust, meet government requirements and can be practically supported and delivered by London boroughs via sub-regional partnerships.

Specifically, to carry out tasks in the three key areas outlined below. London Councils is looking for support to complete the first task initially (Programme financing). Further support for the second and third tasks (Local contributions and developing business cases) would be subject to the outcome of London Councils’ on-going discussions with central government about employment devolution.

1. **Programme financing** 
   1. Create a model (or models) for how a devolved sub-regional employment programme could be financed, based on expected volumes, prices and delivery models. This would involve joint working with sub-regional partnerships, London boroughs, a representative of London borough Treasurers and discussions with DWP and HM Treasury officials and would need to have the support of these key stakeholders. The model would need to cover the perspective of both external providers and local government. This should include consideration of how local government involvement in the programme could be structured as an investment proposition, where boroughs share in the financial dividend from success[[1]](#footnote-1). The model should also consider potential innovations in the payment structure, such as higher rewards success for placing people into higher skilled/higher paid jobs.

*To note: A basic financial model has been developed but needs further refinement; London Councils has commissioned estimates of flows from CESI in the absence of DWP data (although the latter may be shared in the future)*.

* 1. Support negotiations with government on agreeing a financial model that sub-regions can adopt for their employment programmes, including an ‘invest to save’ element. London Councils assumes up to a maximum of 3 days for this part of the task (1b only).

1. **Local contributions -** London boroughs are being asked to co-invest with DWP, either in cash or in kind.
   1. Work with London Councils, sub-regional partnerships and DWP to agree a formula for scoring these contributions, including in-kind and service contributions;
   2. Develop a framework that sub-regional partnerships can use to make judgements about whether to offer these contributions as part of the deal and support sub-regional partnerships, working with London boroughs, to start the process of identifying potential inputs to a future devolved employment support programme.   
      *To note: A schema of potential local contributions and a note on how boroughs might unlock them have already been developed.*
2. **Business case**
   1. Develop a resource to support boroughs/sub-regional partnerships to articulate the case for local investment (cash or in-kind), based on the potential costs/benefits to boroughs relative to other pressures and opportunities. This is likely to need a read across to DWP’s business case for investment, based on the Green Book (Strategic Outline Business Case);
   2. Support the development of an overall London business case. This is likely to involving working with DWP officials on the development of DWP’s business case for investment, based on the Green Book (Strategic Outline Business Case). London Councils assumes up to a maximum of 5 days for this part of the task (3b only).  
      *To note: Some sub-regional partnerships and boroughs have undertaken cost-benefit analysis around employment investment for different target groups and an outline local business case has been developed.*

The overall task is to provide common resources (frameworks and templates) and limited support to London Councils, sub-regional partnerships and boroughs to help them populate these. The individual would contribute to some negotiations with central government but this will be led by London Councils. While there are three distinct strands of activity, set out above, it will also be vital to make the connections between them. For example, the idea of an ‘investment proposition’ links to the business case, the local contributions and the programme financing model.

London has established links with Greater Manchester Combined Authority (GMCA) as it is having similar discussions with government. London may choose to use resources developed by GM previously or to work closely with them on resource development.

London Councils estimates that each task will take approximately 15 days (total of 45 days). London Councils wants to contract initially for the first task only but with the possibility of extending the contract to cover the final two tasks if needed. Your proposal should cover all three tasks but you should not assume that all tasks are taken forward (e.g. by building in economies of scale to your proposal).

**Methodology**

London Councils expects that these tasks could be completed by a suitably skilled individual (who may be able to draw on organisational resources, if needed) or through consultancy services but with a clear main point of contact. The individual(s) would be usually located at London Councils when working on tasks (this is negotiable) and will need to work closely with the London Employment and Complex Dependency Working Group[[2]](#footnote-2), as well as relevant central government officials.

London Councils will consider other approaches to these tasks but will want reassurance that support to the overall project is coherent and consistent.

**Project Costs and Timetable**

Costs should be clearly presented and be inclusive of all fees, direct and indirect costs, expenses but is exclusive of VAT.

You should indicate based on the timings below how you would envisage the project progressing based on your suggested methodology:

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| --- | --- |
| **Activity** | **Date** |
| Tender issued | 9 October 2015 |
| Tender responses to be received by | 16 October 2015 |
| Tender evaluation period | 16 October 2015  - 22 October 2015 |
| Notice of Award | 23 October 2015 |
| Contract Award | w/c 26 October 2015 |
| Inception meeting | 27 October 2015 |
| Final output | 4 January 2016 |

**Reporting Procedures and Project Management**

The project manager for this assignment is Dianna Neal; [dianna.neal@londoncouncils.gov.uk](mailto:dianna.neal@londoncouncils.gov.uk) tel: 020 7934 9819

London Councils expects to comment on all draft outputs and this should be reflected in your cost and time schedule.

Final outputs may be distributed internally and to key external stakeholders and made available on our website.

**Quote Requirements**

London Councils expects the individual(s) to have the following skills and experience:

* A thorough knowledge and understanding of:
  + central and local government finances;
  + constructing robust business cases within local/central government or a similar environment;
  + developing cost-benefit analysis with local/central government or a similar environment.
* Experience of financial modelling;
* Experience of and ability to negotiate with senior government civil servants.

Some knowledge of the financing of employment programmes would be desirable, as well as having established networks with central government civil servants in relevant departments.

Bidders should provide the following information in their quote:

1. The size and nature of your organisation (if relevant) and your experience of directly relevant consultancy work
2. Your understanding of the aims and objectives of the project and how it interacts with the current policy context
3. An outline of your proposed methodology and approach to tasks outlined in this document
4. Experience of the individual(s), including their role on the project and tasks if relevant (CVs should be included separately in an annex, max 2 pages each)
5. Clear structure of charges including day/hour rates, time spent on tasks, expenses. VAT will be paid at the applicable rate.

We will evaluate your response against the evaluation criteria given below.

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| **Evaluation criteria** | **Weighting** |
| 1. Understanding of the aims and objectives of the work, the policy context and key issues | 15% |
| 2. Experience of undertaking similar projects, including the skills and experience outlined above | 30% |
| 3. A clear methodology and approach to the tasks set out in this document | 25% |
| 4. Value for money | 20% |
| 5. Equality opportunities (regarding both your organisation and any considerations arising from the research) | 10% |

**Format of Quote Response**

If you wish to apply, an electronic copy of your quote response should be sent by email to [dianna.neal@londoncouncils.gov.uk](mailto:dianna.neal@londoncouncils.gov.uk) quoting reference number **R1015a** to arrive by **4 pm on Friday 16 October 2015.** Bidders should ensure that they have received a confirmation email of receipt of quote by the deadline.

Interviews will take place on Tuesday 20 October 2015.

If necessary, you may seek clarification on the procurement process or the specification by contacting Dianna Neal on 020 7934 9819 or email at [dianna.neal@londoncouncils.gov.uk](mailto:dianna.neal@londoncouncils.gov.uk). Enquiries will not be answered if received within **2** days of the date for submissions of quotes. Bidders should note that responses to each enquiry will be copied to all organisations bidding (though will not identify the originator of the enquiry) through the London Councils website.

If you are aware that the submission of your quote may give rise to a potential conflict of interest, please inform the officer to whom you are making the application.

***Full instructions to bidders are also provided in Annex One. Bidders are advised to read all instructions before submitting their quote.***

**Freedom of Information Act**

You should be aware that the information you submit may be subject to a request for information. The provision of any information to external parties by London Councils is determined by statutory conditions provided for in the Freedom of Information Act 2000. Full instructions to bidders are provided in the Freedom of Information Schedule attachment

**Equality Opportunities**

The successful contractor will be required to comply with London Councils Equal Opportunity Policy and bidders should complete the Equal Opportunities Questionnaire **(Annex 2)** with their quote submission.

**Annex One: Instructions to bidders**

1. **Quote Submissions** 
   1. All pages of the bidder’s quote should be sequentially numbered (including any annexes and supporting documents).
   2. Bidders are advised to submit quotes by email to [dianna.neal@londoncouncils.gov.uk](mailto:jane.harrison@londoncouncils.gov.uk) quoting reference **R1015a**
   3. The quote must not arrive later than the date and time stipulated. Quotes received after that time may not be considered unless the bidder can prove that the quote was dispatched in sufficient time to meet the deadline.
   4. By submitting a quote, the bidder agrees to keep that quote open for acceptance by London Councils for 90 days following the closing date.
   5. London Councils do not accept suppliers’ Terms and Conditions.
2. **Amendments to Quote Documents**
   1. Prior to the deadline, London Councils may modify the quote documents by amendments in writing. London Councils may extend the deadline for quotes to allow for significant amendments to be fully assessed and taken into account.
   2. The bidder may modify the quote prior to the deadline for receipt by giving notice in writing or by email.
   3. No quote may be modified after the deadline for receipt.
   4. The contractor may not transfer, assign or sublet the contract, or any part thereof, without the prior written consent of London Councils. If such consent is given the contractor will remain liable for the performance of the contract in it’s entirely as if such assignment or sublet had not taken place.
3. **Quote Charges**
   1. Charges must be in pounds sterling and be inclusive of all costs but can be exclusive of VAT.
   2. Charges shall be fixed for the duration of the Contract and will not be subject to any variation unless detailed in the Contract document.
   3. London Councils shall not be liable for any costs incurred in the production of the quote submission.
4. **Quote Evaluations**
   1. London Councils intends to commission the most economically advantageous quote and reserves the right to accept or reject all or any part of any quote.
   2. London Councils does not bind itself to accept the lowest charged quote.
   3. London Councils reserves the right to change the timing or any other aspect of the procurement process or to cancel the procurement process at any stage without prior notice.
5. **Intellectual property rights**
   1. All information provided by London Councils shall be treated by the Contractor as confidential except where prior written consent has been given by London Councils that such information may be disclosed. The dissemination of information within your organisation should be on a need-to-know basis.
   2. All intellectual property rights arising from the work will reside with London Councils.

**Annex 2 Equal Opportunities**

London Councils is committed to providing services of the highest standard within the resources available for all existing and potential users of our services.

The promotion of equality of opportunity is one of London Councils core values, and tackling social exclusion one of our key aims. We believe that the best way to provide high quality, best value services is to ensure that these core values and key aims are reflected in all the things we do. That is why we ask you to complete the following questions concerning equal opportunities.

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| 1. | |  | | --- | | Does your company have an Equal Opportunities Policy or similar statement?  If yes please attach a copy | |
| 2. | |  | | --- | | In the last 3 years has your company been the subject to any court or employment tribunal proceedings in relation to: -  Unlawful discrimination under the Sex Discrimination Act 1975 or the Equal Pay Act 1970;  Unlawful discrimination under the Race Relations (Amendment) Act 2000;  Unlawful discrimination under the Disability Act 1995;  Unlawful discrimination under Employment Equality (Sexual Orientation) Regulations 2003;  Unlawful discrimination under Employment Equality (Religion or Belief) Regulations 2003;  Unlawful discrimination under Employment Equality (Age) Regulations 2006  If yes, please give details of each incident including both the findings and any subsequent action taken by your company.  ………………………………………………………………………………………  ………………………………………………………………………………………  ………………………………………………………………………………………  ……………………………………………………………………………………… | |
| 3. | |  | | --- | | Does your company have procedures in place to ensure that you are observing as far as possible the relevant Codes of Practice with regard to employment and:   * Equal Pay * Sex Equality * Race Equality * Disabled Persons | |

1. This is likely to mean that boroughs could get a return on their initial investment if the programme performed above an agreed level; with the model allowing the repayment of any upfront cash investment on the part of boroughs. [↑](#footnote-ref-1)
2. Comprised of representatives from London Councils, London boroughs, Sub-Regional Partnerships and the Greater London Authority (GLA). [↑](#footnote-ref-2)