



Department  
for Work &  
Pensions



# **European Social Fund (England) 2014 – 2020**

## **Invitation to Tender**

### **Specification and Supporting Information**

#### **Humber and Greater Lincolnshire Local Enterprise Partnership Areas**

---

## Contents

1 Background .....	6
Purpose .....	6
Background to ESF (2014 – 2020) .....	6
ESF Programme and Objectives (2014 – 2020) .....	7
ESF Requirements .....	7
Consortium of Providers .....	7
Roles and Responsibilities LEP and DWP .....	8
The Commercial Approach .....	8
Tender Evaluation.....	8
2 Overview of the Provision.....	10
Purpose of Provision.....	10
Geography.....	10
Critical Success Factors .....	10
Contract Duration and Implementation .....	10
Contract Variations .....	11
Length of time on Provision .....	11
Hours of Participation .....	11
Payment Model.....	12
Transition from existing programmes.....	12
Transfer of Undertaking (Protection of Employment) Regulations 2006 .....	12
3 Service Delivery Requirements .....	13
Aim .....	13
Delivery Location .....	13
Participant Changes Address .....	14
Identification of Potential Participants .....	15
Eligibility.....	15
LEP Priority Groups .....	16
Caseload Size .....	16
Provider and potential Participants initial meeting .....	16
Initial engagement meeting.....	17
Action Plan .....	18
Starting Provision.....	18

Review of the Action Plan .....	18
Accessing Other DWP ESF 2014-2020 Provision .....	19
Provision Delivery Requirements.....	19
In-Work Support.....	20
Provision duration .....	20
Completing Provision .....	21
Early Completer .....	21
Exit Review .....	21
Supplying ESF Participant completion data .....	22
Updating the Provider Referrals and Payment System.....	22
4 Customer Service Standards .....	23
Management Information and Evidence .....	23
5 Payment Model and Performance .....	25
Contracts .....	25
Payment Model.....	25
Delivery Fee .....	25
Starts Profile .....	25
Short Job Outcome Payment.....	26
Sustained Job Outcome Payment .....	26
Job Outcome Payments where Participants change to another DWP ESF 2014-2020 Provision .....	26
Tracking Period.....	26
Employment.....	26
Minimum Performance Levels .....	27
Performance Offer .....	28
Payments.....	28
Making Claims for payment .....	28
Validation.....	29
Final claims for payment.....	29
Assurance Processes .....	29
Code of Conduct and Merlin Standard.....	30
6 Quality, Evaluation, Performance Management and Category Management.....	31
Purpose .....	31
Performance Management and Category Management.....	31

Performance .....	31
ESF Compliance Monitoring Officers .....	32
Contracted Employment Programmes (CEP) Provider Assurance Team .....	33
Quality .....	34
Evaluation and Reporting .....	35
Annex 1: Additional Information .....	36
Financial support for Participants .....	36
Additional Support .....	36
Travel expenses .....	36
Childcare .....	36
Replacement caring costs .....	37
Checks for the Disclosure and Barring Service .....	38
Referrals and Payments System .....	38
Interaction with other Provision and Participation in other programmes and initiatives .....	38
Partnership Working .....	39
Participant feedback and complaints handling .....	40
DWP Customer Charter .....	41
Business Continuity .....	41
Data Protection .....	41
Other Opt In Organisations and Co-Financing Organisations .....	42
Non CFO ESF Provision .....	43
Annex 2: ESF Requirements .....	44
ESF requirements for Marketing and Publicity .....	44
Cross Cutting Themes for ESF Provision .....	45
ESF Documentation and Evidence Retention Requirements .....	45
Annex 3: LEP Area Additional Information .....	47
Annex 4: Labour Market Information Sources .....	51
Annex 5: Sources of Additional Information .....	52
Annex 6: Definitions .....	54
Employed .....	54
Unemployed .....	54
Inactive .....	54
Part-time Work .....	55

Participation .....	55
Job Outcome Claims .....	56
Annex 7: Performance of DWP Employment Provision .....	58
Work Programme (WP) .....	59
Work Choice (WC).....	60
New Enterprise Allowance (NEA) .....	60
ESF Support for Families with Multiple Problems .....	61
ESF2014 - 2020 performance .....	62
Summary of Provision Performance .....	63
Annex 8: Glossary of Terms .....	65
Annex 9: Abbreviations .....	67

# 1 Background

## Purpose

- 1.1 This specification sets out the Provider delivery requirements which apply to the Department for Work and Pensions (DWP) European Social Fund (ESF) 2014 – 2020 contracts (England only), procured for the Humber and Greater Lincolnshire Local Enterprise Partnership (LEP) area.
- 1.2 The specification explains requirements in full, to enable Providers to develop comprehensive delivery proposals and accurate pricing schedules. It comprises of two parts:
  - the main specification which sets out requirements for delivery, and additional information; and
  - the annexes, which contain further detail that may be useful in preparing tenders.

## Background to ESF (2014 – 2020)

- 1.3 In June 2013 the Government set out the allocation of European Structural and Investment Funds (ESIF), including ESF money for the full seven-year period. The allocation was divided across LEP areas in England, with funds being distributed and managed by the ESF Managing Authority (MA).
- 1.4 LEPs have an advisory role and documented their local/strategic needs in an ESIF Strategy. Initial strategies were submitted in October 2013, with final strategies being signed off by Government following formal adoption of the Operational Programme by the European Commission (EC) in Autumn 2015.
- 1.5 ESF Provision can be funded via the MA or an approved Co-Financing Organisation (CFO) such as DWP, The Big Lottery or Skills Funding Agency (SFA). The MA will, in addition, organise direct ‘calls for proposals’ which will target specific LEP areas.
- 1.6 DWP will consider the LEP’s local/strategic needs and ESF requirements when deciding the Provision to deliver in the LEP area.
- 1.7 Provision for offenders will be delivered through the National Offender Management Service (NOMS) which will remain a Co-Financing Organisation. This means that current offenders are out of scope for this Provision.
- 1.8 DWP as a CFO will tender, procure, manage contracts and provide equivalent match funding from key national programmes.

*Information relating to the geography of the area covered by this contract can be found in [Annex 3](#).*

## **ESF Programme and Objectives (2014 – 2020)**

- 1.9 The ESF Operational Programme as part of the European Growth Programme for England in 2014 – 2020 will deliver the Growth Programme's priorities to increase labour market participation, promote social inclusion and develop the skills of the workforce.

### **ESF Requirements**

- 1.10 Providers must meet ESF specific requirements set by the European Commission and failure to comply can result in a high financial risk for both Providers and DWP, as funds used inappropriately or for ineligible Participants or purposes and/or where the ESF requirements have not been met are recoverable from Providers. The ESF requirements are that:
- ESF Provision must add value to existing available DWP Provision and other Provision in the locality and must not duplicate it;
  - Evidence must be kept at all stages for Participants who have started on ESF Provision;
  - A complete audit trail of key documents and electronic information must be captured, maintained and retained at all stages throughout the process;
  - The European Union (EU) regulations in connection with marketing and publicising ESF are met;
  - The requirements relating to sustainable development, equality, diversity and equal opportunities are met, and;
  - All required documentation for each Participant, including claims for payment, is made available so that an adequate audit trail exists. This is a key audit requirement.

*Further information on ESF Requirements can be found in [Chapter 11](#) of the DWP Generic Provider Guidance.*

- 1.11 The requirements above apply to the whole supply chain throughout their delivery. If sub-contractors are used to deliver any part of the contract it is the responsibility of the Provider to adhere to these requirements and ensure its supply chain does the same. The 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. Provider Guidance, which will be available with the ItT, will provide further information on requirements for ESF.

### **Consortium of Providers**

- 1.12 If a consortium of Providers is formed to tender for this Provision, a lead contractor must be nominated. If successful; DWP will contract with the lead contractor, who in turn must contract with other Providers within the consortia (unless the consortium is a legal entity in its own right, in which case, DWP will contract with the legal entity). As above, the whole supply chain must comply with all requirements.

## **Roles and Responsibilities LEP and DWP**

1.13 The overall responsibility of LEPs in determining employment priorities are to:

- advise on the employment priorities for their area;
- identify the specific nature of the skills, support and engagement required to address worklessness amongst the most disadvantaged in their area;
- advise on the type of Provision which should be procured to support the most disadvantaged into employment, through ESF monies;
- provide DWP with an assurance that added value has been considered across the full range of Provision/delivery organisations across the LEP area.

The overall responsibility of DWP working in partnership with the LEPs is to:

- support the LEP in identifying gaps in Provision in their area;
- assist in the design of Provision to meet local requirements;
- provide the appropriate Match Funding for this ESF Provision;
- provide advice and support to the LEP to help identify added value, value for money and avoid duplication or overlap with current DWP and other local Provision;
- ensure the Provision meets requirements relating to equality and sustainability of Provision, ensuring robust audit trails are in place;
- ensure the Invitations to Tender (ItT) and Provision specifications include the ESF requirements;
- ensure the Provision process and funding models support audit requirements;
- manage the tendering exercise from publication of the specification through to award of contract;
- ensure Providers' marketing and publicity arrangements meet ESF requirements; and
- manage contracts in line with DWP standards and ESF requirements.

## **The Commercial Approach**

1.14 DWP's Procurement approach will be through open competition. The tendering process and evaluation will be managed through Bravo, DWP's E-Procurement System. The tender evaluation will consist of a qualitative and financial evaluation which will enable an award based on the Most Economically Advantageous Tender (MEAT).

## **Tender Evaluation**

1.15 The tender evaluation process is outlined in the ESF 'Instructions to potential suppliers' which will be available with the Invitation to Tender (ItT).

- 1.16 DWP will manage the tendering and evaluation process.
- 1.17 As part of the evaluation process, DWP will invite LEP representatives to contribute to the evaluation of the tenders. In such cases, the required ethical walls and declaration of non interest will be in place.

## 2 Overview of the Provision

### Purpose of Provision

- 2.1 This Provision is voluntary and will aim to support those who are furthest from the labour market, including those in entrenched worklessness, to tackle barriers which prevent unemployed individuals from moving into sustained employment.

### Geography

- 2.2 The Provider is expected to deliver the Provision across the entirety of the Humber and Greater Lincolnshire LEP areas (see [Annex 3](#) for detail relating to geographical coverage).

### Critical Success Factors

- 2.3 Below are the Critical Success Factors for performance against which the success of this Provision will be measured. They will be based on attainment of performance levels stipulated by Providers for Cohorts of Participants for Short and Sustained Job Outcomes based on the definitions for each outcome and how these Cohorts will be attained based on monthly Cohort profiles:
- number of Participants starting on the Provision;
  - percentage of Participants who start achieving a Short Job Outcome;
  - percentage of Participants who start achieving a Sustained Job Outcome.

See [Annex 8](#) for the definition of a Cohort.

### Contract Duration and Implementation

- 2.4 The contract will consist of:
- 8-13 week Commencement Period from the Contract Commencement Date;
  - 3 year Provision Period which will include any In-Work Support Provision appropriate to the Participant's needs;
  - 64 week payment tail;
  - There will also be a Run Off period under which the Provider will continue to have obligations under the Contract.
- 2.5 All Participants are required to complete Provision by the end of the third year of the Provision Period. For Participants referred in the third year, it may not be possible for them to receive the full Provision duration.
- 2.6 Referrals will take place during the 2 years from the Service Start Date, and may be extended into the third year of the Provision Period. DWP will discuss with Providers to determine the last date for referrals, taking into account the realistic prospect of Providers delivering the service and

outcomes to Participants who will not be able to receive the full Provision duration. DWP will make the final decision. Any starts profiles for the third year will be agreed with the Provider and included in a Contract Variation however, Cohort and Cohort Profiles will remain the same as for the first and second year of the Provision Period (also see para 6.6 on Performance).

- 2.7 It is expected that Provider's Implementation Plans (submitted as part of their tender) will document how they aim to meet the commencement period for the Provision. Discussions will take place post contract award to establish the exact service start date. However there may be exceptional circumstances post contract award whereby a Provider may not be able to meet a date within the commencement period. If this is the case DWP may negotiate a service start date outside the commencement period, taking into account the relevant circumstances and in agreement with the LEP.

### **Contract Variations**

- 2.8 Contracts may allow for changes that might occur in the lifetime to be made where these do not represent a substantial change to the original contract. DWP will also have the option to extend for up to a further two years, subject to satisfactory performance of the contract and availability of funding. Any variations or extensions will be subject to discussion and agreement between the Provider, LEP, MA and DWP at the appropriate time.
- 2.9 Where a requirement for a variation to the contract arises or is proposed, this will be progressed in accordance with the Change Control Process outlined in the Terms and Conditions.

### **Length of time on Provision**

- 2.10 The maximum duration of this ESF Provision for a Participant is a continuous period of 52 weeks from the Participant's start. See *para 3.29 for definition of a start*.
- 2.11 Once a Participant starts DWP ESF 2014-2020 Provision, they are expected to remain on that Provision until they become a completer or early completer (regardless of changes to their employment status and engagement). See [Annex 6](#) for Definitions and para 3.46 for early completers. Participants will be allowed to change DWP ESF 2014-2020 Provision voluntarily during the life of the Provision where it is appropriate.

### **Hours of Participation**

- 2.12 ESF Provision must be part-time for all Participants.
- 2.13 Participation in the ESF Provision must allow Participants who are in receipt of benefit to meet the requirements attached to their benefit, for example the conditionality requirements for Jobseekers Allowance (JSA).

Part time hours for Participants who are inactive and not in receipt of benefit are defined as less than 30 hours.

See [Annex 6](#) for definition of unemployed and inactive for this Provision.

See [DWP Provider Guidance](#) for further information on conditionality requirements and the Claimant Commitment relating to individuals on Universal Credit.

## **Payment Model**

2.14 The contract value will comprise of the following payments:

- Delivery Fee
- Short Job Outcome Payment
- Sustained Job Outcome Payment

See [Section 5](#) for more details on payments.

## **Transition from existing programmes**

2.15 There will be no automatic transfer of Participants from existing DWP ESF contracts to this contract.

## **Transfer of Undertaking (Protection of Employment) Regulations 2006**

2.16 Your attention is drawn to the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE). It is the DWP's view that TUPE is unlikely to be applicable to ESF 2014-20 Provision. Nevertheless, it is the bidder's responsibility to consider whether or not TUPE applies in the individual circumstances of their tender. For more information about TUPE and associated matters see - <https://www.gov.uk/transfers-takeovers>. Further information can be found in the Terms and Conditions.

### 3 Service Delivery Requirements

#### Aim

- 3.1 This Provision aims to support those who are furthest from the labour market, including those in entrenched worklessness, to tackle barriers which prevent unemployed individuals from moving into sustained employment.
- 3.2 The Provision will provide a coordinated and holistic approach by focussing on personalised tailored support for individuals with multiple barriers; to improve work readiness and employability skills.
- 3.3 This specification focuses on setting out the outputs and outcomes required for this Provision. See [Section 5](#) for further details on payments.

#### Delivery Location

- 3.4 Providers are expected to be able to show detailed knowledge of the Humber and Greater Lincolnshire local labour market and barriers that affect access to employment. There should be a clear linkage between current labour market needs and requirements and proposed solutions.
- 3.5 The Provider is required to deliver the Provision across the entire contract area via a range of engagement methods that should include but is not limited to fixed delivery premises (on a full and/or part time basis) and outreach services to ensure that the Provision is accessible to all Participants.
- 3.6 The initial engagement meeting must take place at Provider premises within the Contract Package Area (CPA).
- 3.7 All premises must be easily accessible to Participants using public transport, meet all legal requirements and provide facilities commensurate with the requirements of this specification.
- 3.8 As a minimum the Provider must deliver from premises in:
  - Bridlington
  - Hull (Central)
  - Scunthorpe
  - Grimsby
  - Boston
  - Lincoln
- 3.9 The CPA covers a large rural area as well as urban centres. Providers should be clear in their tenders how they intend to deliver Provision across the entire contract area, particularly in the rural locations e.g. outreach sites, mobile units, effective use of digital channels. In addition to the fixed delivery premises detailed at paragraph 3.8, the provider should ensure delivery reaches the following locations as a minimum:

- Goole
- North, East and West Hull
- Withernsea
- Hornsea
- Haltemprice
- Beverley
- Driffield
- Brigg
- Barton
- Epworth
- Crowle
- Kirton in Lindsey
- Winterton
- Immingham
- Cleethorpes
- Louth
- Mablethorpe
- Skegness
- Spalding
- Grantham
- Stamford
- Sleaford
- Gainsborough
- Horncastle
- Market Rasen

### **Participant Changes Address**

3.10 If a Participant changes address and moves outside the Contract Package Area, the Provider in agreement with the Participant needs to consider if participation is still appropriate as outlined below:

- where possible and where suitable arrangements can be put in place (for example, where the Provider has a delivery presence or the Participant and Provider agree that remote working is appropriate), Providers will be required to continue to work with Participants and will be entitled to claim eligible outcomes. If the Provider decides that they are unable to support the Participant, they should gain agreement from the Performance Manager and inform the Participant who will be deemed an early completer (*see para 3.46 for the definition of an early completer*).
- if the Participant moves address where commuting to Provision is unreasonable, delivery requirements can cease and the Participant will be deemed an early completer (*see paragraph 3.46 for the definition of an early completer*).
- Participants who change address during the Provision period, such that they reside outside of the CPA, may choose to change to another DWP ESF 2014-2020 Provision in their new location if they are eligible. (see para 3.35 Accessing Other DWP ESF 2014 -2020 Provision).

## Identification of Potential Participants

- 3.11 The Provider is responsible for identifying eligible Participants and should make links with other local organisations to market the Provision within the Contract Package Area, ensuring they maximise opportunities in order to achieve sufficient Participants.
- 3.12 This Provision is voluntary and suitable applicants should be identified using different sources including but not limited to:
- Provider recruitment;
  - Jobcentre Plus (JCP);
  - Community and voluntary sector organisations;
  - Local Authorities;
  - GPs / Health workers;
  - Self referrals.

*Refer to ESF Provider Guidance for information on local organisations.*

## Eligibility

- 3.13 To be eligible for ESF, all Participants must be legally resident and have the right to take paid employment in the UK. Participants must be aged 16\* or over. There is no upper age limit for Participants.  
\*Subject to changes in UK legislation
- 3.14 To be eligible for this Provision individuals must be **unemployed or inactive and** fall into one or more of the following categories:
- Long term Unemployed or Inactive (26 weeks or longer);
  - Basic Skills need
  - Have more than one barrier to employment. Barriers may include:
    - A lone parent;
    - An older worker (50+);
    - An ex offender;
    - Caring Responsibilities (including those returning to employment when caring responsibilities end);
    - Have physical disability or health condition, including Sensory Impairments;
    - Mental Health or Learning Disability
    - Drug/Alcohol dependency;
    - An ethnic minority;
    - Have low or no qualifications;
    - Language barrier (English not first language, etc).
- 3.15 It is the Providers responsibility to check Participants are eligible to take part in this Provision. The Provider must ensure they have robust systems in place to perform the eligibility check. The Provider must retain evidence to confirm eligibility for ESF purposes for the full retention period – this will be an integral part of audit assessments (see [Annex 2](#)).

*Further information detailing the evidence which must be retained can be found in [DWP Provider Guidance](#).*

- 3.16 DWP will not be responsible for determining eligibility, but will carry out internal checks, including benefit status, and whether potential Participants are participating in incompatible DWP Provision.

### **LEP Priority Groups**

- 3.17 The LEP has requested that the Provider should target the following groups as a priority, but not exclusively:
- Jobseekers Allowance (JSA) claimants – especially persistent returners and households with multigenerational worklessness
  - Employment and Support Allowance (ESA) claimants and claimants of other health related benefits
  - Individuals with a self-declared mental health condition
  - Individuals with substance and/or alcohol addiction
  - Victims of domestic violence/abuse
  - Long term benefit claimants
  - Lone parents
  - People with caring responsibilities including unpaid carers
  - Ethnic minorities
  - Ex-service personnel
  - Those with housing/homelessness issues
  - Ex-offenders
  - Unemployed older-workers aged over 50
  - Care leavers
  - Young unemployed/workless aged 18-24
  - Returners to the labour market

- 3.18 The Provider is expected to explain in their tenders how their recruitment processes will ensure Participants are identified from the priority groups specified in para 3.17.

### **Caseload Size**

- 3.19 Providers are expected to state in their tenders the average and maximum caseload size each key worker will be expected to manage. This will form part of the contract and Providers will be expected to report upon this on a monthly basis to their Performance Manager.

### **Provider and potential Participants initial meeting**

- 3.20 The Provider must meet face to face with the potential Participant to discuss the Provision; the Participant's needs, check eligibility and inform the

Participant that the Provision is funded by ESF and issue the leaflet ESF2020.

- 3.21 The Provider must obtain personal details from the Participant and gain consent for this information to be passed to JCP.
- 3.22 An ESF1420 form must be completed for each eligible individual who has declared their wish to participate in the Provision. The information captured on the ESF1420 must be accurate and complete and will include:
- Participant characteristic data;
  - a declaration from the Participant that they wish to participate in ESF Provision, understand that the Provision is funded by ESF and that they permit their information to be stored and used to register them for ESF and future ESF research;
  - endorsement (signature) from the Participant that the data provided is correct;
  - details of eligibility and evidence seen by the Provider to support the referral to Provision;
  - the postcode of the venue where the in-depth needs assessment is to be conducted and initial Action Plan is agreed;
  - endorsement (signature) from the Provider that the information supplied is correct to their knowledge and that they've seen documents confirming the Participant's identity.
- 3.23 The Provider must store the original ESF1420 form securely and send a copy to the DWP ESF Admin Team within 5 working days of Participant signature. It is envisaged that the Provider will send the form via email (as defined in Provider guidance) but there is a possibility in the short term that the Provider will be asked to use secure post.
- 3.24 The DWP ESF Admin Team will check information contained in the form against Departmental system records and make an electronic referral which will appear on the Provider Referrals and Payments system (PRaP) the following day. Inaccurate forms will be returned to the Provider within 20 working days of receipt.
- 3.25 If DWP system checks show that the potential Participant is taking part in other Provision that is incompatible with ESF funded Provision, the form will be returned to the Provider within 20 working days.

*See ESF Provider Guidance for more information.*

- 3.26 The Provider must either accept or reject the referral in PRaP. The Provider must contact the Participant to arrange a face to face needs assessment. It is recommended that this takes place within 5 working days of acknowledgement of the PRaP referral.

## **Initial engagement meeting**

- 3.27 The initial engagement meeting must include a face-to-face in-depth needs assessment and the development, agreement and signing of an initial Action Plan.

## **Action Plan**

- 3.28 The Action Plan must detail activities linked to the requirements of the contract; set out clear goals and must be agreed and signed by the Participant and Provider. The Provider is responsible for co-ordinating activities outlined in the Action Plan to move the Participant towards their ultimate goal.

## **Starting Provision**

- 3.29 A Participant will only be deemed to have started on Provision once a Provider has:

- undertaken a face to face in-depth needs assessment;
- agreed activities with the Participant and an Action Plan has been signed by both parties; and
- the start date is recorded on PRaP.

Where a Participant has not signed the initial Action Plan, Providers must not start them on Provision.

- 3.30 Once the Provider has received a referral on PRaP they will have 20 working days to undertake the initial face to face engagement meeting (including agreeing and signing the Action Plan) and record the start date on PRaP. (The start date must always be the date that the Action Plan was agreed and signed).
- 3.31 Once the Participant has started ESF Provision, Providers are required to electronically supply DWP with Participant data to support ESF reporting (Participant data collected on the ESF1420 form). DWP are investigating the electronic method for the delivery of this information and it is assumed this will be via a web portal.

## **Review of the Action Plan**

- 3.32 As a minimum, the Action Plan must be reviewed, updated and signed by both parties in a face to face monthly meeting; however frequency of these meetings should be tailored to meet the Participant's needs. Where the meeting cannot be held face to face every month, or where the Participant cannot sign the updated Action Plan, reasons must be recorded by the Provider.
- 3.33 At each review meeting the Provider must chart and record activities that have taken place; steps taken to achieve goals; and identify further activities to be taken forward. This should include any agreed activities relating to In-

Work Support during the Participant's Provision duration. The revised Action Plan must be retained by the Provider. Evidence of action planning must comply with Providers' Customer Service Standards, the content of successful tenders and the Provision contract. The Provider must retain evidence of activities that have taken place to meet ESF evidence requirements (see [Annex 2](#)).

- 3.34 Providers are expected to actively manage Provision to ensure the actions detailed in the agreed personal Action Plan are delivered, managed, monitored, reviewed and evidence must be provided to show they have taken place.
- 3.35 If a DWP Work Coach requests a copy of the final Action Plan, the Provider must send this within 5 working days of the request.

*Refer to ESF Provider Guidance for further information on Action Planning*

### **Accessing Other DWP ESF 2014-2020 Provision**

- 3.36 During the Provision duration, Participants can change to another DWP ESF 2014-2020 Provision if they are eligible. They will be required to have an assessment and Action Plan with the new Provider and be allowed to participate for the full duration of that Provision. (see para 5.11 for how this affects Job Outcome Payments).
- 3.37 Once a Participant has completed Provision, including early completion, they can only access DWP ESF 2014-2020 Provision if it is in another CPA.

### **Provision Delivery Requirements**

- 3.38 The Provision should provide individually tailored and one-to-one mentoring support which focuses on:
- Identifying and addressing barriers to work
  - Understanding and influencing Participants' motivation and attitude
  - Considering medical needs, including mental health conditions and referring to existing support/provision in the locality
  - Identifying transferable skills
  - Considering and exploring employment options
  - Finding and keeping work
  - Referral to existing provision in the locality, community learning, Skills for Life including literacy and numeracy, vocational and workplace skills training; and educational establishments
  - Discussing and promoting high quality work experience (tasters/trials) and training options
  - Discussing opportunities for self-employment and referral to enterprise start-up programmes
  - Identifying what practical support may be available to help individuals secure and retain employment, including traineeships and apprenticeships

- Where appropriate, accompanying the Participant when accessing other services
  - Contributing to the Participant's personal development including reducing any sense of isolation and stress, assisting them to become more independent
  - Structured volunteering linked to progression and sustained employment
- 3.39 Providers should also deliver, as required, individual or group sessions on:
- Motivation and confidence building
  - Job search skills, including using electronic channels
  - Money and debt management
  - Work skills specific to the local employment market
- 3.40 The delivery requirements listed at 3.38 and 3.39 are not exhaustive; Providers are expected to demonstrate their delivery methodology as part of their tender submission.
- 3.41 Potential suppliers should demonstrate how they will use their existing networks and/or build relationships with appropriate resources, agencies, charities, local organisations etc to fully support the range of needs of the priority group.
- 3.42 Providers will need to build links with local employers to broker work tasters, work trials, pre-employment programmes and employment opportunities, including work experience, apprenticeships and traineeships for Participants. (See [Annex 3](#) for more information on the key sectors, both new and emerging for the LEP area.)

## **In-Work Support**

- 3.43 For employment which falls within the Participant's Provision duration, In-Work Support may be required which meets the individual needs of the Participant to ensure they have the opportunity to sustain employment. On commencement of employment, Providers should agree with Participants the In-Work Support they will provide during their Provision duration and record this on the Action Plan. Activities to be delivered for In-Work Support should be detailed in Provider's tenders; this will then form part of the contract. In-Work Support will maximise Provider's opportunity to claim both the Short and Sustained Job Outcomes.

Providers should also be aware that in some instances Participants may require up to 26 weeks In-Work Support in order for the Sustained Job Outcome to be achieved.

## **Provision duration**

- 3.44 The maximum duration of this ESF Provision for a Participant is a continuous period of 52 weeks from the Participant's start date. Where referrals are permitted into the third year of the Provision delivery (see para 2.6) the defined Provision duration for Participants may be reduced as Provision delivery will cease at the end of year three.

### **Completing Provision**

- 3.45 Where a Participant completes the defined Provision duration they will be defined as a Completer. In addition, Participants who have been referred in the third year of the Provision delivery and remain on the Provision at the end of the third year will be defined as a completer. Providers are required to record all completion dates on PRaP.

*Payments for Job Outcomes can be achieved after completing the Provision please see [section 5](#) for Job Outcome definitions.*

### **Early Completer**

- 3.46 A Participant will be deemed an early completer and their Provision period ends where:
- a Short Job Outcome is achieved during the Provision duration;
  - the Participant has moved address and, following discussions between the Provider and Participant, it is agreed that participation is no longer appropriate;
  - the Participant has chosen to move to a different DWP ESF 2014-2020 Provision;
  - the Participant starts other DWP Provision which makes continued participation no longer appropriate; or,
  - the Participant has died.
- 3.47 Where a Participant becomes an early completer, Providers are required to notify DWP of the Participant's early completion date.
- 3.48 Where a Participant becomes an early completer due to a Short Job Outcome being achieved, the early completion date should be recorded as the date the Job Outcome was achieved.

*Refer to ESF Provider Guidance for further information regarding reporting completion dates.*

*Payments for Job Outcomes can be achieved after completing the Provision please see [Section 5](#) for Job Outcome definitions.*

### **Exit Review**

- 3.49 For 100% of Participants completing Provision (including early completion), Providers are required to conduct an exit review prior to completion of Provision to document the Participants' progress and outcomes and highlight

recommendations for future steps on the final Action Plan; gaining Participant agreement and signature (or where a signature cannot be obtained, reasons should be recorded by the Provider).

### **Supplying ESF Participant completion data**

- 3.50 On completing ESF Provision (including early completion), Providers are required to collect Participant destination information, verified by the Participant (e.g. where the Participant upon leaving is in employment or education or training and where appropriate submit information where Participants have gained basic skills or a qualification). To support ESF reporting this information along with the Participant's completion date must be securely submitted to DWP. DWP are investigating the electronic method for the delivery of this information and it is assumed this will be via a web portal.

### **Updating the Provider Referrals and Payment System**

- 3.51 There are points where Providers must ensure they update the PRaP system. Below are the key actions required:
- Each referral must be acknowledged by accepting or rejecting;
  - Record a start for each Participant;
  - Record Job entries;
  - Record outcome fee claims, ensuring all appropriate evidence and documentation is held;
  - Record details of periods of Employment;
  - Record Completer information.

## 4 Customer Service Standards

- 4.1 The success of this ESF Provision will be measured against a series of service standards to ensure that the service requirements are delivered.
- 4.2 Delivery against respective responsibilities will be monitored through a combination of existing performance management practices and Provider engagement meetings.
- 4.3 These service standards will be managed by the performance teams within DWP Work Programmes Division, including the DWP Compliance Monitoring Officers and Performance Managers supported by DWP Category Managers.

*Further information provided in [Section 6](#).*

- 4.4 The customer service standards that the Provider must adhere to are:
- sign and securely send a copy of the fully completed ESF1420 form to the JCP ESF Admin Team within 5 working days of Participant signature;
  - 100% of people who start the Provision have a signed Action Plan (agreed and signed by both Participant and Provider);
  - review the Action Plan with the Participant on a monthly basis, as a minimum; recording clear evidence that the review has been undertaken ;
  - for 100% of Participants completing Provision or completing Provision early; conduct an exit review prior to completion of Provision to document the Participants progress, outcomes and highlight recommendations for future steps on the final Action Plan. This must give specific details on what activities the Participant has undertaken; any qualifications gained; behaviours and next steps. This should be free text of at least 500 words;
  - in 100% of cases (where requested), send a copy of the final Action Plan to the JCP Work Coach within 5 working days of the request;
  - as part of your tender submission, any other Customer Service Standards detailed in your tender which will form part of the contract.

*Refer to ESF Provider Guidance and Terms and Conditions for further information.*

### Management Information and Evidence

- 4.5 DWP will use its Management Information (MI) for the on-going management of the Provision and for discussion with Providers.
- 4.6 DWP will also require Providers to capture and use their own MI and retain evidence for contractual and performance purposes. This should include:
- details of all periods of employment should be recorded on PRaP;
  - pipeline (forward look performance information relating to attainment of your Cohorts including job entries recorded in PRaP) data to inform performance discussions with Supplier Managers and Performance Managers; and
  - robust tracking systems to be able to identify and performance manage Participants in each Cohort.

**NOTE:** MI may require re-development and change over the life of the contract in order to meet the needs of DWP and the Provider.

*For further information regarding performance please see [Section 6](#) and the ESF Provider Guidance.*

## 5 Payment Model and Performance

5.1 This section sets out information on the funds available for this contract, the payment model, the process for making claims for payments and the Department's performance expectations.

### Contracts

5.2 Set out below, are the maximum budget and minimum volumes for this contract. Providers should note that maximum contract values are fixed and DWP does not guarantee volumes.

LEP	Maximum Contract Value	Minimum number of starts
Humber and Greater Lincolnshire LEPs	£5,410,800	2,613

5.3 The Provider is responsible for identifying eligible Participants and should market the Provision within the Contract Package Area, ensuring they maximise opportunities in order to achieve sufficient Participants to deliver their Cohort Profiles.

### Payment Model

5.4 The contract will be paid via a payment model that focuses on:

- The Delivery Fee will equal 25% of the contract value payable in equal instalments for 24 months from Service Start Date;
- Short Job Outcome Fees paid on a unit price basis and will equal a maximum of 40% of the contract value;
- Sustained Job Outcome Fees paid on a unit price basis and will equal a maximum of 35% of the contract value.

### Delivery Fee

5.5 The Delivery Fee will be paid monthly in arrears; there will be 24 equal instalments commencing one calendar month after the Service Start Date.

5.6 The Delivery Fee supports Providers in delivering the service to Participants.

### Starts Profile

5.7 Providers must agree with DWP a monthly starts profile based on Cohorts prior to the start of their contract. If the numbers of starts are below the agreed profile, Providers will be challenged on their activities to attract referrals and convert these into Starts. If the conversion rate falls below the minimum performance level then performance improvement action will be taken.

See [Section 6](#) and *Terms and Conditions*, for more information.

## **Short Job Outcome Payment**

5.8 The Provider will be eligible to claim a Short Job Outcome Payment when a Participant has been in employment for a cumulative period of 13 weeks within a 26 week period, where the initial\* job starts within the Provision duration or 4 week tracking period. (See paragraph 5.14)

\*initial job start = The start date of the first job that contributes to Job Outcomes in the cumulative period.

5.9 Only one Short Job Outcome Payment can be claimed per Participant.

## **Sustained Job Outcome Payment**

5.10 The Provider will be eligible to claim a Sustained Job Outcome Payment when a Participant has been in employment for a cumulative period of 26 weeks within a 52 week period, where the initial\* job starts within the Provision duration or 4 week tracking period. The 26 eligible weeks contributing towards the Sustained Job Outcome must fall within the 52 week period commencing from the first week of the Short Job Outcome. Providers are prevented from using any periods of employment which occurred before the first week that contributed towards the Short Job Outcome.

\*initial job start = The start date of the first job that contributes to Job Outcomes in the cumulative period.

5.11 Only one Sustained Job Outcome Payment can be claimed per Participant.

## **Job Outcome Payments where Participants change to another DWP ESF 2014-2020 Provision**

5.12 Where a Participant, during the Provision duration, moves to another DWP ESF 2014-2020 Provision, the previous Provider will not be entitled to claim any Job Outcomes relating to that Participant.

5.13 If a Participant commences Provision and it is subsequently identified that a Job Outcome payment has previously been made, DWP reserves the right not to pay another Job Outcome payment or to recover the previous payment.

## **Tracking Period**

5.14 The tracking period is a 4 week period following immediately after the completion date.

## **Employment**

5.15 To satisfy outcome definitions Employment is defined as, each week contributing to the required number of weeks in work will:

- be a period of seven consecutive calendar days during which the Participant was employed (be that under contract, PAYE, self employment or otherwise with the exception of volunteering) on at least one day (but not necessarily for any minimum number of hours).
- 5.16 To be considered as 'employed' for the entirety of the seven day period the Participant was either:
- not claiming or otherwise in receipt of a Relevant Benefit;
  - or, in the case of a Participant continuing to claim / receive Universal Credit, earned in the seven day period at least the Minimum Threshold.
- 5.17 Relevant Benefit means any combination of Incapacity Benefit, Carer's Allowance, Severe Disablement Allowance, Jobseekers Allowance, Employment Support Allowance, Income Support and/or Universal Credit (and or other such benefits detailed in Provider Guidance) as claimed or paid to the Participant.

*Refer to Provider Guidance for the Minimum Threshold levels which apply to Universal Credit claimants.*

### **Minimum Performance Levels**

- 5.18 Once the Provision has gone live, Providers will be required to deliver the following targets:
- 1 100% of referrals either Start, Do not Start or Do not attend and the Start or Did not attend/Did not Start action is recorded in PRaP within 20 working days of referral (a start is defined as someone who has had an assessment meeting with the Provider and there is an agreed Action Plan in place, signed by the Provider and the Participant);
  - 2 a minimum of 80% of referrals, measured both on an in-month basis and a cumulative basis, that are recorded on PRaP by DWP, start the Provision;
  - 3 as a minimum the number of Provision starts will never be below 85% of the cumulative starts profile;
  - 4 cumulative referral backlogs must be below 2%;
  - 5 no one will be in backlog for over 40 working days from the date of referral;
  - 6 Providers will have specified expected Short Job Outcome rates as part of the original tendering process; these are expressed as a single percentage of starts made for each monthly Cohort i.e. the same percentage for each monthly Cohort. Achievement of Short Job Outcomes for each monthly Cohort will be profiled by the Provider and each Cohort profile will become part of the contract as Minimum Performance Levels;
  - 7 Providers specified expected Sustained Job Outcome rates as part of the original tendering process; these are expressed as a single percentage of starts made for each monthly Cohort i.e. the same percentage for each monthly Cohort. Achievement of Sustained Job Outcomes for each monthly Cohort will be profiled by the Provider and each Cohort profile will become part of the contract as Minimum Performance Levels;
  - 8 all Job Outcome performance measures will include cumulative performance from day one of the contract.

## Performance Offer

- 5.19 DWP are looking for minimum performance offers on:
- Short Job Outcomes i.e. proportion of Participants that are in employment 13 out of 26 weeks;
  - Sustained Job Outcomes i.e. proportion of Participants that are in employment 26 out of 52 weeks;
  - the conversion of Starts to Short Job outcomes; and
  - the conversion of Starts to Sustained Job Outcomes, on a profiled Cohort basis.

*See para 5.10 for definition of a Sustained Job Outcome.*

- 5.20 DWP will pay for both Short Job Outcomes and Sustained Job Outcomes based on your performance offer as a maximum percentage of the total contract value attached to the Job Outcomes, as detailed in para 5.4. As part of your tender you will be asked for both your Short and Sustained Job Outcome offers by Cohort and achievement of the Cohort Profiles.
- 5.21 DWP and the LEP are looking to maximise the use of ESF funds and ensure delivery capacity over the life of the contract. Tenders should therefore demonstrate a clear rationale, which is both stretching, yet achievable to support the Short and Sustained Job Outcomes expected to achieve.

## Payments

- 5.22 All payments will be made via PRaP. Please note, that DWP can only make direct payments to United Kingdom and Northern Ireland bank accounts.
- 5.23 Providers will be required to hold adequate information to support their claims. This information must be kept at an individual Participant level.  
*For further information regarding evidence requirements please see [Annex 2](#).*

## Making Claims for payment

- 5.24 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.
- 5.25 To satisfy the audit trail, 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.
- 5.26 The records maintained need to be sufficient not only to support any claims but also to allow internal management checks and independent validation, for example by DWP and other external bodies. The records maintained must document how and when the employment information was obtained and must be made available to test by DWP and other external bodies.

- 5.27 When making claims, Providers must enter two dates into PRaP:
- the initial employment start date; and,
  - the date the Participant has achieved the required duration of employment to meet the Job Outcome definition.
- 5.28 During the contract period, Providers should aim to claim Outcome Payments in the 8 weeks following the qualifying period for the outcome.

## **Validation**

- 5.29 DWP will independently 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.
- 5.30 Providers will need to ensure that they have the Participant's written, informed consent allowing DWP to contact employers directly in pursuance of validation. This must be obtained for Participants who are **not** covered by the Designation Order process detailed in Chapter 5 of the DWP Generic Provider Guidance. 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, is set out in DWP Generic Provider guidance.
- 5.31 As part of the validation process, where DWP identifies overpayments, the error rate will inform extrapolation calculation across the total population of paid claims for the sample period concerned. The error rate will include a proportion of payments/claims which DWP has been unable to conclusively validate or invalidate. Such 'unable to validate' claims will be apportioned in line with the claims that have passed or failed validation. DWP will recover monies in line with the adjusted error rate. In order to perform this adjustment a statistically valid sample will be used that is representative across the total paid claim population. DWP will automatically deduct recoveries from the next payments due or invoice the Provider.
- 5.32 For the purposes of formal intervention (Performance Improvement Notices) the last known validation figures will be used.

*Further information can be found in the Terms and Conditions and the ESF Provider Guidance.*

## **Final claims for payment**

- 5.33 The final date that any claim for payment can be accepted for this Provision will be 64 weeks after the Provision delivery ends (see para 2.5 for further details).

## **Assurance Processes**

5.34 It is essential that we can provide assurance to the taxpayer that publicly funded Provision is delivering a quality service and value for money has been obtained.

This will be measured using the following methods (this list is not exhaustive):

- Provider representation at national and local performance meetings as agreed with DWP at post-tender clarifications;
- Provider procedures to handle Participant complaints, which must be available to DWP and the Independent Case Examiner (ICE) upon request;
- Providers' annual self-assessment report (further information regarding self-assessment is available in [Chapter 7](#) of DWP Generic Provider Guidance);
- Performance management process as outlined in section 6 of this document;
- Payment Validation;
- Audit by DWP, NAO and ESF auditors, this list is not exhaustive.

The methods detailed above are in addition to the activities carried out by the Provider Assurance Team, detailed in [Section 6](#).

## **Code of Conduct and Merlin Standard**

5.35 The DWP Code of Conduct spells out the key values and principles of behaviour which DWP expects of Organisations which are essential for creating healthy, high performing supply chains. Organisations that contract with DWP will be expected to operate in accordance with the Code of Conduct. The Code is Annex 1 to the DWP Commissioning Strategy and can be found at: <https://www.gov.uk/government/publications/dwp-commissioning-strategy-2014>

5.36 The Code is given effect in part through the Merlin Standard. Providers will be assessed (at their own expense) against the Merlin Standard by a third party organisation – the assessment and accreditation service Provider. Merlin Accreditation is, where delivery partners are utilised, mandatory. Further information on accreditation timescales and remedial actions against failure to obtain or retain accreditation is detailed in the Terms and Conditions.

5.37 For further information regarding the Merlin Standard, please see the Merlin website [www.merlinstandard.co.uk](http://www.merlinstandard.co.uk).

## **6 Quality, Evaluation, Performance Management and Category Management**

### **Purpose**

- 6.1 This section provides a summary of the information required to meet contractual obligations relating to quality, evaluation, performance and contract management. Further information will be set out in the Provider Guidance and Terms and Conditions which will be available with the ItT.
- 6.2 DWP is committed to raising the standards of its contracted Provision making continuous improvement an integral part of its contracting arrangements.

### **Performance Management and Category Management**

- 6.3 ESF contracts will be managed by Category Managers, Supplier Managers and Performance Managers. 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.
- 6.4 Where Providers have a supply chain the Provider will be responsible for managing their supply chain, including addressing poor performance. The 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 Provider and their supply chain are delivering the Provision in accordance with the overall contractual obligations.
- 6.5 The Provider must appoint appropriate named contacts who will work with the DWP Category Manager, Supplier Managers and Performance Managers to ensure the ESF Provision is delivered as specified in the contract and that required standards and performance levels are met.

### **Performance**

- 6.6 DWP operates a robust performance management regime to hold Providers to account for performance offers within their contracts. DWP Supplier Managers and Performance Managers will hold regular Contract Performance Review (CPR) meetings with Providers which will focus on achieving contractual performance based on monthly and yearly Cohort Profiles and Customer Service Standards, and attainment of performance and delivery in line with the Contract. Performance will be managed on both quantitative and qualitative aspects of their contracts. Category Managers and staff representing JCP Districts may also attend these meetings.
- 6.7 DWP will use MI presented by PRaP for the on-going management of the Provision and for discussion with Providers. DWP will also expect Providers

to capture and use their own MI and retain evidence for contractual and performance purposes. This should include pipeline data to inform performance discussions with Supplier Managers and Performance Managers (forward look performance information relating to attainment of your Cohort Profiles) and robust tracking systems to be able to identify and performance manage Participants in each Cohort Profile.

- 6.8 DWP's performance teams may visit Provider premises on an ad hoc basis (announced and unannounced) to investigate performance for example, under or high performance.
- 6.9 As DWP is committed to transparency on how its programmes are working, Providers need to be aware that MI will be shared across Providers and may also be fed into published Official Statistics on DWP ESF Provision. 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.

*Further information can be found in the Terms and Conditions.*

### **ESF Compliance Monitoring Officers**

- 6.10 The Compliance Monitoring Officer's (CMO) role is to perform regular evidence based checks that all ESF funded Providers are adhering to the delivery models set out in their contracts.
- 6.11 This includes checking samples of Participant records to validate eligibility, activity and payment for these Participants supported by the Provider and, if appropriate, their supply chain. CMOs will check that the ESF Regulatory Requirements, in terms of Marketing and Publicity; Sustainable Development; Equality and Diversity; Document Retention are being adhered to (no paper copies).
- 6.12 DWP specify the location where the checks will take place and we expect them to be centralised. All records must be available on the Provider system for inspection.
- 6.13 Providers are expected to have the necessary remote IT equipment which they can bring to the location to enable DWP to carry out centralised checks of the Providers systems; this includes the Provision of any necessary electronic evidence that is required by the CMO to undertake the checks effectively. DWP will carry out these checks at the following locations:
- London;
  - Birmingham;
  - Sheffield;
  - Leeds;
  - Newcastle.
- 6.14 All issues arising from CMO checks are reported to the Provider, Performance Management Team, Category Manager and Provider

Assurance Team. Contract review meetings with DWP Supplier Managers and Performance Managers will include discussions around compliance issues identified by CMOs. Further information regarding CMO will be detailed in the ESF Provider Guidance which will be available with the ItT.

- 6.15 DWP reserves the right to carry out physical checks on documentation as part of this process.

### **Contracted Employment Programmes (CEP) Provider Assurance Team**

- 6.16 The primary purpose of the (CEP) Provider Assurance Team is to provide the DWP CEP Director with an assurance that:
- Payments made to DWP Contracted Employment Programme Providers are in accordance with DWP and Treasury requirements;
  - Public funds and DWP data are protected; and,
  - Value for money has been obtained.
- 6.17 This work is carried out by the Provider Assurance Team working in partnership with the Security and Business Continuity Team by reviewing Providers' internal control systems to assess their ability to manage risk across four key areas;
- **Governance Arrangements** – covering the Provider's governance arrangements, systems for tracking and reporting performance and their anti-fraud measures;
  - **Service Delivery** – includes the Provider's systems for starting, ending and moving Participants through Provision and generally looks to ensure that DWP is getting the service it is paying for. This section also covers management of the supply chain;
  - **Claim Procedures and Payments** – looks to ensure that Providers have in place effective systems to support their claims for payment, including appropriate segregation of duties; and
  - **Data Security** – looks to ensure that Providers have in place adequate systems to safeguard DWP data whilst it is being stored and/or transmitted around their organisations.
- 6.18 The Provider Assurance Team and the Security and Business Continuity Team operate at a national level enabling them to present CEP Providers operating across regions with a single view of the effectiveness of their systems; each Provider will have a nominated Senior Provider Assurance Manager and therefore a single point of contact within DWP for management of assurance related issues/concerns.
- 6.19 On completion of each review, Providers are awarded an assurance rating from the following four categories – weak, limited, reasonable and strong and an assurance rating from the Security and Business Continuity Team regarding data security. They are also sent a formal report which details the review findings including key strengths and areas for improvement; where weaknesses have been identified they are asked to complete an action plan

setting out appropriate steps for improvement and this is followed up at an agreed point.

- 6.20 The timescale for a subsequent review is determined by several risk factors; these include the Provider's current assurance rating, the contract value and intelligence from internal stakeholders. Provider reviews are conducted over a period of up to 20 weeks. The resource allocated to each review depends on the complexity of the contract delivery.
- 6.21 Findings from each review are routinely reported to the relevant category managers/supplier managers and other DWP stakeholders. Remedial actions may be taken in the following circumstances:
- If following a Weak or Limited Assurance level from the Provider Assurance Team and/or an equivalent rating from the Security and Business Continuity Team, the Provider's subsequent assurance level is the same or worse for the same reasons, or the Provider is awarded a consecutive third weak or limited assurance, regardless of the reasons;
  - Where there are suspicions that a Provider may be acting inappropriately the team will refer to Internal Investigations as the experts trained in the legalities and techniques required to carry out formal investigations.
  - Where there are serious concerns around data security these are reported through the respective channels to colleagues in Supply Chain Information Assurance Team.

*Further details on remedial actions can be found in the Terms and Conditions.*

- 6.22 DWP will periodically publish Provider assurance levels and names (note- this will not include reports or supporting information). This is to satisfy a commitment DWP made in response to a Freedom of Information request and to support DWP's commitment to public transparency.
- 6.23 The Provider Assurance Team will work with successful Providers 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 ESF Provision goes live.

## **Quality**

- 6.24 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.
- 6.25 A self assessment must be completed within 6 months of contract start-up then annually thereafter.

See [DWP Provider Guidance](#) for more information about self assessment requirements.

## Evaluation and Reporting

6.26 Independent evaluation will be an important element of the ESF Provision and Providers will be asked to cooperate in a range of evaluations, commissioned by the DWP ESF Managing Authority and the DWP CFO.

*Refer to [DWP Provider guidance](#) for further information.*

6.27 Other interested parties and Government Departments as part of wider cross-government agendas may commission further evaluations and Provider assistance will be expected when required.

6.28 As part of this evaluation work researchers may wish to visit and interview Providers and their supply chain, Participants and employers involved in the Provision. Providers may be asked to provide the relevant contact details and in order to facilitate this process Providers should seek advance agreement from Participants to take part in evaluations.

6.29 Advance notice will be given to Providers where their cooperation is required.

6.30 An end of project evaluation report will also be required highlighting innovative delivery practices and achievements against the cross cutting themes.

## **Annex 1: Additional Information**

A1.1 This section provides additional information Providers should consider when setting out their tender, and expected delivery standards.

### **Financial support for Participants**

A1.2 Participants must not be worse off by virtue of attending ESF Provision. Providers are responsible for travel and additional support costs while Participants are participating in the Provision. The following paragraphs provide the guidelines used by JCP when determining financial support in these areas.

### **Additional Support**

A1.3 Additional support is defined as any support that allows a Participant who needs extra help to attend and participate fully in Provision (e.g. clothing, child care and specialist equipment e.g. a specialist key board). Providers must, as part of their obligations under the duties of 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.

*Further information relating to specialist equipment can be found at:*

<https://www.gov.uk/reasonable-adjustments-for-disabled-workers>

### **Travel expenses**

A1.4 The Provider is responsible for funding the Participant's travel costs to attend ESF Provision. If the Participant attends interviews arranged by the Provider e.g. to undertake work related activities, job interviews or other related interviews, then the Provider is responsible for funding their travel costs.

A1.5 The Provider will be required to actively promote the access to funding for travel expenses as part of their promotional campaign.

A1.6 There is no requirement to provide a Participant with travel expenses once they have moved into work, however, should the Provider wish to offer to fund travel costs to cover the time between any last benefit payment and first salary payment, this will be at the Provider's discretion and will not be included in outcome payment claims.

### **Childcare**

A1.7 Where it is a barrier to participation in the ESF Provision, childcare should be funded by the Provider. Childcare for attendance should only be funded for an approved activity, if it is provided by:

- carers registered with Ofsted (Office for Standards in Education);

- 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 LA; or
  - schools or establishments exempted from registration under the Children's Act 1989 or operated on Crown property.
- A1.8 The Provider will be required to actively promote the access to funding for childcare costs as part of their promotional campaign.
- A1.9 The parent or guardian can make alternative arrangements. However, costs should not be paid unless the carer is in one of the above categories (see para A1.7).
- A1.10 The child/children must satisfy the age requirement (see below) and be a dependant of and residing with the Participant.
- A1.11 DWP 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; and
  - if the Participant 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.
- A1.12 Providers must not recommend particular childcare facilities to Participants. This is to ensure that DWP 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.
- A1.13 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**

- A1.14 Providers are expected to fund replacement care costs for individual Participants, who are:
- aged 18 or over;
  - not in work, or work less than 16 hours per week; and
  - spend a significant proportion of their lives providing unpaid support to relatives, partners or friends who are ill, frail, disabled or have a mental health or substance misuse problem.
- A1.15 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.

- A1.16 The Provider will be required to actively promote the access to funding for replacement caring costs as part of their promotional campaign.
- A1.17 Replacement care costs should not be paid if the replacement care is provided by family members.
- A1.18 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.
- A1.19 Providers must not recommend particular replacement care to Participants. The carer, or the person being cared for, must do this, as it is their responsibility to decide who should provide the care.

### **Checks for the Disclosure and Barring Service**

- A1.20 Should the service Provision need a check as required and permitted by the Disclosure and Barring Service, Providers are responsible for the associated costs.

### **Referrals and Payments System**

- A1.21 Providers will use the PRaP system to receive their referrals, record Participant activity (when Participant starts, completes, ends Provision, starts a job and remains in a job for the specified sustained period) and make claims for payments.
- A1.22 Providers will need to have met relevant security requirements before contracts go live. More information on the PRaP system can be found at: <https://www.gov.uk/government/publications/provider-referrals-and-payments-prap-system-for-dwp>
- A1.23 Direct access to PRaP will be made to the lead contractor.

*Further information regarding PRaP actions will be detailed in the Provider Guidance.*

### **Interaction with other Provision and Participation in other programmes and initiatives**

- A1.24 DWP Provider guidance for each specific Provision gives information relating to participation in other programmes and initiatives.  
*Refer to ESF Provider Guidance for further information.*
- A1.25 Providers are expected to help Participants to access other relevant services for which they are eligible so that ESF Provision is experienced as part of a

coherent package of employment and skills support. When Participants are referred to other services, Providers must ensure an effective exchange of information to help deliver a seamless service to the Participant. Any exchange must be in accordance with the Data Protection Act.

- A1.26 It is acceptable for Participants to join two or more ESF Provisions if they are with different CFOs or with a CFO and a direct project (direct call Provision via the Managing Authority). Each Provision will pay independently for delivery/achievement of the activities they have contracted for.

## **Partnership Working**

### **Providers working with Government, DWP and JCP:**

- A1.27 During the lifetime of the contracts, there will be regular interactions between Providers and DWP to ensure the effective delivery of the Provision. Providers should ensure they establish robust links with local JCP representatives to facilitate effective partnership working.
- A1.28 The Provider will be required to inform JCP when Participants start and leave/complete Provision in accordance with Provider Guidance (which will be available with the ItT).
- A1.29 The Provider will be required to work collaboratively with both DWP and sub-contractors (where applicable) throughout the life of the contract to resolve any delivery and/or supply chain issues and deliver continuous improvement.
- A1.30 Transparency throughout the Supply Chain will be key to collaborative working and DWP will require the Provider to share market information and good practice via contract review meetings.
- A1.31 As the contracting body, DWP will be the single point of contact for Providers. DWP will facilitate contact between the Provider and the LEP representatives where it is deemed to be necessary. There will be no requirement for the Provider to contact the LEP representatives directly or vice versa.

### **Working with strategic and local partners:**

- A1.32 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 ESF Provision. As a result, Providers are required to work with a wide range of local partners to ensure the best possible experience for every Participant.
- A1.33 Providers are required to work with local partners to ensure that proposals reflect the specific needs of Participants across the LEP area and take into account local strategies and services. Providers should aim to improve performance and individual service wherever possible and improve the effective use of public funds in a locality/area.

A1.34 Local partners may include, but are not limited to:

- DWP/JCP;
- LEPs;
- Local Authorities;
- Regional ESF partners;
- Employers;
- National Offender Management Service (NOMS);
- Skills Funding Agency (SFA);
- Local health services;
- Voluntary and community sector and specialist organisations;
- Big Lottery.

### **Working with Small to Medium Enterprise (SME)**

A1.35 DWP is committed to supporting the government target of 25% of government spending with third party suppliers to go through SMEs through either direct or indirect spend where it is relevant to the contractual requirement and provides value for money. DWP therefore actively encourages Providers to make their sub contracting (if applicable) opportunities accessible to SMEs and implement SME-friendly policies by:

- Opening their supply chain to SMEs by splitting requirements into smaller elements to make them more attractive to the SME market whilst bringing innovation, flexibility and value for money;
- Advertising any sub-contracting opportunities where appropriate and economical to do so, for example by using Contracts Finder or informing local networks/partners;
- Where possible paying SMEs earlier than the contractual requirement of 30 days from receipt of valid invoice; and
- Working with SMEs throughout the life of the contract to develop innovative and cost effective solutions delivered through the supply chain.

Regular contract review meetings will be used to explore continued and increased use of SMEs where appropriate throughout the life of the contract.

### **Participant feedback and complaints handling**

A1.36 Providers must have an appropriate complaints process (this should apply to the whole supply chain, if appropriate) to attempt to resolve Participants' complaints. Where complaints cannot be resolved, a Participant can complain to the Independent Case Examiner (ICE). ICE will mediate between the lead contractor and Participant to attempt to broker a resolution.

A1.37 Providers must explain the feedback and complaints processes to Participants at the start of Provision as part of their induction.

*Further information regarding complaint resolution can be found in the terms and conditions and DWP Providers Complaint resolution core briefing pack.*

## **DWP Customer Charter**

A1.38 DWP is committed to providing high quality and efficient services to our customers. The DWP Customer Charter sets out the standards that customers can expect and what their responsibilities are in return. DWP are dedicated to raising the standards of all our contracted Provision and require all Providers and sub-contractors to embed the principles of the Customer Charter into the services they deliver on DWP behalf. The customer charter can be found at: <http://www.dwp.gov.uk/docs/customer-charter-dwp.pdf>

## **Business Continuity**

A1.39 As part of the contract implementation, 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 Category Managers; and
- immediately notify DWP in the event of a business continuity incident or a significant disaster.

## **Data Protection**

A1.40 DWP treats its information as a valuable asset and considers that it is essential that information must be protected, together with the systems, equipment and processes which support its use. In order to protect Departmental information appropriately, Providers and their supply chain (if appropriate) must put into effect and maintain the security and safeguards appropriate to the nature and use of the information. All Providers of services to the DWP must comply with the DWP's relevant policies and standards. The Standards are based on International Standards 27001, but with specific reference to the Department's use. Compliance is demonstrated through the completion of a security plan. Bidders are required to submit a draft security plan as part of their tender and are expected to maintain this.

*Further information can be found in the Terms and Conditions.*

## **Other Opt In Organisations and Co-Financing Organisations**

A1.41 Where the LEP has engaged with either the Skills Funding Agency (SFA) or Big Lottery to deliver their strategies, DWP will require assurance from the LEP that this Provision will complement, add and not compete with the Provision the LEP has asked other CFOs to procure.

### **Skills Funding Agency**

A1.42 The SFA as a CFO will support LEPs who opt in with them to procure education and training Provision outlined in their ESIF Strategies for the 2014 – 2020 ESF period. The SFA can also in exceptional circumstances provide employability training but only where education or skills are the main focus of the Provision.

A1.43 The SFA is responsible for the funding and Procurement of all skills Provision. Providers should be clear on the Provision supported by the SFA to avoid duplication. Tenders will be expected to detail how Providers will identify and link with organisations offering such skills Provision locally, where Participants are eligible, in order to complement the ESF Provision and detail how any gaps in support can be filled.

A1.44 Providers should be aware of the services available through the skills system delivered by the SFA in England and may wish to consider what part the skills system may play when developing tenders.

A1.45 Details of SFA specifications used for their skills Provision are available from SFA web site: Skills Funding Agency:  
<https://www.gov.uk/government/organisations/skills-funding-agency>

### **The Big Lottery Fund**

A1.46 The Big Lottery Fund (BIG) is the largest lottery ‘good cause’ distributor, funding local projects across England through both targeted strategic investment focused on specific themes and open, demand led programmes that can support local priority projects across a wide range of themes. BIG will offer LEPs who opt in with them a delivery and match funding service to enable them to procure Provision to meet their social inclusion priorities.

A1.47 Providers should be clear on the Provision supported by BIG to avoid duplication.

A1.48 Further details are available from the BIG website:  
<https://www.biglotteryfund.org.uk/england>

### **National Offender Management Service ESF Provision**

A1.49 The NOMS is a Co-Financing Organisation and has contracted Provision available in England to support offenders leaving prison and probation and help them to access the learning and employment support they need. See

link to NOMS site – <https://www.gov.uk/government/organisations/national-offender-management-service>

### **Non CFO ESF Provision**

A1.50 Where the LEP has sourced Provision via Direct Calls with the MA or through the Local Authority, the Provider should be clear on the Provision supported to avoid duplication.

## **Annex 2: ESF Requirements**

A2.1 It is the Provider's responsibility to adhere to all ESF requirements and to ensure their supply chain does the same. Providers are ultimately accountable for the ESF compliance of their contract.

*Refer to ESF Provider Guidance for further information.*

### **ESF requirements for Marketing and Publicity**

A2.2 The Providers are responsible for complying with contractual requirements for publicity and information-related measures to support ESF, including complying with the publicity requirements of the European Commission.

A2.3 Providers must include the costs of producing publicity material in their tenders.

A2.4 DWP will work with Providers on the information that their material needs to cover to ensure the relevant DWP and ESF standards are met. DWP must approve all publicity material before publication or use.

*Further information will be set out in [Chapter 11](#) of the DWP Generic Provider Guidance which will be available before contract award.*

A2.5 Providers and their supply chain (if appropriate) must:

- display an ESF 2014 - 2020 poster in their main delivery locations in a prominent place, where it is clearly visible to staff, Participants and wherever possible, others using the building;
- use the ESF logo with reference to the European Union on any websites, publicity material and project documentation, including forms and letters;
- make Participants aware that the Provision is ESF funded and they should be reminded of this 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 Participants consent for DWP to publicise ESF Provision; and
- issue Participants with an information leaflet when they start on ESF funded/match Provision, which explains that the Provision they are attending forms part of ESF. This leaflet could be the DWP produced leaflet, the ESF2020 (formerly DWPF06).

A2.6 The ESF Managing Authority will maintain a database of contracts on the national ESF website. This will include the names of Provision, Provision Providers and the amount of funding allocated to the Provision. This will be generated from information supplied by the DWP CFO to the Managing Authority. It may also be used on the European Commission's website. The ESF Managing Authority also publish a communications plan which includes information about the role of Providers in helping to raise awareness of ESF

support for employment Provision among both ESF Participants and the wider general public.

## **Cross Cutting Themes for ESF Provision**

- A2.7 Providers and their supply chain (if appropriate) are required to take action to support ESF cross cutting themes of Gender Equality and Equal Opportunities and Sustainable Development.
- A2.8 Providers should fully understand the requirements and the following are some key activities that Providers are required to do:
- maintain an equality policy, training plans and Provider diversity plan;
  - ensure that a discrimination complaints procedure is in place. Grievance Policy guidance will be included in the Provider Guidance which will be available before contract award;
  - ensure an equal opportunities policy is in place for Participants and staff including any key workers;
  - ensure buildings including outreach centres etc. comply with the Equality Act 2010;
  - support and be involved in equality impact assessments undertaken by the Department; and
  - ensure a Sustainable Development Policy and implementation plan is in place which must be submitted to the ESF Performance Manager within 6 months of the contract starting and annually thereafter. Guidance on the requirements for sustainable development will be set out in Provider Guidance which will be available before contract award.

## **ESF Documentation and Evidence Retention Requirements**

- A2.9 Providers must keep evidence and key documentation in support of the delivery of and payments for ESF Provision. It is the 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 retrievable and accessible throughout the retention period.
- A2.10 To meet audit requirements Providers will be required to retain all relevant documentation. This must cover:
- A complete audit trail of all relevant documents at all stages of the process (e.g. Participant and claim-related documentation);
  - Documentation down to individual level against a specific contract number to provide evidence of payments claimed from DWP – a key EU audit requirement; and
  - Evidence to show compliance with ESF publicity requirements, sustainable development, equality, diversity and equal opportunities.

*Further information on ESF Requirements can be found in [Chapter 11](#) of the DWP Generic Provider Guidance.*

- A2.11 Documentation must be:
- Properly organised (it is recommended that all the required information for an individual 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 to protect the integrity of the information; and be,
  - Secure, controlled and easy to access if and when required for audit purposes throughout the retention period.
- A2.12 The Provider must submit a Document Retention Policy to DWP within 4 weeks of the Service Start Date. This must include details on how the policy will be implemented (including through the Supply Chain where applicable), maintained and monitored by the Provider.
- A2.13 The Provider (including their supply chain, if appropriate) can be audited by DWP Internal Auditors, ESF Audit Authority, the European Court of Auditors or the European Commission and the DWP ESF Managing Authority.
- A2.14 DWP and The National Archives recommend that electronically held data is migrated onto new formats every 5 years to ensure the data remains readable and usable.
- A2.15 Details of the documentation that must be retained as a minimum can be found in the DWP Generic Provider Guidance.

## Annex 3: LEP Area Additional Information

The information in this Annex has been provided by the LEP for reference only. The Provider is expected to conduct their own research into the LEP area covered by this contract.

### Transitional Regions

Both the Humber and Greater Lincolnshire LEPs have 'Transitional' status. Transition Regions are areas with a GDP per capita between 75% and 90% of the EU average.

### Humber LEP area Background

The Humber is centrally located on the East Coast of the UK, equidistant from London and Edinburgh. The Humber has an almost unique spatial configuration, dominated by the estuary and its river systems and framed by a Heritage Coastline to the east, an Area of Outstanding Natural Beauty (the Lincolnshire Wolds) to the south, the Yorkshire Moors and Yorkshire Wolds to the north and the Yorkshire conurbations to the west. The Humber LEP area covers four local authorities: Hull, the East Riding, North Lincolnshire and North East Lincolnshire



The Humber is the largest trading estuary in the UK (by tonnage) and the fourth largest in Europe, handling 79.8m tonnes of cargo in 2011 and experiencing strong year-on-year growth. The estuary supports a petrochemicals/chemicals sector worth £6bn per year, provides raw materials for much of the UK's energy sector and offers international expertise in logistics. Approximately one million passengers travel through the Humber ports every year and 400,000 through Humberside International Airport – England's largest offshore helicopter logistics hub.

Nearly 90% of the Humber area is rural. Its main settlement and commercial centre is Kingston upon Hull, the 10th largest city in the UK. Other major settlements include the sub-regional centres of Grimsby and Scunthorpe and the renaissance resorts of Cleethorpes and Bridlington. The predominantly rural areas of the East Riding, North Lincolnshire and North East Lincolnshire look to the market towns of Beverley, Driffield, Brigg, Epworth and Barton. To the west of the area, Goole – the UK's most inland port – is rapidly developing as a northern logistics hub. There is also a travel-to-work catchment for York (the major urban centre in the YNYER LEP) in the North West of the LEP area.

The Humber LEP was allocated some Youth Employment Initiative funding which runs until the end of 2018.

### **Humber facts at a glance**

**Local authorities** Hull; East Riding; North Lincolnshire; North East Lincolnshire

**Area** 3,639 km<sup>2</sup>

**Population** 921,000 (2012)

**Economically active** 451,500 (12 months to June 2013)

**Businesses** 32,500 (June 2013)

**Businesses currently exporting** 12% (2012)

**GVA** £14bn per annum (2012)

The Humber is on the brink of an exciting and transformational period of economic activity, driven by major investment in and around the Estuary and offshore. The location and land resources on both banks offer very competitive opportunities for renewables, and offshore wind in particular, and the intention is to capitalise on these to create a cluster of activity through the development of this new and growing UK industrial sector.

The Humber is already benefiting from significant investment in the operation and maintenance of Round 1 and 2 wind farms off the Yorkshire and Lincolnshire coast. Biomass power generation and biofuels represent short-term opportunities, while in the medium term, carbon capture and storage will offer the area an economic advantage. The Humber also has significant potential for tidal and wave power generation over the longer term.

The plans for growth in the energy and renewables sectors are realistic, subject to macro-economic conditions and Government policy, and the ongoing importance to the Humber economy of coal importing and gas pipelines to major power stations should also be acknowledged. However, these will only provide a proportion of the employment growth that is needed and activities that support the growth of other

sectors are, therefore, equally important. Ports and logistics, chemicals, food and engineering and manufacturing have been identified as sectors in which the area is already strong, or can be in the future, and these sectors will be supported where there is potential for high growth, high value jobs. Analysis also suggests that the area has strengths in digital and creative services and potential in cultural, heritage and visitor economies, emphasising the importance of preserving and enhancing the area's natural and built heritage.

It is important, however, that the objectives remain realistic. The Humber Estuary is a unique natural and economic asset (by tonnage it is the largest ports complex in the country and existing clusters of businesses are dependent on it) and the opportune economic development of the Estuary will add value to the local and national economy. And whilst the area has strong infrastructure, it is also the case that the economy, particularly within its urban areas, could have performed better over a number of years. More business growth can be supported, new ideas and technologies nurtured, infrastructure enhanced and the persistently low level of skills that exists in the area addressed. The opportunity also exists to exploit the Humber's strong international connections more ambitiously.

However, the identity of the area has been given a substantial boost through the award of UK City of Culture 2017 to Hull, the success of which was secured on the basis of a development and legacy programme that will see sustained impact from the designation. Hull: UK City of Culture 2017 will deliver a £60 million boost to Hull's local economy in 2017 alone and will involve a spectacular programme of artistic excellence and events on a scale never seen before in the city, enticing visitors from the whole of the UK and beyond and benefiting not only Hull but also the surrounding area.

### **Greater Lincolnshire LEP area Background**

Lincolnshire is a large, varied and thriving sub-region which stretches from the Humber bank in the north to the Wash in the south. It offers a mix of beautiful and diverse countryside, historic buildings, big skies, busy market towns and urban areas, but it's also a fast-growing economy where unemployment and crime rates are low and schools performance is well above average.

Lincolnshire covers an area of more than 5,900 square kilometres and includes the local authority areas of Lincolnshire County Council and 7 District Councils. The area is sparsely populated, with an average of 124 people per sq.km compared with 375 per sq.km across England and Wales.

The Lincolnshire area has just over 730,000 residents. The geography of the area is mixed with the county of Lincolnshire being characteristically mainly rural, and sparsely populated.

The Lincolnshire area is made up of predominantly small market towns and villages with the only city in the region (Lincoln) situated towards the centre of the area. The area has approximately 30 market towns and coastal resorts, and a fairly even distribution of villages across the area.

The largest centres of population are the city of Lincoln (approx. 93,000), Grantham (42,000), and Boston (41,000).

There are significant variations across the Lincolnshire area in terms of road and rail connectivity with the north and west of the area having better access to motorways, dual carriageways and rail connections than those in the south and east.

Towns such as Boston, Spalding, Skegness and Louth, are more remote from large population centres and served mainly by single carriageway roads, but they are important settlements particularly in the agri-food and visitor economy sectors.

Across Lincolnshire, access to services such as supermarkets, health services and education/training courses can differ greatly, and there are still some of the more rural communities that experience a feeling of being 'cut-off' or 'isolated'. This places an increased importance upon the sustainability of market towns to support, and maintain, the projected population growth through their provision of services.

However, Lincolnshire is not isolated from the rest of the country, with approximately 45,000 (15%) residents commuting out of the county to work. Commuters mainly travel short distances to neighbouring areas such as North and North East Lincolnshire and to Peterborough, but some, particularly in the south of the county, commute as far as London

Because of the high quality of its farmland (with one quarter of all England's Grade 1 agricultural land) Lincolnshire is one of the UK's most important agricultural areas, supporting world-class businesses in the packaging, food processing, fertilisers, agricultural machinery, and distribution sectors.

Farming gave rise to a manufacturing and engineering sector which still thrives. Lincoln is home to a division of the world-class gas turbine manufacturers, Siemens and a new School of Engineering recently opened at the University of Lincoln.

## Annex 4: Labour Market Information Sources

- A4.1 Providers will be expected to conduct research on the labour market in the LEP area they are tendering in.
- A4.2 Information relating to the LEP area can be found on their websites:  
<http://www.humberlep.org/>  
<http://www.greaterlincolnshirelep.co.uk/>
- A4.3 Published Analysis of the DWP Working Age Customer Base:  
<https://www.gov.uk/government/publications/analysis-of-the-dwp-working-age-customer-base-2010-quarter-4>
- A4.4 This analysis supports the commitment by DWP to understand its individual claimants better by creating a consolidated view of DWP working age claimants 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.
- A4.5 Local partners may have a range of data about localities which may help but some other sources of further information on proportions of key claimant groups are:
- **Census Output Area Data on Workless Benefit Customers:**  
<https://www.gov.uk/government/collections/census-output-area-data-on-workless-benefit-claimants-in-2013>
  - **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:**  
<http://www.statistics.gov.uk/default.asp> produces independent information to improve our understanding of the UK's economy and society.

## Annex 5: Sources of Additional Information<sup>1</sup>

A5.1 Further background information can be found in the following:

- ERDF and ESF LEP Allocations 2014 – 2020:  
<https://www.gov.uk/government/speeches/european-regional-development-fund-and-european-social-fund-allocations-2014-to-2020>
- The LEP Network: <http://www.lepnetwork.net/>
- Corporate Publications:  
<https://www.gov.uk/government/organisations/department-for-work-pensions>
- 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)
- DWP Information Directorate Statistical Tab Tool:  
<http://research.dwp.gov.uk/asd/index.php?page=tabtool>
- DWP Policy Publications:  
[https://www.gov.uk/government/policies?keywords=&topics\[\]=all&departments\[\]=department-for-work-pensions](https://www.gov.uk/government/policies?keywords=&topics[]=all&departments[]=department-for-work-pensions)
- DWP Generic Provider Guidance:  
<https://www.gov.uk/government/publications/framework-generic-guidance-provider-guidance>
- DWP Structural Reform Plan:  
<https://www.gov.uk/government/publications/draft-dwp-structural-reform-plan>
- 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:  
<https://www.gov.uk/browse/employing-people/contracts>
- 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:  
<https://www.gov.uk/transfers-takeovers>

---

<sup>1</sup> All links were working at the time of publication.

- Jobseeker's Allowance – Help while you look for work: <https://www.gov.uk/browse/working/finding-job>
- Jobseeker's Allowance Regulations 1996: <http://www.legislation.gov.uk/uksi/1996/207/contents/made>
- Merlin Standard: <https://www.gov.uk/government/publications/the-merlin-standard-guide-for-dwp-providers>
- Merlin Standard: <http://www.merlinstandard.co.uk/about-merlin.php>
- NOMIS Official Labour Market Statistics: <https://www.nomisweb.co.uk/Default.asp>
- National Offenders Management Service (NOMS): <https://www.gov.uk/government/organisations/national-offender-management-service>
- Office of public sector information - UK legislation: <http://www.legislation.gov.uk/browse/uk>
- Skills Funding Agency: <https://www.gov.uk/government/organisations/skills-funding-agency>
- Early Learning and Child Care: <https://www.gov.uk/schools-colleges/early-learning-childcare>
- T.A.E.N - The Age and Employment Network: <http://www.taen.org.uk/>
- The Law Relating to Social Security: <http://www.dwp.gov.uk/law-volumes/the-law-relating-to-social-security/>

## Annex 6: Definitions

### Employed

A6.1 Persons aged 15 and over in Employment (Work for pay, profit or family gain or were not at work but had a job or business from which they were temporarily absent because of for instance, illness, holidays, industrial dispute, and education or training).

#### Includes:

- Employees (including those in subsidised positions and apprentices);
- Self-employed;
- Family workers;
- Persons on maternity or paternity leave;
- non-UC claimants working over 16 hours per week;
- UC claimants whose circumstances place them in either; the All Work Related Requirements (AWRR) – Light Touch regime, or the No Work Related Requirements – Working Enough groups.

#### Excludes:

- UC claimants who are placed in the All Work Related Requirements (AWRR) – Light Touch regime because of their partner's circumstances **(treat as unemployed)**.
- Persons who are registered as unemployed but have a small part-time job (as allowed under the definition of registered unemployed) - **(treat as unemployed)**.
- Persons on full-time parental leave - (if registered as unemployed then treat as unemployed, otherwise **treat as inactive**).
- Conscripts who performed some work for pay or profit during the reference week - **(treat as inactive)**.

### Unemployed

A6.2 Persons out of work, available for work and actively seeking work who are registered as a JSA claimant OR UC Claimant whose circumstances place them in the All Work Related Requirements (AWRR) – Intensive Work Search Regime.

#### Includes:

- Persons who are registered as unemployed (as above) but have a **small part-time job** (as defined).

### Inactive

A6.3 Persons not **employed** and not **unemployed** (as defined).

#### Includes:

- Full-Time students (even if registered unemployed);
- ESA, IB, IS claimants;
- UC claimants who are placed in the Work preparation requirement or Work-focused interview requirement conditionality groups;
- People not in receipt of benefits;
- People who are distant from the labour market who need additional support, skills and/or confidence to enable them to move towards employment.

**Excludes:**

- Self-Employed, including helping family members **(treat as employed)**

**Part-time Work**

A6.4 This is a small part-time job as allowed under the unemployed definition. For **Unemployed** (as defined) JSA Participants 'a small part-time job' equates to employment under 16 hours per week.

For **Unemployed** (as defined) UC Participants 'a small part-time job' equates to employment that does not move the claimant out of the All Work Related Requirements (AWRR) - Intensive Work Search Regime.

**Participation**

**Start**

A6.5 A Participant will be deemed to have started on Provision once a Provider has:

- undertaken a face to face in-depth needs assessment;
- agreed activities with the Participant and an Action Plan has been signed by both parties; and
- the start date is recorded on PRaP.

**Time on Provision**

A6.6 Once the Participant has started this ESF Provision they remain on Provision until they become a completer or early completer (regardless of employment status and engagement).

**Maximum Provision Duration**

A6.7 A continuous period of 52 weeks from the Participant's start date.

## **Completer**

A6.8 Where the Participant completes the defined Provision duration.

## **Early Completer**

- A6.9 A Participant will be deemed an early completer and their Provision ends where:
- a Short Job Outcome is achieved during the Provision duration;
  - the Participant has moved address and, following discussions between the Provider and Participant, it is agreed that participation is no longer appropriate;
  - the Participant has chosen to move to a different DWP ESF 2014-2020 Provision; or,
  - The Participant has died.

## **Tracking Period**

A6.10 The tracking period is a 4 week period following immediately after the completion date.

## **Job Outcome Claims**

### **Short Job Outcome**

A6.11 A cumulative period of 13 out of 26 weeks employment where the initial job starts within the Provision duration or 4 week tracking period.

### **Sustained Job Outcome**

A6.12 A cumulative period of 26 out of 52 weeks employment where the initial\* job starts within the Provision duration or 4 week tracking period. The 26 eligible weeks contributing towards the Sustained Job Outcome must fall within the 52 week period commencing from the first week of the Short Job Outcome. Providers are prevented from using any periods of employment which occurred before the first week that contributed towards the Short Job Outcome.\*initial job start = The start date of the first job that contributes to Job Outcomes in the cumulative period.

## **Employment**

- A6.13 To satisfy outcome definitions Employment is defined as, each week contributing to the required number of weeks in work will:
- Be a period of seven consecutive calendar days during which the Participant was employed (be that under, contract, PAYE, self employment or otherwise with the exception of volunteering) on at least one day (but not necessarily for any minimum number of hours).

A6.14 To be considered as 'employed' for the entirety of the seven day period the Participant was either:

- Not claiming or otherwise in receipt of a Relevant Benefit;
- Or, in the case of a Participant continuing to claim/receive Universal Credit, earned in the seven day period at least the Minimum Threshold.

A6.15 Relevant Benefit means any combination of Incapacity Benefit, Carer's Allowance, Severe Disablement Allowance, Jobseekers Allowance, Employment Support Allowance, Income Support and/or Universal Credit (and or other such benefits detailed in Provider Guidance) as claimed or paid to the Participant.

*Refer to Provider Guidance for the Minimum Threshold levels which apply to Universal Credit claimants.*

## Annex 7: Performance of DWP Employment Provision

- A7.1 This annex provides a brief overview of the performance of recent DWP employment provision to inform the thinking of bidders when considering a performance offer for ESF2014 - 2020 Provision. The data presented relates to national programme performance and is not specific to any ESF2014 - 2020 geography.
- A7.2 Although all the information below is expressed in terms of cohort performance (the proportion of groups of referrals / starts that achieve an employment outcome over time), it is not possible to directly compare different programmes as there are significant variations in the way performance is measured and defined, the characteristics of participant groups, and the nature of the support itself.
- A7.3 When considering a performance offer for ESF2014 - 2020 Provision, the information below should be taken into account alongside differences from ESF support in the following key areas:
- **Participant groups** – ESF2014 - 2020 Provision is targeted at a range of people with differing barriers to employment and support needs, all of whom volunteer to join the programme. The Provision below is a mixture of mandatory and voluntary participation over a wide spectrum of support needs.
  - **Nature and duration of support** – ESF2014 - 2020 Provision will offer a range of support which may differ considerably from some of the Provision listed below, for example Work Choice offers supported employment, and NEA mentors Participants through to self-employment.
  - **Job Outcome definitions** – ESF2014 - 2020 Provision short (13wks out of 26) and sustained (26wks out of 52) Job Outcome definitions are different to the provisions below, for example a Work Choice sustained Job Outcome has lasted 26wks out of 30 weeks, not the 52 permitted for ESF.
- A7.4 The following paragraphs give an overview of the cohort performance of a range of current and past DWP programmes, and highlight some of the potential differences to consider when thinking about ESF2014 - 2020 performance.

## Work Programme (WP)

- A7.5 Work Programme is the Department's largest contracted employment programme. It is designed for JSA and ESA claimants who are long term unemployed, or at risk of becoming so.
- A7.6 Participation is mandatory for the majority of JSA claimants, as well as for certain ESA claimants based on the outcome of their Work Capability Assessment (WCA). There are also several voluntary customer groups within the programme. Work Programme provision is primarily black-box with each provider offering their own tailored support.
- A7.7 Job Outcomes are defined as either 13 or 26 weeks out of 104 (plus payment tail) depending on the customer group.
- A7.8 The table below shows the cohort performance 12 months following referral for those in the latest cohort available within the most recent published data.

<b>(WP Jun-14 referral cohort) Customer Group</b>	<b>Job Outcome Performance after 12 months (%)</b>
<b>JSA 18 to 24</b>	26.6
<b>JSA 25 and over</b>	21.5
<b>New ESA Customers (excl. 12 Month Prognosis claimants)</b>	7.7
<b>JSA Early Entrants</b>	25.3
<b>JSA Ex-Incapacity Benefits</b>	12.9
<b>JSA Prison Leavers</b>	10.5
<b>ESA Volunteers</b>	5.0
<b>New ESA Customers (only 12 Month prognosis claimants)</b>	4.8
<b>ESA Ex-Incapacity Benefits</b>	1.8
<b>Other JSA</b>	19.0
<b>Other ESA</b>	3.9
<b>Overall</b>	18.0

- A7.9 These performance figures were taken from the Work Programme official statistics released in September 2015. The publication and related data tables are available here: <https://www.gov.uk/government/statistics/work-programmes-statistical-summary-data-to-30-june-2015>

## Work Choice (WC)

- A7.10 Work Choice Provision helps disabled people with complex needs enter and stay in employment.
- A7.11 Participation is voluntary, and Work Choice is targeted at disabled people with complex employment support needs for whom other DWP Provision is not suitable, and those who are in work but under threat of losing their job as a result of their disability.
- A7.12 Work Choice Provision includes pre-employment support and supported employment where Providers directly support individuals in employment.
- A7.13 Two Job Outcomes are presented - a Short Job Outcome defined as entering supported or unsupported employment that is expected to last 13 weeks, and a Sustained Job Outcome defined as unsupported employment lasting at least 26 weeks out of 30, starting from the date of progression into unsupported employment.
- A7.14 The table below shows the performance for the cohort of starts within Q2 2014-15 for Short Job Outcomes and Q2 2013-14 for Sustained Job Outcomes.

	<b>Job Outcome Performance (%)</b>
<b>Short Job Outcomes after 12 months (supported and unsupported employment)</b>	58.5
<b>Sustained Job Outcomes after 24 months (unsupported employment)</b>	19.3

- A7.15 It is important to note that a large majority of Participants achieving a Short Job Outcome have done so through supported employment, where a Participant is in employment but receives in work support from the provider.
- A7.16 These performance figures were taken from the Work Choice official statistics released in November 2015, this available here: [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/477460/work-choice-statistics-sep-2015.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/477460/work-choice-statistics-sep-2015.pdf)

## New Enterprise Allowance (NEA)

- A7.17 New Enterprise Allowance helps benefit claimants enter sustainable self-employment.

- A7.18 Participation is voluntary, and the claimant group comprises those claiming out of work benefits that have not been referred to any other mandatory DWP Provision.
- A7.19 Participants receive mentoring and support to draw up and agree a business plan, and further support as they begin trading.
- A7.20 The outcomes measured here are the number of Participants that produce a business plan then commence trading and the number that continue trading for 26 weeks.
- A7.21 The Provision began in January 2015 and there are currently no published performance figures, however pre-programme minimum expectations are that a **minimum of 50% of mentoring starts will produce a business plan and commence trading and 37.5% of mentoring starts achieve 26 weeks of trading.**
- A7.22 These performance expectations were taken from the provider guidance which is available to read here:  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/401460/nea-provider-guidance.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/401460/nea-provider-guidance.pdf)

### **ESF Support for Families with Multiple Problems**

- A7.23 This ESF Support for Families was designed to help people in families with multiple problems to progress towards working through tackling the barriers that stand in their way.
- A7.24 To be eligible, families had to have at least one member on DWP out of work benefits and a history of worklessness in the family.
- A7.25 A Job Outcome was defined based on the Participants benefit. In the case of a JSA claimant it is 26 weeks accumulated over the provision period, for other Participants it was 13 weeks.
- A7.26 The table below shows the cohort performance after 12 months for those in the latest monthly cohort available within the most recent published data.

<b>(ESF Aug-14 attachment cohort) Customer Group</b>	<b>Job Outcome Performance after 12 months (%)</b>
<b>JSA participants</b>	9.9
<b>non-JSA participants</b>	7.1

A7.27 These performance figures were taken from ESF statistics released in October 2015. This figures are available here:  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/471819/esf-families-with-multiple-problems-stats-to-aug-2015.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/471819/esf-families-with-multiple-problems-stats-to-aug-2015.pdf)

### **ESF2014 - 2020 performance**

- A7.28 When considering a performance offer for ESF2014 - 2020 Provision, the diversity of existing Provision in terms of Participant groups, the nature of support and Job Outcome definitions needs to be taken into account and compared to those set out within the ESF2014 - 2020 specification.
- A7.29 Particular attention should also be paid to the local labour market conditions within the Contract Package Area and the potential variation from the national level figures presented above.
- A7.30 Consideration should be given to the performance of recent DWP Provision and how that differs from this ESF2014 – 2020 Provision. A reasonable performance expectation for Short and Sustained Job Outcomes could be in the region of 10% to 40%.

## Summary of Provision Performance

Provision	Eligibility Group	Voluntary / Mandatory	Job Outcome Definition	Cohort Performance
<b>Work Programme</b> (Black Box Pre-Employment / In Work Support)	<b>Varies by Payment Group:</b> JSA and ESA claimants who are long term unemployed, or at risk of becoming so	Voluntary and Mandatory	<b>13 and 26 weeks</b> out of 104 (plus payment tail)	18% after 12 months (Jun-14 referral cohort)
<b>Work Choice</b> (Pre-Employment Support, Supported employment)	Disabled people with complex employment support needs for whom other DWP provision is not suitable, and those who are in work but under threat of losing their job as a result of their disability	Voluntary	<b>ETL 13wk:</b> supported / unsupported employment, 16 hrs p/w minimum, expected to last 13 weeks;	58.5% after 12 months (Q2 2013-14 start cohort)
			<b>26wk Sustained:</b> unsupported employment sustained for 26 out of 30 weeks	19.3% after 24 months (Q2 2013-14 start cohort)
<b>New Enterprise Allowance</b> (Help towards self-employment)	<b>Out of Work:</b> Those on out of work benefits whose have not been referred to any mandatory provision.	Voluntary	<b>26wk Sustained Trading:</b> Mentoring starts who achieve 26 weeks of business trading	37.5% (pre-programme expectation)

<p><b>ESF Support for Families with Multiple Problems</b></p> <p>(Tackle entrenched worklessness by progressing families with multiple barriers to work, closer to sustainable employment)</p>	<p><b>JSA Group:</b></p> <p>Families having to have at least one member on DWP out of work benefits and a history of worklessness in the family</p>	Voluntary	<p><b>26wk Sustained:</b> In employment and off benefit for 26 weeks out of 18 months</p>	<p>9.9% after 12 months</p> <p>(Aug-14 start cohort)</p>
	<p><b>Non-JSA Group:</b></p> <p>Families having to have at least one member on DWP out of work benefits and a history of worklessness in the family</p>	Voluntary	<p><b>13wk:</b> In employment and off benefit for 13 out of 18 months</p>	<p>7.7% after 12 months</p> <p>(Aug-14 start cohort)</p>

## Annex 8: Glossary of Terms

<b>Action Plan</b>	A document that specifies agreed activity.
<b>Cohort</b>	As defined in Terms and Conditions
<b>Cohort Profile</b>	As defined in Terms and Conditions
<b>Contract Package Area</b>	The term used to describe the geographic area of the contract.
<b>Critical Success Factors</b>	The factors (i.e. the positive outcomes or benefits) against which the success of a programme will be measured in order to justify the investment.
<b>Cumulative Backlog</b>	“Cumulative Backlog” shall refer to the backlog of referred Participants (expressed as a percentage) which shall inevitably accrue if the lead contractor fails to honour it’s Monthly Performance Level within ESF 2014-2020, in that a Start or Did not Attend/Did not Start action is recorded in PRaP within 20 working days for 100% of referrals.
<b>Customer Service Standards</b>	As defined in Terms and Conditions
<b>Invitation to Tender (ItT)</b>	A package of documentation issued to Providers as part of a Procurement exercise.
<b>Jobcentre Plus</b>	Part of DWP, JCP 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. JCP also provides services to employers wishing to fill vacancies.
<b>JCP District</b>	A specified area of England, Scotland or Wales within which to deliver services to JCP claimants.
<b>Participant</b>	The person(s) who has officially started on Provision and is directly receiving the Services provided by the Contractor as specified in the Contract
<b>Procurement</b>	The process of purchasing goods and/or service: identification to payment.
<b>Provider(s)</b>	The generic term used to describe Providers of employment support.
<b>Provider Guidance</b>	Detailed guidance and information (including processes) which is provided by DWP to the successful Providers to use when delivering the contracted service.
<b>Provider Referrals and Payments System (PRaP)</b>	The DWP prescribed IT system which will be used to refer Participants and pay Providers. Note, where PRaP is not available a clerical system will be adopted.
<b>Provision</b>	A term used to describe the services offered to a Participant when they are participating in a government programme. These can be services provided in-house, for example, by DWP, or by organisations from the

	private and voluntary sector.
<b>Run Off Period</b>	As defined in Terms and Conditions
<b>Universal Credit (UC)</b>	UC – Universal Credit is a new single payment for people who are looking for work or on a low income. Universal Credit will help claimants and their families to become more independent and will simplify the benefits system by bringing together a range of working-age benefits into a single streamlined payment.

## Annex 9: Abbreviations

CEP	Contracted Employment Programmes
CFO	Co-Financing Organisations
CMO	Compliance Monitoring Officer
CPA	Contract Package Area
CPR	Contract Performance Review
DWP	Department for Work and Pensions
EC	European Commission
ESA	Employment and Support Allowance
ESF	European Social Fund
EU	European Union
IB	Incapacity Benefit
ICE	Independent Case Examiner
ICO	Information Commissioners Office
IS	Income Support
IT	Information Technology
ItT	Invitation to Tender
JCP	Jobcentre Plus
JSA	Jobseeker's Allowance
LA	Local Authorities
LMS	Labour Market System
MEAT	Most Economically Advantageous Tender
MI	Management Information
NAO	National Audit Office
NOMS	National Offender Management Service
PAT	Provider Assurance Team
PRaP	Provider Referrals and Payments system
SCIAT	Supply Chain Information Assurance Team
SCR	Special Customer Records
SFA	Skills Funding Agency
T&Cs	Terms & Conditions
TUPE	Transfer of Undertakings (Protection of Employment)
UC	Universal Credit
UK	United Kingdom
WP	Work Programme