

## ORDER FORM

### Social & Economic Research Framework Agreement

#### FROM

<b>Authority</b>	The Department for Work and Pensions
<b>Commercial Team Address</b>	DWP Commercial Directorate GS25 Quarry House Quarry Hill Leeds LS2 7UA
<b>Invoice Address</b>	DWP SSCL Accounts Payable Team Room 6124, Tomlinson House Norcross Blackpool FY5 3TA
<b>DWP Contact Ref:</b>	Name: <b>Redacted Text</b> Phone: <b>Redacted Text</b> E-mail: <b>Redacted Text</b>
<b>Project Title</b>	Research into Support for Mortgage Interest Claimants in Retirement
<b>Project Reference</b>	UI_DWP_101591 RM5210 SO8338 <i>(To be quoted on all correspondence relating to this Order)</i>
<b>Purchase Order Number</b>	<b>Redacted Text</b> <i>(To be quoted on all correspondence relating to this Order)</i>
<b>Order Date</b>	17/06/2015

#### TO

<b>Provider:</b>	Policis
<b>For the attention of:</b> <b>E-mail</b> <b>Telephone number</b>	Name: <b>Redacted Text</b> Tel: <b>Redacted Text</b> Email: <b>Redacted Text</b>
<b>Address</b>	53 Chandos Place, Covent Garden, London, WC2N 4HS

<b>1. SERVICES REQUIREMENTS</b>
<p><b>(1.1) Services [and Deliverables] Required:</b></p> <p>Research to investigate why people are increasingly taking mortgages into retirement and claiming Support for Mortgage Interest (SMI). The research aims to understand why people are taking their mortgages into retirement and why they are claiming SMI in doing so.</p> <p>SMI is a payment that helps homeowners on some income related benefits with interest payments on their mortgage or loans that they have taken out for certain repairs and improvements. SMI is paid as part of the benefit and is normally paid direct to the lender. Increasing numbers of people are taking on mortgages which will last into retirement. In addition, many people now have interest-only mortgages, with the number of maturing interest-only mortgages projected to peak in 2032.</p> <p>Taken together, these factors suggest that, in the future, an increasing number of Pension Credit claimants may rely on SMI to pay their mortgage interest, while having little or no ability to repay the capital sum during their retirement. This would cause an increase in SMI expenditure, which would be especially large if/when interest rates rise.</p> <p>As such, the proposed research aims to understand why people are taking mortgages into retirement and why they are relying on SMI while doing so.</p> <p>The research will consist of a literature review and a piece of qualitative research (with 51 individuals: either face to face or by telephone).</p> <p>The lit review should be focused on GB &amp; completed in advance of (so as to inform) the qualitative research. It may also include "grey literature" (i.e. unpublished info).</p> <p>This will enable DWP to inform and develop an appropriate policy response and influence people's decisions on taking mortgages into retirement.</p> <p>See Annex A for full details</p>
<p><b>(1.2) Commencement Date: 17/06/2015</b></p> <p>See Annex B for full timetable</p>
<p><b>(1.3) Price Payable by Authority: £54,728 excluding VAT</b></p> <p>See Annex C for full details</p>
<p><b>(1.4) Completion Date: 30/11/2015</b></p> <p>See Annex B for full timetable</p>

<b>2 ADDITIONAL REQUIREMENTS</b>
<p><b>(2.1) Supplemental Requirements in addition to Call-Off Terms and Conditions:</b></p> <p>None</p>
<p><b>(2.2) Variations to Call-Off Terms and Conditions</b></p> <p>None</p>

<b>3. PERFORMANCE OF THE SERVICES [AND DELIVERABLES]</b>
<p><b>(3.1) Key Personnel of the Provider to be involved in the Services [and deliverables]:</b></p> <p>See Annex D for details</p>

<b>(3.2) Performance Standards</b> See Annex A for full details
<b>(3.3) Location(s) at which the Services are to be provided:</b> See Annex A for full details
<b>(3.4) Quality Standards</b> See Annex A for full details
<b>(3.5) Contract Monitoring Arrangements</b> See Appendix 3 for full details

<b>4. CONFIDENTIAL INFORMATION</b>
<p><b>(4.1) The following information shall be deemed Commercially Sensitive Information or Confidential Information:-</b> Please see Appendix 4 for full details</p> <p><b>(4.2) Duration that the information shall be deemed Commercially Sensitive Information or Confidential Information</b> Please see Appendix 4 for full details</p>

**BY SIGNING AND RETURNING THIS ORDER FORM THE PROVIDER AGREES** to enter a legally binding contract with the Authority to provide the Service specified in this Order Form together with, where completed and applicable, additional requirements set out in Section 2 of this Order Form. Incorporating the rights and obligations in the Terms and Conditions set out in the Framework Agreement entered into by the Provider and the Authority on 1<sup>st</sup> July 2013 and any subsequent signed variations to the terms and conditions.

For and on behalf of the Provider:-

Full Name	Redacted Text
Title	Redacted Text
Signature	Redacted Text
Date	Redacted Text

For and on behalf of the Authority-

Full Name	Redacted Text
Title	Redacted Text
Signature	Redacted Text
Date	Redacted Text

# SECTION 2

## APPENDIX 1 – THE SERVICES

### 1 General

- 1.1 The following additional documents shall be deemed to be incorporated into this Contract (as appropriate);

Document	Dated
Framework Call-off Terms and Conditions Specification Providers Tender/Proposal	Monday 1 <sup>st</sup> July 2013

### 2 Recruitment Through Jobcentre Plus

- 2.1 One of the key objectives of the Department for Work and Pensions is to move people from welfare into work. DWP has a Great Britain-wide network of Jobcentre Plus offices that provide job broking services for unemployed people. The Provider is therefore required to notify Jobcentre Plus when recruiting staff for any entry-level job vacancies located within Great Britain, which may arise from the delivery of their contract to the Authority
- 2.2 The Provider is also encouraged to notify Jobcentre Plus of any other vacancies that may arise. The Provider may in addition use other recruitment methods.

### 3 Appendices

- 3.1 The following annexes form part of this appendix;

Annex A – Specification of Service Required under this Contract  
Annex B – Timetable  
Annex C – Prices, Rates and Payment Schedule  
Annex D – Provider and Sub-contractor Key Staff  
Annex E – Approved Sub-contractors  
Annex F – List of Management Information (MI) Requirements

## **ANNEX A - Specification of Service Required under this Contract**

### **5.2 Proposal for undertaking the literature review**

#### **5.2.1 Research design considerations**

In designing the project method we have been mindful of striking a balance between providing an understanding of the bigger contextual trends – answering the key research questions about why people a large number of people now take mortgages into retirement, particularly interest-only mortgages – and achieving a deeper understanding of why those who are claiming SMI now are doing so, how this may change for future claimants entering retirement and the likely funding challenges different potential claimant types may pose for the department.

It is important therefore in designing the research to be mindful of the important differences between more or less affluent mortgage borrowers taking mortgages into retirement and of the distinctive characteristics and motivations of the older mortgage borrowers on very low incomes most likely to be claiming Pension Credits and SMI.

It will be particularly important to focus on these groups because, being a relatively small proportion of all mortgage borrowers and borrowing smaller sums in any case, analysis of the wider trends on mortgage borrowing into retirement may obscure rather than clarify the trends for the lowest income borrowers (in the same way that meta trends in credit use disguise those for low income credit users).

It is important also in seeking to understand mortgage choices and how they may impact the financial well-being of those on the lowest incomes in later life and the funding requirements for the Department, to recognise both that choice of tenure and mortgage product may predate the move into poverty (and may be the result of an imperfect understanding of the nature of product choices made) and to recognise that the move into poverty, possibly occasioned by adverse life events, ill health, income shock or business failure) may itself be a trigger in mortgage choice (e.g. the move from repayment to interest-only)<sup>1</sup>. In thinking through the likely implications for the future profile of SMI claimants and scale of potential demand for SMI, it will be important therefore to explore how poverty risk relates to housing tenure as well as mortgage choices.

It will be important also to ensure that the review and analysis is forward-looking, given that mortgage borrowing into retirement has been significantly impacted by recent developments which will change the future shape of borrowing into retirement. It will be important to bear in mind that, on the supply side, the availability of mortgage finance for older borrowers has changed significantly in recent years<sup>2</sup>. As a result, some trends on borrowing into retirement highlighted in earlier literature have now gone into reverse. The FCA's Mortgage Market Review introduced strict new affordability criteria for mortgage borrowing. This has significantly curtailed the availability of mortgage lending to older borrowers and those approaching retirement. Interest-only lending has been most impacted, with many lenders withdrawing these products from the market<sup>3</sup>. It will be important therefore that the literature review assesses historic texts in the light of recent developments and focuses, as far as is possible within the limitations of the available data, on emerging trends. This will necessitate drawing on supply side and industry sources in understanding how low income mortgagors and lending into retirement has been affected.

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<sup>1</sup> As Tunstall et al (2013) note: "The majority of the large number of home-owners living in poverty at any one time entered poverty after having entered the tenure"

<sup>2</sup> The numbers of new mortgages granted to the over 65s in 2014 being roughly half that of 2007

<sup>3</sup> These developments may indeed be reflected in the proportion of SMI claimants who are pension credit claimants, which has fallen to an estimated 99,000 out of 230,000 in 2012/13 compared to 120,000 out of 234,000 in 2009/10

In the wider market, borrowing into retirement and people's capacity to both service mortgage debt and to repay their capital will likely also be impacted by the forthcoming pension reform. It will be useful therefore, within the limitations of the available literature and data, to explore how far older mortgage borrowers on low incomes will have access to pension funds. Funds released through the new pension "freedoms" may be devoted to paying off capital or, alternatively, may be applied to other purposes, potentially undermining peoples' ability to service mortgage debt.

The design and focus of the literature review reflects these considerations. In order to contextualise the literature review with richer and more tailored analysis, we have also proposed complementary secondary analysis of CML and FRS data.

### **5.2.2 Methodology**

The literature review will be undertaken in stages, as follows:

- Search for potentially relevant material
- Screen the search results to identify in-scope material.
- Select the material that is most relevant to the research questions.
- Quality check the material for inclusion in the research for balance and robustness.
- Systematically analyse the literature to be reviewed through a thematic analytical framework
- Synthesise the selected research material with a view to answering the research questions

The search stage will commence with the specification of search terms to be used in the identification of reference material from relevant databases. The sources that we envisage searching will include:

- Bibliographic online databases, such as ASSIA (Applied Social Sciences Index and Abstracts).
- Web searches, via both Google Scholar and Google.
- Published research listed on government and industry databases e.g. DWP, Council of Mortgage Lenders.
- Research institutions and centres, such as the Institute for Fiscal Studies, Joseph Rowntree Trust, the Centre for Housing Policy at the University of York, etc.

The output from the search stage will comprise a list of potentially relevant material, including titles and abstracts. The list will then be screened to identify in-scope material for more detailed assessment in contributing to the objectives of this research project. For that purpose, a database of references will be compiled to provide a basis for selecting the most relevant research material. We will employ a standard set of fields in constructing the references database, including:

- Basic bibliographic details i.e. author, date, title, etc.
- Research aims.
- Coverage i.e. unit of analysis, population focus, sub-groups, geography.
- Methodology i.e. study design and method, whether primary data collection or secondary analysis of existing datasets, etc. Studies comprised of literature reviews will be identified as such.
- Findings i.e. results that are relevant to the objectives of this research study.
- Assessment i.e. the robustness of the methodology, comments on relevance and quality.

The selection of relevant material will be based on the outputs from the screening stage. The key selection criteria will be:

- Relevance to the specific research questions posed in the Service Description for this project.

- Quality and methodological robustness, with only material meeting quality thresholds included in the review.

At the selection stage, we envisage a degree of iteration in the process. That is, as relevant literature is reviewed in greater detail, further references may be identified from the bibliographic detail included in the studies initially screened and selected through the process outlined above.

Key themes in the literature and the insights relevant to the research questions will be analysed systematically using a structured thematic analytical framework to ensure robustness and balance.

The final stage in the literature review will comprise a synthesis of the selected material, to draw out key findings as they relate to the specific questions identified by DWP for this research project. In advance of discussing how this stage will be taken forward, it is useful to reflect on the scope of the literature review.

### **5.2.3 Scope**

The scope of the literature review will be Great Britain. The period of time over which the search stage should be conducted will vary with whether the focus is the general topic of taking a mortgage into retirement or the more specific topic of claiming SMI in retirement.

In relation to the general topic of taking a mortgage into retirement, a substantial proportion of homeowners aged over 60 are still paying a mortgage<sup>4</sup>. As noted in the design considerations above, it will be important to unpick effects which relate to the wider population of older mortgage borrowers and those which are specific to the population of most interest, being those who are claiming Pension Credit or who may claim at some future date. That is, we are interested in people who are on a low income and at risk of living in poverty. Thus, in considering the literature on taking a mortgage into retirement, for the purposes of this project it will be necessary to consider also the question of poverty risk as this relates to housing tenure. For that topic, it would seem appropriate to search over at least a 10-year period i.e. back to 2005.

Conversely, we anticipate that the literature on the specific issue of claiming SMI in retirement will not be extensive<sup>5</sup>. On the specific issue of SMI in retirement, it would therefore be appropriate to limit the period of search to the last five years. Nonetheless, there is clearly a risk that the literature review on the specific issues around claiming SMI in retirement will produce limited useful insight or will have been overtaken to some extent by recent developments. This will become evident at the search stage in the literature review process.

As noted earlier we would propose drawing on industry reports and published CML data to understand how the supply of mortgage lending to older borrowers has changed in recent years and to understand the consequent changes for the profile of older mortgage borrowers, particularly those on low and very low incomes. We will use the same data to understand how older and retired borrowers, and particularly those potentially likely to claim pension credits, sit within both the stock and flow of mortgage borrowers and the implications for the future flow of pension credit and SMI claimants.

### **Inclusion of 'grey' literature**

We would certainly intend including 'grey' literature in the review. Primarily, that reflects the social policy focus of this research project. Indeed, based on our

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<sup>4</sup> Council of Mortgage Lenders, 2014. *A Housing Market to be Proud Of*. See pages 7-8.

<sup>5</sup> Ford et al (2011) note in their evaluation of the January 2009 and October 2010 arrangements for SMI, little is known about persons in receipt of Pension Credit claiming SMI, including issues such as the length of time their mortgages have to run, the reasons for continuing mortgages and how and whether they perceive SMI as a long-term benefit

experience in other projects, the majority of the relevant literature is likely to come from 'grey' sources. For that reason, the efficacy of the literature review is likely to be enhanced by the inclusion of 'grey' sources.

#### **5.2.4 Additional secondary analysis**

In order to mitigate the risk that a review of the literature in relation to SMI claimants may reveal significant knowledge gaps, and to generate additional insight, we would propose undertaking some secondary analysis of existing relevant data to supplement the literature review. We suggest undertaking limited secondary analysis of the Family Resources Survey data to compile a statistical profile of Pension Credit claimants in receipt of SMI. We have considerable experience in the use of the FRS for research purposes and we would be able to conduct such an exercise in a timely and efficient manner. An advantage of the FRS is that it provides a range of social, demographic and housing data and will complement the available administrative data on claimant counts and profiles. A fuller profile of person taking up SMI alongside Pension Credit would prove useful in providing a statistical context for the presentation and interpretation of qualitative research findings, particularly if complemented by analysis of the rich quantitative CML data.

We also have a body of quantitative data originally collected for the CML which covers data for older borrowers approaching retirement age, for borrowers borrowing into retirement and for borrowers with different types of mortgages and home owners who have paid off their mortgage. This would add value and useful insight to the analysis. We could differentiate within this data between borrowers in different income ranges before and after retirement and between borrowers who appear more or less vulnerable and could identify also "right to buy" mortgage borrowers. This data would allow for some quantification of some of the issues to be explored in the qualitative work and to provide some sense of scale for effects and different groups. The CML would be comfortable with Policis undertaking secondary analysis of this data for DWP. The various surveys cover some 300 questions in total asked of 2000 mortgage borrowers, of which close to 600 are over 50 and so can provide a wealth of contextual data. There is, however, no question specifically covering whether borrowers are claiming SMI, though we are able to identify benefit-dependent households. We are familiar with the data set and could produce the necessary analysis within relatively short time scales to fit with the project<sup>6</sup>.

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### **5.3 Please outline your proposal for undertaking the qualitative research?**

#### **5.3.1 Research design considerations 3179**

If the potential drivers of demand for SMI are to be understood and decisions on mortgage choices are to be influenced effectively for the future, the qualitative research will need to focus primarily on current SMI and pensions claimants and those mortgage borrowers most likely to be future claimants, i.e. mortgage borrowers who have mortgages extending into retirement and who are likely to have a sufficiently low income once retired to be eligible for pension credit.

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<sup>6</sup> The most relevant data for the secondary analysis would be demographics, incomes and assets, liabilities, outgoings and categories of expenditure by type, mortgage type, borrowing and purchase history, borrowing values, housing value, housing equity, mortgage term, mortgage payments, whether have had rate reduction and how much, account management, payment difficulties (and reasons for them) and outcomes of difficulties, property wealth and how has built over time, equity withdrawals, values, frequency, application, various measures of financial capability, various measures of income stress and affordability stress, understanding of interest-only / repayment mortgages and reasons for choice of interest-only / repayment, whether have repayment vehicles, values, expectations on / plans for repayment of interest-only loans, proposed vehicles for repaying capital, actual methods of repaying capital for homeowners who have paid off interest-only mortgages, various measures of robustness of expectations on / plans for capital repayments, expectations of retirement / extended working life, extent of financial planning for retirement, attitudes to mortgage borrowing into retirement, expectations on how will service mortgage debt in retirement, perceived role of mortgage borrowing / property wealth in retirement, reasons for borrowing into retirement, expectations of down-sizing, moving, equity release, attitudes to equity release and lifetime mortgages.



The differences between the better off and those on low and very low incomes are particularly marked for older interest-only mortgage borrowers. As a generalisation, better off older interest-only mortgage borrowers take a strategic view to maximise standards of living and build property wealth. Those on low incomes are more likely to have interest-only mortgages on affordability grounds, to have switched to interest-only following an income shock or to have extended borrowing into retirement to keep mortgage payments down. They are also more likely to have lapsed repayment vehicles, an incomplete understanding of the need to repay capital and to be less well equipped to repay.

Within the universe of lower income mortgage borrowers borrowing into retirement there are a number of discrete sub-sets with differing motivations, facing differing prospects in retirement and posing differing challenges for DWP. There is a group of pre-retirement borrowers with mortgages into retirement, largely the better off within the low income spectrum. They have low LTVs and both capital repayment mortgages and interest-only products, with the latter linked to a mortgage endowments. These borrowers are coping and unpressured and most will be well placed to repay their capital at the end of the term, albeit that there is a sub-set who have either let their repayment vehicles lapse or who have directed endowment compensation to applications other than mortgage repayment. Those in this category who have little in the way of savings or little pension provision other than the state pension will be those most likely to claim pension credits and look to claim SMI for the remaining duration of their mortgage term on retirement, albeit that this may be short.

There is a larger group of more problematic, and less well-off interest-only borrowers moving towards retirement, with relatively high LTVs and larger loans who are likely to present a bigger challenge for DWP and over a longer term. These borrowers, the largest group among low income interest-only borrowers overall, have gone the interest-only and extended term route in order to stretch affordability and gain purchase on the “housing ladder”. They are more likely to be self-employed or to have self-certified. Finances are more pressured, with a significant minority struggling with commitments and debt. Equity withdrawal, often for debt consolidation, is a feature of financial planning. They do, however, understand the interest-only concept and that the capital will need to be repaid at the end of the term and most have plans in place, though some have lapsed or are inadequate. Plans to reduce mortgage borrowing or down-size on retirement may now be thwarted by lenders’ reluctance to lend to this group however.

Finally there is a small but significant sub-set of interest-only borrowers (almost one in five of the total in 2011) who are probably the most likely claimants for both pension credits and SMI. These are the lowest income mortgage borrowers, some of whom are historic “right to buy” purchasers of former social housing. They are pressured but largely coping, with low LTV. However just one third have a mortgage linked endowment. Significantly, more than eight in ten do not understand the nature of the interest-only product and the requirement to repay the capital at the end of the term.

We would propose that the research unpick the effects and drivers for these different groups within the universe of low income mortgagors borrowing into the retirement and the likely implications for mortgage funding and communications for each of them. Within each of the different groups, we suggest exploring the attitudes and circumstances of those more or less likely to be in a position to repay, more or less likely to have alternatives to pension credit and SMI and, by virtue of their available equity, more or less likely to be able to avail of market solutions (such as lifetime mortgages).

The brief suggests researching people who have recently taken mortgages, including interest-only mortgages, into retirement. Given the changes in lending criteria and the affordability rules, such borrowers are now highly unlikely to be those on low incomes, however. Vanishingly few such mortgages also will be interest-only. We

suggest therefore that it would be more useful to recruit those who have taken on such mortgages with terms stretching into retirement prior to the crisis and regulatory change, since these will represent a much higher proportion of the stock of mortgages coming up to retirement.

We would propose also that the qualitative research seek to understand the experience of those currently claiming pension credit and SMI in order to understand the thinking and expectations they brought to retirement and ultimately to claiming SMI. One of the key groups that may go on to seek pension credit and claim SMI support may, however, be current working age claimants approaching retirement age and already claiming SMI. Here it will be important to explore how far such claimants, (differentiating between those on ESA and income support / job seekers) see SMI as a temporary benefit designed to protect their home during the transition to work or whether, as they approach retirement age, they see SMI as a long term benefit to be transitioned into retirement.

Taken together the research as designed is intended to answer the key research questions and to provide a deep and rich understanding of the dynamics of borrowing into retirement for those on low incomes and the potential challenge for DWP and SMI while also providing the communications cues to influence choices and behaviours.

### 5.3.2 Research methods

We propose undertaking 51 depth interviews with current pension credit claimants and mortgage borrowers approaching retirement and with mortgage terms stretching into retirement, with the sample constructed to provide insight into the key groups within the population of concern. We will aim for an appropriate mix of ethnicity and gender across the sample.

We envisage the research being undertaken in five locations which have experienced differing housing markets over the past five years, to include Greater London, the South East, The Midlands, The North West, North East and South West.

In order to maximise response and participation, we will offer respondents a choice of face to face or telephone interview, allowing them to select their preference. Our expectation given the profile and age range of the respondents is that the mix will be 60: 40 face to face to telephone.

### 5.3.3 Sample

We envisage that 51 depth interviews are required to provide a spread of views in each of the categories of respondents needed to answer the key research questions.

#### DWP SMI research

##### Sample specification

<b>Pension credit claimants claiming SMI</b>	<b>10</b>
All to be of retirement age	
At least	
Interest-only mortgage	5
Repayment mortgage	5
Strategy and means to repay IO mortgage	2
No plan / means to repay IO mortgage	2
State pension only	5
Private / occupational pension, other income	5
<b>Low income right to buy borrowers with terms stretching into retirement</b>	<b>8</b>
Split between 55-60 and 60-65	
At least	

Interest-only mortgage	4
Repayment mortgage	4
State pension only	3
Private / occupational pension, other income	3
<b>Low income endowment / repayment mortgages with terms stretching into retirement</b>	<b>10</b>
Split between 55-60 and 60-65	
At least	
Interest-only / endowment mortgages	5
Repayment mortgage	5
Lapsed repayment vehicle	2
Lower LTV (under 25%)	3
Higher LTV (over 50%)	3
State pension only	3
Private / occupational pension, other income	3
Savings more than £25,000	3
Savings less than £5,000	3
<b>Interest-only borrowers with mortgages stretching into retirement and with stretched affordability</b>	<b>15</b>
Split between 55-60 and 60-65	
At least	
Interest-only taken on for affordability reasons	15
Interest-only mortgages	15
Originally self-certified	3
Self employed	4
Switched from repayment to interest-only	3
No plan / means to repay IO mortgage	3
Lapsed repayment vehicles	3
Lower LTV (under 33%)	3
Higher LTV (over 50%)	3
State pension only	3
Understand IO concept and requirement for capital repayment	10
Do not understand IO concept and requirement for capital repayment	5
<b>Current SMI claimants approaching pension age</b>	<b>8</b>
split aged 50 – 55 and 55+	
At least	
Claiming SMI	8
Interest-only	4
Repayment mortgages	4
Income support	2
Job seekers	2
Employment and support allowance	2
Current claim less than 1 year	2
Current claim more than 2 years	2
<b>Total interviews</b>	<b>51</b>

Income specifications and mortgage borrowing and equity values for each group will be set with reference to the average for the group identified in the quantitative CML data earlier referred to section 5.2.

#### 5.3.4 Recruitment

On the basis of a fit with sample specification of approximately 10:1 for each potential respondent approached and a ratio of 4:1 for agreement to participate, this will require that we approach 2000 potential respondents.

We would propose a combination of free-finding the research respondents that are not pension credit or benefit claimants, who will be recruited face to face and by phone using snowballing techniques, and working with DWP to identify suitable respondents to approach among those claiming Pension Credit and SMI and those approaching retirement age and claiming SMI.

We envisage that once potential respondents have been identified, we will need to qualify respondents by taking them through a further screener and a series of attitudinal and other batteries to ascertain whether they meet the full sampling criteria. We envisage that a letter on DWP letterhead will be sent to all identified potential respondents in the sample obtained from DWP or emailed or posted to respondents in the case of the free found sample not sourced from DWP. Our recruiters will follow up the DWP letter – which we can send out – within two days of receipt by respondents. Recruiters will explain the purpose and focus of the project and the protections afforded by the professional codes of conduct.

We will ensure that valid and informed consent is obtained before individuals participate in research, ensuring they have sufficient information, that they understand how the data they provide will be used and that they do not feel pressurised to participate. We will ensure respondents understand participation is voluntary, that they have the right to refuse to answer any question and that they can withdraw at any time. We always seek permission to tape and inform individuals when the recording is on, making it clear also that the recording can be stopped at any time. Our recruiters will provide the necessary information to support informed consent verbally over the telephone at the point of recruitment. Letters confirming arrangements will contain an information sheet providing all the information necessary to support informed consent and at the interview, respondents will be provided with an informed consent form (we are happy to use our own template or one provided by DWP). This will provide the key points required to enable informed consent, to be signed by both the respondents and a member of the research team. Both the information sheet and the informed consent form make clear that respondents can opt out at any time. Incentives of £15 per session for each of the depth interviews with the benefit dependent and £25 for those in work will be offered to respondents to maximise motivation to participate. We will facilitate the inclusion of harder to reach or more vulnerable respondents by offering taxi services, telephone or in home interviews as appropriate.

#### **5.3.5 Focus**

We will develop a full topic guide, adapted for the various groups, following discussions with the DWP project team. At this stage we envisage this covering :

- Background and circumstances
- Housing aspirations
- Role of housing in financial and life planning
- Income and assets
  
- Property and mortgage history
- Current property value and value of housing equity
- Current mortgage details and values,
  
- Reasons for product choices (interest-only/ repayment etc.)
- Understanding of IO / repayment concepts
- Thinking around borrowing and repayment values
- Whether have repayment vehicle / have kept up payments on repayment vehicle
- Thinking around choice of mortgage term
- Why chosen mortgage that extends into retirement

- Role of mortgage borrowing within retirement planning
  - Expectations on down-sizing / moving / equity release
  - Pension provision (probe state / occupational / investment)
  - Expectations of income in retirement and how will manage
  - How anticipate paying mortgage in retirement
  - Expectations on paying off / not paying mortgage and timing thereof
  - What expect to happen if cannot pay mortgage at end of term
- 
- What is understanding of state benefits available to those of retirement age
  - How far is there support available to enhance income
  - How far is there support available for mortgage payments
  - If there is support for mortgage payments, what is understanding of what is available (and limitations)
  - Whether have any expectations in terms of state support for mortgage payments
  - Whether anticipate claiming SMI and over what time scale
  - How far awareness of SMI has played a role in mortgage strategy (if at all)
- 
- If SMI not available or not eligible what would be options
  - How far could cope without SMI
  - Whether aware of market solutions
  - How attractive concepts such as lifetime mortgages
  - If such solutions not available to them, what are options
  - Way forward and expectations for future

### **5.3.6 Recording and transcription**

All the depth interviews will be recorded (twice to ensure back up in the event of equipment failure) on secure digitally encrypted recorders, uploaded to our secure transcription site or transmitted to our longstanding transcription partner by secure mail. All depth interviews will be fully transcribed.

### **5.3.7 Fieldwork**

We will pilot the research instruments with a small sub-set of the sample to ensure that research instruments are working as intended and will report back to DWP.

During fieldwork, moderators and the project lead convene for a daily teleconference in which any issues that have arisen during fieldwork and emerging thinking is discussed. Formal weekly project meetings are also held which all team members attend. Notes are kept of all fieldwork meetings and actions and the responsibility for them are recorded in the project notes. Fieldwork teleconferences are recorded against the eventuality of a new team member being needed.

Recordings are uploaded to our transcription site daily during fieldwork with a 24 hour turnaround so that all transcriptions are available to all members of the interviewing team so that they can familiarise themselves with all data as it emerges. Transcripts are reviewed by the project lead for compliance with the topic guide, fit with the project objectives and best interviewing practice. Feedback is provided to team members. Any adjustments required to the topic guide are discussed with the client and signed off by the client before being made.

Project content, emerging findings and developing thinking and themes (including drafts and notes) are recorded in project notes, with email trails stored and audited to enable ready access and retrieval of ongoing project discussions including those conducted via meetings, tele-conferences and on-line.

### **5.3.8 Data analysis**

Our data analysis process rests on the development of a thematic framework within which all transcripts can be analysed systematically in a rigorous and transparent process which is firmly grounded in the data. It rests on an initial familiarisation process during which all analytic team members become familiar with the whole data set. The team then convenes, led by the project lead, to agree an appropriate initial thematic framework, informed by the key research questions, the key variables required for categorisation and search and by the emerging themes and story lines that have arisen during the course of the fieldwork. The data is then indexed and sorted to enable cross sectional analysis across the whole data set and review of data extracts in relation to specific themes. At this stage, firmly grounded in the data, the project leads then move on to draw up an initial overview of the data and to identify the key linkages and patterns within it to provide rigorous data support for the development of our interpretations of the data.

### **5.3.9 Project outputs**

The team, who have worked collaboratively together on a large number of projects and reports over many years, will together on developing the research instruments, on conducting fieldwork and developing reporting.

The qualitative research outputs will be:

- Attendance at meetings as required
- Final sample specifications to be signed off by DWP
- Drafts of letters for respondents
- Recruitment collateral, including informed consent forms, material for respondents explaining the research and the protections afforded by the codes of conduct.
- Briefing and training material for recruiters
- Research instruments, topic guide, draft and final, showing the rationale for each section of the guide, the questions to be asked, and how the outputs of each section will feed into answering the research questions, to facilitate sharing with and approval by policy colleagues
- Regular weekly updates on fieldwork and project progress
- An informal debrief to project team colleagues following fieldwork to share top-line findings and emerging thinking
- A formal project presentation with supporting slide deck, together with 2 page written summary
- If required a second, edited, presentation to Ministers and / or senior officials
- Supporting project collateral, stimulus material, transcripts etc.
- A draft report intended for publication, quality checked and signed off by a director, and written in accordance with the DWP style guide
- A final report, ready for publication, following feedback from DWP

## **5.4 Project team structure, team members and working with DWP**

### **5.4.1 Project team structure and responsibilities**

### **5.4.2 Redacted Text**

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### **5.4.3 Project team experience**

### **5.2.5 Redacted Text**

.

### **5.4.4 Working with DWP**

### **5.4.5 Redacted Text**

## **5.5 Quality assurance**

### **5.5.1 Quality standards**

All projects are managed in accordance with our quality assurance standards which are designed to ensure projects are delivered to time and on budget and to the highest standards. Quality Assurance is a director level responsibility.

All projects are led by a principal, who is closely involved in all stages from conception to reporting and who is responsible for team direction, project management and client communications and for reporting. Project principals are supported by a dedicated project manager.

Our quality standards are set out clearly in our internal quality manual which sets out standards for all deliverables and other aspects of client project work. The quality manual is updated with learnings from projects as they arise, including client feedback, to ensure continuous improvement.

A Project Initiation Document (PID) is used for each project which:

- Ensures consistency of delivery
- Supports the embedding of new learnings and continuous improvement initiatives as recorded in the quality manual
- Identifies team members, their roles and deployment on the project
- Includes a project plan which allocates individuals to tasks and makes timelines, critical dependencies and the nature of deliverables and the timing of delivery explicit
- Includes detailed descriptions of deliverables
- Includes a risk register, updated as the project progresses, so that risks to the project's success are mapped from the outset and risk mitigation strategies are built into the team's thinking and modus operandi

### **5.5.2 Research design**

Research and methodology design is a director level responsibility. Research design is undertaken by the project leads and typically involves both a research professional and a relevant domain expert. All research design is subject to internal peer review and is signed off by a director before being submitted to the client. Project designs are also reviewed in our regular methods meeting, against the client brief and project aims and our quality standard. Research designs need to be signed off as meeting our method standards.

Method standards:

- Will deliver the required insights and support the required deliverables in every respect
- Robust to challenge
- Elegant research solution
- Will support rigorous analysis
- Transparent

- Innovative
- Value add
- Value for money

### **5.5.3 Fieldwork, recruitment and data collection management**

All fieldwork is managed by a dedicated fieldwork manager in line with the project initiation document, project plan and our quality standards.

The fieldwork manager response manages recruitment and projects centrally with reports received daily from our recruitment partners to a shared monitoring, management and reporting protocol which has been set up, tested and updated over several years and many projects. This system enables us to keep close track on recruitment, responses and quotas, project progress, data quality and forecast completions, allowing us to respond to risks to project time-scales or quality as these appear and enabling us to take appropriate action.

These procedures are regularly reviewed and we have processes in place to capture learnings from each project and ensure continuous improvement on joint working.

All our recruitment and data collection partners comply with all the relevant codes of practice (MRS, ESOMAR, SRA), best practice standards, run rigorous quality assurance and project management procedures and comply in every respect with all the requirements of the Data Protection Act.

We always aim to over-recruit and allow time in the project schedule for drop-outs and postponements. All respondent profiles are checked against the sample specification and interviews that do not fit the required profile are re-recruited.

### **5.5.4 Research tools**

Research instruments are developed by the project lead and reviewed against the client brief and project objectives and are subject to peer and project team comment. Research instruments are signed off by a director before being submitted to the client. Client comments on research instruments are recorded and any re-drafts of research instruments are reviewed against comments received.

Moderators are provided with briefing documents which are developed for each project which outline:

- Key project aims and the rationale for them
- Relevant policy background and issues
- Links to major relevant studies and reports
- Technical briefing
- Stakeholder map
- Issue map (which is updated as the project progresses)

### **5.5.5 Data analysis**

Our data analysis process rests on the development of a thematic framework within which all transcripts can be analysed systematically in a rigorous and transparent process which is firmly grounded in the data.

The categorisation process is supervised by the project lead and undertaken by a senior consultant, and signed off by the project lead as transparent, comprehensive, balanced and appropriate to the project aims

### **5.5.6 Report writing and quality standards**

The development of reporting is planned meticulously to ensure that reporting milestones will be met. All of the activities that are necessary to underpin analysis and reporting are broken down and allocated to an individual who takes responsibility for it. The various component parts of reporting and any critical dependencies are planned for and time-tabled within the responsible individual's personal schedule.



Sufficient time is allowed for each task, with some contingency built in. We plan on the basis of a 70% utilisation rate to allow for flexibility. Time is allowed for quality assuring outputs and for sign off by a director.

Progress against plan is monitored by the project manager and project lead and reviewed in the weekly project meeting and remedial action taken where required

We follow a rigorous quality assurance process, with drafts of reports signed off by a director in line with our report writing quality standards shown in Table 2 following. Final versions of reports are proof read by a professional external proof-reader, with whom we have a long-standing relationship.

Report writing quality assurance focuses on both the quality of evidence and reporting and the effectiveness of communications, with emphasis placed on effective summaries, infographics and the visual presentation of information

Deliverables are quality checked and signed off by a senior director to ensure clarity and consistency, that evidence is robust and marshalled in an accessible way and that analysis is accurate and balanced, with deliverables meeting client expectations.

#### **5.2.6 Redacted Text**

## **APPENDIX B: SERVICE DESCRIPTION**



SO8338 Appendix B  
Service Description.doc

## ANNEX B – Timetable

<b>Milestone</b>	<b>Timing (all 2015)</b>
Inception meeting	June
Agree specification and scope for literature review and secondary analysis if required	At inception meeting
Agree recruitment approach for qualitative work	At inception meeting
Literature review specification submitted and signed off	w/c 15 <sup>th</sup> June
Recruitment specification submitted for approval and agreed	w/c 15 <sup>th</sup> June
Undertake literature review and secondary analysis if required	June
Literature review complete and written report and secondary analysis delivered	w/c 6 <sup>th</sup> July
Sample creation (for that element supplied by DWP)	June
Draft of research instruments	w/c 15 <sup>th</sup> June
Research instruments agreed	w/c 22 <sup>nd</sup> June
Recruitment commences	w/c 13 <sup>th</sup> July
Fieldwork commences	From 27 <sup>th</sup> July
Fieldwork complete	w/c 10 <sup>th</sup> August
Informal debrief to project team on top-line findings and early thinking	w/c 24 <sup>th</sup> August
Formal presentation of findings	As convenient from w/c 7 <sup>th</sup> September
Draft of formal report	w/c 28 September
Comment on report	Early October
Final report	w/c 28 <sup>th</sup> October
Further dissemination	As required

## ANNEX C – Prices, Rates And Payment Schedule

### Resource Summary

Milestone - Draft Research Materials						
Name	Role Title	Resource Description	Framework Rate (£)	Day Rate Offered (£)	No. of Days	Total (£)
Redacted Text	Research Director	Draft topic guides and all fieldwork collateral	Redacted Text	Redacted Text	Redacted Text	Redacted Text
Redacted Text	Principal consultant	Draft topic guides and all fieldwork collateral	Redacted Text	Redacted Text	Redacted Text	Redacted Text
Redacted Text	Principal consultant	Draft topic guides and all fieldwork collateral	Redacted Text	Redacted Text	Redacted Text	Redacted Text
Redacted Text	Fieldwork manager / qualitative researcher	Briefing collateral for recruitment	Redacted Text	Redacted Text	Redacted Text	Redacted Text
Sub Total						Redacted Text
Milestone - Undertake & Complete Fieldwork						
Name	Role Title	Resource Description	Framework Rate (£)	Day Rate Offered (£)	No. of Days	Total (£)
Redacted Text	Research Director	Moderate depth interviews	Redacted Text	Redacted Text	Redacted Text	Redacted Text
Redacted Text	Principal consultant	Moderate depth interviews	Redacted Text	Redacted Text	Redacted Text	Redacted Text
Redacted Text	Principal consultant	Moderate depth interviews	Redacted Text	Redacted Text	Redacted Text	Redacted Text
Redacted Text	Fieldwork manager / qualitative researcher	Fieldwork management	Redacted Text	Redacted Text	Redacted Text	Redacted Text
Sub Total						Redacted Text
Milestone - Undertake & Complete Analysis						
Name	Role Title	Resource Description	Framework Rate (£)	Day Rate Offered (£)	No. of Days	Total (£)
Redacted Text	Research Director	Develop thematic framework, review and categorise transcript, qualitative analysis	Redacted Text	Redacted Text	Redacted Text	Redacted Text

Redacted Text			Redacted Text	Redacted Text	Redacted Text	Redacted Text
	Principal consultant	Develop thematic framework, review and categorise transcript, qualitative analysis				
Redacted Text			Redacted Text	Redacted Text	Redacted Text	Redacted Text
	Principal consultant	Develop thematic framework, review and categorise transcript, qualitative analysis				
Redacted Text	Fieldwork manager / qualitative researcher	Review and categorise transcripts	Redacted Text	Redacted Text	Redacted Text	Redacted Text
Redacted Text	Senior economist	Evidence review	Redacted Text	Redacted Text	Redacted Text	Redacted Text
Redacted Text	Principal consultant	Evidence review	Redacted Text	Redacted Text	Redacted Text	Redacted Text
Sub Total						Redacted Text
Milestone - Presentation of Findings						
Name	Role Title	Resource Description	Framework Rate (£)	Day Rate Offered (£)	No. of Days	Total (£)
Redacted Text	Research Director	Develop presentation and reporting and present	Redacted Text	Redacted Text	Redacted Text	Redacted Text
Redacted Text	Principal consultant	Develop presentation and reporting and present	Redacted Text	Redacted Text	Redacted Text	Redacted Text
Redacted Text	Principal consultant	Develop presentation and reporting and present	Redacted Text	Redacted Text	Redacted Text	Redacted Text
Redacted Text	Graphic artist	Graphic design and infographics	Redacted Text	Redacted Text	Redacted Text	Redacted Text
Sub Total						Redacted Text
Milestone - Final Report						
Name	Role Title	Resource Description	Framework Rate (£)	Day Rate Offered (£)	No. of Days	Total (£)
Redacted Text	Research Director	Draft report and iterate following comments	Redacted Text	Redacted Text	Redacted Text	Redacted Text
Redacted Text	Principal consultant	Draft report and iterate following comments	Redacted Text	Redacted Text	Redacted Text	Redacted Text

Redacted Text		Draft report and iterate following comments. Quality control	Redacted Text	Redacted Text	Redacted Text	Redacted Text
Redacted Text	Principal consultant					
	Graphic artist	Graphic design and infographics	Redacted Text	Redacted Text	Redacted Text	Redacted Text
Sub Total						Redacted Text
<b>Other Costs</b>						
Resource Description				Price (£)	Quantity	Total (£)
Recruitment						Redacted Text
Transcriptions Redacted Text						Redacted Text
Incentives Redacted Text						Redacted Text
Travel and accommodation (as per framework rates)						Redacted Text
Professional proof reading of final report						Redacted Text
Project management, set up, client liaison, quality control and meetings						Redacted Text
Sub Total						Redacted Text
As per service description						£54,728.00

If wanted additional optional secondary analysis of FRS and CML data as suggested

£5,750

All prices exclude VAT						
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## Payment Schedule

Invoice number	Date	Requirement	Cost (excl. VAT)
Invoice 1	w/c 6 <sup>th</sup> July 15	10% on completion of literature review	Redacted Text
Invoice 2	w/c 24 <sup>th</sup> August 15	25% on completion of fieldwork, and Informal debrief to project team on top-line findings and early thinking	Redacted Text
Invoice 3	w/c 28 <sup>th</sup> September 15	32% on completion of 1 <sup>st</sup> draft of report	Redacted Text
Invoice 4	w/c 28 <sup>th</sup> October 15	33% on completion of signed off final report for publication	Redacted Text
<b>Total</b>			<b>£54,728</b>

## Annex D – Provider and Sub-contractor Key Staff

Name	Position Held	Period of involvement in the Contract*
Redacted Text	Research Director	17 <sup>th</sup> June to 30 <sup>th</sup> November 2015
Redacted Text	Principal Consultant	17 <sup>th</sup> June to 30 <sup>th</sup> November 2015
Redacted Text	Principal Consultant	17 <sup>th</sup> June to 30 <sup>th</sup> November 2015
Redacted Text	Senior Economist	17 <sup>th</sup> June to 30 <sup>th</sup> November 2015
Redacted Text	Fieldwork Manager / Qualitative Researcher	17 <sup>th</sup> June to 30 <sup>th</sup> November 2015

## Annex E – Approved Sub-contractors

Name of Sub Contractor	Nature of the Services being Sub Contracted	Anticipated Value £



## Annex F – List of Management Information (MI) Requirements

The Provider shall supply information listed below relevant to the delivery of the Services to the Authority, using formats and to timescales as specified by the Authority, [covering areas such as (but not limited to)]:

Management Information Required	Frequency/Date Required
Submit copy of Board Minutes for Parent Company where PCG has been signed	On or about the effective date (and in any event no later than the first Commencement Date)
Full and final Security Plan in accordance with Appendix [6]	Within twenty (20) Working Days after the Commencement Date of the Call-Off contract and reviewed at least annually thereafter.
Sustainable Development Policy Statement & Sustainable Development Plan in accordance with Appendix [7]	Within six (6) Months of contract start date and at least annually thereafter.
Diversity & Equality Delivery Plan in accordance with Appendix [8]	Within six (6) Months of contract start date and at least annually thereafter.
Workforce Monitoring Declaration in accordance with Appendix [8]	Within six (6) Months of contract start date and at least annually thereafter.
Apprenticeships & Skills Report in accordance with Appendix [10]	Within six [6] Months of the contract start date and written updates on a [quarterly] basis thereafter.
HMG Baseline Personnel Security Standard - Provider's Declaration see HMG Baseline Personnel Security Standard - A Guide for DWP Contractors	Within four (4) weeks of contract start date and submitted for each calendar year thereafter within one Month of the end of each calendar year (i.e. by 31 <sup>st</sup> January for year ending 31 <sup>st</sup> December)

## **APPENDIX 2 – ADMINISTRATION REQUIREMENTS**

### **1 Authority's Authorisation**

- 1.1 The following person is the Authority's Representative and is authorised to act on behalf of the Secretary of State for Work and Pensions on all matters relating to the Contract, contact details are shown in the Schedule 4 (Order Form) of the Framework Agreement.

Name: Redacted Text

Title: Category Manager

- 1.2 The Authority's Representative may approve deputy Authority's Representatives to exercise on his / her behalf such powers as are contained in this Contract.

### **2 Provider's Authorisation**

- 2.1 The following person is the Provider's Representative and is authorised to act on behalf of the Provider on all matters relating to the Contract, contact details are shown in Schedule the (Order Form) of the Framework Agreement.

Name: Redacted Text

Title: Research Director

### **3 Payment Information**

- 3.1 The Authority shall issue a purchase order to the Provider prior to commencement of the Service.

- 3.2 All invoices payable in compliance with the requirements of clause C2 of the call-off terms and conditions, must include the appropriate purchase order number and shall be sent to the following address;

DWP  
SSCL Accounts Payable Team  
Room 6124, Tomlinson House  
Norcross  
Blackpool  
FY5 3TA

Shared Services Helpline: 0845 602 8244

- 3.3 Any additional information required independently of the invoice will be detailed in the Order Form at Call-off stage.

### **Disputed Claims**

- 4.1 Notwithstanding paragraph 4.5 of this Appendix, payment by the Authority of all or any part of any invoice rendered or other claim for payment by the Provider shall not signify approval of such invoice/claim. The Authority reserves the right to verify invoices/claims after the date of payment and subsequently to recover any sums which have been overpaid.
- 4.2 If any part of a claim rendered by the Provider is disputed or subject to question by the Authority either before or after payment then the Authority may call for the Provider to provide such further documentary and oral evidence as it may reasonably require to verify its liability to pay the amount which is disputed or subject to question and the Provider shall promptly provide such evidence in a form satisfactory to the Authority.
- 4.3 If any part of a claim rendered by the Provider is disputed or subject to question by the Authority, the Authority shall not withhold payment of the remainder.
- 4.4 If any invoice rendered by the Provider is paid but any part of it is disputed or subject to question by the Authority and such part is subsequently agreed or determined not

to have been properly payable then the Provider shall forthwith repay such part to the Authority.

- 4.5 The Authority shall be entitled to deduct from sums due to the Provider by way of set-off any amounts owed to it or which are in dispute or subject to question either in respect of the invoice for which payment is being made or any previous invoice.

## **5 *Final Claims***

- 5.1 Provided all previous claims have been paid, the authority shall have no further liability to make payment of any kind to the Provider once the final claims have been paid.

## **APPENDIX 3 – MONITORING REQUIREMENTS**

This Appendix sets out the contract management requirements which are applicable to the delivery of the Services.

### **1      *Reviewing Contract Performance***

- 1.1      The Provider shall work with the Authority to establish and maintain an effective and beneficial working relationship to ensure the Contract is delivered to at least the minimum required standard as specified in the Appendix (The Services).
- 1.2      The Provider shall work with the Authority to establish suitable administrative arrangements for the effective management and performance monitoring of the Contract and shall provide information as requested to monitor and evaluate the success of the Contract and the Provider's management and delivery of it.
- 1.3      The Provider shall supply information requested relevant to the delivery of the Services to the Authority, using formats and to timescales specified by the Authority in Appendix 1.
- 1.4      The Authority intends, wherever it can, to capture and collate information through its IT system(s). However, the Authority does reserve the right to make reasonable requests for information (at no additional charge) from the Provider including ad-hoc requests for information from time to time.
- 1.5      Any additional requests for information shall be considered in consultation with the Provider as shall the process of defining the methods of collection.
- 1.6      Where an on-going, short-term or one-off requirement is agreed, both Parties agree that it shall be included, or deemed to be included within this Appendix.
- 1.7      Review meetings between the Authority and the Provider shall also cover, as appropriate, resolving disputes and/or dealing with contractual breaches in accordance with the terms and conditions of this Contract. Roles and responsibilities will be documented and the personnel involved in managing the relationship identified and suitably empowered.
- 1.8      The Authority may undertake spot checks at any time to ensure that the Provider is complying with its obligations under this Contract and the Provider shall co-operate fully, at its own cost, with the Authority.
- 1.9      The Provider will be responsible for managing and reporting on any sub-contractual arrangements. Arrangements shall include mechanisms for the provision of management information, including feedback to and from customers, stakeholders, change control procedures and the prompt resolution of any problems. The Authority will agree with the Provider day-to-day relationship management, contact points, communication flows and escalation procedures.
- 1.10     The Provider will be expected to continuously improve the quality of the provision including that delivered by Sub-contractors. Where quality falls below acceptable levels the Provider will be expected to have suitable escalation procedures in place and, in respect of sub-contracted provision, take action where necessary to terminate the contract.

### **2      *Access***

- 2.1      In all instances, the Provider shall co-operate and provide such reasonable assistance as may be necessary to facilitate such monitoring. Failure to provide such reasonable assistance shall be deemed a "Serious Breach" for the purposes of clause H2 (Termination on Default).

### **3      *Sustainable Development***

- 3.1 The Authority will review the Provider's Sustainable Development Policy Statement and Sustainable Development Plan submitted by the Provider in accordance with the Appendix (Sustainable Development Requirements) and then at least annually thereafter.
- 3.2 Sustainable Procurement Risk Assessment Methodology (SPRAM) is a tool used by the Authority to identify and mitigate any potential risks to sustainability in contracts. The process requires that each Contract be assessed for its potential social, economic and environmental risks, throughout the various stages of its lifetime. Where risks are identified, appropriate mitigation action is required to reduce or eliminate the risk to sustainability. The Authority may at times require input from the Provider in order to ensure that this process is given the required levels of consideration.

### **4      *Diversity and Equality***

- 4.1 The Authority will review the Provider's Diversity and Equality Delivery Plan and completed workforce monitoring data template when submitted in accordance with the Appendix (Diversity and Equality Requirements) and then annually thereafter. The Authority can request full policy/procedure documents at any time throughout the Contract.

### **5      *Apprenticeships and Skills***

- 5.1 The Authority will review the Provider's Apprenticeships and Skills Report when submitted by the Provider in accordance with the Appendix (Apprenticeships and Skills Requirements) and then annually thereafter.

### **6      *Security Requirements***

- 6.1 The Authority will review the Provider's Security Plan when submitted by the Provider in accordance with the Appendix (Security Requirements and Plan) and at least annually thereafter.

### **7      *HMG Baseline Personnel Security Standards***

- 7.1 The authority will review the Provider's HMG Baseline Personnel Security Standards Declaration in accordance with HMG Baseline Personnel Security Standard – A Guide For DWP Contractors.

### **8      *Health and Safety Responsibilities of the Authority Visiting Officers***

- 8.1 The Authority representatives visit Providers and its Sub-contractors for a variety of reasons. In the course of their normal duties such representatives of the Authority shall adopt an 'eyes and ears' approach to monitoring health and safety. In doing this the Authority representatives shall not be conducting a health and safety inspection, nor shall they be in a position to offer advice on whether something is safe or not. Instead they shall approach this from the position of any lay person. If, however, the Authority representative does notice something on which they require assurance or clarification, they shall raise this with the Provider or the Sub-contractor's representative at the location where they are visiting. In no event are the Authority representatives to be seen as offering professional advice on health and safety matters and as such, shall not be liable for any advice or comments or otherwise given to the Provider or its Sub-contractors or any omission to give such advice, comments or otherwise.

## APPENDIX 4 – COMMERCIALLY SENSITIVE INFORMATION

- 1 The Authority acknowledges that the Provider has requested that the following information be treated as Commercially Sensitive Information;

Document	Page Number	Section	Condition paragraph number	Explanation of harm which may result from disclosure and time period applicable to any sensitivity

- 2 The Authority will consult with the Provider on any request for information, identified as Commercially Sensitive, under the FOIA.
- 3 The Authority reserves the right to disclose any Commercially Sensitive Information held within this Contract in response to a request under the FOIA as set out at clause E5 of this Contract.
- 4 The Authority will automatically publish all information provided by the Provider **not** identified in this Appendix as constituting Commercially Sensitive Information provided that it satisfies the requirements of the FOIA.
- 5 The Authority reserves the right to determine whether any information provided in this Appendix does constitute Commercially Sensitive Information prior to publication.

## **APPENDIX 5 – SECURITY REQUIREMENTS AND PLAN**

Supplemental requirements – security details will depend on proposal/methodology of individual Call Off]

**A condition of any call off will be that the original Annex E Security Plan will need to be updated as necessary and resubmitted with a bid unless the decision has been taken in advance that a Generic Security Accreditation Document (GSAD) will be appropriate. Information regarding GSADs will be made available if applicable to the call off contract.**

**DWP will work with suppliers to achieve compliance in this process during the call off phase.**

**INSERT DRAFT SECURITY PLAN/GSAD HERE.**

## APPENDIX 6 – SUSTAINABLE DEVELOPMENT REQUIREMENTS

This Appendix sets out the Sustainable Development requirements which are applicable to the provision of the Services.

### **1. General**

1.1 The Provider acknowledges that the Authority must at all times be seen to be actively promoting Sustainable Development.

1.2 In delivering the Services, the Provider shall and shall procure that its Sub-contractors assist and cooperate with the Authority, by fully complying with the requirements of this Appendix.

### **2. Compliance**

2.1 The Provider shall produce a Sustainable Development Policy Statement and Sustainable Development Plan in accordance with paragraphs 2.2 and 2.3 of this Appendix, within six (6) Months of the Commencement Date and annually thereafter. The Sustainable Development Policy Statement and Sustainable Development Plan must be specific to the Contract and include all Sub-contractors involved in delivery of the Contract. The Provider must obtain the required information from Sub-contractors and then collate and submit as stated above.

2.2 In delivering the Services, the Provider shall prepare a Sustainable Development Policy Statement giving, for each organisation involved in delivery of the contract:

- a) Full assurance of waste disposal by a registered waste collector in accordance with current government regulations; and
- b) Full assurance of the observation of Waste Electrical and Electronic Equipment (WEEE) regulations.

2.3 In delivering the Services, the Provider shall prepare a Sustainable Development Plan which as a minimum, detail how each organisation involved in delivery of the contract will:

- a) Minimise waste produced and promote recycling;
- b) Minimise energy consumption;
- c) Minimise use of transport and promote use of public transport where transport is unavoidable.

Also required for each organisation are:

- d) Baseline assessment of current position in terms of waste minimisation, recycling and energy consumption (energy consumption only required if current energy usage is available to organisations);
- e) Annual estimates of the progress of Sustainable Development actions;
- f) Details of how Staff awareness of sustainability will be increased in line with the Sustainable Development Plan.



## APPENDIX 7 – DIVERSITY AND EQUALITY REQUIREMENTS

### 1. **General**

- 1.1 The Provider acknowledges that the Authority has a 'duty to promote' equality and must at all times be seen to be actively promoting equality of opportunity for, and good relations between, all persons, irrespective of their race, gender, gender reassignment, disability, age, sexual orientation or religion/belief or in terms of pregnancy and maternity or marriage and civil partnership. The Provider must ensure that each of its Sub-contractors involved in delivery of the contract are aware of, and acknowledge, that the Authority has a 'duty to promote' equality.
- 1.2 In delivering the Services, the Provider shall, and shall procure that its Sub-contractors, assist and cooperate with the Authority in satisfying equality duties by fully complying with the requirements of this Appendix.

### 2. **Compliance**

- 2.1 The Provider acknowledges the provisions of the equality legislation set out in clause D2 (Discrimination).
- 2.2 The Provider shall produce a Diversity and Equality Delivery Plan in accordance with paragraph 2.5 (and sub paragraphs) and paragraph 2.6 (and sub paragraphs) of this Appendix, within six (6) Months of the Commencement Date, and annually thereafter. The Diversity and Equality Delivery Plan must be specific to the Contract and include details for all Sub-contractors involved in delivery of the Contract.
- 2.3 The Provider will provide workforce monitoring data in accordance with paragraph 3 (and sub paragraphs) of this Appendix, within six (6) Months of the Commencement Date and annually thereafter.
- 2.4 The Authority will consider and agree the submissions made by the Provider when complying with paragraph 2 (and sub paragraphs of paragraph 2) and paragraph 3 (and sub paragraphs of paragraph 3) of this Appendix. Any issues will be raised with the Provider by the Contract Manager acting on behalf of the Authority. If an issue relates to a Sub-contractor, the Provider must raise and resolve the issue with the Sub-contractor. Once submissions are agreed by the Authority the Provider will formally review, revise and resubmit all information required in paragraph 2.2 and paragraph 2.3 on an annual basis. Diversity and equality aspects will also be discussed jointly by the Authority and the Provider as an on-going item at the Contract review meetings.
- 2.5 In delivering the Services, the Provider shall prepare the Diversity and Equality Delivery Plan which as a minimum includes:
- a) An overview of Provider and any Sub-contractor's policy/policies and procedures for preventing unlawful discrimination and promoting equality of opportunity in respect of:
    - i) Race
    - ii) Gender
    - iii) Gender reassignment
    - iv) Disability
    - v) Age
    - vi) Sexual orientation
    - vii) Religion/Belief
    - viii) Pregnancy and Maternity
    - ix) Marriage and Civil Partnerships;
  - b) An overview of Provider and any Sub-contractor's policy/policies and procedures covering:
    - i) Harassment
    - ii) Bullying
    - iii) Victimisation
    - iv) Recruitment procedures
    - v) Staff training and development
- Full policy documents must be made available to the Authority on request;

- c) Details of the way in which the above policy/policies and procedures are, or will be (and by when), communicated to the Staff;
  - d) Details of what general diversity and equality related training has been, or will be delivered (and by when), to Staff;
  - e) Details of what structure is already in place, or will be in place (and by when) and what resources are, or will be (and by when), directed towards diversity and equality within the Provider and any Sub-contractor's organisation; and
  - f) Details of any diversity and equality cases and tribunals (including volumes and outcomes) relating to the Provider and any Sub-contractors.
- 2.6 In delivering the Services, the Provider shall provide evidence, as required below, within the Diversity and Equality Delivery Plan as detailed at paragraph 2.2 of this Appendix:
- a) Where a Provider is delivering Services to customers on behalf of the Authority or Services to the Authority's staff, the Provider must provide written evidence that:
    - i) Equality Analysis have been carried out in conjunction with the Authority prior to the Services being delivered and will be carried out in the event of any changes to the Services, in accordance with equality legislation;
    - ii) Reasonable adjustments are made, as required by equality legislation to make those Services accessible to disabled people and that in the case of Information Technology services, those services are in accordance with the Authority's standards;
    - iii) All Staff have had appropriate training so that they understand the duties required by equality legislation, and where Services are being delivered on behalf of the Authority, the Provider shall provide evidence that Staff understand the duties not to discriminate and to promote equality, in accordance with equality legislation.
- 2.7 The Authority may request further information and assurance relating to diversity and equality at any point during the duration of the Contract.

### **3. *Monitoring and Reporting***

- 3.1 The Provider shall provide workforce monitoring data as detailed in paragraph 3.2 of this Appendix. A template for data collected in paragraphs 3.2, 3.3 and 3.4 will be provided by the Authority. Completed templates for the Provider and each Sub-contractor will be submitted by the Provider with the Diversity and Equality Delivery Plan within six (6) Months of the Commencement Date and annually thereafter. Providers are required to provide workforce monitoring data for the workforce involved in delivery of the Contract. Data relating to the wider Provider workforce and wider Sub-contractors workforce would however be well received by the Authority. Providers and any Sub-contractors are required to submit percentage figures only in response to paragraphs 3.2(a), 3.2(b) and 3.2(c).
- 3.2 The Provider and Sub-contractors will each provide separate information detailing:
- a) The proportion of employees who are:
    - i) female; and/or
    - ii) disabled
    - iii) those who prefer not to state gender and/or disability
  - b) the proportion of Staff who in terms of ethnicity are:
    - White
      - i) white British;
      - ii) white Irish;
      - iii) of any other white background
    - Mixed
      - iv) white and black Caribbean;
      - v) white and black African;

- vi) white and Asian;
- vii) of any other mixed background  
Asian or Asian British
- viii) Indian;
- ix) Pakistani;
- x) Bangladeshi;
- xi) of any other Asian background  
Black or Black British
- xii) Caribbean;
- xiii) African;
- xiv) of any other Black background  
Chinese or other ethnic group
- xv) Chinese;
- xvi) of any other ethnic group  
Prefer not to state
- xvii) Prefer not to state ethnicity

For the avoidance of doubt, the seventeen (17) percentage figures submitted under categories i) to xvii) of this paragraph 3.2(b) (in each template in respect of the Provider's employees and each Sub-contractors employees) should total one hundred percent (100%).

c) The Provider will provide details of the proportion of its Sub-contractors that are:

- i) small to medium sized enterprises (meaning enterprises with less than two hundred and fifty (250) employees and a maximum annual turnover of forty (40) million pounds);
- ii) ethnic minority enterprises (in each case meaning an enterprise fifty one percent (51%) or more of which is owned by members of one (1) or more ethnic minority groups, or, if there are few owners, where at least fifty percent (50%) of the owners are members of one (1) or more ethnic minority groups). For this purpose, ethnic minority groups means ethnic groups other than White as referred to at paragraph 3.2(b) of this Appendix: and
- iii) black ethnic minority enterprises (in each case meaning an enterprise fifty one percent (51%) or more of which is owned by members of the Black or Black British ethnic group, or, if there are few owners, where at least fifty percent (50%) of the owners are members of the Black or Black British ethnic group). For this purpose, the Black or Black British ethnic group has the meaning referred to at categories xii) to xiv) in paragraph 3.2(b) of this Appendix.

For the avoidance of doubt, any given Sub-contractor may fall into one (1), two (2) or all of the categories i) to iii) listed in paragraph 3.2(c) of this Appendix, depending on its composition.

- 3.3 The Provider and any Sub-contractors will compare their figures, in all categories listed in paragraphs 3.2(a), 3.2(b) and 3.2(c) of this Appendix, and provide (where possible) comparisons against any official national/regional statistics that are publicly available.
- 3.4 The Provider and any Sub-contractors will provide evidence of activities undertaken, or planned, in order to try and improve their current position in the categories detailed in paragraphs 3.2(a), 3.2(b) and 3.2(c) of this Appendix.
- 3.5 The Provider shall, and shall procure that its Sub-contractors will ensure at all times that they comply with the requirements of the DPA in the collection and reporting of the information to the Authority.

## APPENDIX 8 – WELSH LANGUAGE SCHEME

This Appendix sets out the Provider's obligations which are applicable to the provision of the Services in Wales.

### **1      *General***

- 1.1      The Provider acknowledges that in relation to the operation of its Services which are delivered in Wales, the Authority must at all times be seen to be actively promoting the equality of the English and Welsh languages, in accordance with the Welsh Language Act 1993.
- 1.2      In the performance of the Contract, the Provider shall ensure that it cooperates with the Authority wherever possible in satisfying this duty, by fully complying with the requirements of this Appendix.

### **2      *The Department for Work and Pensions Welsh Language Scheme***

- 2.1      The DWP Welsh Language Scheme can be found at:  
<http://www.dwp.gov.uk/publications/corporate-publications/welsh-language-scheme/>
- 2.2      The Provider shall, in the delivery of the Services, ensure that it complies with the Department for Work and Pensions Welsh Language Scheme and such instructions as the Authority may issue from time to time in respect of promoting the equality of the English and Welsh languages.

### **3      *Delivery of Services Through the Medium of Welsh***

- 3.1      The Provider undertakes that those who have dealings with them are able to do so in English or Welsh.
- 3.2      The Provider will ensure that:
  - a)      Those who want, or are required, to correspond with the Provider will be able to do so in English or Welsh;
  - b)      Those who are known to prefer corresponding through the medium of Welsh will have correspondence initiated in Welsh;
  - c)      Any correspondence received in Welsh will be answered in Welsh within the same timescales and standards as those written in English;
  - d)      Staff who are in Wales will greet any telephone callers in English and Welsh until the caller's preferred language can be ascertained;
  - e)      Any answer phones in the Provider's offices in Wales will have a pre-recorded bilingual message;
  - f)      All people who participate in the Services are able to contribute through the medium of English or Welsh;
  - g)      All material published and printed in Wales shall be available in English and Welsh. The standard of bilingual or Welsh material shall be of equal quality to those produced solely in English;
  - h)      All forms and explanatory material be available in both English and Welsh; and
  - i)      Any complaints or grievance procedure should be provided in both English and Welsh.

## APPENDIX 9 – APPRENTICESHIPS AND SKILLS REQUIREMENTS

This Appendix sets out the Apprenticeships and Skills Requirements which are applicable to the provision of the Contract.

### **1. General**

- 1.1 Government is committed to addressing skills issues and promoting training opportunities through procurement, to maximise the potential for improvements provided by its considerable spend.
- 1.2 In order to support and drive economic growth, the Government announced that it has prioritised the key policy agendas to be promoted through public procurement. Supporting apprenticeships, skills and the fight against youth unemployment is one of these 'Policy through Procurement' priorities on which Departments must now focus.
- 1.3 The Provider acknowledges that the Authority is required to support the above apprenticeships and skills aims and targets.
- 1.4 In delivering the Services, the Provider shall, and shall procure that its Sub-contractors assist and cooperate with the Authority by fully complying with the requirements of this Appendix.

### **2. Compliance**

- 2.1 The Provider shall and shall procure that its Sub-contractors take all reasonable steps to employ apprentices, and report to the Authority the numbers of apprentices employed and wider skills training provided, during delivery of the Services.
- 2.2 The Provider shall and shall procure that its Sub-contractors shall take all reasonable steps to ensure that five percent (5%) of their employees are on a formal apprenticeship programme. This can include administration and support staff.
- 2.3 The Provider shall and shall procure that its Sub-contractors make available to employees information about the Government's Apprenticeship Programme and wider skills opportunities.
- 2.4 The Provider shall and shall procure that its Sub-contractors provide any appropriate further skills training opportunities for employees involved in delivery of the Contract.
- 2.5 The Provider will produce an Apprenticeships and Skills Report in accordance with paragraph 3 (and sub-paragraphs) of this Appendix.

### **3. Monitoring and reporting**

- 3.1 The Provider shall provide an Apprenticeships and Skills Report within six (6) Months of the Commencement Date and annually thereafter. The Apprenticeships and Skills Report must be specific to the Contract and include details for all Sub-contractors involved in delivery of the Contract. The Provider must obtain the required information from Sub-contractors and collate and submit an Apprenticeships and Skills Report that relates specifically to the Contract.

The Apprenticeships and Skills Report will include:

- a) the number of Staff during the reporting period involved in delivery of the Contract, including administration and support staff;
- b) the number of existing apprentices involved in the delivery of the Contract;
- c) the number of new starts on apprenticeships initiated as a result of delivery of the Contract;
- d) if applicable, a robust explanation as to why it is not possible to meet the five percent (5%) target. (It may be that use of apprentices is not possible or appropriate in delivery of the Services);

- e) action being taken to improve the take up of apprenticeships. These could include issuing leaflets on apprenticeships to eligible existing staff, advertising apprenticeship vacancies with local Jobcentre Plus, schools and colleges, offering apprenticeships in administration/support roles or seeking advice from the National Apprenticeship Service; and
- f) other training/skills development being undertaken by staff involved in delivery of the Contract including:
  - i) Work experience placements for 14 to 16 year olds
  - ii) Work experience/work trial placements for other ages
  - iii) Student sandwich/gap year placements
  - iv) Graduate placements
  - v) Vocational training
  - vi) Basic skills training
  - vii) On site training provision/facilities.

3.2 The Provider shall, and shall procure that its Sub-contractors will ensure at all times that they comply with the requirements of the DPA in the collection and reporting of the information to the Authority.