



Department
for Work &
Pensions

Umbrella Agreement for the provision of Employment and Health Related Services

Department for Work and Pensions

Welcome and Introductions

Commercial Process

Garry Chambers – Commercial Directorate

Test of Supplier Financial Standing

Shaun Robinson - Commercial Directorate Finance

Work and Health Programme

Phil Martin /Ed Hawker – Strategy

Funding Model

Shaun Robinson - Commercial Directorate Finance

Data Security

Peter McAuley /Steve Turner

Life Chances through Procurement

Stuart Wilshire

Umbrella Agreement for the provision of Employment and Health Related Services (UAEHRS)

Introduction to the UAEHRS & The Invitation To Tender

Presented by Commercial Directorate

Section
1

Introduction to the Umbrella Agreement

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2

Invitation To Tender Process Overview

Why an Umbrella Agreement?

UAEHRS

The Umbrella Agreement approach has been adopted for two key reasons :

- ✓ It offers a number of commercial and operational advantages, and;
- ✓ It creates accessibility to other contracting authorities therefore creating efficiencies across the wider public sector.

What is the Umbrella Agreement?

UAEHRS

The Umbrella Agreement is a multi-supplier framework-type agreement with a four year term.

The Department envisages calling off a number of contracts under the agreement to deliver Employment & Health Related Services

Therefore this Procurement activity will be split into two main stages:

1. **Umbrella Agreement Award**
2. **Subsequent Call-Off Award(s)**

The position regarding London & Greater Manchester is still under discussion with the minister and a decision will be made shortly.

Stage One

Umbrella Agreement

Subsequent Stages

Call-Off

Call-Off

Call-Off

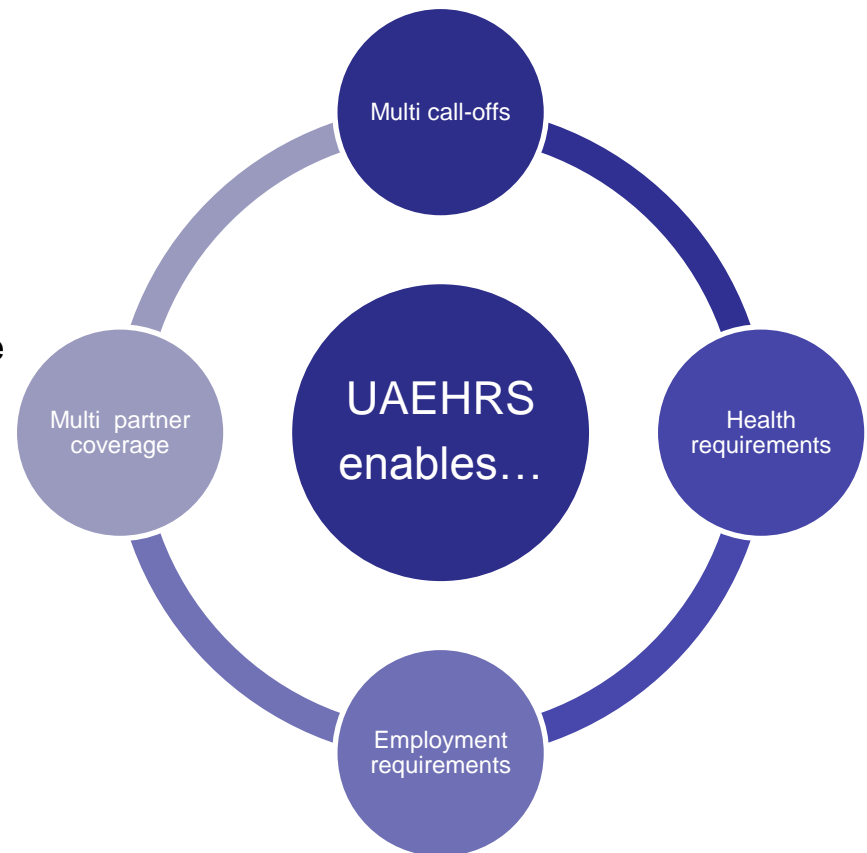
Figurative Example Only – Calls-Offs to be confirmed separately

What is the scope & nature of the Umbrella Agreement ?

UAEHRS

The Umbrella Agreement scope and nature intends to:

- ✓ Include, but not be limited to, support for individuals (or participants) to select, train for, obtain and retain employment.
- ✓ Act as the vehicle through which groups of individuals with disabilities; health conditions; are unemployed; or have a barrier to work will be supported.
- ✓ Enable specific call-off Programmes to address barriers to employment.
- ✓ Allow potential suppliers to provide support either themselves or through a supply chain
- ✓ Support the DWP's commitment to the devolution and localism agenda

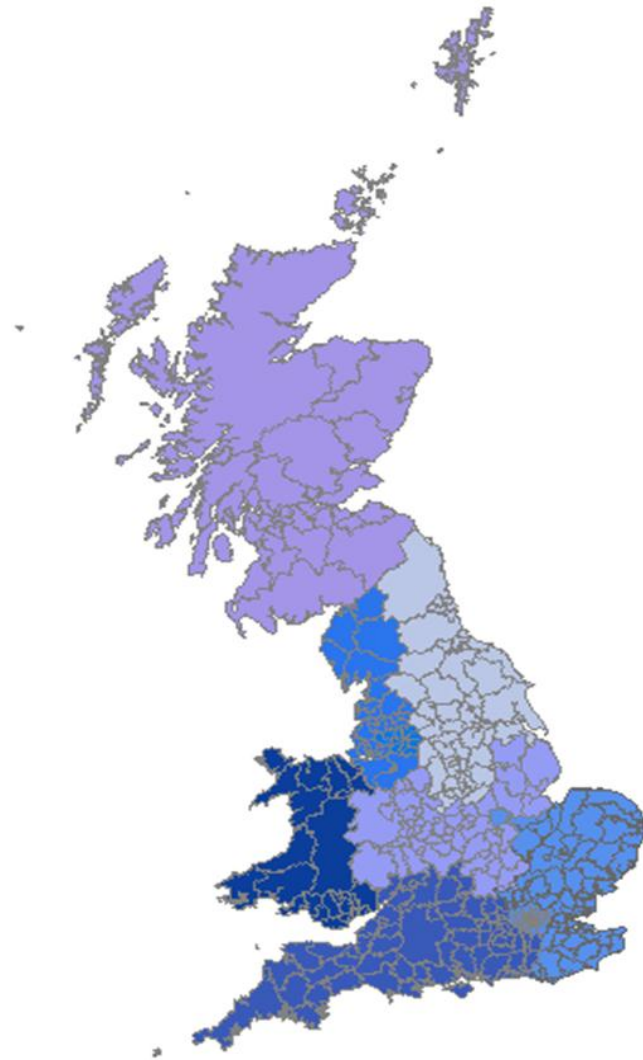


The Umbrella Agreement for the provision of Employment and Health Related Services (UAEHRS)

Invitation To Tender Process Overview

What is the proposed Umbrella Agreement Structure ?

UAEHRS



The Umbrella Agreement is divided into seven Geographical Lots :

- Central England (LOT 1)
- North East England (LOT 2)
- North West England (LOT 3)
- Southern England (LOT 4)
- Home Counties (LOT 5)
- Wales (LOT 6)

The seventh Lot is a National Lot across England and Wales.

The position regarding London & Greater Manchester is still under discussion with the minister and a decision will be made shortly.

What Evaluation Criteria will be Applied ?

UAEHRS

The Department is seeking to award the UAEHRS to the top five highest scoring suppliers in each Lot.

In order to identify the top five highest scores in each Lot, potential suppliers will be evaluated in a robust and thorough manner using the following criteria :

Principle Criteria	Weighting
Previous Contract Performance	5
Supply Chain Management	10
Integration & Rationale	30
Implementation	10
Delivery Challenges	30
Stakeholder Engagement	20

N.B The numbers shown above are a weighting and not a %

How Do I Submit My Bid?

UAEHRS

- There are 7 ItTs on Bravo;
- All Potential Suppliers will need to complete both the Qualification and Technical Envelopes within the **Generic ItT**
- Potential Suppliers also need to complete a **Lot specific ItT(s)** for each Lot they wish to bid. This will be a Technical Envelope only.

What is the Commercial Timeline ?

UAEHRS

Activity	Date
Contract Notice (CN) Published	6 th October 2016
Umbrella Agreement (UA) Pack Published	10 th October 2016
UA & Work and Health Programme Briefing Events	13 th and 14 th October 2016
Electronic Q&A Facility	w/c 17 th October 2016
Questions Submission Deadline	12noon 2 nd November 2016
UA Q&A Final Publication Date	4 th November 2016
UA response submitted	10am 9 th November 2016
UA Standstill Period and Contract Signature	December 2016

It is anticipated that the first mini competition to be executed underneath the UAEHRS will be the Work and Health Programme in January 2017

What Important Information Should I Consider?

UAEHRS

- Please ensure all Instructions are read thoroughly.
- Please ensure your response to each section does not exceed the prescribed page count .
- Please ensure all answers are self contained with no cross-referencing.
- Please do not send brochures, glossy leaflets etc as these will not be used.
- **Please ensure we receive your completed response through BravoSolution by 10.00am on 9 November 2016**

What Important Information Should I Consider?

UAEHRS

If you wish to raise any questions after the event please submit them to DWP using the Bravo Solution website messaging facility

Final Date to raise questions

12 noon 2nd November 2016

Further Information including Question and Answer logs will be published on the Bravo Solution website at regular intervals



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Finance

Test of Supplier Financial Standing

Department for Work and Pensions

Test of Supplier Financial Standing - Objectives

- Assess the financial stability and capacity of an organisation
- Highlight any potential financial risks to the Authority in contracting with that organisation
- Assign an indicative annual contract value

Test of Supplier Financial Standing - Key Elements



Test of Financial Standing - Model

- Solvency Based
- Acid Test
- Debt Ratio
- Benchmark

Annual Contract Value (75%) : Annual Turnover (100%)

Converting the Model to Contract Values

Acid Test Score	Debt Ratio Score	Total Score	Risk Rating	Passport Indicative Contract Value
		>6	Low	75% annual turnover
3	3	6	Medium	50% annual turnover
5	1	6	Medium	50% annual turnover
1	5	6	Medium	50% annual turnover
1	1	2	High	No indicative contract value provided at this stage subject to any mitigating circumstances
1	3	4		
3	1	4		

Self Assessment and Mitigation

- Model Transparency
- Self Assess Your Own Ratios and Turnover Thresholds
- Determine Your Appetite for UAEHRS Application
- Mitigation Will Be Considered But Must Be Included at *Point of Application and by 9th November*



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Work and Health Programme

Department for Work and Pensions

Background:

A different labour market requires a different response:

Spending Review:

- Increased support at start of the claim

The refined offer:

- Weekly work search reviews for certain customer groups;
- Retaining a menu of additional support for some;
- Additional JCP support after 18 months in the intensive work search requirements regime;
- Additional support for young people; and The Work and Health Programme

WHP Design principles

Key priorities

- Securing **sustained job outcomes** for participants will be primary objective
- Referrals should be **most likely to need and benefit from extra help**
- **Predominantly voluntary for the disability group**
- **Work Coaches** will have a key role to play in identifying right people to go on the programme and selling the benefits of the programme to potential participants
- We want people to stay on the programme because they get value from it- a greater emphasis for providers to **engage positively** with all referred participants

Key elements of the provision to include

- **Greater integration with local services and health provision**
- **joint design/co-commissioning** in areas with agreed devolution deals with Government
- **Specialist providers have an important role to play in the programme-** we need that expertise

Who is the eligible group for the Programme? (1)

It is expected that the Programme will support individuals from the following participant groups:

- A **person with a disability**, as defined in the Equality Act 2010 who can volunteer to join the programme at any time
- **Long Term Unemployed (LTU)** – these will be claimants in the intensive work search regime in Universal Credit or JSA claimants who have not moved into employment within 24 months of their claim, referred on a targeted mandatory basis.
- **Specified Early Entrant Groups**
 - an ex-offender
 - an ex-carer
 - a homeless person
 - an ex-HM Armed Forces personnel participant
 - an HM Armed Forces reservist participant
 - a partner of current or former Armed Forces personnel
 - a person for whom a drug/alcohol dependency (including a history of) presents a significant barrier to employment
 - a care leaver
- **We are considering if there are any other groups that should have early access to the programme**

Who is the eligible group for the Programme? (2)

We are currently designing the referral process but our current expectation is

- JCP Work Coaches will determine whether someone should be referred to the programme
- An individual can be referred on a targeted basis, by a work coach when the following criteria are met:
 - that Jobcentre Plus (JCP) has already helped the individual with their core job search activity
 - the claimant needs more support than can be provided within the standard JCP offer (or through other available services and provision)
 - the individual can be helped by the offer
 - that the claimant is able to achieve the goal of finding employment within a realistic time period. We are setting a guideline of one year

How will we help Work Coaches make the right referral decision for claimants with a Disability?

Step	Action
<p>1. Work coach support</p>	<p>A work coach will spend time getting to know their claimant, their support needs and providing support with core work search skills within the JCP or using local provision to provide this.</p> <p>To support this, work coaches will use information collected about the claimant including at the Health and Work Conversation, as well as available attitudinal evaluation tools and making use of data that has been collected on the UC system.</p>
<p>2. Use of a decision tree to confirm eligibility and suitability</p>	<p>The work coach will use a identification tool to confirm that the individual they think would benefit from the programme is both eligible and suitable.</p> <p>We plan to test the identification tool in advance of October 2017, learning the lessons from the Specialist Employability Support, to ensure it is sufficiently robust to identify the right individuals in the right numbers.</p>
<p>3. Quality Assurance</p>	<p>We are exploring the benefit of a 'gatekeeper function' who would review the referral from the work coach to ensure both consistency in referral volumes as well as appropriateness of claimants.</p> <p>The gatekeeper role will need further exploration and agreement including resource/funding implications.</p>

How will support on the W&HP be different to that provided within JCP?

The programme should always provide: **more and additional support** than can be provided by JCP

The provider is expected to:

- provide all participants, **with more intensive, tailored support offer** than can be provided by JCP
- provide **high quality support and experience, and utilise contacts** enabling providers to offer **unique** support to claimants
- have **strong links to national and local employers** to identify employment needs, carve out roles and provide bespoke training to enable better matching of skills to roles
- bring a **different and refreshed energy and approach, for LTU claimants** who reach two years

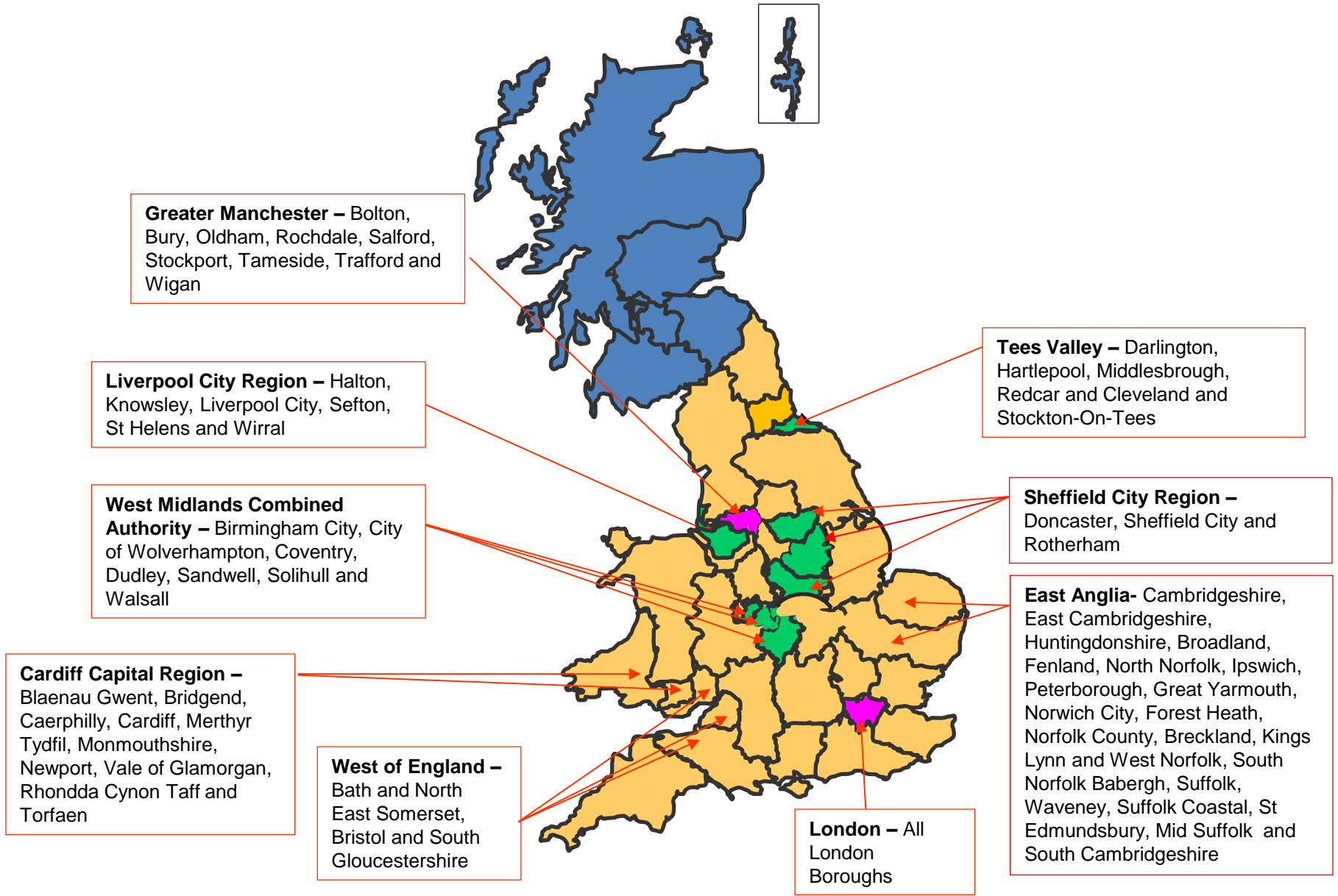
Programme participation

- Participants will remain on the programme for up to 15 months of job finding support
- If in that period they find a job they will stay on the programme until they achieve a sustained Job Outcome
- If after 15 months support they do not find a job they return to the JCP offer
- Following a job start, the provider will be required to provide light touch in-work support, for the participant if the provider and claimant agree it is necessary in order for the claimant to remain in work.
- In-work support will continue until a sustained Job Outcome is achieved (not indefinitely) and arrangements for continuation of support are in place if necessary before the provider support ceases.
- The details and type of support will be set out by providers in their bids and should complement other in work support.

Working with local areas

- Key elements of the provision provided through the programme include greater integration with local services and health provision
- Continued co-design and co-commissioning engagement with areas with devolution/city deals
- Also engagement with all other local authorities in England and Wales to seek their views on national design.

Working with local areas



Local Integration with skills and health

Providers will be expected to demonstrate how they will link up with the following in order to support employment outcomes:

- health and social care services, and
- other local services such as housing and skills

Providers will be expected to take an holistic approach to tackling barriers to employment by supporting claimants on the WHP.

We are developing our approach to both how we expect providers to integrate and how we commission in the commercial process



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Finance

Funding Model

Department for Work and Pensions

Funding Model – Payment by Results

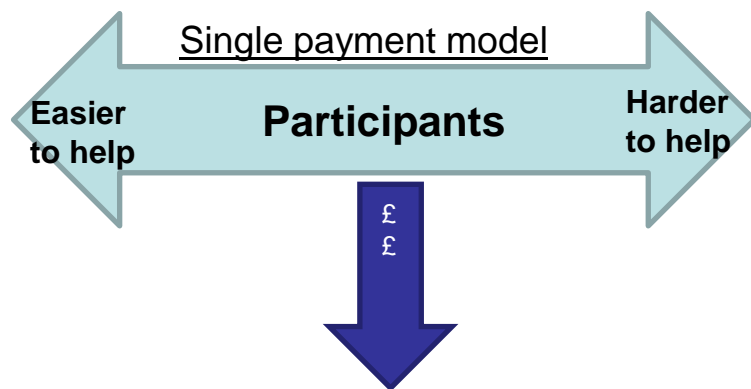
- Payment by Results is a way of delivering services where all or part of the payment is contingent on achieving specified outcomes
- PbR is the preferred payment mechanism for Employment Programmes, *though not the only one*
- Key principles that underpin the basis for PbR:
 - Outcome focused
 - Innovation
 - Cost Effectiveness
 - Accountability

Funding Model – Delivery Fee

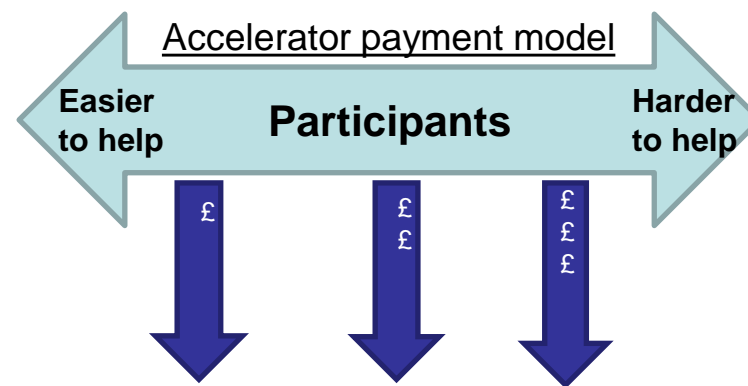
- Greater emphasis on outcomes as part of the PbR outlook
- Supplier cash flow management and de-risking upfront investment
- Enabling investment in providing support for those furthest from the labour market
- Supports the wider infrastructure of the market, including funds flow down the supply chain

Future Payment Models in PbR Contracts

- Funding model that drives performance and rewards the market for accepting levels of risk
- Exploring the use of accelerator models which could be used in future contracts
- Rewards increased investment needed for harder to help individual
- An accelerator model aims to deliver better performance by increasing the return for investment in the hardest to help
- Example diagrams



Single price determines revenue



Accelerated pricing improves vfm for easier to help and maximises investment in harder to help



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Security

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Data and Information Security

- **The DWP has one of the largest and diverse supply bases in Government and its suppliers are responsible for millions of pieces of personal and sensitive information and data.**
- **Protecting that data has been a key legal requirement since 1998 under the Data Protection Act.**
- **It is important that suppliers have appropriate measures in place to meet this requirement throughout the life of a contract.**
- **The DWP takes data security very seriously and is required to give assurance that personal data is being appropriately protected throughout its supply chain.**
 - **Risk to individuals**
 - **Reputational risk**
 - **ICO fines**

Contractual requirements

- **Data Handling Terms and Conditions**

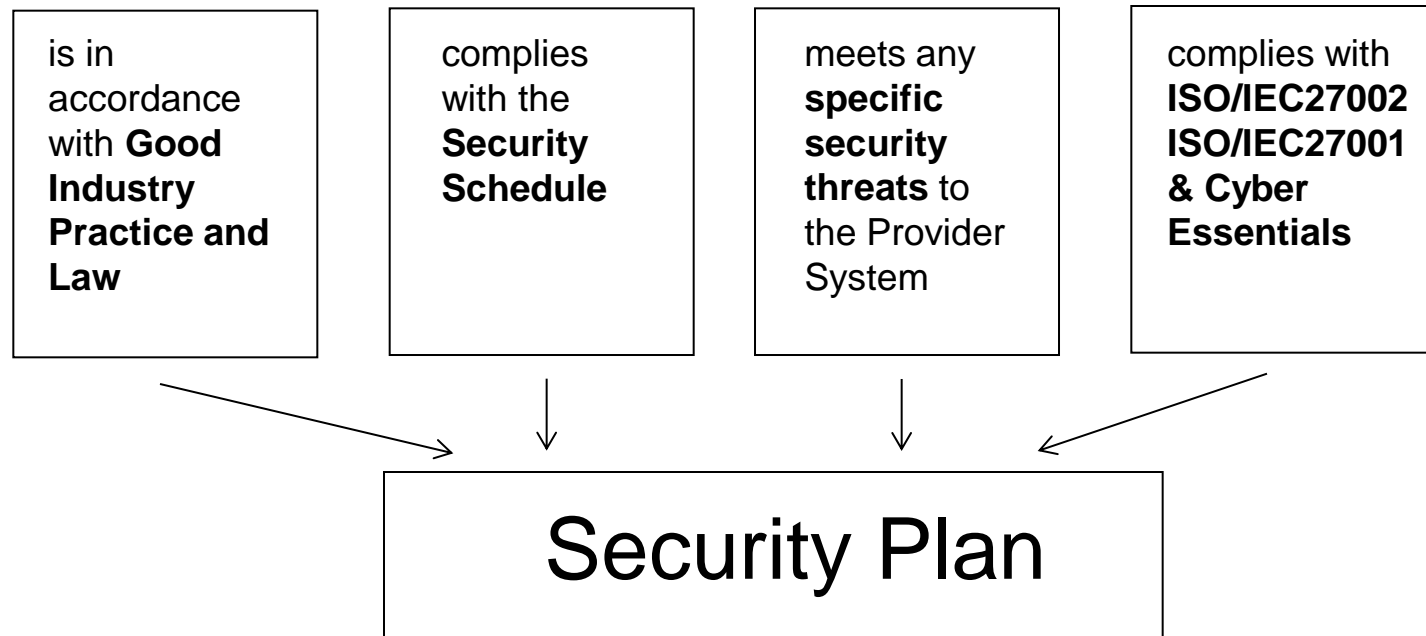
‘Authority data’, DPA, Staff vetting (BPSS), Protection of Information inc, Protection of Personal Data, Official Secrets Acts 1911 to 1989, Section 182 of the Finance Act 1989, Confidential Information and Security.

- **A specific security schedule, ‘Security Requirements’**

- Principles of security for the Contractor System, the creation of the Security Plan; Audit and testing of the Security Plan; Conformance to ISO/IEC:27002 (Information Security Code of Practice) and ISO/IEC 27001 (Information Security Requirements Specification) (Standard Specification); Meets the requirements of the Cyber Essential Standards; and Breaches of Security.
- The DWP Security Policies

Requirement for a Security Plan

“The Provider shall be responsible for the security of the Provider System and shall at all times provide a level of security which:”



Requirement for a Security Plan

Best practice control objectives and controls for:

- Governance and Personnel Security
- Confidentiality, Legal and Contractual Requirements
- Access Controls
- Staff Training and Awareness
- Communication Management
- Data Protection
- System Security, Audit and Testing
- Premises Security
- Risk and Incident Management

Why it is required

- Provider methodologies
- To enable DWP to assess and assure the successful suppliers for go live

Offshoring

Definition of Offshoring

The Government SIRO defines offshoring as “Any arrangement where the performance of any part of the services or a solution under a contract may occur outside the UK for domestic (UK) consumption”

The DWP Offshoring Policy controls apply when a contractor or sub-contractor wishes to:

- Host DWP systems, services or official information outside the UK;
- Allow staff based outside the UK to have access to DWP systems, services or official information;
- Bring foreign nationals (“Landed Resources”) to the UK to provide services including, but not limited to, Applications Development and Support, Testing and other similar activities;
- Develop system applications outside the UK.
- Send diagnostic data to an organisation outside the UK as a result of break/fix activity.



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Government's Procuring For Growth Agenda & Life Chances

Stuart Wiltshire

Department for Work and Pensions

Procuring For Growth

Wider Government agenda launched by the previous Prime Minister and picked up by the new one.

Aims to maximise the value of the money spent by the government

Apprenticeships

Sustained Employment

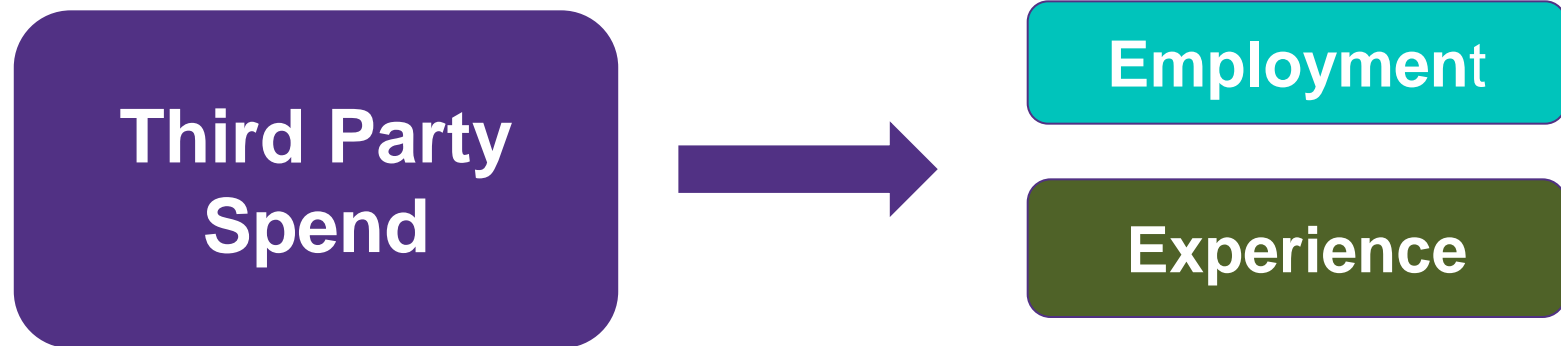
SME

UK Expenditure



**Life Chances
Through
Procurement**

Life Chances through Procurement



Disabled People

Older Workers
(50+)

Young People (-
25)

Ex – offenders

BME


Apprenticeships

Return based upon your direct employees and those of your 1st tier subcontractors

Supplier level requirements

- Disability Confident – Formal Requirement for Level 3 within 12 months
- Access to Work
- Guaranteed interview Scheme

Contract level requirements

- Work trials and Employment experience
 - Vacancies advertised
 - Provide data on the workforce – numbers
 - Equality Diversity plan
- 
- 6 Months in
 - Every 12 months thereafter

What is appropriate?

Apprenticeships

All Disadvantaged Groups

Award Criterion or Performance
Condition

Who to include in Return

Please provide your Outline Diversity and Equality Delivery Plan describing how you intend to meet the requirements of the Life Chances schedule, covering each of the DWP Priority Groups included.

Further Information

- Supplier Guidance – On Gov.uk page - www.gov.uk/guidance/etcyqs
- Take questions in the Panel
- Raise further questions through formal Q&A

Question and Answer Panel

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Shaun Robinson - Commercial Directorate Finance

Data Security

Steve Turner / Peter McAuley - Security and Resilience Manager

Life Chances through Procurement

Stuart Wilshire – Commercial Performance and Improvement

Any further questions should be raised via the Bravo Solution Portal –
**Umbrella Agreement for the Provision of Employment and Health
Generic ItT messaging facility**