

Withdrawn

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The publication is no longer current.

Section 14 Guidance for Supported Businesses

**NOTE: THE GUIDANCE IN THIS SECTION APPLIES TO
 THE ORIGINAL WORK CHOICE CONTRACTS i.e.
 ALL PROGRAMME REFERRALS PRIOR TO 25th OCTOBER 2015
EXCEPT EMPLOY**

**FOR PROGRAMME REFERRALS FROM 25th OCTOBER 2015
 PROVIDERS AND SUPPORTED BUSINESSES SHOULD FOLLOW
 GUIDANCE IN SECTION 14a**

14.1. This Section covers:

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Introduction

- 14.2. This Guidance supports you, the Supported Business, in the delivery of the Work Choice Programme. It provides guidance on your relationship with your Work Choice Prime Provider, the processes and requirements supporting the programme and the legal arrangements for delivery. It is in the interest of your Work Choice participants that you work to develop a mutually beneficial partnership with your Prime Provider.
- 14.3. This Guidance must be read in conjunction with the agreement you have with your Prime Provider (Prime) and you are encouraged to read **all** of the Work Choice Provider Guidance on this website. In particular you should use the hyperlinks which lead to all of the generic instructions which are standard to DWP contracts.
- 14.4. **You must be clear that this guidance pertains only to those of your employees who are participants in, and supported by, the Work Choice programme, NOT to any other members of your workforce.** Existing occupants of supported places were identified in May 2009 during the Transition phase from WORKSTEP to Work Choice when DWP agreed the number of protected places within your Supported Business.

Financial Obligations

- 14.5. Supported Businesses will receive guaranteed financial payment for each of their protected full time places of £4,800 for up to the 5 year period of the contract, subject to accepting the sub-contractual arrangement with your Prime Provider, including measures for meeting all quality requirements and performance levels.
- 14.6. **Note:** in this context, for WORKSTEP participants who occupied a protected place within a Supported Business and transferred to Work Choice in October 2010, 'full time' continues to be defined as working 21 hours and over. (This definition applies only to WORKSTEP participants who transferred; participants who start under the Work Choice programme are defined as full time when working 16 hours and over).
- Note 2:** Cases will be treated on their own merit in circumstances where hours reduce below 21 hours but not below 16 hours. Your Prime will need to speak to DWP's Performance Manager in this instance. All relaxed cases must be documented and the signed authority from the Performance Manager should be kept on the participant's file.
- 14.7. Your Prime will make this payment to you mirroring DWP's payment arrangements to Primes.
- 14.8. You will usually have a formal relationship with your Prime only. However, where applicable, your formal relationship may be with a managing agent lead contractor. This arrangement may take the form of a legally binding agreement or memorandum of understanding between yourself and the Prime.
- 14.9. The ethos of the Work Choice programme is one of independence and progression for all participants who have the potential and wish to progress and who feel able to progress. Therefore this agreement will include minimum targets for progressing participants into unsupported employment. Annual minimum targets are expected to be in the 5% to 10% range of participants within each Supported Business.
- 14.10. These targets reflect that expected progression rates may be different for protected and non-protected places. It is expected that exact progression rates will be negotiated with each individual Supported Business, taking into account the size and makeup of your workforce. The expectation of progression needs to be made particularly clear to new entrants into protected supported business places.
- 14.11. You should note that Work Choice participants in both protected and non-protected places can be counted towards your annual progression target.

- 14.12. For those participants whose progression option is to leave your Supported Business in order to enter unsupported employment, you must work closely with your Prime who will make available all necessary resources to assist them. The Prime is responsible for providing job search support, if the participant wishes it.
- 14.13. It is recognised that Supported Businesses provide positive opportunities for participants and may be able to expand their role, by agreement with the Prime, over and above any guaranteed funding places. You may, with your Prime's agreement, mirror all aspects and responsibilities of other Work Choice sub-contractors. For example, you can place participants with host employers, other than your own organisation. Progressing these participants into **unsupported** employment will count towards progression targets. The terms and conditions of any subcontract arrangement, beyond the guaranteed places, is purely a matter for agreement between yourself and the Prime.
- 14.14. As part of normal business planning activity, you and your Prime should consider in advance the implication that contract arrangements based on guaranteed funding are not certain beyond the 5 year contract period.

Quality and Customer Service Obligations

- 14.15. You must work with your prime to ensure that the quality of customer service for participants meets the quality of customer service obligations within the main Prime contract, and the service delivery requirements relevant to the modules as detailed in this guidance (e.g. performance, quality, equality and legislative standards). You will, most usually, be delivering Modules Two and Three of the Work Choice programme. Details of the modules can be found in [Section 4 Module One – Work Entry Support](#), [Section 5 Module Two – Short to Medium Term In-Work Support](#) and [Section 6 Module Three – Longer Term In-Work Support](#) of this guidance and your Prime will assist you to become familiar with the design and content of these modules.
- 14.16. If, over a defined period, you as a Supported Business fail to meet your obligations in delivering the sub-contractual arrangement, then the Prime will work with DWP to agree a course of action. In these circumstances Performance Managers will hold tripartite meetings with the Prime and the Supported Business to resolve the issues.
- 14.17. DWP will ensure through Performance Management Division (PMD) using the principles of the Code of Conduct and contract management interfaces, that your Prime's obligations to you as a Supported Business, are fulfilled.

Merlin Standard

- 14.18. DWP will have worked with suppliers to develop the Merlin Standard during the procurement process. This new Standard provides a means of assessing the success of supply chain behaviours equally through procurement rounds and once contracts are implemented.
- 14.19. The Merlin Standard underpins the contractual requirements of the Code of Conduct already part of the Prime Contract. Additionally it links to a mediation and arbitration service where there is evidence that suppliers are acting in breach of the contractual obligations of the Code of Conduct.
- 14.20. Further information can be found in Annex 3 of this guidance: “Working with Sub-contractors”, and in The Merlin Standard: A Guide for Prime Providers, to be found via this link: [The Merlin Standard publication page](#)

Filling Vacant Protected Places

- 14.21. You are reminded that the maximum number of protected places should remain constant throughout the life of the contract. The number of funded places may reduce if vacancies remain unfilled, or increase (with appropriate funding) if it becomes necessary to reallocate places in the event of a closure in your Prime’s contract package area.
- 14.22. When a protected place becomes vacant, it is your responsibility to notify the Prime promptly and appropriately. The need for a replacement can frequently be foreseen well in advance of the place becoming vacant.
- 14.23. You must tell your Prime exactly which occupant has left / is expected to leave the protected place, including the following details:
- Forename
 - Surname
 - National Insurance Number
 - Date the protected place is expected to be vacated
- Note:** Personal details (e.g. Names, National Insurance Numbers, etc) should always be sent via secure channels, emails should be in **encrypted form only**.
- 14.24. It is the joint responsibility of yourself and your Prime to identify a replacement employee to fill a vacant protected place.
- 14.25. It may be good practice to seek a suitable replacement within Module One of your Prime’s programme, but the candidate would have to be a suitable employee for your Supported Business. Ultimately the choice of employee is a commercial decision and rests with you, the Supported Business. Responsibility for ensuring the potential employee is eligible and suitable for the Work Choice programme will depend on entry route i.e. via DEA or via a Statutory Referral Organisation. However, DWP would not find it

acceptable to continuously turnover the employee base with Work Choice participants merely as a means of enabling Job Outcomes and subsequent payments to be claimed. The Strategic intent of the Work Choice programme is to place participants into sustained employment either within the Supported Business or in alternative employment.

- 14.26. The timescale for continuing to receive guaranteed funding payments when a protected place becomes vacant takes into account the need to find an eligible, suitable replacement and is as follows:
- 14.27. To reflect the work that you have to do with the Prime to find a suitable replacement, you will continue to receive the monthly protected place payment for up to thirteen weeks from the date the occupant left.
- 14.28. After this, if the place is still unfilled it can remain categorised as protected for a further thirteen weeks (i.e. up to twenty six weeks in total), while a replacement is sought, but you will not receive any further payment, after thirteen weeks, until a new participant has started. You must ensure your Prime is fully aware of the thirteen week point in respect of the protected place.
- 14.29. Although, in this second thirteen week period, no payment is made, you must ensure that you and the Prime continue to give priority to exploring every avenue to engage with prospective replacement participants.
- 14.30. Should the place be unfilled after twenty six weeks have elapsed, the protected supported place must normally be regarded as lost and no further payment will be made. However, there are two circumstances where DWP may be able to exercise discretion:
- If at the end of the twenty-six week period there are exceptional reasons preventing a suitable candidate from taking up post, you may raise this with your Performance Manager who will allow a reasonable time for the obstacle to be overcome. Evidence of the action taking place to hasten the candidate's take up of the place will be required.
 - If a business is subsequently able to recruit a Work Choice participant, you may raise this with your Performance Manager who will consider re-instating a lost place and the associated payment. (The payment would be restored from the date that the new recruit commences employment.)
- 14.31. You are not obliged to give priority to filling protected places, if it is not in the interest of your business needs i.e. you are not prohibited from employing new participants into any additional non-protected places. However, you must be mindful of the risk to the protected place if you fail to fill it within the time allowed.

- 14.32. A Work Choice Participant in an unprotected place may be moved to a vacant protected place.
- 14.32. You must provide your Prime with regular information regarding filled and unfilled protected places to support the receipt of payments as detailed in the contract. This is particularly important if/when a vacant protected place reaches the unpaid stage at thirteen weeks (detailed above), as you must monitor the situation closely to avoid losing the place after twenty-six weeks.
- 14.33. If the place is still vacant at twenty-two weeks your Prime will notify you of the date the protected place will be lost and discuss the implications and any options available to you.
- 14.34. If your Prime is responsible for more than one Supported Business they may be able to reallocate unfilled protected places among Supported Businesses within their Contract Package Area, provided they have the formal agreement of both the exporting and the importing Supported Business.
- 14.35. This decision must be reached before week twenty-six when the protected place will be lost.
- 14.36. Primes must also issue a formal letter to both the importing and the exporting Supported Business confirming the changed allocation of protected places.
- 14.37. If Primes have no free places to reallocate, they may request additional places on your behalf. Requests will be considered by DWP on a case by case basis and will depend on availability of places. Restoration of any place which was voluntarily relinquished cannot be guaranteed.
- 14.38. When you succeed in filling a vacant protected place you must send details of the new occupant to your Prime Provider, as at para 14.23 above, i.e.
- Forename
 - Surname
 - National Insurance Number
 - Name/location of Supported Business
 - Date the new occupant began work in the protected place.

Further Guidance

- 14.39. **You must** familiarise yourself with the full Work Choice Guidance to be found in this document. In particular, your attention is drawn to these

pertinent sections and annexes which will all form or inform your obligations as a Work Choice organisation:

- [Section 1 – Work Choice Introduction and Overview;](#)
 - [Section 2 – Sources and Procedures;](#)
 - [Section 3 – The Initial Provider Interview;](#)
 - [Section 4 – Module 1 – Work Entry Support;](#)
 - [Section 5 – Module 2 – In Work Support;](#)
 - [Section 6 – Module 3 – Longer Term In-Work Support;](#)
 - [Section 7 – Returning to the Programme;](#)
 - [Section 9 – Development Planning and Exit Reports;](#)
 - [Section 10 – Distance Travelled;](#)
 - [Section 13 – Working with Supported Businesses;](#)
 - [Section 15 – Performance and Management Information;](#)
 - [Section 16 – Financial Procedures;](#)
 - [Section 17 – Quality, Continuous Improvement, Assessment and Evaluation;](#) and
 - [Annex 6 – Access to Work Programme.](#)
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