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Department
for Work &
Pensions

Adran Gwaith
a Phensiynau

DWP Employment Provision Commissioning Strategy 2021

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Executive Summary

There are important links between the Health and Employment sectors. The Government's *Improving Lives: the Future of Work, Health and Disability* report¹ sets out the strategy for an improved, joined-up approach across three key settings – the welfare system (including employment provision), the workplace and the healthcare system. In this report, the Government have laid out their intentions for a ten-year programme of change to see one million more disabled people in work by 2027.

This Employment Provision Commissioning Strategy sets out how the Department for Work and Pensions (DWP) Employment Category will support those intentions and commission services to support the welfare system and employment. This will include assessing whether services should be delivered in-house or contracted out and encourages DWP Employment Category (“the Category”) and our suppliers to deliver outcomes, focussing on four key areas: Value for Money, Leadership, Market Management and Innovation and Continuous Improvement whilst recognising best practice in areas like social value and environmental management.

This Commissioning Strategy, supported by commercial processes and learning from evaluation data, provides a framework to enable DWP Employment Category to commission intelligently and consistently and is a way of working within this landscape to achieve our objectives, setting out our market and provider expectations in advance so we move more quickly to efficient, effective, high quality, high performance delivery.

The Category will identify the best value approach to delivering these objectives. This includes whether or not the Department has its own capacity and capability to deliver the services alongside its other existing services, or consider, if the case is compelling, whether to externally contract provision in the most appropriate way including the use of existing contracts and frameworks available across government or, if alternative vehicles are required, via new procurement activity.

The Employment Category plays a crucial role in driving DWP's agenda: Early engagement with stakeholders and use of market intelligence and other insights are critical to delivering better commercial outcomes. We want to break down the barriers between services and develop, deliver and commission a range of high quality and accessible Employment support to our citizens.

¹ “Improving Lives: the Future of Work, Health and Disability”, Department for Work & Pensions / Department of Health (2017):

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/663399/improving-lives-the-future-of-work-health-and-disability.PDF

To realise our aim for a range of high quality and accessible Employment support to our citizens, we will follow these five aims.

Aim 1	Value for Money - The Category needs to spend ethically, strategically and set targets and Key Performance Indicators for procurement and contract management.
Aim 2	Leadership - To deliver our strategy and programmes, the Category will demonstrate effective leadership to increase its impact and influence across the employment sector.
Aim 3	Market Management – To talk to the market and engage early. Understand the deliverability of our requirements, the feasibility of alternative options and ways to innovate that could help the delivery of better services. To encourage new entrants into the employment market to allow growth and expertise and facilitate Small and Medium Enterprise (SME) suppliers to thrive, whilst protecting the capacity and capability of the market so we retain a balance of existing providers and new.
Aim 4	Innovation and Continuous Improvement – To deliver better innovation and continuous improvement through our procurement activity and during contract life, modernising in terms of scope, use of technology and procedures.
Aim 5	Delivery – contracts and providers exceed delivery expectations set out in contracts in terms of quality and performance and drive continuous improvement in the service and the impact on the economy and environment. Programme participants are the heart of all we do.

The [Sourcing Playbook](#) set out practical guidance to support delivery and drive improvement for key policies.

The diagram below sets out the high level considerations undertaken by the Category, DWP and wider Government as part of their commissioning framework.

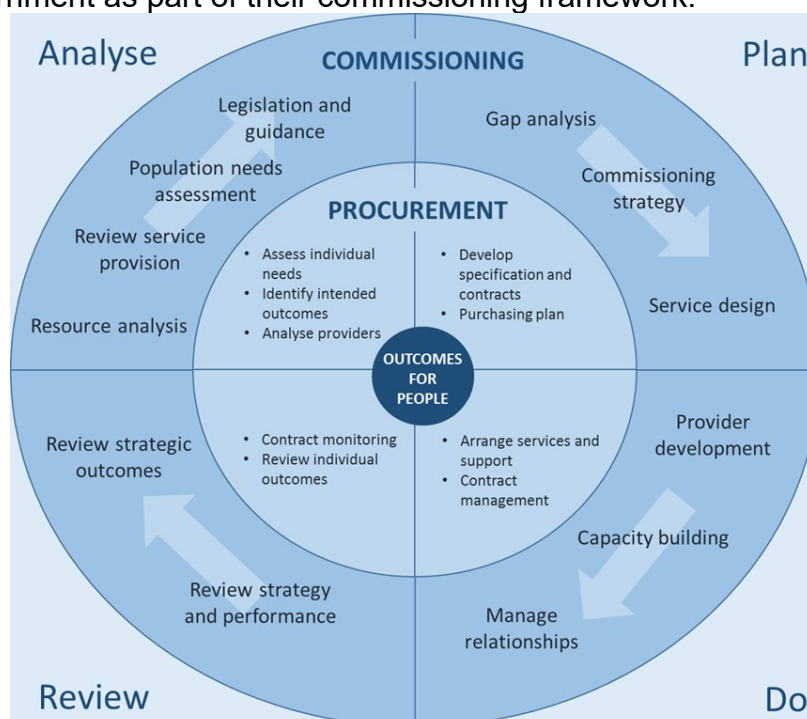


Figure 1: Representation of the various factors that play into both the Commissioning and Procurement cycles.

Overarching Key Areas

Whilst assessing whether services should be delivered in-house or contracted externally and encouraging us and our third party sector to deliver outcomes, we will focus on four key areas, Value for Money, Leadership, Market Management and Innovation and Continuous Improvement.

Value for Money

The Category needs to spend ethically, strategically and set targets for procurement and contract management through the effective use of:

- **Category Management** in all our programmes to ensure we maximise the value of spend. This includes developing innovation and continuous improvement within all our future commissions.
- **Partnering and Collaboration** through Supplier Relationship Management (SRM) and Performance Management. Using effective collaboration or by sharing services on common goods and services whilst not compromising the social value.
- Implementing effective **performance monitoring and transparency**. This includes sharing commercial and performance data and working together to drive performance, quality and continuous improvement.
- Having an appropriate approach to **risk management** that is integral to the Category's processes. Identifying and reducing fraudulent procurement practices through the contract lifecycle and through the supply chain.

Leadership

To be able to deliver our strategy and programmes, the Category needs to demonstrate effective leadership to increase its impact and influence across the employment sector through:

- Communicating clearly with a **single cohesive voice** to ensure suppliers understand our needs and focus.
- Building **strategic** relationships with our suppliers, acting **responsibly** and **responsively**.
- Signalling **commitment from the top of the organisation** and recognise the strategic importance of procurement. Procurement should be seen as a driver to improve lives.
- Stronger engagement, internally and externally, to ensure innovation and collaboration can grow and improve programmes, deliver improved outcomes and the lives of those who we are supporting.

Market Management

Healthy, competitive markets matter because they support our ability to achieve the right outcomes and value for money for taxpayers.

Good market management is about looking beyond individual contracts and suppliers. It's about designing programmes and contracts that promote healthy markets over the short, medium and long term.

It is critically important to talk to the market and engage early. We will do this regularly, recognising the benefits to both DWP and suppliers. Through this process we will be able to understand the deliverability of the requirements, the feasibility of alternative options and ways to innovate that could help the delivery of better services.

We will encourage new entrants into the employment market to allow growth and expertise and facilitate Small and Medium Enterprise (SME) suppliers to thrive. We will balance this against retaining existing capacity and capability to create a rich tapestry of providers at all levels.

Innovation and Continuous Improvement

The Category will rise to the challenge to deliver better innovation and continuous improvement through our procurements, modernising in terms of scope, use of technology and procedures by ensuring that:

- We support people to enter into, and progress in work through the programmes we commission.
- Using clear specifications and other methods to encourage **supplier innovation** to meet new and evolving challenges.
- Ensure we have appropriate and proportionate procurement practices, contracts and in-life relationships.
- We expect suppliers to drive performance through investment in **continuous improvement** to deliver better, improved services.

Introduction to this 'Commissioning Strategy'

The Department for Work and Pensions' (DWP) mission is to deliver a modern, fair and affordable welfare system that makes a positive sustainable difference to citizens' lives. We are supporting everyone who can or wants to work to do so by extending opportunity, strengthening personal responsibility and enabling fulfilment of personal potential.

We are seeking to provide a welfare system with services delivered in a sustainable and effective way whilst reducing costs and achieving value for money and social value for the UK. In practice this means delivering more outcomes, achieving best value and doing this in a sustainable way.

We will continue to achieve this by providing direct service to customers through Jobcentre Plus and by contracting some programme delivery to external suppliers. We are continually reviewing the success, viability and value for money of an outsourcing model to ensure that we are delivering the most appropriate and sustainable support for those who need it.

DWP is accountable to Parliament and to the public for what we deliver. We must ensure that our programmes deliver optimum performance on outcomes, a quality service and experience for our customers, and ensuring there is continuity of provision. DWP is responsible for welfare policy and has a Cross-Government lead role in developing the Employment sector.

The Category will apply a rigorous and objective strategic approach to test all our activities against the opportunity to deliver in-house or use external suppliers. Commissioning and procurement are the processes for deciding how to use the total resources available in order to improve outcomes and purchase goods and services in the most efficient, effective, equitable and sustainable way.

This document sets out the high-level principles through which we can achieve and deliver our goals in the current strategy and policy landscape.

Our strategic vision for our programme delivery is to²:

- Build a more prosperous society by supporting people to enter into, and progress in, work;
- Improve outcomes and ensure financial security for disabled people and people with health conditions, so they view the benefits system and the department as an ally;
- Ensure financial security for current and future pensioners and make Britain the best place in the world to retire;
- Support the most disadvantaged and enhance social mobility by designing and delivering inclusive policies for all, supporting families and providing effective housing support;
- Transform our services and work with the devolved administrations to deliver an effective welfare system for citizens when they need it while reducing costs, and achieving value for money for taxpayers, and

² ²"Single Departmental Plan" DWP (updated February 2020)

<https://www.gov.uk/government/publications/department-for-work-and-pensions-single-departmental-plan/department-for-work-and-pensions-single-departmental-plan--2>

- Ensure DWP’s policies, operations and Arm’s-Length Bodies continue to operate effectively after exiting the European Union.

Suppliers can also support our vision where it is right to do so. At their best they can help us solve problems, harness innovation, unlock savings, social value and provide quality outcomes. Therefore, a better, more strategic relationship with our suppliers and their trade or umbrella bodies is a further key tool for achieving our vision.

A successful commissioning strategy

To inform and shape this DWP Employment Category commissioning strategy we have drawn on evidence, best practice and the perspectives of experts and stakeholders. We have used analysis, research and results from evaluations conducted on previous employment programmes in the UK and other countries; as well as drawing on our own lessons learnt and assessments and audit reports delivered or commissioned by such as the National Audit Office (NAO) and Cabinet Office. Subsequently, this strategy builds on the “Eight Principles of Good Commissioning” as identified by the National Audit Office³. This strategy should also be read in conjunction with the Sourcing Playbook issued by the Cabinet Office.

We are committed to learning from and continuously improving our commissioning processes. We will develop and adapt our approach as new information about the effectiveness of our commissioning becomes available.

This document is not a list of the outcomes we intend to deliver in future nor the tenders we will issue – it is a framework for making decisions which the Category will follow and not make in isolation. This document is intended to indicate to the market, and to our partners, how we will approach those decisions – to set out what will matter to us and how we would like to work with the market. We will track our activity in relation to commissioning annually and update this commissioning strategy as appropriate. We will adapt and change, as necessary, and at time our approach may seem at odds with this strategy, where it is there will be good reasons to do so as the environment changes, best practice develops and evolves and in-time we will iterate this strategy to keep pace with such changes.

The government’s [Sourcing Playbook](#) which has been designed to improve how government works with industry and deliver better public services was launched in February 2019 and updated in May 2021. This playbook is embedded into our “DNA” and ways of working.

This DWP Employment Category commissioning strategy, supported by a robust commercial process and the Sourcing Playbook⁴, provides a framework of standard considerations for each identified requirement to enable us to commission more intelligently and consistently.

The Sourcing Playbook guidance will ensure that the government gets more projects right from the start, engages with a diverse and healthy marketplace of companies, including small businesses and charities, and has appropriate contingency measures in place.

³ “Successful Commissioning Toolkit”, National Audit Office (2011): <https://www.nao.org.uk/successful-commissioning/general-principles/principles-of-good-commissioning/>

⁴ [The Sourcing Playbook – May 2021 \(publishing.service.gov.uk\)](#)

Commissioning Process

The Category has identified the following key areas that we feel are important to commission services:

- Make or Buy
- Partnership and Collaboration
- Capability
- Market Stewardship
- Market Shaping
- Design and Procurement

Make or Buy

The 'Make or Buy' decision (whether the department should deliver services in-house, or procure from the market) is a strategic decision that must be given adequate consideration for every requirement. It is key that the appropriate level of analysis and attention is applied to whether to deliver in-house or via an external supplier, before making this decision.

The Category will objectively assess DWP core competencies and compare them against world-class standards with the overall aim of a) driving performance, b) driving value and c) driving innovation and continuous improvement.

Key Considerations include:

- **Cost:** a total lifecycle cost offering Value for Money. With fixed costs already committed and incurred the analysis should focus on and consider direct costs only compared to the cost of the third-party supply and associated incremental direct operating/running costs.
- **Capacity:** sufficient capacity to develop and deliver the product in-house including across the portfolio of change that maybe happening across the business, this also explicitly implies priority of the services versus other services (trade-off). Stability and reliability to develop and deliver through a third-party sufficient quantity, cost and timely manner.
- **Expertise:** Sufficiency of expertise to develop and deliver the services in-house including in the context of the total (portfolio of) service delivery requirements and portfolio of requirements.
- **Invested funds:** capital and investment expenditure and/or ability to utilise previous expenditure.
- **Bottleneck:** will moving the development and/or delivery ease the burden on the Department.
- **Strategic importance:** importance is the delivery to the corporate strategy, do we need to maintain complete control over the service. Intellectual Property Right considerations.
- **Legislation:** legislative constraints may determine in the short-term a different strategy to the longer term and consideration of a phased approach may be required.
- **Market:** capacity and willingness of the market to compete, collaborate and/or deliver the services

We shall apply a rigorous and objective strategic approach to test all our activities against the opportunity to use external suppliers, using competition wherever possible to create incentives for continuous improvement in the cost and quality of services and to provide customers with greater choice. It is therefore a process to decide between a range of delivery options, these being:

- **Abolish** – if the service is no longer required;
- **Restructure internally** – to continually improve the efficiency of in-house delivery or when a review or new requirements have identified that efficiencies/changes are required;
- **Outsource** – compete the requirement in the private and/or third sector. This option can include outsourcing only part of a service with the remainder being delivered in-house, for example as a mixed economy approach to enable on-going comparisons of performance and shared learning/innovation;
- **Market test** – where an in-house bid competes with private sector bids: more appropriate where there is a largely unchanged service requirement; or
- **Privatise** – if Government need not be responsible for the service, or could achieve its objectives by regulation.
- **Where in-house delivery demonstrably offers best value for money, then in-house provision** – even if that means considering inward transfer of work/staff from the private sector – should be our preferred approach. The Category will be prepared to consider in-house delivery of employment programmes if the value for money arguments support this.

As a result of this assessment process, services may be identified and put through the rigorous internal The Category governance for decision on whether to begin a project to market test or outsource.

If the assessment identifies that the service(s) is best delivered through an external commercial construct, this could be commercialised by:

- A contract;
- A series of contracts; or
- A grant.

Partnerships and Collaboration

We see partnership as integral to our future commissioning activity. In practice, this means that we will develop incentives for our partners and suppliers to work together and support them to be capable, confident and open to a range of effective and efficient partnership models. We will continue to use our resources, particularly our commercial, legal and analytical expertise, to develop an understanding of co-commissioning approaches and our capability to utilise this as an approach.

This section focuses on the relationship between DWP (and those contracted to deliver on our behalf) and our non-contractual partners, including organisations commissioning public services and those that deliver them.

Key Principles

- We are committed to being a strong, proactive, responsive and flexible partner. The most effective partnership approach will depend on the sets of objectives that we and prospective partner organisations are seeking to achieve over a given time or geography.
- Partnership can be through collaboration or through formal arrangements, such as Supplier Relationship Management. It can involve basic information sharing, the alignment of services, responding in a timely manner, or more integrated approaches, such as the co-commissioning of services to deliver multiple or shared outcomes. The Category is moving to more integrated forms of commissioning at the national, sub-national and local level, especially to support those furthest from the labour market.
- Our future commercial frameworks, or similar vehicles, have and will continue to be designed to minimise bureaucracy in co-commissioning to incentivise the use of this approach where appropriate.
- New commissioning and delivery approaches are in development with the Department of Health and Social Care (DHSC) and others to improve employment outcomes for those with common mental health issues.
- We recognise the importance of working with partners at the sub-national level and the efficiencies to be gained by working in partnership through Jobcentre Plus with Local Engagement Partnerships (LEPs) and Local Authorities. We have given freedoms and flexibilities to frontline managers to enable greater local tailoring and responsiveness supported by local commissioning and the Dynamic Purchasing Systems (DPS’).

- The relationship between our third-party suppliers and our non-contractual partners (and their delivery networks) can have a real impact on the effectiveness and efficiency of services. We identify, encourage and build on the good practice already in place, protecting the delivery models and intellectual property rights of those delivery partners.
- We will work with the other Government Departments, employers, colleges and skills suppliers locally on an ongoing basis. This will develop alignment between the employment and skills systems.
- We will explore how we can better share data on current and potential customers as a key enabler to effective partnership working, especially at the local level. This would include the sharing of information to improve services for customers as well as system level data to help drive better service design and delivery. We are contributing to Cabinet Office-led work to create a legislative framework to enable greater data sharing and we are a lead Department in the Centre of Excellence which looks at disseminating best practice on data sharing.

DWP Employment Capability

We are continuing to building our commissioning and commercial capability. This includes both the knowledge and skills of our people and the way we work as an organisation to enable them to deliver.

Key Principles

- We are continuing to develop our organisational structure to strengthen lines of responsibility and accountability for Employment commissioning.
- We have embedded our formal category management structure and continue to develop our organisational structure to strengthen lines of responsibility and accountability for employment commissioning. We have created a division with end-to-end commercial responsibility for the employment commissioning cycle.
- We have established a senior-level board with cross-departmental representation, and operation the Commercial Assurance Board (CAB), to provide strategic oversight and scrutiny of our employment commissioning.
- DWP's Commercial Directorate, supported by the Cabinet Office, is improving commercial capability and raising awareness in commercial acumen and knowledge across the business. Given the range of staff engaged in commissioning in DWP there is a range of capability-building activity ongoing to make DWP a more effective commissioner.
- We are building our Contract Management and Strategic Supplier Relationship Management capabilities to sharpen the focus on managing the performance of our live-running programmes, and collaboratively identify and progress opportunities for added value.
- Partnership working is a key commissioning capability. We will work with Jobcentre Plus to support staff across the network to have the skills and knowledge to be able to develop and maintain relationships with local non-contractual partners, including the voluntary and community sector, as well as nationally-commissioned suppliers and their sub-contractors.

- Government has set out to create a more strategic and skilled Commercial Function within the Civil Service, including the creation of the Government Commercial Organisation (GCO) and the launch of Government’s Commercial Operating Standards⁵. This aims to increase the commercial capabilities of the Civil Service, making significant savings for the taxpayer and delivering improved outcomes for citizens through collaborating and engaging with an increasingly diverse range of partners and suppliers in increasingly diverse ways.

Market Stewardship

Market stewardship is an approach developed to manage the complex challenges associated with managing public service markets. Commissioning models often focus on understanding user needs and choosing the right suppliers. Market stewardship takes a broader perspective – considering how to set the rules of the market so that competition between those suppliers works effectively.

Our role, as an ethical market steward, is to ensure the Category has:

- Determined the outcomes we are looking for, balancing the needs of all those affected by the service;
- Ensured there is enough money to pay for the services required;
- Maximise direct funding to provide direct service to our customers;
- Ensured customers and other stakeholders have good information on which to base their decisions;
- Developed and implemented an effective Market Strategy to ensure the right market is available to meet departmental needs and promote us as the “Customer of Choice”.
- Decided how to encourage new entrants into the market, and
- Agreed the criteria to use for selecting suppliers.

The ultimate aim of any public service market is to achieve good outcomes for users and citizens in terms of both price and quality.

- Decide how to monitor performance, reward high performers and effectively manage poor performers
- Decide the process for switching suppliers if performance is not acceptable, while maintaining service continuity and standards.

Our role is also one where we can encourage Prime Suppliers and their sub-contractors to develop their business, provide innovation and continuous improvement.

Level Playing Field

⁵ “Government Commercial Operating Standards (V0.1 Government Commercial Function (2021) <https://www.gov.uk/government/publications/commercial-capability-contract-management-standards>

We believe a level playing field is important when commissioning to achieve any given set of objectives. If acting alone the smallest organisations will not have the capacity to compete with the biggest organisations for any large-scale prime contracts, so minimising barriers to market entry must be a priority.

We welcome the work of trade bodies and sector-based associations in developing resources for the industry. Such activities are vital to the continued development of a viable, high performing sector.

The Category will work collaboratively with trade bodies and membership organisations to support capability-building activity for any and all prospective suppliers.

For smaller organisations, we expect the focus of this activity to be on finance, risk and bid-writing. We will share lessons learnt from procurements upon which the market can learn alongside systematic publication of our commercial pipeline to enable organisations opportunity to develop plans, capacity, capability, and an evidence base to support tenders.

We will also promote a level playing field through developing a more structured, standardised and proportionate procurement process to minimise transaction costs. We will have a focus around supply chain formation for larger opportunities, for example by using standardised Expression of Interest forms and continue advertise widely.

Social Investment

Over recent years the UK has established itself as a world leader in the social investment market. Social financing plays a vital role in achieving the Government's social objectives: as the market continues to grow it can increasingly contribute to a level playing field by providing a source of finance and financial expertise aligned with the purpose and mission of the voluntary and community sector. For further information regarding the Government's approach to social investment please see the published strategy (2016)⁶.

In coming years, the Category's approach to social investment can be summarised as follows:

- We will seek to work with leading social financing organisations to develop the compatibility between their lending requirements and our commissioning processes. We will work with funders, such as Big Society Capital, to explore how social financing organisations can play a role in our future commissioning.
- We expect the scale of social investment to shift from small-scale lending in pilots and trials, to larger investments underpinning successful bids for our major welfare contracts. Social financing represents an opportunity for smaller organisations to consider bidding for larger contracts.
- We will work toward a goal that all future commissioning processes are designed to enable a competitive bid backed by social investors. This could, for example, be in the form of a partnership of social investors and small, localised service delivery organisations.

Information and Transparency

In our role as a market steward, we have a responsibility to guarantee the availability of information in the market to ensure it functions as effectively as possible. We view transparency as essential for delivering improved outcomes and productivity in our public services.

We already make a wide range of information on our major employment programmes available to our contractual and non-contractual partners, wider stakeholders and the public:

- We will publish more information at the pre-procurement and procurement phases to give suppliers and stakeholders a stronger understanding of the basis of our referral forecasts and performance expectations. This information will be made available to all interested parties, including potential supply chain partners, to ensure that all parties have equal access to information utilising our existing Pipeline of future work published on Gov.uk.
- We will endeavour to ensure that our market engagement is wide reaching and accessible.
- We will set clear objectives, outcomes and performance expectations for our programmes and publish these. We will publish clear performance information (including seeking to publish supply chain performance information) and will continue to develop our self-service tools.

⁶ <https://www.gov.uk/government/publications/social-investment-a-force-for-social-change-uk-strategy-2016>

- Performance information for our major employment programmes will be accompanied by transparent cost information and high-quality, independent evaluations.

We will place a greater emphasis on the importance of openness and transparency in supply chain relations. We will be increasing our focus on ensuring there is clarity between supply chain partners around management fees and the risks related to sub-contractual opportunities:

- Management fees for subcontractors will vary, reflecting the differing business models of prime contractors. We expect clarity around the level of the fee and costs it is designed to cover in line with industry best practice. We will explore the extent of these throughout the life of contracts using “open book” accounting approaches to cost examination.
- We will expect prime suppliers to have fair, transparent and robust supply chain management processes and for supply chain partners to be treated as we treat our prime suppliers.
- We will expect prime suppliers to flow down our DWP Employment Category Supplier Code of Conduct throughout their supply chain and replicate within their Terms and Conditions.
- We expect prime providers to develop, support and invest in their supply chains.
- We shall expect suppliers to comply with the Government Prompt Payment Code.

We expect that the users of DWP-commissioned services, which for employment services will most commonly be claimants, are given clarity on the standards of performance and support they can expect.

- Our suppliers must have a visible complaints procedure for service users. We have an Independent Case Examiner that provides an independent review of complaints made to suppliers where requested.
- Our suppliers must have a clear whistleblowing policy to help combat fraud and error both within the supply chain and in respect of claimants.

We are committed to providing services that embrace diversity and that promote equality of opportunity. We will continue to publish information on equality annually relating to our policies, practices and service users as well as relating to our employees.

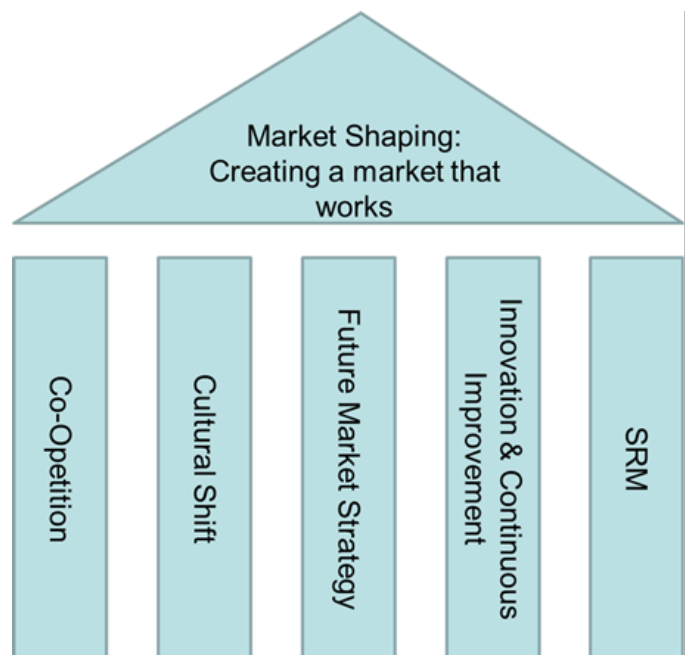
The Category will produce an annual report on progress against procurement objectives and lessons learnt as part of its transparency commitment, including:

- A summary of the procurements that have been completed during the year;
- A review of whether those procurements complied with the Category's Commercial Strategy;
- A statement of how the Category intends to ensure that future procurements do comply with its Procurement Strategy, in the event that any did not;
- A summary of any Social Value requirements imposed as part of a procurement that were fulfilled during the year;
- A summary of the savings achieved from procurements, how live-running contracts are performing, and DWP ONS statistics.
- A summary pipeline of potential procurements that the Category expects to commence in the next two to five financial years (this is in addition to the systematic publication of the commercial pipeline);
- A performance scorecard showing how contracts let under The Category's Procurement Strategy (and suppliers and sub-contractors) have performed; and
- A summary of the Department's Employment Category engagement with Small and Medium-sized Enterprises (SMEs) and third-sector organisations in procurements over the year.

Market Shaping

Our aim is to develop a market that drives competition during a procurement and will deliver innovation and collaboration in live running to maximise learning and service delivery. We also seek to encourage new suppliers into the Employment Market with the aim of the Category becoming a key customer of choice with whom the market wishes to contract and creating a market that works and provides the services required.

The following principles describe how we will determine the shape of commercial opportunities to meet our objectives and the outline of the market we expect. These principles also describe the capabilities we will require from our suppliers.



Future Commercial Opportunities – Working with the DWP Employment Category

To realise employment objectives, and deliver strong and sustainable performance and quality across outcome measures and diverse customer groups, value for money, the ability to operate a sound control environment, rapid deployment to changing conditions, innovation, and flexibility will always be central to our approach.

- Social Value will be fully integrated into our commissioning. We will be clear about our Social Value expectations and how these will be assessed in our tender evaluation and throughout the contract lifecycle.
- Environmental impact and Carbon Neutral will be a key requirement on our larger contracts.
- Transparency and honesty are behaviours we will embrace and expect at all stages of the commercial relationship including through bidding stages and during the life of contracts. We expect all current and future suppliers to, as a minimum, DWP Employment Category Supplier code of Conduct.
- We will give an ongoing consideration to how our commissioning can support the objective of economic growth. This includes how we support and engage with SMEs and organisations orientated around social-enterprise (including charities and not-for-profit organisations) either directly or through the supply chain, and working at the local level with employers, stakeholders, and devolved partners.

To achieve strong and sustainable performance and quality services we need a diverse, open and vibrant market at all levels. The Social Value Act⁷ created a requirement for commissioners and contracting authorities to consider at the pre-procurement stage the relevant wider economic, environmental and social benefits of what is proposed to be procured. This includes, but is not limited to:

- Effectiveness and efficiency through ensuring the market is competitive and resilient; and
- Commitment to ensuring there continues to be diversity in the market, with the public, private, voluntary, community and social enterprise sectors delivering.

We seek to create regular opportunities at all levels through our commissioning. This will create a range of opportunities for both larger and smaller suppliers.

- We will systematically publish the commercial pipeline, enabling interested parties to plan and build capacity, capability, alliances and partnerships. Furthermore, it will allow time for interested parties to develop and build credible scenarios and evidence bases to support their proposals.
- Where we commission programmes at the largest scale we believe that nationally-commissioned, centrally-designed and managed programmes, with locally tailored delivery and the use of a prime contractor model offers efficiency and effectiveness. We may use this as a default route to market, from Summer 2020 for five years, for these types of provision although we will always assess the most appropriate route before embarking on any procurement initiative.
- Where we commission more specialist services, particularly for those furthest from the labour market or for those with more complex barriers such as disability and health conditions, we may utilise different commissioning models. This includes the use of smaller scale, localised contracts where appropriate. Smaller-scale contracts may be procured as trials or proofs of concept through The Category and Jobcentre Plus, or by a third-party on DWP's behalf using a Dynamic Purchasing System (DPS). Where we commission suppliers directly through our Jobcentre Plus network, we expect to purchase using a mix of national or regional commercial frameworks with some single procurements, around which there will be greater flexibility.

⁷ <https://www.gov.uk/government/publications/social-value-act-information-and-resources/social-value-act-information-and-resources>

- We will standardise the use of Common Procurement Vocabulary (CPV) code 80000000 as a base code to allow interested organisations to quickly identify our potential procurement opportunities.
- We will issue an Employment Category Newsletter on a quarterly basis to current and potential suppliers.
- We will collect market intelligence to inform our Future Market Strategy.
- We will also test innovative solutions to delivering our specialist services to build our commissioning expertise and evidence base. To support this, we will build and implement a Commercial “Test and Learn” Strategy. This Strategy will seek routes to market that:
 - Are flexible and responsive to new ideas from the marketplace and the emerging evidence needs of Government;
 - Build in appropriate commercial and financial opportunities for both the Department and suppliers; and
 - Incentivise the marketplace to play an active role in the development of future provision through a test and learn approach.
 - We will embrace best practice and seek to early adopt changes in policy and process, for example, Procurement Policy Notices.

This approach is consistent with the Sourcing Playbook whilst having the interests of the programme participant at the heart of all we do.

We are committed to furthering our understanding of the smaller, specialist supplier base so that we can ensure we are getting best value from this part of our market in line with our changing focus.

We will seek to ensure that the characteristics of our commercial opportunities are suitable for a variety of suppliers and aligned to the outcomes desired.

- We recognise that contracts should be of sufficient length to give suppliers the security to invest, develop their delivery models and their partnerships.
- Contract structures (“Contract Package Areas”) for larger scale programmes will rarely allow for fully aligned boundaries with all our potential partners. We will seek to develop contract structures that enable co-commissioning and encourage joint working between our suppliers and potential non-contractual partners such as other public service commissioners.

Ultimately, we will act as an advocate of the market and seek to engage, support and manage all parties to our commercial agreements including both suppliers and the Department, acting as honest broker holding both parties to account.

Supplier Capability – What makes a good supplier

We have identified a series of additional capabilities that we require, taking into consideration the Category and wider Government strategy as well as learning from our previous employment commissioning:

- We will require suppliers to continuously improve, test new approaches, develop effective practice and share what works and what does not.
- We have set out our commitment to increase and improve our digital services as part of our ambition to be the most effective and efficient delivery organisation in the public sector. We will prioritise building in digital methods of support for customers, both within current programmes and as part of the design for future initiatives. We will expect suppliers to develop and deliver digital services as appropriate, whilst still ensuring accessibility for all service user groups. Data security remains a key risk and suppliers will need to provide assurance that systems and data are safe and appropriately risk managed.

Over the course of our contracts, there could be substantial changes to the labour market as well as shifts in Government priorities. Suppliers will need to be flexible, identify opportunities before they arise with the capability to manage change and work with the Category to adapt their delivery models in line with these priorities.

A characteristic of employment delivery, particularly in longer contracts, is that the numbers of users requiring services, and their characteristics, cannot be determined with certainty at the outset. The Category will continue to develop its forecasting and the information we provide to the market. However, suppliers of employment services will always need to accept some risks around the fluctuation of volumes and variation in claimant characteristics as an inherent part of delivering these services. The Category must act as a steward to the market to ensure that it functions effectively, and we are playing an active role in its ongoing evolution. Over the last several years we have seen traditional employment suppliers seek to diversify by creating new revenue streams – many have extended into other Government contracts such as offending and rehabilitation.

The Category are joined with other Government commissioners to share information, streamline processes and systems, and seek to align and/or join up commissions to enable interested parties to better plan and to drive value for money through economies of scales and cross-contract cost sharing. This will require major public service commissioning partners to develop a cross-government approach to stewardship, recognising the increasing interactions between commissioning activities across the public sector.

Key Principles

We are reliant on the strength of the whole employment market to deliver sustained and continually improving performance, this will include supply chain partners and stakeholders. Where we deploy a prime contracting model, prime suppliers will carry a responsibility to steward and develop this market beneath prime supplier level and support the growth and expertise of SMEs to build the market base and expertise available for our customers.

We expect all current and future suppliers (including supply-chain partners) to sign up to the Disability Confident scheme⁸ which is designed to help recruit and retain disabled people and people with health conditions for their skills and talent.

We expect all current and future suppliers to, as a minimum, comply with the Government Supplier Code of Conduct⁹ and DWP Employment Category Supplier code of Conduct (Annex 1). This is a set of values and behaviours that we consider essential for healthy, high-performing supply chains and the culture we expect from partners. We do expect all suppliers to endeavour to exceed these values and behaviours.

- Adherence should ensure that these core values form part of the arrangements between prime contractors and voluntary, community and social enterprise sector subcontractors – and, more widely, that all subcontractors are treated fairly.

Where our commissioning leads to the creation of supply chains, we must drive these to be high-performing, built on excellent relationships and fair treatment. We will seek to maximise the use of performance management and transparency for supply chains as well as seeking reassurance that quality, assurance and control regimes are effective and operational. We have an expectation that each link in the supply chain adds value and we expect that the risk profiles passed down through supply chains reflect the financial strength of organisations.

- The Department will seek to publish supply chain details and details of interested parties to enable organisations to make alliances and form new entities that the Department hopes will compete and bid for future Departmental work.

There is potential for SMEs to play an important role in employment market and supply chains. In our role as market steward, we will encourage and monitor the use of SMEs in future large-scale programmes. We will take steps to ensure we are getting full value from this group of suppliers in the delivery of our objectives. We will hold a periodic forum for smaller suppliers to maintain our understanding of the market and provide subcontractors with an opportunity to provide feedback directly.

We will continue to build an understanding of suppliers' businesses. We seek to work closely with Strategic Suppliers, and will use the principles of strategic Supplier Relationship Management (SRM) as a basis to collaborate with suppliers, steward the market and drive programme performance. Our investment in strategic relationships will follow the principles of Cabinet Office guidance and provide a strong base to learn what works for customers, informing future policy.

⁸ <https://www.gov.uk/government/collections/disability-confident-campaign>

⁹ <https://www.gov.uk/government/publications/supplier-code-of-conduct>

Design and Procurement

The mechanisms that drive performance and payment in our employment services will depend on the approach to service specification and design.

- We expect outcome-focused payment models to be a prominent feature of our future commissioning, especially for larger programmes. We believe that well-designed, outcome-focused payment models coupled with considerable scope for suppliers to design the service delivery model can provide the incentives that drive high performance.
- As we focus on outcomes, we need assurances that quality outcomes have been delivered and we will continue to invest in research and systems to identify and measure these outcomes, supported by self-billing, to remove cost and risk from the measurement and validation process.

To achieve our objectives, we see strong and sustainable performance on future DWP-commissioned employment programmes as essential.

- Fundamental to our approach is rewarding the suppliers who deliver and dealing fairly and robustly where performance drops below what is required. This will be a key feature of the design of future programmes.

Regardless of the approach to service specification and design, we will always require monitoring and controls around the service being delivered.

- We will set service standards for future programmes so that we can be assured of the quality of delivery. These will be developed in collaboration with the market and should build on those that are readily available and accepted as industry standards, such as International (ISO) and British Standards (BS). Any standards imposed will be reasonable and proportionate to the value and/or type of contract.
- Where delivery falls below the agreed service standards contained in each contract, the Category will take robust action to remedy this in line contractual obligations.

We will endeavour to maintain an over-arching standard Contract Package Area (CPA) structure, sub-dividing or joining two or more together dependant on an individual project procurement strategy.

All programmes and/or contracts will have a clear and distinct focus on the exit management and mechanism(s) to ensure a smooth transition to any new contracts and/or provision at the end of the contract, be that through natural cessation or early termination for any reason.

During the live running of programmes, the Category will manage suppliers' performance using outcome measures and service standards:

- As an effective commissioner, it is important that we develop a strong understanding of the in-life contract management challenges associated with the contracts we let. We will continue to examine for future contracts the feasibility of operating a Public Sector-run comparator alongside the contracts let to third-party organisations.

- The Category will continuously review its performance management metrics to ensure they are driving delivery of the policy intent. Where perverse incentives are identified, the Category will act quickly to correct this.
- We shall continuously review our bureaucracy and contractual obligations to ensure they remain appropriate and seek to remove unnecessary costs, for mutual benefit.
- The ability to rapidly evolve an efficient and effective service is a key strength of using a more limited specification of the service by The Category when commissioning third party suppliers to deliver. We will ensure suppliers have a streamlined route to make changes to their delivery, where the contract allows, to enable continuous improvement and the testing of innovations.
- We want to see our suppliers succeed in delivering outcomes for customers and providing good value for taxpayers. Where a supplier falls below the standards they have agreed to deliver we will respond quickly, fairly and robustly. We will include early warning measures to pre-empt potential failure enabling corrective action to be taken early and decisively to mitigate the potential and extent of downstream failure.
- Where suppliers are unable to improve they will be removed, replaced, or we will use step-in procedures to enable short term alternative delivery whilst issues are resolved. Our commissioning arrangements will contain a viable failure regime, which enables a new supplier to take over or step in to a contract quickly and easily whilst minimising costs to the taxpayer and potential disruption to service users.
- We understand that there may be occasions where a supplier wishes to exit the market. As a proactive market steward, we will work with the market where a supplier seeks to exit.

We typically use competitive tendering and competitive tension to identify the organisation best placed to deliver our objectives.

- Whilst we envisage relatively little use of grant funding we recognise there will be circumstances where this approach is most appropriate, particularly for small-scale opportunities. The Category will continue to develop guidance for its commissioners on this approach to ensure we can achieve value for money where it is used.
- We will develop an approach to incorporate current and past performance into the tender evaluation process. However, we recognise the tensions between the recognition of past performance and enabling new entrants to the market and will seek to strike a balance here.
- We will use commercial processes to assure ourselves that bidders are not providing misleading information to secure contracts that would then fall short in live running.
- To achieve Value for Money we need suppliers who are best able to deliver the outcomes we define to the quality and level that they offer. To help us to identify these suppliers, we will shift the balance in our tender evaluation process from cost toward quality.
- Competition through procurement is strengthened where the criteria on which bids are won are carried forward into the performance management of contracts in live running. Levels of service or outcome delivery contained in successful bids will form part of the performance management for contracts. We will also expand on and implement measures that incentivise self-performing and self-managing contracts, which may include expanding the use of liquidated damages, payment by results (including accelerator models) and service credits.

Annex 1

EMPLOYMENT PROVISION SUPPLIER CODE OF CONDUCT FOR THE DEPARTMENT FOR WORK AND PENSIONS

The Department for Work and Pensions (“DWP”) is committed to maintaining the highest ethical standards, behaviours and compliance throughout its supply chains and will not tolerate improper business conduct of any sort.

DWP has embarked on a journey of continuous improvement with the aim to be a leader in corporate responsibility and to actively strive to implement socially responsible supply chains and anti-corruption practices by working closely with its customers and suppliers as partners.

The overall objective of this Employment Provision Supplier Code of Conduct (“Code”) is to set the minimum standards expected by DWP to achieve an inclusive culture of best practice and improved performance throughout DWP’s supply chains, by building trusting and open relationships with the supply base. Suppliers who provide goods or services to or on behalf of DWP must comply with all aspects of this Code. The overarching principles for supply partners (prime providers) are:

- openness and transparency;
- accountability
- value for money;
- commitment to DWP’s aims and objectives, and
- commitment to HM Government priorities.

The overarching Standards of Behaviour contained in this Code are:

- **Ethical behaviour** – DWP expects the highest standards of ethical behaviour and professionalism of the Suppliers when Suppliers deal with DWP, service users and stakeholders and act within the spirit of the contract.
- **Counter Fraud and Corruption** – DWP expects all Suppliers to comply with anti-corruption laws, anti-money laundering laws and to have robust control systems to prevent and detect fraudulent or potentially fraudulent activity.
- **Transparency** – DWP expects all Suppliers to be transparent when dealing with DWP, their service users, their supply chain, service users and stakeholders
- **Treatment of supply chain** – DWP expects Suppliers to treat their supply chain fairly when dealing with prompt payment, risk management and charging for services provided to them by the Supplier.

- **Corporate Social Responsibility** – DWP expects its suppliers to be good corporate citizens by upholding the values of this Code and supporting key government corporate social responsibility policy areas, such as: diversity and inclusion, sustainability, prompt payment, small and medium sized enterprise engagement, support of the Armed Forces Covenant, apprenticeships and skills development. DWP supports constructive and collaborative partnership working and expects Suppliers to invest in the relationship between DWP and the Supplier.

DWP expects Suppliers, and their supply chain, to report any breach or potential breach of this Code without concern or consequence except as provided by this Code. Nothing in this Code, or in the behaviour of the Supplier and/or its supply chain, should prohibit “whistleblowing” to DWP or another appropriate body in respect of any breach or perceived breach of this Code.

This Code may be subject to change from time to time at DWP’s absolute discretion. Compliance with this Code is mandatory. Suppliers are required to confirm their acceptance of this Code and their continuing compliance on an annual basis via a signed declaration. A form will be supplied by DWP for this purpose to be completed by Suppliers within 30 days of receipt.

Suppliers, and their supply chain must comply with the terms of the Code. Where there is a risk that the Code may be breached, the Supplier and/or Supply Chain should promptly notify the risk of a breach to DWP. If non-compliance with the requirements of the Code is reported or alleged, DWP will first discuss it with the Supplier. If that does not result in a return to compliance within a reasonable timescale as determined by DWP, or in cases where the breach is sufficiently serious, DWP at its absolute discretion may enforce its rights under the Contract, including its rights under clause D8. Where non-compliance with this Code is deemed by DWP to be significant, DWP reserves its rights under the Contract to allow the Supplier time to return to compliance.

Suppliers must ensure that this Code is reflected throughout their supply chain and integrated within their supply chain management process and systems.

DWP will monitor Suppliers in eight (8) priority areas:

Relationship Management / Ethical Behaviour

- i. Suppliers and their supply chain act on behalf of DWP and HM Government across multiple stakeholders and with and on behalf of UK citizens. These interactions must meet the highest standards of ethical behaviour in order to uphold the reputation of DWP and HM Government.
- ii. Suppliers must provide systems that allow staff protection and confidentiality if reporting misconduct, corruption or if raising concerns in the delivery of contracts for and on behalf of DWP.
- iii. Arrangements and relationships formed to deliver this Contract or when representing DWP must be free from bias, conflict of interest or undue

influence. Suppliers must not be involved with acts of corruption or bribery, or support acts of violence or terrorism or the abuse of individual people or communities.

- iv. Suppliers must act openly, honestly and with integrity in delivering services, working with DWP, its customers and stakeholders and when claiming payment for services. Suppliers must maintain accurate systems and complete records of business transactions with appropriate and proportionate controls and control environments that maintain the integrity of the information and data and protect it from potential abuse, falsification or error.
- v. Suppliers must appoint sub-contractors through an open and fair process such as the public advertising of opportunities wherever possible and applying HM Government Procurement Policy Notes as best practice. Suppliers must only appoint and engage with sub-contractors who agree to comply with their contract(s) and this Code.
- vi. Suppliers must not force unfair contract terms on suppliers, or throughout their supply chain, nor allow unfair exploitation of a dominant market or customer position.
- vii. Suppliers must act at all times with respect and integrity, use open and transparent accounting, and work within the spirit of the contract as well as within the contractual terms. Where there is a conflict between the spirit and contract terms Suppliers must bring this to the attention of the DWP.
- viii. Suppliers must include, promote and increase community benefit (social value) delivery in the locality where the contract is performed.
- ix. Suppliers must ensure that risk is managed by the party best able to do so and be prepared to share with DWP intelligence of supply chain risks, so that end to end risks can be managed and that material commercial and operational risks, for example supply chain failure, can be managed and mitigated.

Customers and service users

- i. Suppliers and their supply chain act on behalf of the DWP and HM Government to deliver services and support to DWP customers both with and through multiple stakeholders. These interactions must meet the highest standards of ethical behaviour, be meaningful interventions, having regard for individual needs, and paying utmost regard to the quality and nature of the interaction. Poor quality interventions are not acceptable.

- ii. When working with service users Suppliers must ensure that safeguarding, social responsibility and respect for human rights, which are central to DWP's expectations, are at the heart of the service design and delivery. Suppliers and their supply chain must ensure that robust procedures are adopted and maintained to ensure the protection of individual human rights.
- iii. Suppliers must deliver goods/services within the spirit of the contract making the customer central to meaningful and quality services that strive to support the customer and the overall contract and programme aims and objectives. Suppliers must ensure that business practices support the customer, for example, that any employee bonus schemes reward customer outcomes and are within the spirit of the contract and do not encourage perverse or unscrupulous behaviour.
- iv. Suppliers must ensure that service users are treated with courtesy at all times and that their dignity, safety, security and well-being is a priority concern.
- v. Suppliers must develop services, quality and performance, providing enhanced customer services over the duration of the relationship with continuous improvement and innovation plans that are regularly reviewed and implemented.
- vi. Suppliers must identify and build on industry best practice and continuously improve services and bring world-class innovation, ideas and expertise to help the DWP address its strategic challenges and to support growth and prosperity.
- vii. Suppliers must be aware of how they contribute to overall delivery of the contract, and work with DWP and other suppliers to share best practice and ensure that their service(s) contributes to the delivery of high-quality end-to-end service / customer journey.

Treat employees and supply chain fairly

- i. Safeguarding, social responsibility and respect for human rights are central to DWP's expectations of its Suppliers. Suppliers and their supply chain must ensure that robust procedures are adopted and maintained to ensure the protection of human rights at all times. Suppliers must ensure the elimination of unethical and illegal employment practices, such as modern slavery, forced labour and child labour, and other forms of exploitative and unethical treatment of workers and service users. Suppliers and their supply chain are encouraged to pay employees and seek employment opportunities for customers at or above the National Living Wage.

- ii. Suppliers and their supply chains must have policies and processes in place for recording and eliminating the occurrence of health and safety related incidents.
- iii. DWP requires full supply chain transparency and compliance with HM Government policy initiatives including the support and capacity building of micro-organisations, small and medium sized organisations, prompt payment, and support for economic growth.
- iv. Suppliers must engage their supply chain in a manner consistent with DWP's treatment of its direct supply chain. This includes, but is not limited to, appropriate pricing, volume management, service fee flow, charging for central and corporate services, fiduciary and financial risk management, and applying transparent and appropriate contractual measures where the supply chain underperforms against its contracts and the spirit of those contracts. Suppliers must cascade this Code through their supply chain and ensure that the ethical standards and behaviours set out herein are adhered to by the supply chain.
- v. DWP will not tolerate bribery, corruption or fraud in any form and Suppliers must conduct their business honestly, fairly and free from such behaviours. Suppliers, and the supply chain, must protect against these behaviours and report any instances or concerns to DWP immediately. DWP takes a zero tolerance approach to bribery, corruption and fraud, and will investigate any instance of suspected bribery, corruption or fraud.
- vi. DWP employees, employees of DWP Suppliers, and service users have the right to be treated with respect in all circumstances. DWP will not tolerate discrimination, harassment, victimisation, bullying, intimidation or disrespect to DWP staff, stakeholders or service users.

Environmental Compliance

- i. DWP Suppliers must be committed to high environmental standards. Suppliers and their supply chain must demonstrate they protect the local environment and community they work with, and identify environmental risks that are imminent, significant or could cause harm or reputational damage to DWP.
- ii. Suppliers must avoid causing environmental damage and/or a negative environmental impact through the supply of the goods or services and disposal of supply chain waste. Suppliers must develop and use environmentally friendly technologies and encourage their supply chains to do so.
- iii. Suppliers must promote positive environmental practices for example by reducing carbon emissions, minimising waste, improving water efficiency, reducing pollution levels and making technological improvements.

- iv. DWP sees compliance with and / or obtaining ISO 14001 as demonstrating compliance with DWP's environmental expectations.

Value

- i. Value for Money ("VfM") and financial transparency are essential requirements to DWP commissioned work. All suppliers and their supply chain must seek to maximise value including by improving performance and quality of services throughout the life of the contract / relationship.
- ii. Suppliers must demonstrate that they are pursuing continuous improvement throughout the contract and supply chain, and applying stringent and robust financial controls, management and governance to reduce waste and improve efficiency in their internal operations and within the supply chain. DWP expects Suppliers and their supply chain to demonstrate openness and honesty and be realistic about their performance including the supply chain, in all circumstances.
- iii. DWP expects to obtain value for money and to be able to demonstrate long-term value for money to the UK taxpayer. This means that contracts should be priced to offer sustainable value throughout their life, including when changes are made to the contract.
- iv. DWP's minimum expectation is that contracts are delivered to meet targets and that Suppliers will continually improve value and quality through continuous improvement, improved performance and improved quality.
- v. DWP does not expect suppliers to exploit an incumbent, monopoly position, supply chain(s), urgent situation(s), or an imbalance of capability or information to impose opportunistic pricing.
- vi. DWP expects suppliers to work in good faith to resolve any disputes promptly and fairly during the life of a contract through good relationship management and, where appropriate, use contractual dispute resolution mechanisms, recognising that taxpayer and supplier interests are rarely best served by litigation.
- vii. DWP expects suppliers to seek opportunities to improve value and social value in contracts and to share best practice with DWP and other DWP Suppliers.
- viii. Where a contract is being retendered incumbent Suppliers must act in a timely manner and provide information required by DWP to support the scoping of the re-procurement and/or help develop the new provision.

Reputation and Conflict

- i. High standards of ethical behaviour, compliance with laws and regulations, and adoption of best practice are essential to protecting the reputation and long term success of DWP employment provision and the services DWP offers and provides to service users. DWP expects Suppliers and their supply chain to behave ethically, comply with legal and industry requirements and seek to implement best practice. DWP wants to work with suppliers who have a reputation for fair dealing, delivering performance and quality delivery.
- ii. DWP wants working with HM Government to be seen as reputation-enhancing for the supplier. Suppliers must be honest when representing their work for DWP, their performance of the contract and their relationship with DWP. DWP expects suppliers to protect the HM Government's reputation and ensure that neither they nor any of their partners or subcontractors bring the government into disrepute, for example by engaging in any act or omission which may diminish public trust in HM Government.
- iii. DWP requires suppliers to mitigate against any real or perceived conflict of interest through their work with HM Government. A supplier with a position of influence gained through a contract must not use that position to disadvantage any other supplier or reduce the potential for future competition, for example by creating a technical solution that locks in the supplier's own goods or services.
- iv. The Supplier and their supply chain must conduct business in compliance with competition (anti-trust) laws and must not seek to co-ordinate the market with other suppliers or the supply chain in a way that restricts competition.

Confidentiality, lobbying and political engagement and support

- i. Suppliers must at all times comply with the provisions in their contracts and any legal requirements to protect sensitive information. Suppliers to DWP may also be party to confidential information that is necessary for them to be effective partners. This information, even if it is not covered by contractual provisions, should be handled with the same care as information of similar sensitivity in the supplier's own organisation.
- ii. Where pipelines or other financial information, such as estimates, are shared in connection with current or future opportunities, Suppliers should understand that these are estimates only and do not bind the DWP.
- iii. Suppliers must only undertake lobbying and political engagement in compliance with applicable laws and with the express and explicit aim of supporting DWP customers, DWP or taxpayers, and must not undertake any such activity to the personal gain of any person or organisation. Suppliers must act ethically in all interactions with DWP, HM Government, Government

Agencies, Ministers, political parties, lobby, trade and any other such bodies which influence HM Government or DWP policy and strategy.

Counter Fraud and Corruption

- i. Suppliers must adhere to anti-corruption laws, including but not limited to the Bribery Act 2010, and money laundering regulations. Suppliers must have robust processes to ensure that the subcontractors in their supply chain also comply with these laws.
- ii. DWP has a zero tolerance to any form of corrupt practices including extortion and fraud, and will investigate any suspected instances. DWP expects suppliers to be vigilant and to proactively identify fraud, and the risk of fraud, in their business. Suppliers must have robust systems, controls and/or control environments to protect against the potential for fraud, including, but not limited to, prohibiting perverse employee reward systems.
- iii. Suppliers and their supply chain must declare to DWP any instances or allegations of unethical behaviour by an existing or previous member of staff, or where there is a known or suspected conflict of interest. Suppliers must immediately notify DWP where fraudulent practice and/ or financial irregularity is suspected or discovered and disclose any interests that might affect their decision-making or the advice that they give to HM Government.

Contract Annual Compliance Declaration

- i. Prior to the contract award, and thereafter on an annual basis (on a date to be determined and agreed by both DWP and the Supplier), the Supplier must submit a Compliance Declaration in connection with the management of this Contract and on behalf of their supply chain. Suppliers should secure written assurance of supply chain compliance to verify supply chain compliance, holding such assurance for inspection/validation by DWP from time to time.
- ii. The Compliance Declaration will be issued by DWP and will seek against each requirement of the Code a compliance statement for the previous reporting period and the continued adherence to the Code as amended by DWP from time to time.

Reporting to DWP

For further information on the Code and / or to report issues under this Code contact the Authority's Representative.