

DWP Commissioning Strategy responses

The Department for Work and Pension's (DWP) Commissioning Strategy – Interim report published for consultation at the end of November 2007 presented a framework for the integration of employment and skills. The Green Paper *In work, better off* presented the case that by simplifying and rationalising welfare to work contracts and by taking a more strategic approach to the commissioning of employment programmes DWP can make significant progress in reducing worklessness and welfare dependency. This Commissioning Strategy along with a raft of new initiatives will play a significant part in achieving the aspiration of full employment.

There are seven core components to the Commissioning Strategy that will form the structure and underpin the delivery of the new integrated employment and skills provision:

- Market Structure
- Development and Stewardship
- Provider Capabilities
- Commercial Strategy
- Performance Management
- DWP capability
- Customer Experience

Taken holistically the 7-point plan marks a watershed in the delivery and management of employment and skills provision in the UK. For example, the strategy emphasises the commitment from DWP to supporting the **Market Structure** by ensuring that there is a stronger, more consistent base of providers. *Inclusion* also notes and welcomes the **Stewardship** role that

DWP will play in supporting the entry of new innovative providers and ensuring that smaller local partners, who perform well, can flourish and develop.

Not only does DWP – through the Commissioning Strategy – commit itself to a new single, integrated, approach to the measurement and management of performance, but it will also implement a **Capabilities Framework** and a code of conduct that will describe best practice with regard to the treatment of sub-contractors.

Inclusion is encouraged that Prime Contractors will be required to provide evidence of partnership working and supply base development at the local level and that this requirement will be a crucial factor in awarding contracts.

The language used throughout the Commissioning Strategy also marks a significant watershed. For example, DWP's **Commercial Strategy** is fully committed to supporting a competitive, vibrant and innovative market place and commits itself to building this competitive market with larger and longer contracts where provision is structured to reward success.

One of the most striking developments within the strategy is that we are now moving away from short term contracts to an era of sustained five year contracts that can be extended for a further two years. What this will provide is a level of continuity in service provision that practitioners and those seeking to influence policy makers have called for but never thought would be realised.

DWP appears to be sure footed and states that it will not only ensure that these contracts are closely managed but it will ensure that there are specific points for termination or adjustment.

Although it has been long overdue another striking development is that the Commissioning Strategy has now stated that a job will be classified as a sustainable outcome if it is kept for a minimum of six months. In the future sustainability will increase from six months to 12 and 18 months.

The commitment that the customer experience will play an important part in the commissioning of provision, how it is delivered, and how it is improved is also good news. We have all heard of the 'listening bank' now we have the listening department which appears to have taken on board the views of those being supported into work.

If this strategy can deliver the results as outlined in The Green Paper and *Ready for Work* then all is well: however, there are a number of areas that require careful oversight. Firstly, concerns have been raised that third sector providers who are close to those who are furthest from work will themselves be marginalised and where they are offered contracts the terms of those contracts may not reflect the generosity that the Prime Contractors have themselves received from DWP.

Secondly, whilst there is a requirement for Prime Contractors to show evidence of partnership, there is also an expectation that they will subcontract; however there is no duty or obligation on them to subcontract any of their provision. Thirdly, the fear of sanctions and conditionality could result in contractors encouraging people into inappropriate jobs leading to in-work poverty with little hope of progression.

In conclusion, we believe that there is a greater role that city regions can play and whilst we acknowledge the areas for concern, there is – at the moment at least – more cause for optimism: the real test however will be in evaluating how the strategy is actually implemented.

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Floyd Millen explores the seven-point plan of the Commissioning Strategy Interim Report