



## **DWP Commissioning Strategy – FVA response**

This response is on behalf of Fife Voluntary Action, the third sector interface for the Fife area. We have sought input from other third sector employability organisations in our area and this has informed the response below, but in sum it is the opinion of this organisation that is put forward.

We welcome the DWP's open approach to learning from the past round of commissioning and seeking input from the widest possible range of stakeholders.

**Q1 – How should DWP balance its responsibility to strategically manage and steward a large, developing market with our desire to maintain and develop the right specialist capability throughout the supply chain? Please consider contracting arrangements in your answer.**

In the first round of commissioning much concern was raised that the approach and delivery claims of WP providers would not serve the hardest to reach and in particular those on ESA. In fact that it would divert resources from existing provision and therefore they would be doubly affected.

The evidence of outcomes for esa clients to date shows that this was a relevant concern and is something that any future commissioning round must address.

The current model of three tiers of sub-contracting does not appear to have helped. Most organisations in Fife which were included in bids as 'third tier' specialist providers have seen little or no engagement from the second tier delivery agents Working Links and Triage Ltd. Where they have had engagement there has been little or no payment for services provided despite these agencies claiming money on the back of outcomes achieved by others. As such there has been a tendency to withdraw from working together. This does not serve the clients intended to be reached.

One possible reason for this is that once the first and second tier delivery agents have taken their 'cut' for working with a client there is little or no resource left to pass on.

Clearer contracting arrangements (and training to skills organisations up to deal with this) for smaller scale organisations would be essential.

We would recommend that DWP operates a two-tier contracting arrangement on a smaller level –tying in to local authority areas. This would enable Work Programme delivery agents to create more locally relevant partnerships, delivery models related to the needs of the area AND increase the amount of money available to specialist provision for those with multiple barriers.

**Q2: How can we make competition more effective? How can we break down the barriers to market entry through our contracting, for both our larger and smaller contracts? How could we increase competition through the procurement process? What role can Open Data<sup>21</sup> play?**

Open data of any form is a great idea and enables all organisations to access the same LMI. We would also recommend a programme of procurement awareness training for those interested in bidding and/or workshops in each region.

Another issue impacting on this is the requirement around resource and turnover – if the minimum amount were reduced it would allow smaller organisations to bid for contracts which may in turn allow for more locally appropriate responses.

**Q3: DWP wants to work with the market to improve the effectiveness of subcontractual relationships. What, if any, changes should be made to the Code of Conduct? What are your views on the way the Merlin Standard is used? How can we create supply chains with the inbuilt resilience and flexibility to cope with changing requirements and circumstances?**

Merlin Standard is not something any small scale organisations engage with – and at a cost of £8,953 per application is out of their price range. Even with individually negotiated discounts. Not sure how it helps/could help.

**Q4: What steps does DWP need to take, across its commissioning (from large-scale national programmes to small-scale local commissioning), to maintain and promote a level playing-field for providers?**

See above re: removing or lowering minimum turnover/resourcing requirements and providing procurement workshops.

**Q6: How should DWP design outcomes and service standards for the hardest-to-help within outcome-focused payment models?**

Using distance travelled models of measuring soft outcomes such as employment readiness scales. And/or unit payments for the delivery of agreed outputs which are recognised as having beneficial impact such as ‘confidence building training’ OR ‘x weeks in volunteering’ or achievement of a work related qualification...

**Q9: How, when assessing bids, should we balance price and quality?**

Put quality over price, and then look at affordability – consider the decisions we make when choosing any service for ourselves in our personal lives: mechanic, decorators, plumbers... they have to be able to do the job to sufficient standard FIRST otherwise the money is wasted, no matter how cheap they are!

**Q12: Working within the high-level framework articulated in this document, how could DWP become a more flexible partner, nationally and locally – what are the barriers to more effective partnerships?**

What about a co-commissioning approach? Like the flexible funding currently available – keep this going. Give local staff more time to work with wider agencies and build links.

Lack of clarity within DWP not helpful. I was at an event this week about Universal Credit. In one presentation from DWP central staff we were told there was flexibility around the full time jobsearch requirement (to enable people to volunteer/do training etc). And in the next workshop the regional manager was telling us that there was no flexibility and it was a fulltime requirement. This is not helpful to your staff on the ground and limits good working relationships....

Following on from this frontline JC+ staff have been known to tell clients not to volunteer or engage with local employability training projects because their benefits will be affected. This is clearly counter productive.

Basic information leaflets/training on what people can and can't do – with the emphasis on what they CAN do re: jobsearch activity would be very helpful in the first instance.

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