

The Green Paper 'In work, better off: next steps to full employment' spoke of an aspiration of unlocking the best value from resources through targeting efforts and expertise appropriately on disadvantaged customers. We believe that private and third sector organisations have a key role to play in delivering this more specialised support.

The Green Paper outlined four key principles behind our contracting approach: quality provision, competition to drive value, outcome-based contracts with increased flexibility for providers, and minimum standards for all.

We published our emerging thoughts on the commissioning strategy on the 27 November 2007.

There are seven key messages on which we will build our strategy. These are:

1. We want a stronger, more consistent base of top-tier providers who can work closely with regional and sub-regional partners to deliver sustainable jobs for unemployed people.
2. We will play an active and transparent role to ensure that smaller, local partners, who have the capabilities we need and who perform well, can flourish and develop.
3. We will move to a single, integrated, shared and transparent approach to the measurement and management of provider performance that enables a "like to like" analysis of performance.
4. We will build a competitive market with larger and longer contracts, rewarding providers for sustained outcomes and significantly reducing costs.
5. We will move to a single, integrated, shared and transparent approach to the measurement and management of provider performance.
6. We will build our own skill base so that we are a value-adding business partner – doing the best job to secure sustained outcomes for our customers.
7. Customer experience will play an important part in the commissioning of provision, how it is delivered, and how it is improved.



Within this framework, we envisage that smaller providers will mainly act as sub-contractors. But we are equally clear that we do want high quality, high performing smaller and specialist providers involved in our contracts and we will take steps to ensure that they can flourish and develop.

Equally, we envisage that top-tier providers will work closely with regional and sub-regional partners to deliver sustainable jobs for unemployed people and be capable of delivering multiple contracts across the country to a high standard on a consistent basis. We are committed to ensuring excellent sub contractual relationships with high performing third sector and other organisations.

Full details of the emerging findings can be found on www.dwp.gov.uk/supplyingdwp/news. Further consultation is now underway and we expect to publish the final strategy document at the end of February 2008.