

## Flexible Support Fund co-commissioning: best practice guidance

### **1. Introduction**

- 1.1 A range of work carried out by London government, including most prominently the London Growth Deal submission, has started to set out its offer to create a step change in reducing entrenched worklessness and broader dependency on public services through greater local design, leadership and integration of employment support services.
- 1.2 One of the features of the Growth Deal was for Department for Work and Pensions (DWP) and groups of London boroughs to work collectively to maximise the impact of the Flexible Support Fund (FSF) through greater local involvement, identifying common investment priorities and highlighting gaps in provision. It was agreed that two London sub-regions would pilot co-commissioning of FSF in their areas.
- 1.3 The approach taken by each London sub-region differs and therefore this paper does not provide a blueprint for co-commissioning. Instead it will set out the benefits of co-commissioning, key principles and case studies. The pilots are in an early stage of delivery and so will only set out limited information on outcomes achieved.
- 1.4 It should also be noted that whilst the pilots were individual projects that could potentially provide the first steps to more co-commissioning the outcome should not be considered *strategic* co-commissioning characterised by looking at the whole FSF budget, identifying and jointly agreeing gaps and then jointly commissioning these where it makes sense. As one of the case studies notes, FSF is more a tactical funding stream, a reactionary fund which varies year to year, making it hard to co-commission strategically.
- 1.5 In addition it remains to be seen how often sub-regional groupings will come together with Job Centre Plus (JCP) to commission FSF. It might be that this happens on a borough by borough basis more frequently, however London boroughs and their local JCPs will soon need to begin to work more closely on up-coming challenges, such as the expansion of Universal Credit and the Work and Health Programme.
- 1.6 This should prompt thoughts about how best to jointly design wrap-around support at an appropriate scale with relevant partners. As such FSF co-commissioning is only one of the ways that strengthened and extended joint working between boroughs and JCP can take place. London Councils remains committed to the concept of local employment hubs<sup>1</sup> as well as the recommendations in our report [Developing Strong Working relationships with Jobcentre Plus](#) which outlines some key recommendations for joint working between JCP and boroughs.

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<sup>1</sup> A single 'front door' to local employment services with rapid access to multi-disciplinary employment support teams and links to wider employment-related support and services.

## **2. FSF and how it operates**

- 2.1 As well as the operational element of FSF, which funds small interventions that can overcome barriers to work (for example childcare costs, travel, equipment, bespoke training), it is also used to buy services complementary to mainstream provision where gaps in the JCP offer have been identified, through either ad-hoc procurement (contracts) or partnership grants. Appendix 1 contains more information on these two approaches. FSF is mostly focused on delivering DWP's Social Justice agenda.
- 2.2 Both grants and contracts can straddle operational years but are usually of short duration - mostly 12 months or under, although some have been let for 18 months. FSF can be used to contribute to partnership initiatives, similar to the way Community Budgets operate and grants can be awarded to the lead borough or lead accountable body for that organisation to commission.
- 2.3 FSF is administered at the District Manager's discretion, however it follows strict commercial and procurement processes and audit. Each District Manager has developed a labour market plan for their district, clearly identifying the main demographic and economic features, issues and challenges and highlighting the gaps in provision and how these will be overcome.

## **3. Aims and benefits of co-commissioning FSF**

- 3.1 Co-commissioning is ideally jointly investing, procuring, assessing and monitoring provision aimed at fulfilling common JCP and borough priorities in sub-regions (i.e. across groups of boroughs). In essence, both organisations contribute funding to and jointly procure FSF irrespective of the commissioning route i.e. the borough could procure. It is about making FSF more strategic, encouraging local innovation and developing partnerships.
- 3.2 London boroughs and DWP were keen to explore the improved strategic application of the FSF that could be achieved by involving groups of London boroughs in the commissioning process. It was felt that involving groups of boroughs may open the opportunity to match FSF to pooled funding as well as gaining a sub-regional understanding of labour markets and priorities.
- 3.3 Furthermore by involving boroughs at an earlier stage in the process, for example when setting priorities for FSF, boroughs can assist JCP to join up with local employment support provision, offered by both the local authority and voluntary and community sector. They can also link into other borough services that, whilst not directly offering employment support, will be critical for individuals to access in order for them to attain sustainable employment (for example housing, mental health services, alcohol and drug dependency services).

#### **4. Background**

4.1 Following a call for expressions of interest to deliver the pilots outlined in the London Growth Deal submission, two sub-regional groupings of London boroughs agreed to explore co-commissioning FSF. These were:

- The Growth Borough Unit: made up of Barking and Dagenham, Greenwich, Hackney, Newham, Tower Hamlets and Waltham Forest. Working with JCP East London and South London Districts.
- The West London Alliance: made up of Barnet, Brent, Ealing, Hammersmith & Fulham, Harrow, Hillingdon, and Hounslow. Working with JCP West and North.

4.2 Since February 2015 London Councils convened regular meetings with all representatives from the pilots, DWP and the GLA to oversee and support with the delivery.

#### **5. Case studies**

##### **5.1 Growth Boroughs**

###### **Aims**

The Growth Borough Unit and JCP co-commissioned FSF project is supporting local residents who are over 18 years old, in receipt of Job Seekers Allowance, Income Support, Employment Support Allowance and any inactive benefits for less than 52 weeks as well as Work Programme completers.

The project will work with at least 180 eligible clients providing them with training and advice to move them closer to the labour market. It is hoped that at least 114 of these clients (63%) will enter into a job and of these job entries, 60 will sustain their employment for at least 26 weeks (a third of all clients).

Each borough has an established brokerage service that delivers tailored, non-mandated employability support to residents as well as employer engagement activities. Through outreach and engagement directly with the client group and utilising existing links with borough JCP teams, residents who are economically inactive or who have not found employment having completed the Work Programme have been registered to the project. JCP advisors have the opportunity to refer to the project through telephoning a dedicated contact officer at each of brokerages.

The Growth Boroughs FSF programme aims to build on best practice and strong performance demonstrated by borough brokerages delivering the Host Borough Employment

and Skills programme that was funded by the Greater London Authority between April 2010 and September 2014. The programme will add value to mainstream provision through targeted pre-employment training, job matching, and entry into employment and in work support to ensure 26 weeks of sustained employment.

### **Process for developing the project**

The Growth Boroughs FSF project had a twin genesis. Firstly, building on the successful Host Boroughs Employment and Skills Programme, there was an appetite for the six boroughs to continue joint delivery. Secondly the six Growth Boroughs had identified their joint medium term Employment and Skills priorities<sup>2</sup> informed by individual borough strategies, the Oxford Economics Host Boroughs Economic Model and wide stakeholder consultation. These priorities were matched with East London JCP district's priorities.

Project ideas around these joint objectives were discussed with JCP. The Growth Deal FSF Co-commissioning Pilot opportunity provided a catalyst to develop this proposal into a full application.

An outline project proposal was developed and match funding was identified by the Growth Boroughs, with each borough contributing £20,000 to the project. Referral routes were agreed with JCP. Once approved by the Chief Executives, Leaders and Mayors, a full application was submitted to DWP. The total funding for the project is just under £240K with boroughs and the FSF providing 50% each.

The programme began delivery in February 2016 and is due to complete in January 2017 with an additional six months for tracking and monitoring jobs sustained.

### **Benefits**

The Growth Boroughs recognise the added value of working together on employment and skills projects, particularly to plug gaps in activity that brokerages would not traditionally focus on, for example long term sustained outcomes. This project will provide resources to enable the six job brokerages to continue supporting long term workless clients into sustained employment and maintain the best practice developed in previous programmes around in work support.

Co-commissioning of FSF will also complement closer joint working between boroughs and DWP in terms of:

- minimising the duplication of services from JCP and the borough brokerages, allowing resources to be utilised more effectively and the client to receive an improved wrap around service;

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<sup>2</sup> In the development of the Growth Boroughs Interim Employment and Skills Findings 2014 report by Shared Intelligence

- a shared understanding of JCP and Local Authority priorities at a district/sub-regional level;
- sharing of best practice across local authority and organisational boundaries.

### **Lessons learnt**

The challenge will be to move from the joint development pilot programme to full joint commissioning of FSF. The Growth Borough had intended to work with DWP to map gaps in provision once they knew which projects received support from the European Social Fund (ESF). Given the delay in the ESF programme this did not take place. However from the discussions with DWP around the new programme and the ground rules for this there are a number of lessons for the new devolution partnerships to consider.

- Working on the programme together has strengthened understanding between DWP and the boroughs and supported joint borough working.
- FSF is not the best fund for strategic long term co-commissioning programmes as it fluctuates and is confirmed quite late in the year.
- FSF is deliberately flexible to allow for short term and innovative fixes for unforeseen problems so strategic commissioning could remove the ability to do this.
- It is not worth waiting for a point in time when it looks like a more fixed picture will exist to be mapped. Employment support is a constantly changing landscape.

### **5.2 West London Alliance Case Study**

#### **Aims**

The aim of the WLA co-commissioned FSF project is to provide employment support to some of the most disadvantaged young people leaving care with a view to them finding employment.

The project, SYLO, standing for 'Sort Your Life Out' enables these young people to access the support they need and the type of work they want. SYLO is being delivered by Future Path, a West London provider of employment support for disadvantaged groups using a modified version of an Individual Placement Support (IPS) intervention.

In the pilot, eligible young people will work with a Coach to identify their full breadth of barriers and obstacles, and gain access to multiple agencies and organisations to put the right support in place. Alongside this, Future Path will help participants to find the type of work that they want, and to flourish in their new roles.

Future Path will be working closely with Youth Employment UK so that young people remain at the heart of SYLO's design and delivery.

This pilot adopts a joint approach, with Future Path, local authority Leaving Care Teams and Jobcentre Plus staff working together. Relevant staff have undertaken training together to ensure that all three partners can use the SYLO model, including motivational interviewing, Mental Health First Aid and Future Path's unique PACES model for vocational profiling.

SYLO commenced on 29th July 2016 for 12 months. During that time, Future Path will be based in Leaving Care Teams and Jobcentres, supporting 120 young people to move nearer to employment - with at least 40% of them entering meaningful, relevant work. Alongside this delivery, Jobcentre Plus SYLO 'Champions' will support care leavers who are more job-ready, ensuring that, between the three organisations, the outcomes of hundreds of young people's lives in West London are improved.

More details of the pilot can be found on the SYLO website: [www.sylo.org.uk](http://www.sylo.org.uk)

### **Process for developing the project**

Although the individual boroughs had worked with their respective JCP districts, and secured FSF for local initiatives, there had been little history of delivering jointly. Consequently much of the process for project development in WLA has been in building and developing a joint relationship, and bringing together staff from various levels across the local authorities and JCP districts.

Initially the pilot intent was shared with senior JCP leaders and the WLA Employment and Skills network, (WLA E&S Network) to understand the pilot, and also to stocktake existing provisions and both JCP and LA priorities.

A workshop was held for JCP practitioners and WLA E&S network, to explain the pilot, but more importantly to gain ideas for delivery ideas for various cohort groups relating to the DWP Social Justice agenda. At the end of this event all participants expressed a preference for those ideas they wished to progress.

Care Leavers were identified as a priority for both districts and all boroughs, and it was agreed this would be the subject of the joint delivery pilot.

An outline project proposal was drawn up around the joint delivery plans for services to Care Leavers. WLA commissioned the project from an external provider using a competitive dialogue approach.

### **Benefits**

WLA and JCP recognise the added value of working together to help a specific group that is not catered for consistently, and yet is one of the most vulnerable, and excluded in terms of employment and skills prospects. This project focuses on reducing the numbers of young people who currently leave care and embark on a dependency on benefits, and has the opportunity to influence future delivery of services.

The joint working and relationship building has given an increased understanding of local services that both helps to prevent duplication, and more importantly, allows practitioners to have a wider range of provision to offer to claimants / residents.

Establishing the partnership has supported other joined-up work, for example ESF bidding. Developing some shared priorities amongst the WLA boroughs has enabled them to develop thinking and their position in relation to devolution.

### **Lessons learnt**

The main challenges were bringing together the boroughs and JCP districts into a single delivery unit in a short time-scale against a backdrop of reduced headcount, reducing funds, and different priorities depending on the political nature of the borough. Other lessons include:

- Building understanding across organisational boundaries takes time;
- Aligning priorities and funding is not easy so flexibility needs to continue (people with severe and enduring mental health issues were a priority for JCP but less so for boroughs);
- Not all the boroughs were in a position to contribute equally to the chosen project even though they considered it important, so to make progress unequal contributions and service levels had to be accepted;
- Increased awareness of the number of overlapping projects commissioned by a range of stakeholders and the need to find ways to align the way they work in practice;
- Recognising that integrated services take time to develop between the contracted service provider and the host statutory organisation;
- Clinical Commissioning Groups and Public Health need to be engaged in the discussion.

### 6. Next steps and getting involved

6.1 Faced with resourcing challenges, now more than ever it is important that any funding is used strategically and in a joined-up way to ensure maximum outcomes for investment. Therefore we feel further co-commissioning of FSF through closer working between JCP and boroughs should be encouraged. The case studies and benefits outlined in this document demonstrate the value of working with sub-regional borough groupings to understand the need, existing provision and up and coming changes to the local economy when mapping how FSF will be used.

6.2 London Councils would recommend groups of boroughs or JCP District Managers interested in this approach begin conversations with each other as soon as possible about the best use of this funding. If you are unsure who to contact please email:

Pan-London JCP contact – [DEREK.HARVEY@DWP.GSI.GOV.UK](mailto:DEREK.HARVEY@DWP.GSI.GOV.UK)

London Councils – [Dianna.neal@londoncouncils.gov.uk](mailto:Dianna.neal@londoncouncils.gov.uk)

## **Appendix 1: Grant funding and ad-hoc procurement**

The main two vehicles for addressing gaps in provision are via Partnership Grants (Grant Funding) and Ad-hoc procurement.

### **Grant Funding**

Grant funding aims to encourage genuine partnership working to deliver efficient and high quality customer service, geared towards assisting claimants into sustained employment. Applications should be innovative and show a direct correlation with the Districts' identified priorities. They are made to the District following discussion with them about the proposal. They are then considered at the appropriate level depending on the financial value of the application.

Key requirements for a successful grant are that it needs to show partnership, that the services are unique and not a duplication of mainstream provision and offer value for money. The organisation should be not-for-profit, operate within the State Aid regulations (below the De Minimis limits) and offer services not generally available in the market place.

District Managers have authority to approve grants up to £100K with the Group Director having authority up to £500K. Grants are mostly used to test new approaches, 'proof of concept', which once proven and/or if more is required, would then be procured via open tender (ad-hoc procurement).

### **Ad-Hoc Procurement.**

Where it is apparent that there is a market for the services required, District Managers can apply to procure additional training through the DWP Commercials Division stating exactly what is required and the outcomes expected. Templates are completed and are subject to approval by the Director and Commercial Division. Full procurement action is undertaken by our national procurement team, following full commissioning processes, and can take around 3/4 months.

### **Dynamic Purchasing System**

From November 2016 an on line process will be introduced for setting up and maintaining a list of suppliers from whom social and other service provision can be procured locally, as and when the need arises. It will be administered via eProcurement which requires suppliers to register on 'Bravo solution'. An 'Employability Journey' details the number of service categories, supported by narratives explaining the type of provision, for whom, where and against which payment model DWP wishes to buy. Suppliers will need to register, complete a Pre-Qualification Questionnaire following which suppliers can be accredited. The second stage requires registration on Basware after which proposals can be uploaded for DWP to search and purchase. This will largely replace the ad-hoc and grant process for the vast majority of commissioning and has the advantage of not being subject to State Aid regulations. However, the grant funding option will remain available to District Managers for situations such as FSF Community Budget type co-commissioning with LA partners.