



House of Commons  
Welsh Affairs Committee

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# **The Work Programme in Wales: Government Response to the Committee's Third Report of Session 2013–14**

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**Fifth Special Report of Session 2013–  
14**

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### Committee staff

The current staff of the Committee is Marek Kubala (Clerk), Anwen Rees (Committee Specialist), Alison Mara (Senior Committee Assistant), Baris Tufekci (Committee Assistant), and Jessica Bridges-Palmer (Media Officer).

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# Fifth Special Report

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The Committee published its Third Report of Session 2013–2014 *The Work Programme in Wales* on 4 November 2013. The Government Response was received by the Committee on 20 January 2014 and is published as an Appendix to this Special Report.

## Appendix: Government Response

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### Introduction

The Government welcomes the Third Report of Session 2013–14 which considered the Work Programme in Wales.

The Government launched the Work Programme nationally in June 2011, ahead of schedule. The Work Programme is the biggest payment by results employment programme Great Britain has ever seen and is the focus of the Government's drive to tackle long term unemployment.

The report confirms the Committee are encouraged by the improvements in Work Programme performance over time but notes the relative performance in Wales remains lower than elsewhere. The report also highlights other areas of concern, including the inability of Work Programme participants in Wales to access skills and training support through other routeways. In total the report lists seven conclusions and makes a further ten recommendations although there are some overlaps.

This response attempts to address those concerns. Note that where the conclusions and recommendations overlap and are directly linked we have cross-referenced our response.

### Conclusions and recommendations

#### *Relative Performance*

**1. One in nine people in Wales who joined the Work Programme in its first two years found sustained employment. Although this is not greatly dissimilar to the Great Britain average, we are concerned that the proportion of jobseekers who secure sustained employment through the Work Programme in Wales is the lowest in Great Britain. (Paragraph 19)**

Links with Conclusion 2.

#### *Relative Improvements in Performance*

**2. We are broadly encouraged that the Work Programme's performance has been improving over time, both in Wales and Great Britain. We note, however, that performance in Wales has fallen behind the Great Britain average for the most recent cohorts to have completed one year on the programme. (Paragraph 21)**

The reference to one in nine people in Wales who joined the Work Programme in its first two years found sustained employment is misleading. Of those individuals referred towards the end of year two, many will not have been on the Work Programme for 3 or 6 months so it would be impossible to register a job outcome. Nearly a quarter (24.2%) of the people who joined the Work Programme right at the beginning, many of whom had been out of work for over a year when the scheme began, have had at least six months in work (or three months for the very hardest to help).

In Wales to September 2013, there were 74,440 referrals and 72,340 attachments to the Work Programme. Of these, 66,070 individuals have been on the Work Programme long enough to achieve a Job Outcome with 9,690 Job Outcome payments made to providers. This represents 14.7% of all eligible referrals.

Overall Work Programme performance is improving since being launched in June 2011. Up until the end of September 2012, over 54,000 had found lasting work; by the end of September 2013, this has almost quadrupled to 208,000 people. This is an increase of 40,000 in the three months since the last statistical publication (7% higher than the increase reported in the previous quarter). More recent intakes are attaining a higher proportion of Job Outcome payments than earlier intakes with the same duration of support. 9.5% of September 2012 intake achieved a Job Outcome payment within 12 months, this figure was 5.7% for June 2011 intake.

This isn't the whole story many more people have started work but not reached the six month point yet. Industry published figures show that 444,000 people had started a job—60,000 higher than the three months previously.

Wales has a similar employment rate to other English regions such as the North West, West Midlands and London and does considerably better than the North East of England or Northern Ireland.

Long term unemployment is an historic issue in Wales with particular challenges of low skills levels needing to be addressed. Despite this historical backdrop, recent growth in the private sector is contributing to a strengthening of the Welsh labour market. The Government has ambitious plans to further raise employment, with the Work Programme playing a key part in this.

The Department is not complacent. We are taking robust action in driving up performance; for example, 12 contracts were subject to formal Performance Improvement Notices (PINs) in respect of year 2 performance. This can lead to a range of contractual actions up to and including contract termination.

To continue driving competition between providers in Wales, performance will continue to be reviewed. Where one provider outperforms the other, Market Share Shift of referrals, increasing the ratio to the better performing provider, will be considered.

From Year 4 providers can earn incentive payments. These will be paid to providers who deliver high performance across the main payments groups. In addition, the cessation of attachment fees from Year 4 means that the only way providers can make money from these contracts is through helping more people into work and keeping them there.

### ***Future Performance Improvements***

**3. The two prime providers in Wales have struggled to meet the Department for Work and Pension's minimum performance levels. We note that they are operating in a challenging environment, in part due to the high number of temporary jobs in Wales. Provided the labour market in Wales continues to improve, the performance of the two providers in Wales ought to improve in years three and four of the programme. (Paragraph 34)**

Work Programme performance has significantly improved since being launched in June 2011 across all payment groups. Minimum Performance Levels are the minimum that the Department expects and we will continue to take action where performance does not meet expectations.

The Welsh labour market is strengthening with the employment rate up over one and a half percentage points in the last year. At 70.7% Wales now has a similar employment rate to London (70.9%) and is above several English regions such as the North West (69.2%), West Midlands (69.2%) and the North East of England (67.9%), as well as Northern Ireland (67.0%). However, it is below Scotland (72.6%) and the overall UK average (72.0%).

Two-thirds of the new jobs created in Wales are full time with the percentage of private sector jobs contributing an increasing share. Providers have recognised a growth in temporary employment and zero hour contracts can mean that they have to support participants into more than one job to claim a job outcome. (To claim an outcome an individual must be off benefit and in work for either a continuous or cumulative period of 13 or 26 weeks.) Providers have responded by, for example, ensuring they remain in contact through providing in-work support and re-engage before a temporary position comes to an end to ensure continuity of employment.

The core features of the Work Programme, including Market Share Shift, Incentive Payments, and cessation of attachment fees from Year 4 will also serve to focus providers on the need to maximise performance in order to make a profit. The last referrals to the Work Programme will be the end of March 2016 with the providers working with participants for a further two years. The long term nature of the contracts gives providers more certainty to invest in performance improvement.

The Department expects the combination of these improvements in the labour market, coupled with providers gaining experience of which approaches work best, the sharing of best practice and the robust performance management regime will further drive improvements and better outcomes for participants in the future.

### ***Comparisons with Previous Programmes***

**4. The Work Programme was designed to be an improvement on previous welfare-to-work schemes by incentivising providers to support jobseekers with the most severe barriers to employment. This is a worthy ambition, and a significant challenge, but the programme's success in this respect is yet to be proven. (Paragraph 44)**

The Department agrees that this is a significant challenge; many of the claimants we are attempting to work with have not been successfully supported by Government

programmes before. ESA claimants, for example, are a heterogeneous group, with a range of barriers to work. Nearly a third of people found fit for work after being reassessed for ESA had been on Incapacity Benefit for 10 years or more. Previous programmes for these claimants, such as Pathways to Work, were not fully successful.

These programmes were underperforming and offered poor value for money. At the point we ended Flexible New Deal (FND), the last Government had paid out £770 million to providers in the form of up-front payments (81% of all payments made), regardless of the number of people they placed into sustainable employment.

The Work Programme replaced much of the complex range of employment support previously on offer including the New Deals, Employment Zones and Pathways to Work. These programmes were overly prescriptive and failed to achieve enough job outcomes for the long-term unemployed and deliver good value for the tax payer.

The Work Programme is designed to ensure that harder to help participants get the specialist support they need. Providers have the freedom to use their own expertise in finding the support that will work for these participants. This will often involve specialist subcontractors, who have the skills and experience that are necessary to help participants overcome specific barriers that may otherwise make a move into employment difficult.

The evaluation programme the Department has put in place will look to demonstrate the impact of the Work Programme.

We still have a lot to learn about what works for ESA claimants and are working with providers to improve performance for this group and to build expertise in supporting those that are hard to help.

At the start of the Work Programme contracts ESA claimants with a 3 to 6 month prognosis were referred to providers. Providers are achieving positive results with these participants but referral volumes were lower than expected so towards the end of 2012, ESA claimants with a 12 month plus prognosis were also referred. This increase in referrals provides more certainty for specialist providers in the supply chain, that includes over 850 organisations of which over 40% are from the voluntary and third sector. In Wales alone, 98 organisations are involved of which 40 are voluntary and community sector, examples including Agoriad Cyf, Antur Teifi (TRAC), Gofal Cymru and Tydfil Training.

As you would expect performance in respect of ESA claimants with a 12 month plus prognosis has been slower, given they are less job ready and need more support than those with a 3 to 6 month prognosis.

We pay providers more if they get harder to help participants into work. For those with the most barriers, these payments can reach up to £13,700, which gives providers a strong incentive to give these participants the best help they can.

We are strengthening our checks and balances, to ensure that ESA claimants on the Work Programme are getting the specialist support that they require. The Department's performance teams are working at contract-level to monitor the Work Programme participant customer journey to ensure it is providing specialist provision to meet the

severe barriers of some Work Programme participants. To date the checks have established there is no evidence of systematic ‘parking’ of harder to help participants.

All providers have a specific Performance Development Plan, demonstrating the measures they will take to improve performance for the ESA groups.

In April the Department launched the Best Practice Group, formed to help organisations delivering the Work Programme to find the best ways to help tens of thousands of former incapacity benefit claimants, people claiming ESA, ex-offenders and other harder to help participants overcome issues which are stopping them from getting a job.

Examples of innovative support being offered to harder to help participants include Working Links’ Personal Employment Account pilot where participants are given flexibility to identify provision they themselves feel will be helpful. In agreement with their adviser, the individual can then set up access to this support through an online portal. Early indications are very positive and Working Links are actively considering rolling this out more widely.

### ***Restrictions on access to ESF provision***

**5. The restriction in Wales on Work Programme participants being able to access European Social Fund training and skills courses is detrimental to the performance of the Work Programme in Wales and, ultimately, for the opportunities available to the long-term unemployed. It is regrettable that fewer opportunities are available to Work Programme participants in Wales to develop their skills and learning compared to participants on the same programme in England. (Paragraph 59)**

Links with Recommendations 11 and 12.

**11. We urge the Department for Work and Pensions and the Welsh Government to resolve the current situation where Work Programme participants in Wales are unable to access the full range of training courses available to them, unlike in England. This should be achieved by February 2014. (Paragraph 61)**

The Department accepts the committee’s recommendation. The Welsh Government’s Welsh European Funding Office determined that Work Programme participants would not be allowed to access other courses funded by European Social Funds (ESF) because they believe it constituted double-funding under EU rules.

Whilst Work Programme providers have the freedom to address any barrier to work, the Department also expects providers to take advantage of national and local support funded via other routes, in the interests of getting participants into sustained work. This freedom to join up provision to meet the needs of individual participants and local labour markets is a core feature of the programme and essential to getting people the help they need.

In England, Work Programme participants are able to access pre-employment skills support funded by the Skills Funding Agency, and whilst it is within the Welsh Government’s gift to set their own rules about their pre-employment provision and provision funded by the ESF in Wales, we would argue that the Welsh Government’s decisions have left participants in Wales at a disadvantage compared to those in England.

We are asking the Welsh Government to review this decision to enable Work Programme participants to be able to access skills provision funded through the Welsh Government and allow mandation to their skills programmes where appropriate.

Both governments are working together to achieve better outcomes for jobseekers in Wales, with this being actively pursued as set out in response to recommendation 12 below. Progress will be reported back to the Welsh Affairs Committee in due course.

**12. We call on the Secretary of State for Wales to use his influence to help resolve this unsatisfactory situation. (Paragraph 62)**

The Department accepts the committee's recommendation and has also sought contribution from the Secretary of State for Wales on this recommendation, whom the Department already works closely with.

The Secretary of State for Wales and his Ministerial team meet regularly with Work and Pensions departmental ministers to discuss access to ESF funding and wider employment matters. The Secretary of State for Wales met with Secretary of State for Work and Pensions and the Parliamentary Under Secretary of State has met with the Employment Minister and Welsh Government Skills Ministers to discuss these matters. We are making progress—these discussions have been positive with both Governments committing to work collaboratively in order to secure the best support and access to skills training for Welsh Jobseekers. The Wales Office also regularly meets and visits a range of Welsh stakeholders, including Work Programme providers, in order to accurately represent the concerns on the ground.

Additionally, the Secretary of State for Wales has secured agreement with the First Minister for Wales to establish an officials working group to consider issues facing unemployed people in Wales, which will include issues with access to ESF funding in Wales. The group has been widened following further agreements between the Minister for Employment, Esther McVey and Ken Skates, the Welsh Government Deputy Minister for Skills and Technology. The working group will meet for the first time on 13 February and report jointly to the Secretary of State for Wales and the First Minister.

***Restrictions on access to Job Growth Wales scheme***

**6. There is also a clear incompatibility between the UK Government's Work Programme and the Welsh Government's Jobs Growth Wales scheme. Jobseekers on the Work Programme are unable to take up a paid job placement through Jobs Growth Wales. (Paragraph 60)**

Links with Recommendation 13.

**13. We urge the Department for Work and Pensions to enable participants to exit the Work Programme if required in order to access Jobs Growth Wales. (Paragraph 63)**

The Department refutes the assertion that the Work Programme and Jobs Growth Wales are incompatible. The Work Programme primarily focuses on preparing an individual for work by addressing barriers, increasing confidence and getting participants job ready. Jobs



Growth Wales is a paid job which is intended to be sustainable in the longer term. DWP asserts that both initiatives are complementary and support each other.

The two year period on the Work Programme remains the case irrespective of any subsequent changes in benefit status or other circumstances and includes moves completely off benefit and into employment, where the provider offers in-work support to enhance the prospect of the work being sustained.

It should be noted that Work Programme providers have received an attachment fee in respect of each individual who they have taken onto the programme. If the individual was subsequently allowed to exit early this would not constitute good value for taxpayer's money.

Jobs Growth Wales is a wage subsidy programme which excludes people already participating in the Work Programme (or in Work Choice). It is funded by ESF and the Welsh Government and provides around £6,500 to an employer who recruits a young unemployed person (aged 16–24) into a job expected to last at least six months, but hopefully to continue beyond that. Designated vacancies are only open to people eligible for the JGW.

As JGW is open to 16–24 year olds from day one of their JSA claim, these young people do have access up to the point of being referred to the Work Programme (usually at the 9 month stage of their claim). Work Programme provision is designed to support the hardest to help who haven't been able to move off benefit and into employment and it is only at this point they lose eligibility for JGW.

The Welsh Government's ruling is that people on the Work Programme (or in Work Choice) are not eligible to apply for JGW jobs. Therefore if a person in the Work Programme sees one of these vacancies they may not apply—or, if they do, and are taken on, the employer would not be eligible receive the JGW wage. However, both the UK and Welsh Governments have agreed to work collaboratively to secure the best support and access to skills training for Welsh Jobseekers.

The Welsh Government's reasoning for this is the same as for other ESF-funded skills programmes—that the Work Programme provider is responsible for providing for the needs of participants.

In comparison the DWP wage incentive is open to people aged 18–24 in the Work Programme. It pays the employer £2,275. The lower amount paid as the DWP wage incentive compared to that on offer through JGW acts as an incentive for employers to opt for JGW. This is reflected with both providers in Wales issuing fewer wage incentive claim forms than most other providers operating elsewhere. (Rehab Jobfit have issued 614 claim forms and Working Links 377 to end October 2013 in Wales).

There is no reason from a Work Programme perspective why a Work Programme participant should not be able to access Job Growth Wales (JGW) opportunities. These are jobs within the Welsh economy which are intended to be sustainable, so should be open to all 16–24 year olds who are unemployed in Wales, including Work Programme participants.

### ***Extending time on Work Programme***

**7. Participants leaving the Work Programme after two years will be some of those with the most severe barriers to employment. We note the case advanced by providers for a longer timeframe to assist such participants. It would be regrettable if people with complex barriers were making good progress on the Work Programme and were then required to leave. (Paragraph 78)**

Links with Recommendation 17.

**17. We recommend that the Department for Work and Pensions consult by February 2014 on whether the timeframe of the Work Programme should be extended for specific categories of claimant. (Paragraph 79)**

The Department does not accept the committee's recommendation. The Work Programme supports participants for longer than any previous mainstream programme. Providers can continue to provide support for people they place into sustainable employment and be rewarded for doing so, beyond the two year period where a participant has already entered work. This gives providers a significant period to help a participant overcome their barriers to work.

Where a provider hasn't been able to move a participant into sustained work, on the individual's return to Jobcentre Plus the Department provides a comprehensive package of intensive support. Providers complete an exit report for all JSA and ESA claimants returning from the Work Programme and the claimants then have a thorough assessment interview with Jobcentre Plus. This establishes how best to build on their time on the Work Programme, and continue to move them closer to the labour market and towards long term sustainable employment. At their first appointment they have to agree a back-to-work plan laying out what they are required to do.

From June 2013, the majority of JSA claimants returning from the Work Programme are being referred to the Mandatory Intervention Regime (MIR) delivered by Jobcentre Plus regime.

From April 2014 the Government will provide extra support for long-term unemployed people under the Help to Work Scheme. Around 200,000 Jobseeker's Allowance claimants a year will benefit from this support. A third of claimants will have to do full-time Community Work Placements (CWP), around a third will attend the jobcentre and search for work every day, and the remaining third will be placed in the existing Mandatory Intervention Regime—an intensive programme to tackle their underlying barriers to work.

Those claimants who have proven that they are closer to the labour market, for example those who have had significant periods of work experience while on the Work Programme, will require less intensive support than those who haven't, which is why not all JSA claimants are referred to MIR. It is right to target additional resource at those who need it most, which is why we assess claimants and provide extra support to those with greatest needs.

Jobcentre Plus advisors are also able to consider Work Programme returner's suitability for referral to other provision such as the ESF Support for Families with Multiple Problems

where this would be appropriate and beneficial. This is a voluntary programme for those claimants and their families facing significant barriers to work and aims to get them closer to employment through the achievement of agreed progress measures. ESF Families providers are increasing capacity on this provision to allow the additional take up by Work Programme returners.

All claimants receive flexible support tailored to their individual needs. This is underpinned by core face-to-face meetings and a tough sanctions regime for those who don't take necessary steps to prepare for work.

### *Incentives to support harder to help participants*

**8. We recommend that the Department for Work and Pensions review whether there are means better to incentivise providers to support jobseekers with the most severe barriers to employment, including Employment and Support Allowance claimants. This should include a review of the differentiated pricing structure. (Paragraph 45)**

A key feature of the programme's design was to ensure better outcomes were achieved by ensuring more than one provider was placed in each of the 18 Contract Package Areas. This encouraged competition between providers who would be working in the same economic and geographical area with the same volume of referrals to drive up performance. Where one provider outperforms the other(s) in a contract package area the Department will consider applying Market Share Shift, increasing the ratio of referrals to the better performing provider.

We pay providers more if they get harder to help participants into work. For those with the most barriers, these payments can reach up to £13,700, which gives providers a strong incentive to give these participants the best help they can.

Providers have welcomed the increased level of ESA referrals over the last year as this is helping to address some of their concerns at the viability of maintaining their specialist supply chain. In readiness for this increase DWP alerted providers to make sure their specialist support was in place and able to manage a higher intake.

Examples of the specialist support and good practice being adopted include more home visiting; health coaches and healthcare professionals in place and the adoption of condition management programmes.

Feedback from providers is that ESA participants are harder to engage with but once in work their sustainment rate is higher. As part of the performance management regime DWP specifically covers the ESA payments groups in Contract Performance Reviews and 6 monthly Stocktake meetings.

Additionally, the Department has made some changes to better incentivise support for those individuals facing the most severe barriers to employment. Examples include allowing prison leavers day one access to the Work Programme under a separate payment group and piloting approaches to reward providers for successfully supporting individuals with drug or alcohol problems.

The Department is always keen to improve the design of future employment programmes and will be exploring how different payment models can drive the delivery of particular results for particular claimant groups.

The Department is currently exploring whether we can more effectively identify and segment those participants who are likely to be particularly difficult to help back into sustained employment. This work will inform how best we can support these individuals through future provision.

### ***Support for Lone Parents***

**9. We are concerned that lone parents in Wales are struggling to find sustained employment through the Work Programme compared to other parts of Great Britain. The two providers in Wales, Working Links Wales and Rehab Jobfit, must ensure that both they and their subcontractors have specific measures in place to support lone parents into work. (Paragraph 51)**

The Department accepts the committee's recommendation and the two providers in Wales, Working Links Wales and Rehab Jobfit have already put measures in place to support lone parents in work.

It should be noted that lone parents in Wales being supported through the Work Programme are those who were referred after reaching the appropriate referral point on their claim to Jobseeker's Allowance or Employment and Support Allowance or Pension Credit claim. This is unlike the situation in England, where lone parents, in receipt of Income Support or Incapacity Benefit, can also join the Work Programme on a voluntary basis (funded through the European Social Fund).

Performance for the main JSA and ESA payments groups (PGs), PG1 (JSA aged 18–24), PG2 (JSA 25+) and PG6 (ESA), which will therefore include lone parents, is continuing to improve as confirmed by the latest statistics.

The official Work Programme statistics releases also incorporate a tabulation tool, allowing visitors to the statistics website the ability to customise and break down data in a variety of ways. For example, it is possible to identify the number of participants with a lone parent marker helped into work within each Local Authority area. This transparency provides local organisations and representative groups with information to be able to challenge, and potentially work with providers, to improve the support on offer.

The flexibility offered under the 'black box' approach is enabling providers to continually apply lessons learned during the last two years to improve performance for lone parents. Additionally, all providers have a specific Performance Development Plan, demonstrating the measures they will take to improve performance for all payment groups, including lone parents.

Working Links main provision for lone parents is with Gingerbread who is their National Partner. One of the main initiatives operating through this partnership is the 'Marks and Starts Programme'. This offers pre-employment training / employability skills before a two week placement with Marks and Spencer as well online support and ad-hoc training. These

programmes are currently running in North, West Wales and Cardiff, the majority of referrals to programme are female customers with a 70% into work rate.

Examples of where this approach has worked include 'J', a single parent with 2 children. She was referred to Working Links in January 2013 and hadn't done any paid work since 2004 when she took a career break to bring up her family. Working Links worked with J, building her confidence and trying to find her roles to fit in with her child care requirements. They identified her as an ideal candidate for M&S through the Gingerbread lone parent scheme. She successfully completed the Gingerbread training and work placement with M&S receiving excellent feedback. She was offered a contract with M&S in July 2013 and remains there now.

Working Links other measures include tailoring job search to vacancies that fit around childcare responsibilities and booking lone parents in for appointments so that they can pick their children up from school and agreeing support with after-school clubs. Financial advice is also offered so lone parents can see how much better off they would be whilst working.

Rehab Jobfit work with lone parents to identify and develop skills and provide training such as budgeting and organising. They have examples where childcare expenses have been paid and childcare places have been sourced to enable customers to either attend employability training or start employment. They have also utilised links with schools and colleges to source child care places.

Rehab Jobfit are also piloting a diagnostic tool for use with all participants, including lone parents, to identify and address barriers which will help them to work more effectively with individuals.

### ***Sharing Best Practice in support of Lone Parents***

**10. Given this is a particular problem in Wales, we ask the Department for Work and Pensions to ensure the lessons learned from the Best Practice Group about how best to support lone parents are communicated to providers and subcontractors in Wales. (Paragraph 52)**

The Building Best Practice group is setting up a framework for the sharing of best practice around harder to help groups, including lone parents. It was launched in spring 2013 and is chaired by Andrew Sells, who has considerable business experience and is a trustee at policy exchange. Its membership includes prime providers, subcontractors, members of the VCS and trade bodies. The group is focussing on three main areas:

- Developing a framework for the sharing of best practice between providers, in order to drive improvements in performance particularly for harder to help groups.
- Reviewing the application of Minimum Service Levels, to help ensure all minimum service levels are transparent and measurable.
- Considering how voluntary and community sector organisations, and national charities, can become better involved in supporting and delivering the Work Programme.

The group will make its recommendation to the Minister for Employment by spring 2014.

We recognise the value this can bring to Welsh providers, and will ensure that they are able to benefit from the best practice sharing that takes place.

Best practice is shared through monthly/Bi monthly Supply Chain forums. Rehab Jobfit have a Best Practice Manager who works across the CPA to co-ordinate best practice and update the Supply Chain on a regular basis.

### ***Restricted access to training***

**11. We urge the Department for Work and Pensions and the Welsh Government to resolve the current situation where Work Programme participants in Wales are unable to access the full range of training courses available to them, unlike in England. This should be achieved by February 2014. (Paragraph 61)**

Covered at Response 5.

**12. We call on the Secretary of State for Wales to use his influence to help resolve this unsatisfactory situation. (Paragraph 62)**

Covered at Response 5.

### ***Exiting the Work Programme (to access Jobs Growth Wales)***

**13. We urge the Department for Work and Pensions to enable participants to exit the Work Programme if required in order to access Jobs Growth Wales. (Paragraph 63)**

Covered at Response 6.

### ***Employer Engagement (Providers)***

**14. It is clear that many businesses and employers still lack knowledge about the Work Programme and its relevance to them. Providers, including Rehab Jobfit and Working Links in Wales, need to continue to engage employers about the Programme and the benefits it can provide as a free recruitment service. (Paragraph 68)**

The Department acknowledges that the ambitious programmes of support provided by the various different UK Government, Welsh Government and ESF funded welfare to work and employment schemes in Wales may serve to hinder employer awareness of the Work Programme. Whilst DWP officials and Welsh Government officials are seeking to develop a more integrated approach here, it is for Work Programme providers to engage employers in the way they determine will achieve best results for moving participants into sustained employment.

Examples of employer engagement to date include North Wales Training (NWT), a sub-contractor to Rehab Jobfit, running employer sector specific training courses across a various sectors e.g. engineering, hospitality, retail etc. Employers have been identified in advance to ensure guaranteed interviews for Work Programme participants and potential employment opportunities. This initiative is currently undergoing evaluation, but early indications show that a number of participants have gained employment as a direct result.

In Cardiff, Rehab Jobfit has also piloted Call Centre Wales led training, specifically for ESA customers. Again, early indications are that a number of participants have gained employment as a result.

Additionally, Rehab Jobfit has recently set up a Service Level Agreement with Randstad who are guaranteeing a number of vacancies across Wales.

In-work support is also part of this agreement and they are looking to extend this type of arrangement with other Employment Agencies and are currently in discussion with Remploy to fill vacancies with M&S.

Working Links have designated consultants that specialise in employer engagement. They have first job consultants who are tasked with engaging employers to raise awareness of the Work Programme and also secure first jobs for participants. They have separate but co-ordinated subsequent employer engagement consultants that again raise awareness amongst employers and are tasked to secure subsequent job opportunities for participants who fall out of work to enable them to progress to sustained employment.

Working Links also have dedicated consultants who look specifically at PG6 participants and make links with employers to sell the individuals to prospective employers who are sympathetic to the individual's needs and restrictions.

Working Links have conducted a joint pilot in one Jobcentre Plus District working with the Jobcentre Plus staff, Rehab Jobfit and themselves to pool resources and have put in place a contact hub to drive employer awareness of the Work Programme and the incentives of taking on a Work Programme participant, including the Wage Incentive.

The providers also work closely with employers to identify and source work experience and apprenticeship opportunities, such as the Barclays 'Bridges Into Work' initiative which aims to get 10,000 young people into work with SMEs. These opportunities not only provide valuable experience for the participant involved but also serve to further enhance provider—employer relationships and awareness.

Additionally, the Department launched its Universal Jobmatch service in November 2012 and encouraged providers to promote this with both jobseekers and employers. The introduction of this new streamlined service benefits both by speeding up the recruitment process.

### ***Employer Engagement (DWP / ERSA)***

**15. The Government also has a responsibility to raise awareness of its flagship employment scheme amongst businesses, who ultimately are its primary “customers”. We endorse the Work and Pensions Committee’s call for the Department for Work and Pensions and the Employment Related Services Association to produce a national action plan for engaging employers in the Work Programme before the end of 2013. (Paragraph 69)**

The Department accepts that awareness amongst employers of the services available to employers could be further improved. DWP has been reviewing its employer engagement approach to enable more appropriate support to employers, including awareness of key

programmes such as the Work Programme. This approach has been introduced across Jobcentre Plus (JCP) during the summer.

In order to include Work Programme providers as a partner, JCP activities include:

- Inviting prime providers to District Employer & Partnership forums
- Optional local agreements to share vacancies where an employer has 20 or more vacancies
- Successful partnership activity on large-scale recruitments;
- JCP facilitated partnership forums at each LA level have representation from providers.

The Department is also working with the Employment Related Services Association (ERSA), National Employer Service Team (NEST) and the CBI to improve employer engagement.

Additionally, the Department continues to raise awareness and demonstrate the benefits of the Work Programme amongst employers through a series of Trade Association Round Table meetings. These began in June 2012 with the Minister for Employment meeting Trade Associations from a broad spectrum of sectors that represent many thousands of employers.

The aim of these events is to engage the Trade Associations in supporting the DWP agenda by helping the Department to communicate relevant messages to as wide an employer audience as possible. The November 2013 meeting included a particular focus on the Work Programme and provider's work in terms of employer engagement approaches.

Work Programme providers remain responsible for promoting and publicising the programme to ensure effective engagement with key stakeholders, including employers. They have a range of relationships in place with employers, varying from strong strategic arrangements with national employers to tactical delivery focussed around one particular participant. Providers have the flexibility to deliver support tailored to the needs of each individual that prepares them specifically for the kinds of vacancies available in the local labour market as opposed to the more generic training delivered in the past. Providers have recognised the importance of better vacancy sourcing; job matching and in-work support to performance improvement and the achievement of sustained outcomes.

### ***Co-ordinated approach to information on schemes***

**16. The situation in Wales is particularly confusing for employers due to the myriad of different UK Government and Welsh Government welfare-to-work and employment schemes available to them. We call for the UK Government and the Welsh Government to develop a more co-ordinated provision of information for employers in Wales about the different employment schemes available, for the benefit of businesses and jobseekers in Wales. (Paragraph 70)**

The working group, mentioned in answer to recommendation 12, is looking to address some of these matters. Similar issues were also identified at the Job Summits held by the Secretary of State for Wales in Newport and Wrexham.



Confusion arising from the myriad of different UK Government, Welsh Government and ESF funded welfare to work and employment schemes is acknowledged by officials in both Governments. DWP officials in Wales are working alongside Welsh Government officials with the aim of developing a new approach to employment and skills support to deliver a more integrated offer in Wales from 2014 onwards.

### ***Extending time on Programme***

**17. We recommend that the Department for Work and Pensions consult by February 2014 on whether the timeframe of the Work Programme should be extended for specific categories of claimant. (Paragraph 79)**

Covered at Response 7.