



House of Commons  
Work and Pensions Committee

---

**Welfare-to-work**

---

**Second Report of Session 2015–16**

*Report, together with formal minutes relating  
to the report*

*Ordered by the House of Commons to be printed  
14 October 2015*

**HC 363**

Published on 21 October 2015  
by authority of the House of Commons  
London: The Stationery Office Limited  
£0.00

## The Work and Pensions Committee

The Work and Pensions Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of the Department for Work and Pensions and its associated public bodies.

### Current membership

[Rt Hon Frank Field MP](#) (*Labour, Birkenhead*) (Chair)

[Debbie Abrahams MP](#) (*Labour, Oldham East & Saddleworth*)

[Heidi Allen MP](#) (*Conservative, South Cambridgeshire*)

[Mhairi Black MP](#) (*Scottish National, Paisley & Renfrewshire South*)

[Ms Karen Buck MP](#) (*Labour, Westminster North*)

[John Glen MP](#) (*Conservative, Salisbury*)

[Richard Graham MP](#) (*Conservative, Gloucester*)

[Mrs Emma Lewell-Buck MP](#) (*Labour, South Shields*)

[Craig Mackinlay MP](#) (*Conservative, South Thanet*)

[Jeremy Quin MP](#) (*Conservative, Horsham*)

[Craig Williams MP](#) (*Conservative, Cardiff North*)

### Powers

The committee is one of the departmental select committees, the powers of which are set out in House of Commons Standing Orders, principally in SO No 152. These are available on the Internet via [www.parliament.uk](http://www.parliament.uk).

### Publications

Committee reports are published on the Committee's website at [www.parliament.uk/workpencom](http://www.parliament.uk/workpencom) and by The Stationery Office by Order of the House.

Evidence relating to this report is published on the Committee's website at [www.parliament.uk/workpencom](http://www.parliament.uk/workpencom).

### Committee staff

The current staff of the Committee are Adam Mellows-Facer (Clerk), Margaret McKinnon (Second Clerk), James Clarke (Committee Specialist), Rod McInnes (Committee Specialist), Rachael Savage (Committee Specialist), Abigail Slade (Committee Specialist), Andrew Wallace (Senior Committee Assistant), Alison Pickard (Committee Assistant) and Jessica Bridges-Palmer (Media Officer).

### Contacts

All correspondence should be addressed to the Clerk of the Work and Pensions Committee, House of Commons, London SW1A 0AA. The telephone number for general enquiries is 020 7219 2839; the Committee's email address is [workpencom@parliament.uk](mailto:workpencom@parliament.uk)

# Contents

---

<b>Summary</b>	<b>3</b>
<b>1 Introduction</b>	<b>5</b>
The evolution of “welfare-to-work”	5
The evolution of DWP’s contracts	5
Current centrally-contracted welfare-to-work provision	6
The context for our inquiry	7
The aims of this Report	8
<b>2 A more systematic assessment</b>	<b>9</b>
Reliability of the current approach to assessment	9
Potential for a more systematic, characteristic-based approach	10
<b>3 Integration with related local services</b>	<b>12</b>
Local pre-Work Programme approaches: Pathways to Employment programme	12
Integration within the Work Programme	13
The relationship between health budgets and employment	14
<b>4 A specialist programme for disabled people</b>	<b>15</b>
The case for consolidation	15
The strengths of the Work Choice programme and the case for maintaining a separate programme	15
Weaknesses in Work Choice design	16
<b>5 Work Programme Plus: helping people furthest from the labour market</b>	<b>18</b>
Simplified payment groups and an “accelerator” payment model	18
Retention of PBR with a level of service fee for those furthest from the labour market	21
Clearer, simpler (and generally earlier) referral points	21
Clearer and more measurable minimum service standards	24
<b>6 Innovation and sharing “what works”</b>	<b>25</b>
Learning from jointly-commissioned and devolved approaches	25
Learning from smaller providers	26
“De-risking” innovation: An employment programmes innovation fund	27
A labour market “What Works Centre”	28

<b>Conclusions and recommendations</b>	<b>30</b>
<b>Witnesses</b>	<b>35</b>
<b>Published written evidence</b>	<b>36</b>
<b>Formal Minutes</b>	<b>38</b>
<b>List of Reports from the Committee during the current Parliament</b>	<b>39</b>

## Summary

The Work Programme has streamlined the procurement of welfare-to-work, created a stable, GB-wide welfare-to-work infrastructure, and now produces a similar level of job outcomes for mainstream participants as previous programmes. DWP deserves credit for implementing a programme which, in general, produces results at least as good as before for a greatly reduced cost per participant.

Yet too many long-term unemployed people remain out of work after two years on the programme. It must not be forgotten that nearly 70% of participants are completing the Work Programme without finding sustained employment. In particular, the Work Programme is not working well for people with more complex or multiple barriers to employment who need more intensive help. We have a duty to the 70% to do much better.

The focus for the next set of contracts must be to identify claimants who require more personalised and intensive support to address complex barriers to working, and refer them to appropriate help more quickly. To achieve this DWP needs to:

- Develop and introduce a **new, standardised, characteristic-based assessment of claimants' barriers to work**, for use across the employment support sector;
- Replace the Work Programme's complicated and less than effective differential payment model with a **much simpler payment model with clearer (and generally earlier) referral points**, and which more directly incentivises providers to invest resources in supporting people with complex needs;
- Ensure that all participants receive an acceptable level of service, by introducing a **single set of measurable minimum standards**; and
- Maintain, and ideally expand, a **separate employment programme for disabled people**, while also addressing key flaws in the current Work Choice programme.

Improved assessment and triage, alterations to contracts and more effective payment models will help, but are only part of the answer. The Government will also need to encourage, facilitate and invest in:

- More **effective integration of employment support with related, locally-run services**, including health, education and skills, and housing; and
- Creating the conditions for genuine **innovation, learning and dissemination of best practice** across the employment support sector.

DWP should establish an **Employment Support Innovation Fund**, set at 2–3% of the total budget for the next mainstream programme, which should be used to test and develop innovative and effective approaches to employment support for groups which have been poorly served to date. The Cabinet Office should bring labour market policy into the remit of a **What Works Centre**, so that employment programmes can continue to evolve based on robust evidence of what is most likely to be effective for different types of people in different localities.

These changes would create an employment support system which is set up better to address the challenges of the contemporary labour market, and equipped to help into work people who have been distant from the labour market, and inadequately supported, for far too long.

# 1 Introduction

---

1. The current contracts to deliver the Work Programme and the specialist disability employment programme, Work Choice, will expire in April 2017. The procurement exercise to renew or replace them is likely to begin in spring 2016. This Report draws on information gathered on visits to Ramsgate and Cambridge, oral and written evidence from a wide range of experts and employment support practitioners, official evaluations and independent research, and the in-depth work of our predecessor Committee, to make recommendations to the Department for Work and Pensions (DWP) as it considers how to configure the next set of contracts.

## The evolution of “welfare-to-work”

2. Contracted employment programmes (welfare-to-work), designed to help long-term unemployed people find work and come off unemployment benefits, have existed in Great Britain (GB) since the 1990s.<sup>1</sup> These schemes, which provide support such as help with job-searching, CV-writing and interview techniques, are delivered by private and voluntary sector providers via contracts with DWP. They co-exist with the public employment service provided by Jobcentre Plus (JCP)—the working-age benefits arm of DWP, which processes benefit claims and provides standardised employment support for people in the earlier stages of benefit claims—and a range of programmes commissioned at a more local or regional level, for example by local authorities; combined authorities; and the Welsh Government.<sup>2</sup> The Scotland Bill 2015–16, which recently completed its Committee stage in the House of Commons, contains provisions to devolve responsibility for welfare-to-work to the Scottish Government.<sup>3</sup>

## The evolution of DWP’s contracts

3. For a period in the 2000s several centrally-contracted GB-wide programmes coexisted, supporting discrete groups of claimants (e.g. the New Deals for: young people; disabled people; and lone parents) or focusing on areas with high unemployment rates (e.g. Employment Zones in Liverpool, Plymouth, Glasgow, North West Wales, and Teesside). More recently, the trend has been towards consolidation of support into programmes for a broader range of claimants; first through the introduction of the Flexible New Deal (FND), and latterly the Work Programme, launched in 2011. The Work Programme replaced FND and the other remaining centrally-commissioned contracts.<sup>4</sup> Consolidating contracts in this way has produced economies of scale, efficiencies in procurement processes and contract management, and thereby reduced costs.<sup>5</sup>

---

1 Responsibility for employment programmes is devolved to Northern Ireland

2 For a fuller description of the development of contracted employment programmes up to the introduction of the Work Programme, see: *Welfare to work programmes: an overview*, Standard Note [SN/EP/5627](#), House of Commons Library, December 2010

3 House of Commons, *Scotland Bill 2015–16*, accessed 30 September

4 Work and Pensions Committee, Fourth Report of Session 2010–12, *Work Programme: providers and contracting arrangements*, HC 718, paras 1–2

5 Department for Work and Pensions, *Work Programme evaluation: Operation of the commissioning model, finance and programme delivery*, Research Report No 893, December 2014; National Audit Office, *The Work Programme*, HC 266 Session 2014–15, July 2014

4. There has also been a trend towards paying contracted providers for results, i.e. for helping claimants to come off unemployment benefits and into work, rather than fees for providing a service; again, this began in earlier programmes, but has been accelerated within the Work Programme, which since April 2014 has been an entirely payment-by-results (PBR) programme. DWP decided to contract the Work Programme via large, predominantly private sector, prime contractors (primes) with the financial wherewithal to manage the risk of high value PBR contracts. There are two or three prime contracts in 18 regional Contract Package Areas (CPAs) across GB.

5. The Work Programme has been innovative in its contract design in a number of ways. Most notably it has a differential payment model i.e. larger payments to providers when they help secure employment for claimants who have more entrenched barriers to working, such as ill-health or disabilities. The payment model was designed to combat “creaming and parking”, a common phenomenon in all previous programmes, in which providers often chose to invest more time and resources in those claimants with the greatest chance of gaining employment, and therefore attracting a payment to the provider (creaming), while side-lining more challenging cases (parking). The current model is based largely on the type of out-of-work benefit a claimant is receiving: payments are larger in relation to claimants of Employment and Support Allowance (ESA, the benefit for unemployed people with health conditions or disabilities) than for Jobseekers Allowance (JSA, the standard unemployment benefit) claimants. To incentivise longer term outcomes the Work Programme pays providers mainly for sustained job outcomes of at least three or six months (depending on benefit-type), with further payments available where the job is sustained beyond that point.<sup>6</sup> The current payment model is set out in table 2, chapter 5.

### Current centrally-contracted welfare-to-work provision

6. The very large majority of participants in DWP’s contracted welfare-to-work provision are referred from JCP to the Work Programme: over 1.7 million people have taken part since 2011.<sup>7</sup> Participation is mandatory for JSA claimants and ESA claimants whose ill health is expected to last for up to 12 months and who are expected to be able to start preparing for a return for work; financial sanctions (cessation of the relevant benefit payment for a period) can be applied for failure to attend or participate.<sup>8</sup>

7. DWP established one, much smaller, alternative programme—Work Choice—intended for people with more substantial barriers to employment arising from disabilities or long-term health conditions. Around 90,000 people have taken part in Work Choice since it was launched in October 2010. As well as being much smaller in scale than the Work Programme, Work Choice differs in that it is a voluntary programme and participation is unrelated to benefit-type. It also has a much smaller PBR element—providers currently receive 70% of DWP funding as a service fee (this will shortly be reduced to 50% for the remainder of the contracts).<sup>9</sup>

6 Work and Pensions Committee, Fourth Report of Session 2010–12, [Work Programme: providers and contracting arrangements](#), HC 718, chapter 4

7 DWP, [Quarterly Work Programme National Statistics to June 2015](#), September 2015

8 Work and Pensions Committee, First Report of Session 2013–14, [Can the Work Programme work for all user groups?](#), HC 162, paras 53–60

9 GOV.UK, [‘Work Choice’](#), accessed 30 September 2015



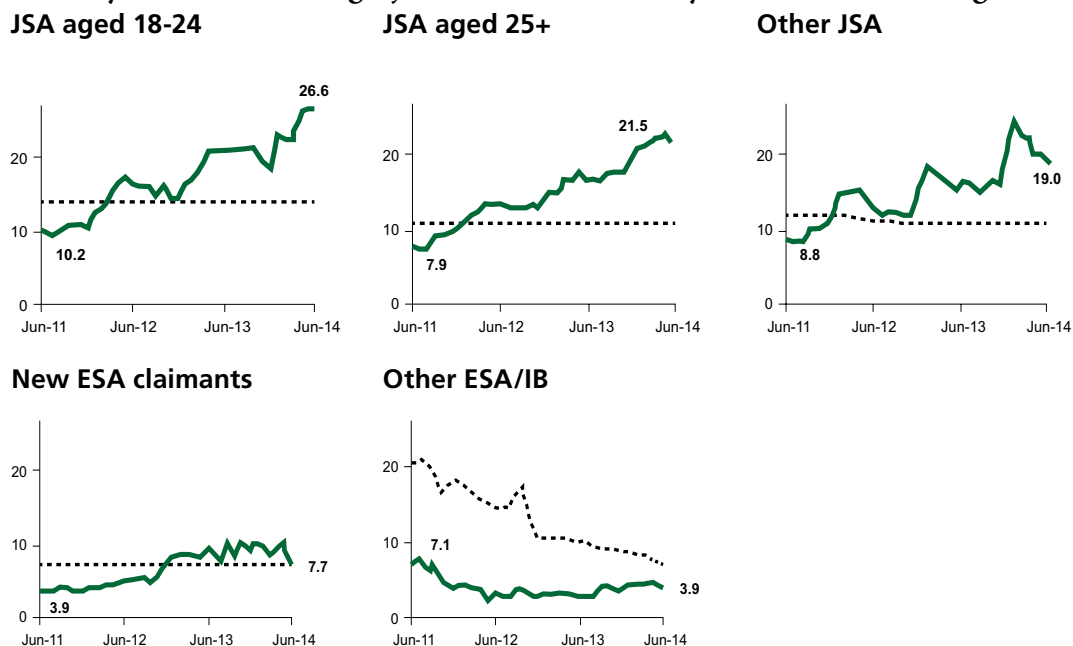
## The context for our inquiry

### Programme performance

8. After a poor start, the Work Programme's success at getting the long-term unemployed back into work has improved substantially. While accurate comparisons are problematic, as the Work Programme has a longer term definition of a "job outcome", it is likely that in general terms the Work Programme is now performing at least as well as predecessor programmes.<sup>10</sup> Furthermore, the Centre for Economic and Social Inclusion (Inclusion), which has an official role in evaluating the Work Programme, estimates that the efficiencies produced by its design and commissioning have enabled a similar level of outcomes for about half the cost per participant of previous programmes.<sup>11</sup>

9. Nonetheless, there are widespread concerns that the single, centrally-contracted PBR model, delivered predominantly via large private sector primes, is not currently working well for some groups which require more intensive or specialised help. Official evaluations suggest that differential payments, as currently configured, may not have had the intended impact on provider behaviour: providers still tend to offer greater support to more "work-ready" participants.<sup>12</sup> Official job outcome performance data appear to bear this out. While job outcome performance is now significantly exceeding DWP's minimum expectations for the JSA groups, it is lagging behind for ESA groups, particularly for ex-Incapacity Benefits (IB) ESA claimants, many of whom have been unemployed for many years, and for whom there was previously no requirement to look for work while on IB. Official statistics show that of the most recent monthly cohort of ex-IB ESA claimants to have completed one year on the Work Programme, only 3.9% had achieved three months of employment:

**Figure 1: Work Programme performance against minimum expectations (percentage of monthly cohorts achieving a job outcome after one year on the Work Programme)**



Source: DWP, Quarterly Work Programme National Statistics to June 2015, September 2015, p 4

10 National Audit Office, *The Work Programme*, HC 266 Session 2014–15, July 2014

11 Centre for Economic and Social Inclusion and NIACE ([WTVW0041](#))

12 DWP, *Work Programme evaluation: Findings from the first phase of qualitative research on programme delivery*, Research Report No 821, November 2013

10. The specialist disability programme, Work Choice, appears to be performing well and, like the Work Programme, its performance is on an upward trend. While it is not possible directly to compare Work Programme and Work Choice job outcome performance, as there are considerable differences in the way job outcomes are defined in each scheme, it appears that the specialist programme is considerably more effective for jobseekers with health conditions and disabilities. Of a six-month cohort of Work Choice participants who started on the programme between 1 July 2014 and the end of December 2014, 57.3% had entered a job by the end of June 2015.<sup>13</sup>

### *Innovation in service delivery*

11. Independent research has found that, while the Work Programme has been innovative in contract design, elements of the programme have inhibited genuine innovation in the services delivered to participants, often leading to a fairly generic set of interventions such as help with CVs, job-searching techniques and interview training.<sup>14</sup> It is commonly held that this is unlikely to be adequate for people with more challenging needs, who often require a series of non-standard interventions to help them back into work.<sup>15</sup>

### **The aims of this Report**

12. We wanted to ensure that the main strengths of the current contracts are preserved, while helping to shape the next set of contracts to address the challenges of the contemporary labour market better. The 2017 contracts will attempt to address a different problem from those signed in 2010, in the wake of the financial crash and subsequent economic downturn. A growing proportion of people referred to the new provision will have more structural, entrenched or complex barriers to returning to work. The Work Programme has already seen a significant change in the type of claimants referred to it: the proportion of ESA claimants on the work programme has risen substantially. Experts predict that ESA claimants will outnumber JSA claimants on the programme by 2017.<sup>16</sup>

13. The Government has pledged to halve the gap between the employment rate for disabled people and that of the non-disabled population (the “disability employment gap” is currently around 33 percentage points).<sup>17</sup> Assuming a constant rate of employment amongst non-disabled people, halving the gap would require over *one million* currently unemployed or economically inactive disabled people to move into work, which will clearly require an invigorated approach.<sup>18</sup> We wanted to make sure that the 2017 contracts reflect this.

14. More broadly, we sought to make recommendations which would enable welfare-to-work, and the wider employment support structure, more consistently to provide individual unemployed people with the right type of help, from the right type of organisations, at the right time.

15. In the text of this Report, our conclusions are set out in **bold type** and our recommendations, to which the Government is required to respond, are set out in ***bold italic type***.

13 DWP, *Work Choice Official Statistics*, August 2015

14 Nesta ([WTW0035](#))

15 See, for example, Action on Hearing Loss ([WTW0027](#)); Crisis ([WTW0032](#)); Nesta ([WTW0035](#)); Scope ([WTW0052](#))

16 Centre for Economic and Social Inclusion and NIAACE ([WTW0041](#))

17 *The Conservative Party Manifesto 2015*, p 19

18 ONS Labour Market Statistics, [table A08](#)

## 2 A more systematic assessment

16. Many of the barriers to employment are well known: illiteracy and innumeracy, and poor general educational attainment; weak employment history; contact with the criminal justice system; physical and mental ill-health and disabilities; alcohol and substance misuse, and more general indicators of a chaotic lifestyle; housing problems and homelessness; and long-term caring responsibilities. Much of the evidence to our inquiry emphasised the importance of identifying these types of characteristics at an early stage in benefit claims, to enable referral to the right support at the right time. Shaw Trust, a specialist provider of employment support for disabled people, echoed the view of many witnesses when it told us that “a robust upfront assessment [...] is the crucial missing piece of the jigsaw.”<sup>19</sup>

### Reliability of the current approach to assessment

17. A number of welfare-to-work practitioners reported that the current approach to the assessment of out-of-work benefit claimants was too often inadequate or inconsistent, and that some crucial characteristics tended to be missed. A joint submission from the Employment Related Services Association (ESRA, the welfare-to-work trade body) and homelessness charities, for example, reported that homelessness was not consistently identified by JCP at the beginning of claims.<sup>20</sup> Others reported that key characteristics known to affect employability, such as drug and alcohol problems and ill-health, particularly mental ill-health, were also not systematically identified.<sup>21</sup> The Work Programme provider we spoke to in Ramsgate told us that it sometimes received little or no useful information about claimants’ characteristics, despite the fact that these claimants had been continuously claiming benefit, and therefore in regular contact with JCP, for several months.

18. The Department has been considering this issue for at least the last two years. Our predecessor Committee made two relevant recommendations to the Department in May 2013:

- i) In the short-term it should concentrate on more consistently identifying JSA claimants with specific barriers, including homelessness and drug and alcohol problems, and more consistently referring them to the Work Programme Early Entrant payment group; and
- ii) In the longer-term it should develop a “much more thorough, needs-based assessment of jobseekers’ needs, which could determine the type of services required by each jobseeker [...]”

The Government’s response, in September 2013, was that it was “exploring whether we can more effectively identify and segment those claimants who are likely to be particularly difficult to help back into sustained employment.”<sup>22</sup> The Department’s written submission to our inquiry confirmed that it was still considering how to develop “more tailored, flexible and personalised support based on an assessment of the needs and the strengths

19 Shaw Trust ([WTW0054](#)). See also, The British Psychological Society ([WTW0055](#)); ERSA, St. Mungo’s Broadway, Crisis and Homeless Link ([WTW0005](#)); Association of Employment and Learning Providers ([WTW0046](#))

20 ERSA, St. Mungo’s Broadway, Crisis and Homeless Link ([WTW0005](#))

21 See, for example, Making Every Adult Matter coalition ([WTW0036](#)); The British Psychological Society ([WTW0055](#))

22 Work and Pensions Committee, Second Special Report of Session 2013–14, *Can the Work Programme work for all user groups? Government Response to the Committee’s First Report of Session 2013–14*, HC 627

of each individual”.<sup>23</sup> In response to our request for further details, DWP said that it was developing a new system which might identify characteristics such as “age, health/disabilities, homelessness, drug/alcohol misuse and ex-offender status.”<sup>24</sup>

### Potential for a more systematic, characteristic-based approach

19. Work Programme participants are currently largely categorised according to the benefit they claim, which acts as a proxy for needs. Some witnesses emphasised that the introduction of Universal Credit, which will replace six in-work and out-of-work tax credits and benefits, including income-based JSA and ESA, presented an opportunity to re-think this categorisation and focus on identifying characteristics which are known to be strong indicators of likelihood of long-term unemployment.<sup>25</sup>

20. Other government schemes, such as the Department for Communities and Local Government’s Troubled Families programme and the Ministry of Justice’s Offender Pathways have successfully implemented characteristic-based assessments to identify people who would benefit most from support. The Association of Employment and Learning Providers (AELP) noted that Offender Pathways identifies nine distinct characteristics which are known to affect likelihood of recidivism, for example.<sup>26</sup>

21. A characteristic-based assessment is used in the Australian employment support system, in which a Jobseeker Classification Instrument (JSCI) allocates jobseekers to one of four “work streams” depending on the level of individual support required. The assessment takes in 18 categories of personal circumstances, including: work experience; educational attainment; disability; and criminal convictions. The JSCI draws on a questionnaire of up to 49 questions to the claimant, to produce an individual “score”, which determines the work stream to which the claimant is referred. Our predecessor Committee recommended that DWP consider adopting a similar approach, adapted for the GB context.<sup>27</sup> A number of witnesses to our inquiry made the same recommendation.<sup>28</sup>

**22. Providing unemployed people with the right help at the right time depends on understanding the barriers which are likely to stand in the way of them making a swift return to work. If the Department is to produce the desired step-change in helping long-term unemployed people back into employment, it is vital that we more fully understand which characteristics present the greatest barriers to working, and design and test more innovative and effective provision to address them (see chapter 6).**

**23. Too often in the current system characteristics which are known to be strong indicators of the likelihood of long-term unemployment are not being identified early enough. This is largely due to the lack of a systematic and thorough assessment shared across the welfare-to-work sector. The time between now and the start of the new welfare-to-work contracts in 2017 is an opportunity to develop such an assessment. We strongly support the Department’s intention to do so.**

23 DWP ([WTW0057](#))

24 DWP ([WTW0064](#))

25 See, for example, Association of Employment and Learning Providers ([WTW0046](#)); [Q128](#) [Robyn Fairman]

26 Association of Employment and Learning Providers ([WTW0046](#))

27 Work and Pensions Committee, First Report of Session 2013–14, [Can the Work Programme work for all user groups?](#), HC 162

28 See, for example, Essex County Council ([WTW0012](#)); Maximus ([WTW0016](#)); Shaw Trust ([WTW0054](#))

24. *The Department must develop a new standardised assessment of claimants' barriers to work, to be completed at an early point in claims by JCP. The new assessment should be based on a check-list of characteristics, including: illiteracy and innumeracy, and poor general educational attainment; employment history over the last four years; contact with the criminal justice system; physical and mental ill-health and disabilities; housing problems and homelessness; drug and alcohol misuse; and long-term caring responsibilities. The assessment should be reviewed every three months, to reflect the fact that these types of characteristics are not always immediately disclosed or easily identifiable, and to ensure that an effective service, tailored to a claimant's circumstances, can be developed over time. It should be shared with all contracted providers and local partners at the point of referral from JCP. We recommend that a new assessment is in place at the start of the new contracts which will replace current Work Programme and Work Choice provision in 2017. We further recommend that the Department and contracted providers track the job outcomes of different groups of claimants, broken down by the characteristics identified in the assessment, and report this data to a What Work Centre, as recommended in Chapter 6 of this Report.*

### 3 Integration with related local services

25. Unemployed people with complex needs are likely to be, or ought to be, in contact with a range of locally-run health, housing, education and other services. All of the welfare-to-work practitioners we heard from during our inquiry recognised that employment support is unlikely to be effective for people with complex needs unless JCP and contracted providers have strong links with local providers of related services. The Department also recognised this and, as a first step towards achieving greater integration, has recently established a joint Health and Work unit with the Department of Health. However, despite the widespread recognition of its importance, the evidence was that in practice effective integration is patchy. Below we set out some examples of good practice, and emphasise the opportunities for more effective integration of services afforded by the introduction of Universal Credit and the related DWP programme, Universal Support Delivered Locally.

#### Local pre-Work Programme approaches: Pathways to Employment programme

26. Pathways to Employment is a pilot programme in which Lewisham, Lambeth and Southwark borough councils are working together with a voluntary sector provider (Tomorrow's People) and the JCP District to provide more integrated services. The pilot engages with Universal Credit claimants with complex employment support needs. It is administered by co-located JCP, Tomorrow's People and local authority teams based in three of the boroughs' Jobcentres. The teams are able to address a range of issues, including housing, health, education and skills, and debt and financial advice. Robyn Fairman, Head of Strategy at Lewisham Council, told us that effective triage was essential to the approach, further emphasising the importance of a characteristic-based assessment, as discussed in the previous chapter.<sup>29</sup>

27. The Pathways to Employment approach seeks to pool the resources of the various local agencies involved in supporting people with complex needs, while ensuring that helping people back into work remains the central focus. Robyn Fairman told us that without service integration:

Different agencies spend loads of money on the same individuals, and they still come out six years later unemployed, because no one has spent the right amount of money at the right point.<sup>30</sup>

28. Pathways to Employment commenced in late 2014. Given that it is working only with claimants with complex needs, its early results appear comparatively very good: by September 2015 around 20% of participants had entered paid employment. This figure is expected to rise to 30% by the end of the year-long pilot in November 2015 (as previously noted, only 3.9% of ex-IB ESA claimants achieve three months of work after a year on the Work Programme).<sup>31</sup>

<sup>29</sup> [Q126](#)

<sup>30</sup> *Ibid.*

<sup>31</sup> Lambeth, Lewisham and Southwark Pathways to Employment programme ([WTW0062](#))

### **Potential impact of Universal Credit: Universal Support Delivered Locally**

29. A number of witnesses emphasised the opportunities for greater integration afforded by Universal Credit, and in particular the related pilot programme, Universal Support Delivered Locally. USDL pilots have been established in 11 local authority areas to support Universal Credit claimants who require help adapting to the new benefit, which is a single monthly benefit payment including housing costs, designed to be claimed and managed predominately online. USDL was set up to identify and help claimants who require support with IT and management of their household finances. The programme is run jointly by DWP, local authorities and local providers of relevant support services.<sup>32</sup>

30. Robyn Fairman explained that the Pathways to Employment teams had used the opportunity presented by USDL, in which claimants are triaged for IT and budgeting support needs, to work with JCP to also identify claimants with a range of complex employment-related support needs. They had therefore been provided with appropriate help at an early point in benefit claims.<sup>33</sup>

### **Integration within the Work Programme**

31. ERSA acknowledged concerns about a lack of integration with local services within the Work Programme; however, we heard some good examples to the contrary.<sup>34</sup> In Ramsgate, a local NHS employee attended the Work Programme site one day per week, to offer support and arrange referrals for jobseekers with health conditions. The provider in Ramsgate regularly referred Work Programme participants to help provided by a local drug and alcohol misuse charity.

32. Shaw Trust, a prime contractor in east London, told us that it had taken steps to adapt its services to take account of the growing proportion of people with complex needs referred to its Work Programme provision. Its recently established “Community Hubs” in Lewisham and Hackney co-locate Work Programme advisers with a range of local organisations providing services including occupational therapy, counselling and housing advice. The Shaw Trust hubs also accommodate gyms and offer leisure and well-being activities such as yoga and pilates. Shaw Trust reported that Community Hubs had transformed its Work Programme provision into “a place where customers want to participate, rather than merely a place they are mandated to attend.” Early indications were that the new approach was helping more participants, including people with disabilities, make progress towards a return to employment.<sup>35</sup>

**33. *One of the clearest conclusions we draw from the evidence to our inquiry is that employment support for long-term unemployed people with complex needs relies on effective integration with other locally-run services, including health, housing, education and skills, and support for alcohol and drug addiction and other indicators of a generally chaotic lifestyle. There are excellent examples of JCP, contracted providers, local authorities, and other local organisations working together in co-located teams, pooling resources to address these types of issues at an early stage in benefit claims, while maintaining a central focus on employment. DWP should more actively seek to establish***

32 GOV.UK, '[Universal Support – delivered locally: information for local authorities](#)', accessed 1 October 2015

33 [Q128](#)

34 ERSA ([WTW0003](#))

35 Shaw Trust ([WTW0054](#))

***integrated and co-located teams more widely across Great Britain. We recommend that the Universal Support Delivered Locally pilots be expanded beyond IT and budgeting support, to include more effective integration of housing, health, education and skills, and drug and alcohol teams in single locations, each contributing part of their budget, with a clear focus on employment as the ultimate goal.***

## **The relationship between health budgets and employment**

34. We heard a particularly striking example of NHS spending contributing to employment. Theresa Grant, the Chief Executive Lead for Employment and Skills in Greater Manchester, told us that one 28 year old participant in Greater Manchester's Working Well pilot programme had never worked, despite being highly motivated to do so and well-qualified. He had never been beyond the interview stage for a job because he had no teeth, and prospective employers had assumed that this was due to drug misuse. In fact, he had lost his teeth as a result of treatment for a medical condition. This had led to loss of confidence and low self-esteem, which was compounded by his inability to find work. Ms Grant told us that the underlying problem had never been addressed despite several years of contact with JCP and a two-year attachment to the Work Programme. Working Well's integrated service had ensured that he accessed NHS dentistry. He had then received a new set of teeth and found a job "within a month."<sup>36</sup> We consider how the broader welfare-to-work sector can learn lessons from the Greater Manchester Working Well pilot, and other locally-commissioned approaches, in chapter 6.

35. Mental health organisations argued that there was a particularly urgent need for integration of services in relation to unemployed people with mental health problems. They recommended that the NHS Improving Access to Psychological Therapies (IAPT) programme, which promotes the implementation of National Institute for Health and Care Excellence (NICE) guidance on supporting people with depression and anxiety disorders, be integrated with employment support, housing and social care services at a local level.<sup>37</sup>

***36. We welcome the establishment of the joint DWP/Department of Health Work and Health Unit as a first step towards integration of health and employment support. For integration to be effective, we believe that some pooling of budgets will be necessary. We recommend that the Health and Work Unit test the efficacy of allocating a small part of local NHS commissioning budgets to employment support in Universal Support Delivered Locally pilot areas. We further recommend that the Work and Health Unit prioritise integration of the NHS Improving Access to Psychological Therapies (IAPT) programme with employment support, to ensure that unemployed people with depression and anxiety disorders more consistently receive appropriate and prompt support.***

---

36 [Q101](#)

37 Joint submission from mental health organisations ([WTW0039](#))



## 4 A specialist programme for disabled people

---

37. We were aware that the Department was considering consolidating the specialist programme for disabled people, Work Choice, and the Work Programme into a single scheme to run from April 2017. The Rt Hon Priti Patel MP, DWP Minister for Employment (the Minister), indicated that consolidation would “make sense” from the Department’s perspective, but told us that she was still considering all options.<sup>38</sup> This chapter considers the strengths and weaknesses of the Work Choice programme and weighs the case for and against consolidation into a single programme.

### The case for consolidation

38. Few witnesses supported consolidating contracted employment support for all disabled people into the main programme. Exceptions included Papworth Trust, a specialist Work Programme subcontractor we visited in Cambridge, and NCG, a Work Programme prime. The key benefits of consolidation would be to further reduce the number of contracts, which would simplify procurement processes, produce further efficiencies in contract management, and thereby further reduce overall running costs. Papworth also had a principled objection to treating disabled people differently, and therefore favoured their inclusion in a single programme. NCG believed that consolidation could also increase performance by combining the best practices of each of the current programmes.<sup>39</sup>

### The strengths of the Work Choice programme and the case for maintaining a separate programme

39. Providers of Work Choice, including Pluss, Remploy and Shaw Trust, argued that it was essential to maintain a separate, specialist programme. Pluss and Remploy told us that the current mix of upfront service fee and PBR was a key strength of the programme; it supported innovation and investment in high quality support, which was vital in a programme for people with substantial needs, while also maintaining a focus on outcomes. However, there was an acceptance that the current 70% service fee (shortly to be reduced to 50%) would need to be reviewed; Steve Hawkins, Chief Executive of Pluss, acknowledged that 70% was “generous”.<sup>40</sup> Remploy believed that providers should have to “evidence why an up-front payment is required, and the innovative provision that it is driving.”<sup>41</sup>

40. The most common argument put forward against combining support into a single set of contracts was that the Work Programme had not been a success for people with substantial health and disability-related employment support needs. Consolidation into a national mainstream programme therefore risked damaging performance for this group.<sup>42</sup> A number of witnesses pointed out that maintaining a separate programme, commissioned via smaller contracts, had enabled specialist disability organisations to deliver at both prime and subcontractor level, which had contributed to Work Choice’s

---

38 [Q145](#)

39 NCG ([WTW0050](#))

40 [Q65](#)

41 Remploy ([WTW0049](#))

42 See, for example, Inclusion and NIACE ([WTW0041](#))

relative success.<sup>43</sup> Tom Gash, a public procurement expert at the Institute for Government, warned that larger contracts, which would result from consolidation of Work Choice and Work Programme, would inevitably lead to “very few or no specialist primes.”<sup>44</sup>

41. Others argued that it was important to maintain a *voluntary* programme; there was evidence that voluntary approaches are more effective for people with health conditions and disabilities, and some evidence that mandatory programmes can be detrimental to people’s health, particularly mental health. Some believed that a voluntary programme which was not connected to benefit-type was essential, to ensure help was available to unemployed disabled people who were not claiming benefits, or who were otherwise out of scope for a mainstream welfare-to-work programme. They noted that this was particularly the case if the Government was to make progress towards helping over one million more disabled people into work.<sup>45</sup>

### Weaknesses in Work Choice design

42. Two main flaws in the current design of Work Choice were identified, although both could be addressed relatively simply given sufficient resources. First, there were too few places available on Work Choice to meet demand. As previously noted, Work Choice has supported fewer than 90,000 people since its launch in October 2010. It is a “capped” programme: i.e. the number of people who can take part is strictly limited. It has tightly defined eligibility criteria; to be eligible for Work Choice a jobseeker must:

- Experience complex work-related support needs arising primarily from disability; *and*
- Have requirements in work which cannot immediately be overcome through workplace adjustments which are required under the Equality Act 2010 and/or by Access to Work support<sup>46</sup>; *and*
- Need support in work as well as help with finding work; *and*
- Cannot be helped through other DWP programmes; *and*
- Expect to be able to work for a minimum of 16 hours per week.

43. Concern was also expressed that Work Choice is not well focused, as was intended, on people with more substantial disability-related needs. The current expectation for participants in Work Choice is that they should be expected to be able to work for 16 hours per week after six months of pre-employment support. Some witnesses noted that this effectively barred people with more substantial needs from participation, as they would often require support for a longer period, and in some cases may not reasonably be expected to aspire to working 16 hours per week.<sup>47</sup>

44. Shaw Trust pointed out that official statistics appear to bear out the claim that Work Choice is not sufficiently well focused on those with higher levels of disability-related need; recent statistics showed that nearly 60% of participants in Work Choice were JSA claimants, while only 17% were claiming a health-related unemployment benefit (ESA; IB; or Severe Disablement Allowance).<sup>48</sup>

43 Pluss ([WTW0009](#)); United Response ([WTW0030](#)); Remploy ([WTW0049](#))

44 [Q29](#)

45 Joint submission from mental health organisations ([WTW0039](#)); Inclusion and NIACE ([WTW0041](#)); Scope ([WTW0052](#))

46 For an overview of Access to Work, see GOVK.UK, ‘[Access to Work](#)’, accessed 2 October 2015

47 London Voluntary Service Council ([WTW0017](#)); United Response ([WTW0030](#));

48 Shaw Trust ([WTW0054](#))

45. *The Government has made reducing the “disability employment gap” a priority. The configuration of contracted employment programmes from 2017 should reflect this. A separate, voluntary employment programme, for people with substantial health and disability-related barriers to employment, should be retained. The specialist programme should continue to be delivered exclusively by specialist organisations at prime and subcontractor level. There is too great a risk that consolidating support for this group into a national mainstream programme, delivered via non-specialist prime contractors, will diminish the quality and effectiveness of support available.*

46. *We recommend that the Department at least double the number of places available on the new specialist programme, compared to the current Work Choice programme. We appreciate that its budgets are under pressure, and that a Comprehensive Spending Review is on the horizon. We therefore recommend that, while DWP retain a level of upfront service fee in the new specialist programme, the level be reviewed in consultation with providers, with a view to reducing the upfront costs per participant of the new programme compared to Work Choice.*

47. *The next specialist disability employment programme must maintain the strengths of Work Choice and address its flaws. We recommend the new programme must:*

- *Continue to be voluntary, open to unemployed disabled people regardless of whether they are claiming an out-of-work benefit;*
- *Have clear and well-publicised referral routes from statutory organisations other than JCP, including health and social care providers;*
- *Have clearer and less-restrictive eligibility criteria. For benefit claimants access to the programme should be based on a new characteristic-based assessment, as recommended earlier in this Report. The programme should be available to people who have substantial health and disability-related barriers to working and who would require a level of in-work support; and*
- *Provide pre-employment support for up to at least 12 months.*

48. *Should the budgetary constraints imposed on DWP in the forthcoming Comprehensive Spending Review be such that the Department chooses, for reasons of cost, to consolidate specialist contracted employment support for disabled people into a larger programme, it will become even more important that DWP’s contracts are configured in a way which more clearly incentivises providers to support those with more challenging barriers. We consider necessary changes to the mainstream contracts in the next chapter.*

## 5 Work Programme Plus: helping people furthest from the labour market

---

49. The Work Programme is DWP’s large-scale mainstream contracted employment programme, to which the very large majority of long-term unemployed claimants are referred; few witnesses questioned the necessity for a similarly large-scale scheme to replace the current Work Programme contracts when they expire in 2017.<sup>49</sup> There was wide-ranging consensus that the current structure of standardised JCP support in the early stages of claims, followed by referral to contracted providers for those who require a more personalised approach, should continue. However, many witnesses believed that the successor to the current Work Programme, which DWP called “Work Programme Plus”, would need to be significantly reconfigured if it is to increase the likelihood of success in helping those with more entrenched or complex barriers to employment back into work. ERSA told us that the central challenge was to structure Work Programme Plus in such a way as to ensure that “the right organisations are able to be there at the right time, with sufficient money to be able to do what they need to do.” This chapter sets out how we believe the next set of contracts could evolve to achieve this more consistently, while maintaining a level of continuity to protect the main strengths of the current Work Programme.

### Simplified payment groups and an “accelerator” payment model

50. The current Work Programme differential payment model is set out in a table on page 20.

51. There was little evidence that the current differential payment model was having its intended impact of incentivising providers to focus more of their resources on participants with more challenging barriers to working. Maximus, a Work Programme prime, suggested that the payment group of participants was simply ignored.<sup>50</sup> There were three main reasons for this;

- Benefit-type is a poor proxy for level of support required;
- The financial differentials between the groups are insufficient; and
- The model is unnecessarily complicated.

52. As our predecessor Committee identified in 2013, benefit-type is a poor proxy for the level of employment support required: many JSA claimants have a complex set of needs and require resource-intensive help; some ESA claimants have comparatively straightforward needs. Providers therefore routinely carried out their own assessment of participants’ barriers to work; the payment group of individual participants had no bearing on this.<sup>51</sup>

---

49 The Public and Commercial Services Union, which represents DWP staff, including many who work in Jobcentre, was a notable exception ([WTW0019](#))

50 Maximus ([WTW0016](#))

51 *Ibid.*

53. Furthermore, there was a view that, even where payment groups reflected the relative difficulty of supporting different categories of claimant, the differential between maximum available payments for each group was insufficient. The maximum total fees (including job outcome fee and the maximum available sustainment fees) available to providers for supporting an ex-IB ESA claimant into sustained employment is £13,120, slightly less than three and a half times the maximum available fee for helping a mainstream JSA claimant aged 25 or over into sustained work (£3,875). Providers' experience was that this did not adequately reflect the relative likelihood of achieving an outcome for someone who is far from ready to return to work, compared to someone who is ready, but perhaps just needs more personalised help with a job-searching strategy or other relatively generic or "light touch" support.<sup>52</sup>

54. Primes told us that the payment model was not currently set up adequately to compensate them for the extra resources required to help some people get back into work. Maximus explained that primes looked at the financial model in terms of the "unit price per participant" i.e. the average fee received per participant in a particular group, rather than the maximum fee available per participant in each group. From this perspective, the payment model was not incentivising providers to support ESA claimants as was intended. The ESA groups in Maximus's provision were yielding lower average fees per participant: £1,030–£1,260 per person in ESA payment group 6, compared to £1,320–£1,610 per person in JSA payment group 2, for example.<sup>53</sup> In making a similar point, ERSA noted that providers were effectively "subsidising the ESA cohort from the JSA cohort."<sup>54</sup>

55. Experts told us the current model had too many payment groups. Providers pointed out that there was very little difference between the available fees for some of the groups. This was thought to be unnecessarily complicated and ineffective.<sup>55</sup>

---

52 *Ibid.*

53 *Ibid.*

54 [Q14](#)

55 [Qq30-3](#) [Dave Simmonds]; Maximus ([WTW0016](#))

Table 1: Work Programme differential payment model

Payment group	Maximum payments available					
	Job outcome Yr 3 attachments	Job outcome Yr 4 attachments	Job outcome Yr 5 attachments	Max number of sustainment payments payable. Paid every 4 weeks	Max amount payable to providers in sustainment fees	Max payment for job outcomes and sustainment fees (based on a Yr 3 attachment)
1. JSA aged 18-24	£1,080	£960	£840	13	£2,210	£3,290
2. JSA aged 25+	£1,080	£960	£840	13	£2,795	£3,875
3. JSA Early Access	£1,200	£1,200	£1,200	20	£5,000	£6,200
4. JSA Ex-IB	£1,200	£1,200	£1,200	20	£5,000	£6,200
5. ESA Volunteers	£1,000	£1,000	£1,000	20	£2,300	£3,300
6a. ESA claimants 3 to 6 months prognosis	£1,080	£960	£840	20	£4,700	£5,780
6b. ESA claimants 12 months prognosis	£1,080	£960	£840	20	£4,700	£5,780
7. ESA Ex-IB	£3,500	£3,500	£3,500	26	£9,620	£13,120
8. IB/IS (ended 31 Mar 2015)	£1,000	£0	£0	13	£1,885	£2,885
9. JSA Prison leavers (From Mar 2012)	£1,200	£1,200	£1,200	20	£4,000	£5,200

Source: DWP

### **“Accelerator” payments**

56. The Department recognised that a reconfigured payment model was necessary if it was more successfully to incentivise providers to support people with more challenging barriers. DWP told us that it was considering introducing a model with fewer payment groups, and replacing the flat differential payment with an innovative “accelerator” model, by which providers would receive larger fees as they supported more participants within a group into sustained employment. The benefit of this model would be more directly to link financial rewards to addressing the more complex cases within a cohort of claimants. Iain Walsh, DWP’s Director of Labour Market and International Affairs, explained that no matter how the Department chose to distinguish between claimants, no group of claimants would be homogenous; a flat fee was therefore likely to elicit creaming and parking, as a rational response from providers seeking to earn maximum return from their investment. Mr Walsh noted that the main challenge in introducing an accelerator payment model would be to set the performance thresholds above which providers would receive higher outcome payments at reasonable levels, based on the best available evidence.<sup>56</sup>

57. There was enthusiasm for this approach from within the sector, including from ERSA, and some more cautious support from charitable organisations supporting disadvantaged groups.<sup>57</sup>

### **Retention of PBR with a level of service fee for those furthest from the labour market**

58. Kirsty McHugh told us very clearly that the Work Programme was under-investing in claimants who are furthest from the labour market. She said that the withdrawal of upfront fees since April 2014 had exacerbated this. ERSA’s view, supported by numerous others, was that:

Pure PBR for people on ESA is a mistake; we should not be doing that. There does need to be some level of service fee. A lot of the very good organisations in this space are charities, and surviving on PBR is a very difficult situation for many of those.<sup>58</sup>

A range of organisations believed that service fees were required to “de-risk” providers’ investment in the intensive support these types of participants need.<sup>59</sup>

### **Clearer, simpler (and generally earlier) referral points**

59. A number of Work Programme participants we spoke to during our visits had been unemployed and claiming an out-of-work benefit, interspersed with short periods of temporary employment, for a number of years. A common experience was that the JCP regime had not provided the personalised help they required. The people we spoke to were making more progress, or had found work, since being referred to the Work Programme, and they wished that they had been referred earlier.

56 [Qq149–50](#)

57 ERSA ([WTW0003](#)); Maximus ([WTW0016](#)); Gingerbread ([WTW0031](#))

58 [Q9](#)

59 Essex County Council ([WTW0012](#)); Maximus ([WTW0016](#)); National Housing Federation ([WTW0020](#)); NCVO ([WTW0038](#))

60. Currently the point in benefit claims at which a JSA claimant is referred from JCP to the Work Programme varies according to their payment group, as set out below:

- Payment group nine (prison leavers): referral on the day of release from prison;
- Payment group three (JSA Early Entrants, including people with drug and alcohol problems; homeless people; and care leavers): referral at three months or on day one of a claim for people aged 18–21 years and leaving care;
- Payment group four (ex-IB JSA claimants): referral at three months;
- Payment group one (18–24 year-old JSA claimants): referral at nine months;
- Payment group two (JSA claimants aged 25 or over): referral at 12 months.

In all cases the referral period is a continuous period of claiming JSA i.e. if a claimant has a short break from claiming, the period will commence again from day one of a new claim. For ESA claimants, referral is dependent on completion of the Work Capability Assessment, the eligibility test for ESA, which has been subject to substantial delays and backlogs in recent years. The resultant decision on eligibility for ESA is often appealed by the claimant. This has had a significant impact on the flow of ESA claimants onto the Work Programme.<sup>60</sup>

61. A strong theme was that providers needed greater certainty and clarity around the referrals they would receive in Work Programme Plus.<sup>61</sup> Inclusion and the National Institute of Adult Continuing Education (NIACE) recommended earlier referral—at nine months as standard for mainstream JSA claimants. This was because the Work Programme had proven to be effective for this group, and also because Work Programme Plus was otherwise unlikely to receive sufficient referrals of more mainstream claimants to achieve the economies of scale of the current programme (Work Programme Plus is in any case likely to be significantly smaller in scale due to the much reduced JSA claimant count since 2010, and the proposed devolution of welfare-to-work in Scotland).<sup>62</sup>

**62. The Work Programme’s innovative differential payments model has not had its intended impact on the behaviour of providers. Payment groups based largely on benefit-type have not provided an accurate proxy for the level of support required by individual participants. There are too many payment groups in the current model, with financial differentials which do not adequately reflect the relative likelihood of providers achieving an outcome for individual participants: this is both unnecessarily complicated and ineffective. There is a confusing array of referral points at which claimants are referred from JCP to the Work Programme, and many claimants would benefit from earlier referral. We welcome DWP’s acknowledgement of some of these issues and support the Department’s intention to address them in Work Programme Plus from 2017.**

---

60 ERSA ([WTW0003](#)); Prospects Service ([WTW0043](#))

61 See, for example, Maximus ([WTW0016](#)); Crisis ([WTW0032](#)); NCVO ([WTW0038](#)); Fit For Work Team on behalf of the Health Work and Wellbeing Group ([WTW0044](#))

62 Inclusion and NIACE ([WTW0041](#))



63. *We recommend that Work Programme Plus participants be segmented into three payment groups, based on an assessment of characteristics known to affect likelihood of long-term unemployment, as recommended earlier in this Report:*

- *Work-ready group: Relatively work-ready claimants with a good record of employment in the last four years;*
- *Intermediate support group: Claimants with some characteristics restricting their employability, such as lack of qualifications or skills, and a poor record of employment in the last four years; or*
- *Intensive support group: Claimants with complex or multiple barriers to working, including significant physical or mental ill health; drug or alcohol dependency; housing problems or homelessness; and no record of employment in the last four years.*

64. *We strongly support the Department's intention to reconfigure the payment-by-results model for Work Programme Plus: it must more directly incentivise providers to invest in support to tackle participants' more challenging barriers to working. The payment model should continue to have a very strong payment-by-results element and retain the focus on sustained job outcomes, but the new model must address the current under-investment in participants who are furthest from the labour market. We therefore support DWP's intention to introduce an "accelerator" payment model. We recommend that accelerator payments be applied in relation to the intermediate support and intensive support groups described above, based on the best available evidence on what constitutes average, good and exceptional job outcome performance in relation to these groups. We further recommend that a service fee, set at 30% of the job outcome fee, be introduced for participants in the intensive support group.*

65. *Estimating the optimal point at which to refer claimants from JCP to contracted employment programmes is difficult. It must be carefully considered to minimise "deadweight" spending (money spent to help claimants back into work, where they would have done so without any intervention). It must be based on assumptions about claimants' likely period of unemployment, and the added value, above an estimated "non-intervention level", of the contracted support available. We are likely to return to this issue later in this Parliament, perhaps by commissioning research into whether it is possible to challenge the Government's current deadweight assumptions and make a case for much earlier referral to particular types of contracted employment support for particular types of claimants. However, there is already a strong case for generally earlier referral to contracted providers. For Work Programme Plus, we recommend the simple referral system set out below:*

- *Work ready group: referral at nine months of benefit claim*
- *Intermediate support group: referral at six months of benefit claim*
- *Intensive support group: referral at three months of benefit claim*

## Clearer and more measurable minimum service standards

66. The delivery of the Work Programme was designed to be largely free from prescription by DWP. The 2010 Invitation to Tender stated that:

Specialist delivery partners [...] are best placed to identify the best ways of getting people back to work, and will be allowed the freedom to do so without detailed prescription from central government.<sup>63</sup>

This freedom to deliver services without prescription was intended to facilitate innovation and promote a focus on outcomes, rather than centrally-prescribed processes. It has become known as a “black box” approach.<sup>64</sup>

67. The 18 Work Programme primes are each required to publish minimum service standards, but our predecessor Committee found that they “vary greatly in detail and measurability”, and that some were “so vague as to permit providers to virtually ignore some participants if they so choose.” DWP told our predecessors, in response to the last Committee’s recommendation of a single set of clearer and more measurable minimum service standards, that a more prescriptive approach was “not feasible” within the contractual framework of the Work Programme.<sup>65</sup>

68. Dave Simmonds, Chief Executive of Inclusion, emphasised that “there is always going to be a balance between how much the black box is genuinely completely hands-off and the emphasis on customer service standards.” His view was that a reintroduction of upfront service fees in relation to participants with more challenging barriers to working would create an imperative for “a tightening up of the quality standards or customer service standards”. Inclusion’s view, supported by a number of charitable organisations, was that these claimants “should join the programme knowing what to expect.”<sup>66</sup>

**69. The changes to the payment model set out in this Report will be a more effective way of incentivising providers to provide support for people who are facing greater challenges in returning to work; but more should be done to ensure that all participants in Work Programme Plus receive an adequate level of service and are not “parked”.**

**70. We reiterate the recommendation of our predecessor Committee: the Department must establish a single set of clear and measurable minimum service standards, applicable to all providers, and to which all Work Programme Plus participants are entitled.**

63 Cited in Work and Pensions Committee, Fourth Report of Session 2010–12, [Work Programme: providers and contracting arrangements](#), HC 718, para 21

64 Work and Pensions Committee, First Report of Session 2013–14, [Can the Work Programme work for all user groups?](#), HC 162, chapter 6

65 Work and Pensions Committee, Second Special Report of Session 2013–14, [Can the Work Programme work for all user groups? Government Response to the Committee’s First Report of Session 2013–14](#), HC 627

66 [Q3](#) [Dave Simmonds]; Gingerbread ([WTW0031](#)); Crisis ([WTW0032](#))

## 6 Innovation and sharing “what works”

71. A number of more innovative or radical ways of structuring and delivering welfare-to-work were suggested to us, for example scrapping contracted employment programmes and instead investing heavily in JCP;<sup>67</sup> substantially reducing the size of Work Programme CPAs and the value of prime contracts, allowing smaller providers, with established links to, and knowledge of, local areas, to deliver at prime level;<sup>68</sup> or devolving responsibility for commissioning to local authorities or combined authorities in City Deal regions.<sup>69</sup> The difficulty for us was a lack of accessible data on which approaches are likely to be most effective for different types of people in different localities. The evidence is currently insufficiently robust to recommend a major departure from the current structure, particularly given the success of the Work Programme in establishing a GB-wide infrastructure and reducing costs. However, we strongly support the testing of innovative approaches, and suggest below how learning might be more systematically collected and disseminated to inform further evolution of welfare-to-work.

### Learning from jointly-commissioned and devolved approaches

72. We received evidence from a number of local authorities calling, to varying degrees, for greater control of contracted employment programmes in their areas.<sup>70</sup> We spoke to two groups of combined local authorities which were already delivering co-commissioned pilot programmes: the Greater Manchester Combined Authority Working Well pilot; and the Central London Forward (eight central London borough councils) Working Capital pilot. Both were currently working with ESA claimants who had completed the Work Programme without finding sustained work, but they expected, as part of their respective devolution agreements, to deliver substantially expanded, locally-commissioned programmes for a broader range of claimants with complex needs, to run alongside the replacement for the Work Programme from 2017.<sup>71</sup>

73. The central claim of the Greater Manchester and London authorities was that locally-commissioned programmes were more able to integrate services (as discussed in chapter 3), and therefore better address the employment-related needs of their residents. Additionally, devolution gave local authorities the freedom to invest more in helping particular disadvantaged groups, according to local priorities. Kris Krasnowski, representing Central London Forward, emphasised that the Working Capital pilot was “probably investing twice as much” as the Work Programme in supporting people with health conditions and disabilities and was therefore more able to provide more intensive and specialist help.<sup>72</sup> Witnesses from Greater Manchester told us that they were achieving a substantially higher job outcome rate for this group than the current Work Programme.<sup>73</sup>

67 Public and Commercial Services Union ([WTW0019](#))

68 Big Society Capital ([WTW0014](#))

69 Local Government Association ([WTW0021](#))

70 Industrial Communities Alliance ([WTW0002](#)); Nottingham City Council ([WTW0033](#)); London Councils ([WTW0059](#))

71 The current Cities and Local Government Bill contains provisions to devolve “wide-ranging powers” to combined authorities in large cities with elected mayors

72 [Q100](#)

73 [Q107](#) [Mat Ainsworth]

74. Witnesses from Greater Manchester and London believed that there was scope for much wider devolution of welfare-to-work to local authorities; however, it was acknowledged that this might prove to be more difficult to achieve in more rural areas, and that it was for individual authorities, or regions, to demonstrate their competence:

[...] it is not a question of saying, “Give it to us. We can do it better”. You do have to prove your worth, you have to ensure that there is correct governance in place [...]. I am sure that over a period of time we could get to a point where you would be able to say, “Here, we can do it, we can do it locally” and I just hope we will work to that point.<sup>74</sup>

75. DWP acknowledged that local commissioning had potential benefits, in particular: integration of services; shaping of programmes to meet the needs of local labour markets; and greater local accountability, which is a core aim of the Government’s “localism agenda”. The Minister confirmed that the Greater Manchester and central London pilots were of “great interest” and acknowledged that it was important to “understand what works locally” and share learning and best practice.<sup>75</sup>

**76. Devolution of contracted employment programmes to local authorities has a number of potential benefits: effective integration of employment support with related, locally-run services; greater investment to support particular disadvantaged groups, according to local priorities; and shaping of employment programmes to match the needs of local labour markets. A process of devolution has already begun in Greater Manchester and London and it is likely in other cities with elected mayors in the future. It is imperative that DWP draws out and disseminates learning and best practice from innovative approaches being taken in devolved areas now and in the future.**

## Learning from smaller providers

77. As noted at the outset of this Report, DWP chose to commission the Work Programme via large primes with the financial wherewithal to cope with PBR. The primes were expected to construct supply chains made up of smaller organisations with the expertise to address a broader range of issues experienced by the long-term unemployed than earlier programmes, incentivised by the differential payment model. The main strength of this structure from a public policy perspective is that financial risk is transferred from the Department to primes. As the focus is on payment for outcomes, primes are theoretically incentivised to construct efficient and effective supply chains.<sup>76</sup>

78. However, witnesses believed that the model had excluded some very effective organisations from the national welfare-to-work market. Many were concerned that the size of the contracts had barred “good, medium-sized charities” from delivering at prime level.<sup>77</sup> Nesta noted that smaller organisations are often more effective and tend to be more innovative.<sup>78</sup> Others reported a lack of referrals to specialist subcontractors with the expertise to support people with more complex needs.<sup>79</sup>

74 [Q125](#) [Theresa Grant]

75 [Q138](#)

76 See Work and Pensions Committee, Fourth Report of Session 2010–12, [Work Programme: providers and contracting arrangements](#), HC 218, paras 31–44

77 See, for example, Big Society Capital ([WTW0014](#)); Nesta ([WTW0035](#)); NCVO ([WTW0038](#))

78 [Q59](#) [Dan Jones]

79 NCVO ([WTW0038](#)); joint submission from mental health organisations ([WTW0039](#)); Scope ([WTW0052](#))

79. Official evaluations have drawn attention to this issue, but there is a lack of quantitative evidence.<sup>80</sup> Official Work Programme statistics on referrals and job outcomes are reported at prime level only.<sup>81</sup> Furthermore, subcontractors are currently restricted from publishing their own referral and outcome data by DWP, and often by contractual arrangements with their primes. We visited Papworth Trust, a medium-sized pan-disability charity which is a Work Programme subcontractor in two CPAs. Papworth told us that a “wealth of useful data” exists, and that restrictions on reporting of statistics were “one of the biggest frustrations” in the Work Programme. Vicky McDermott, Papworth’s Chief Executive, emphasised that the restrictions meant that the best-performing providers below prime level could not be identified, which inhibited the sharing of best practice.

80. Our predecessor Committee recommended that this issue be addressed, in the interests of greater transparency in the procurement of public services; to aid understanding of which providers were most effective; and to facilitate learning across the market.<sup>82</sup> DWP’s response in 2013 was that it would be “impractical” to publish referral and outcome data below prime level; it pointed out that over 800 organisations had been named as part of primes’ supply chains.<sup>83</sup>

81. *In the interests of transparency in contracted public services, and to facilitate sharing of learning and best practice, we recommend that DWP does not impose, and restricts prime contractors from imposing, restrictions on subcontractors publishing their own Work Programme Plus referral and job outcome data.*

## “De-risking” innovation: An employment programmes innovation fund

82. A number of experts were concerned that the welfare-to-work market currently lacked the conditions required for genuine innovation. This was partly a consequence of the large prime contractor model (it was thought that smaller organisations were more likely to innovate) and PBR (the financial risks of failed innovations were too great). Nesta, the innovation charity, and Inclusion called for a small percentage of DWP’s welfare-to-work budget to be allocated to testing innovative approaches to helping groups of long-term unemployed people who have been poorly served to date.

83. Dan Jones argued that investment in innovation in welfare-to-work was analogous to research and development spending in the wider economy.<sup>84</sup> Total R&D spending in the UK economy in 2013 (the latest period for which official UK data are available) represented 1.67% of GDP.<sup>85</sup> In many developed economies it is considerably higher, for example 2.79% in the United States and 2.92% in Germany in 2012.<sup>86</sup> If the UK level of R&D spending were replicated in welfare-to-work innovation, it would suggest a fund of

80 DWP, [Work Programme evaluation: Operation of the commissioning model, finance and programme delivery](#), December 2014

81 GOV.UK, [‘Work Programme statistics’](#), accessed 5 October 2015

82 Work and Pensions Committee, First Report of Session 2013–14, [Can the Work Programme work for all user groups?](#), HC 162, para 161

83 Work and Pensions Committee, Second Special Report of Session 2013–14, [Can the Work Programme work for all user groups? Government Response to the Committee’s First Report of Session 2013-14](#), HC 627

84 Q61

85 ONS, [UK Gross Domestic Expenditure on Research and Development](#), 2013, March 2015

86 The World Bank, [‘Research and development expenditure \(% of GDP\)’](#), accessed 7 October 2015

around £32 million over four years. If the German level were replicated, the fund might be around £55 million.<sup>87</sup>

## A labour market “What Works Centre”

84. Nesta and Inclusion both called for the establishment of a dedicated labour market “What Works Centre”. The What Works network is a Cabinet Office initiative which aims to “improve the way government and other organisations create, share and use [...] high quality evidence for decision-making.” It was conceived as a range of social policy equivalents to healthcare’s NICE. There are seven independent research organisations in the network, ranging across health, social care and wellbeing; education; crime reduction; early years intervention; local economic growth; and ageing.<sup>88</sup> Nesta told us that the lack of a labour market equivalent was “startling”.<sup>89</sup>

85. Dr David Halpern, the Cabinet Office’s National What Works Adviser, told us that the aim of the “What Works approach” was to provide robust evidence to help government departments and other agencies to choose between a confusing array of policy options; he could see no obvious reason why a What Works Centre would not function well in relation to labour market policy.<sup>90</sup> We also received evidence from Professor Henry Overman, Director of the What Works Centre for Local Economic Growth. His view was that there is “already a good body of evidence to develop guidance about what works” in labour market policy. As he saw it, the imperatives were to “review the evidence, draw out the lessons for policymakers, and disseminate best practice.” He believed that these tasks could “fit neatly into an expanded remit for the What Works Centre for Local Economic Growth”, perhaps working collaboratively with established labour market research organisations, such as Inclusion.<sup>91</sup>

86. *DWP should more actively promote the conditions for innovation and learning in employment support. We make three recommendations to achieve this:*

- *DWP should take steps to encourage a greater role in welfare-to-work delivery for smaller, specialist organisations, which are often more innovative and effective at supporting people with more complex barriers to working.*
- *DWP should establish an Employment Support Innovation Fund, set at 2–3% of the total budget for the 2017 contracts—in line with research and development investment in advanced economies—which should be used to test innovative approaches to supporting groups of jobseekers who have not been well-served to date.*
- *The Cabinet Office should establish a dedicated labour market What Works Centre, or expand the remit of the What Works Centre for Economic Growth to encompass employment programmes. A What Works Centre should: act as a repository for referral and job outcome data below prime contractor level, and disaggregated according to claimants’ characteristics, as identified in the new assessment*

87 Inclusion has estimated that DWP paid £1.89 billion to providers from the start of the Work Programme in June 2011 up to March 2015.

88 GOV.UK, ‘[What Works Network](#)’, accessed 5 October 2015. NICE was established in 1999 to “reduce variation in the availability and quality of NHS treatments and care”, see NICE, ‘[Who we are](#)’, accessed 5 October 2015

89 [Q62](#)

90 [Q133](#)

91 What Works Centre for Local Economic Growth ([WTW0061](#))

*recommended earlier in this Report; seek to identify the most effective providers and disseminate best practice; conduct research into what works for people with different characteristics in different types of locality; and monitor, and report on, the effectiveness of innovative, locally-commissioned approaches.*

87. DWP deserves credit for implementing a programme which, in general, produces results at least as good as previous programmes for a greatly reduced cost per participant. It has also established a stable GB-wide welfare-to-work infrastructure and brought about efficiencies in DWP's procurement and contract-management. It is vital that the Government continues to encourage, facilitate and invest in new and more effective approaches; it must not be forgotten that, notwithstanding the relative successes, nearly 70% of Work Programme participants are still not achieving the desired outcome of sustained employment. We owe it to the 70% to do much better. We intend to keep a watching brief on DWP's efforts to support this group and we may return to this issue later in this Parliament.

## Conclusions and recommendations

---

In this list, conclusions are set out in plain type and recommendations, to which the Government is required to respond, are set out in *italic text*.

### A more systematic, characteristic-based assessment

1. Providing unemployed people with the right help at the right time depends on understanding the barriers which are likely to stand in the way of them making a swift return to work. If the Department is to produce the desired step-change in helping long-term unemployed people back into employment, it is vital that we more fully understand which characteristics present the greatest barriers to working, and design and test more innovative and effective provision to address them (see chapter 6). (Paragraph 22)
2. Too often in the current system characteristics which are known to be strong indicators of the likelihood of long-term unemployment are not being identified early enough. This is largely due to the lack of a systematic and thorough assessment shared across the welfare-to-work sector. The time between now and the start of the new welfare-to-work contracts in 2017 is an opportunity to develop such an assessment. We strongly support the Department's intention to do so. (Paragraph 23)
3. *The Department must develop a new standardised assessment of claimants' barriers to work, to be completed at an early point in claims by JCP. The new assessment should be based on a check-list of characteristics, including: illiteracy and innumeracy, and poor general educational attainment; employment history over the last four years; contact with the criminal justice system; physical and mental ill-health and disabilities; housing problems and homelessness; drug and alcohol misuse; and long-term caring responsibilities. The assessment should be reviewed every three months, to reflect the fact that these types of characteristics are not always immediately disclosed or easily identifiable, and to ensure that an effective service, tailored to a claimant's circumstances, can be developed over time. It should be shared with all contracted providers and local partners at the point of referral from JCP. We recommend that a new assessment is in place at the start of the new contracts which will replace current Work Programme and Work Choice provision in 2017. We further recommend that the Department and contracted providers track the job outcomes of different groups of claimants, broken down by the characteristics identified in the assessment, and report this data to a What Work Centre, as recommended in Chapter 6 of this Report. (Paragraph 24)*

### Integration of employment support with related local services

4. *One of the clearest conclusions we draw from the evidence to our inquiry is that employment support for long-term unemployed people with complex needs relies on effective integration with other locally-run services, including health, housing, education and skills, and support for alcohol and drug addiction and other indicators of a generally chaotic lifestyle. There are excellent examples of JCP, contracted providers, local authorities, and other local organisations working together in co-located teams, pooling resources to address these types of issues at an early stage*



*in benefit claims, while maintaining a central focus on employment. DWP should more actively seek to establish integrated and co-located teams more widely across Great Britain. We recommend that the Universal Support Delivered Locally pilots be expanded beyond IT and budgeting support, to include more effective integration of housing, health, education and skills, and drug and alcohol teams in single locations, each contributing part of their budget, with a clear focus on employment as the ultimate goal. (Paragraph 33)*

5. *We welcome the establishment of the joint DWP/Department of Health Work and Health Unit as a first step towards integration of health and employment support. For integration to be effective, we believe that some pooling of budgets will be necessary. We recommend that the Health and Work Unit test the efficacy of allocating a small part of local NHS commissioning budgets to employment support in Universal Support Delivered Locally pilot areas. We further recommend that the Work and Health Unit prioritise integration of the NHS Improving Access to Psychological Therapies (IAPT) programme with employment support, to ensure that unemployed people with depression and anxiety disorders more consistently receive appropriate and prompt support. (Paragraph 36)*

### **A separate, specialist, voluntary programme for disabled people**

6. *The Government has made reducing the “disability employment gap” a priority. The configuration of contracted employment programmes from 2017 should reflect this. A separate, voluntary employment programme, for people with substantial health and disability-related barriers to employment, should be retained. The specialist programme should continue to be delivered exclusively by specialist organisations at prime and subcontractor level. There is too great a risk that consolidating support for this group into a national mainstream programme, delivered via non-specialist prime contractors, will diminish the quality and effectiveness of support available. (Paragraph 45)*
7. *We recommend that the Department at least double the number of places available on the new specialist programme, compared to the current Work Choice programme. We appreciate that its budgets are under pressure, and that a Comprehensive Spending Review is on the horizon. We therefore recommend that, while DWP retain a level of upfront service fee in the new specialist programme, the level be reviewed in consultation with providers, with a view to reducing the upfront costs per participant of the new programme compared to Work Choice. (Paragraph 46)*
8. *The next specialist disability employment programme must maintain the strengths of Work Choice and address its flaws. We recommend the new programme must:*
  - *Continue to be voluntary, open to unemployed disabled people regardless of whether they are claiming an out-of-work benefit;*
  - *Have clear and well-publicised referral routes from statutory organisations other than JCP, including health and social care providers;*

- *Have clearer and less-restrictive eligibility criteria. For benefit claimants access to the programme should be based on a new characteristic-based assessment, as recommended earlier in this Report. The programme should be available to people who have substantial health and disability-related barriers to working and who would require a level of in-work support; and*
- *Provide pre-employment support for up to at least 12 months. (Paragraph 47)*

### Work Programme Plus payment model

9. *The Work Programme’s innovative differential payments model has not had its intended impact on the behaviour of providers. Payment groups based largely on benefit-type have not provided an accurate proxy for the level of support required by individual participants. There are too many payment groups in the current model, with financial differentials which do not adequately reflect the relative likelihood of providers achieving an outcome for individual participants: this is both unnecessarily complicated and ineffective. There is a confusing array of referral points at which claimants are referred from JCP to the Work Programme, and many claimants would benefit from earlier referral. We welcome DWP’s acknowledgement of some of these issues and support the Department’s intention to address them in Work Programme Plus from 2017. (Paragraph 62)*
10. *We recommend that Work Programme Plus participants be segmented into three payment groups, based on an assessment of characteristics known to affect likelihood of long-term unemployment, as recommended earlier in this Report:*
  - *Work-ready group: Relatively work-ready claimants with a good record of employment in the last four years;*
  - *Intermediate support group: Claimants with some characteristics restricting their employability, such as lack of qualifications or skills, and a poor record of employment in the last four years; or*
  - *Intensive support group: Claimants with complex or multiple barriers to working, including significant physical or mental ill health; drug or alcohol dependency; housing problems or homelessness; and no record of employment in the last four years. (Paragraph 63)*
11. *We strongly support the Department’s intention to reconfigure the payment-by-results model for Work Programme Plus: it must more directly incentivise providers to invest in support to tackle participants’ more challenging barriers to working. The payment model should continue to have a very strong payment-by-results element and retain the focus on sustained job outcomes, but the new model must address the current under-investment in participants who are furthest from the labour market. We therefore support DWP’s intention to introduce an “accelerator” payment model. We recommend that accelerator payments be applied in relation to the intermediate support and intensive support groups described above, based on the best available evidence on what constitutes average, good and exceptional job outcome performance in relation to these groups. We further recommend that a service fee, set at 30% of*

*the job outcome fee, be introduced for participants in the intensive support group. (Paragraph 64)*

### Clearer, simpler (and generally earlier) referral points

12. *Estimating the optimal point at which to refer claimants from JCP to contracted employment programmes is difficult. It must be carefully considered to minimise “deadweight” spending (money spent to help claimants back into work, where they would have done so without any intervention). It must be based on assumptions about claimants’ likely period of unemployment, and the added value, above an estimated “non-intervention level”, of the contracted support available. We are likely to return to this issue later in this Parliament, perhaps by commissioning research into whether it is possible to challenge the Government’s current deadweight assumptions and make a case for much earlier referral to particular types of contracted employment support for particular types of claimants. However, there is already a strong case for generally earlier referral to contracted providers. For Work Programme Plus, we recommend the simple referral system set out below:*
- *Work ready group: referral at nine months of benefit claim*
  - *Intermediate support group: referral at six months of benefit claim*
  - *Intensive support group: referral at three months of benefit claim (Paragraph 65)*

### A single set of clear and measurable minimum service standards

13. *The changes to the payment model set out in this Report will be a more effective way of incentivising providers to provide support for people who are facing greater challenges in returning to work; but more should be done to ensure that all participants in Work Programme Plus receive an adequate level of service and are not “parked”. (Paragraph 69)*
14. *We reiterate the recommendation of our predecessor Committee: the Department must establish a single set of clear and measurable minimum service standards, applicable to all providers, and to which all Work Programme Plus participants are entitled. (Paragraph 70)*

### Learning from devolved approaches

15. *Devolution of contracted employment programmes to local authorities has a number of potential benefits: effective integration of employment support with related, locally-run services; greater investment to support particular disadvantaged groups, according to local priorities; and shaping of employment programmes to match the needs of local labour markets. A process of devolution has already begun in Greater Manchester and London and it is likely in other cities with elected mayors in the future. It is imperative that DWP draws out and disseminates learning and best practice from innovative approaches being taken in devolved areas now and in the future. (Paragraph 76)*

### Transparency of referral and job outcome data below prime level

16. *In the interests of transparency in contracted public services, and to facilitate sharing of learning and best practice, we recommend that DWP does not impose, and restricts prime contractors from imposing, restrictions on subcontractors publishing their own Work Programme Plus referral and job outcome data. (Paragraph 81)*

### Innovation and learning “what works”

17. *DWP should more actively promote the conditions for innovation and learning in employment support. We make three recommendations to achieve this:*
- *DWP should take steps to encourage a greater role in welfare-to-work delivery for smaller, specialist organisations, which are often more innovative and effective at supporting people with more complex barriers to working.*
  - *DWP should establish an Employment Support Innovation Fund, set at 2–3% of the total budget for the 2017 contracts—in line with research and development investment in advanced economies—which should be used to test innovative approaches to supporting groups of jobseekers who have not been well-served to date.*
  - *The Cabinet Office should establish a dedicated labour market What Works Centre, or expand the remit of the What Works Centre for Economic Growth to encompass employment programmes. A What Works Centre should: act as a repository for referral and job outcome data below prime contractor level, and disaggregated according to claimants’ characteristics, as identified in the new assessment recommended earlier in this Report; seek to identify the most effective providers and disseminate best practice; conduct research into what works for people with different characteristics in different types of locality; and monitor, and report on, the effectiveness of innovative, locally-commissioned approaches. (Paragraph 86)*
18. *DWP deserves credit for implementing a programme which, in general, produces results at least as good as previous programmes for a greatly reduced cost per participant. It has also established a stable GB-wide welfare-to-work infrastructure and brought about efficiencies in DWP’s procurement and contract-management. It is vital that the Government continues to encourage, facilitate and invest in new and more effective approaches; it must not be forgotten that, notwithstanding the relative successes, nearly 70% of Work Programme participants are still not achieving the desired outcome of sustained employment. We owe it to the 70% to do much better. We intend to keep a watching brief on DWP’s efforts to support this group and we may return to this issue later in this Parliament. (Paragraph 87)*

## Witnesses

---

The following witnesses gave evidence. Transcripts can be viewed on the [Committee's inquiry page](#).

### Monday 20 July 2015

*Question number*

**Sam Hanes**, Principal Adviser and Head, Labour Market and Economic Growth, The Behavioural Insights Team, **Tom Gash**, Director of Research, Institute for Government, **Kirsty McHugh**, Chief Executive, Employment Related Services Association, and **Dave Simmonds**, Chief Executive, Centre for Economic and Social Inclusion

[Q1-57](#)

**Steve Hawkins**, Chief Executive, Pluss, **Liz Armstrong**, Director of Health and Wellbeing & Integrated Services, APM UK, **Dan Jones**, Director of Innovation Lab, Nesta, and **Christine Chang**, Investment Director, Big Society Capital

[Q58-98](#)

### Monday 14 September 2015

**Robyn Fairman**, Strategic Lead, Lambeth, Lewisham and Southwark Pathways to Employment Programme, **Mat Ainsworth**, Greater Manchester Lead for Employment Initiatives, Public Service Reform Team, New Economy, **Dr David Halpern**, What Works National Adviser, Cabinet Office, **Kris Krasnowski**, Director, Central London Forward, and **Theresa Grant**, Greater Manchester Chief Executive Lead for Employment and Skills.

[Q99-135](#)

**Rt Hon Priti Patel**, Minister for Employment, **Matt Thurstan**, Director, Senior Management and Business Management Team, Contracted Employment Provision Directorate, and **Iain Walsh**, Director, Labour Market and international Affairs, Department for Work and Pensions.

[Q135-166](#)

## Published written evidence

---

The following written evidence was received and can be viewed on the [Committee's inquiry web page](#). WTW numbers are generated by the evidence processing system and so may not be complete.

- 1 Action on Disability and Work ([WTW0007](#))
- 2 Action on Hearing Loss ([WTW0027](#))
- 3 Age UK ([WTW0023](#))
- 4 Association of Colleges ([WTW0029](#))
- 5 Association of Employment and Learning Providers ([WTW0046](#))
- 6 Big Society Capital ([WTW0014](#))
- 7 British Psychological Society ([WTW0055](#))
- 8 Centre for Economic and Social Inclusion and the National Institute of Adult Continuing Education ([WTW0041](#))
- 9 Centrepoint ([WTW0047](#))
- 10 CIPD ([WTW0045](#))
- 11 Crisis ([WTW0032](#))
- 12 CSAN (Caritas Social Action Network) ([WTW0011](#))
- 13 Department for Work and Pensions ([WTW0057](#))
- 14 Department for Work and Pensions ([WTW0064](#))
- 15 Department for Work and Pensions ([WTW0065](#))
- 16 Disability Rights UK ([WTW0058](#))
- 17 Down's Syndrome Association ([WTW0048](#))
- 18 Dr Adam Whitworth ([WTW0015](#))
- 19 Employment Related Services Association (ESRA) ([WTW0003](#))
- 20 ERSA, Crisis, Homeless Link and St Mungo's Broadway ([WTW0005](#))
- 21 Essex County Council ([WTW0012](#))
- 22 Federation of Small Businesses ([WTW0042](#))
- 23 Futures Advice, Skills and Employment ([WTW0053](#))
- 24 Gingerbread ([WTW0031](#))
- 25 GIPSIL ([WTW0013](#))
- 26 Homeless Link ([WTW0006](#))
- 27 i2i ([WTW0060](#))
- 28 Inclusion London ([WTW0026](#))
- 29 Industrial Communities Alliance ([WTW0002](#))
- 30 Lambeth, Lewisham and Southwark Pathways to Employment Programme ([WTW0062](#))
- 31 Local Government Association ([WTW0021](#))
- 32 London Councils ([WTW0059](#))
- 33 London Voluntary Service Council ([WTW0017](#))

- 34 Making Every Adult Matter (MEAM) coalition ([WTW0036](#))
- 35 Maximus UK ([WTW0016](#))
- 36 Mind, Rethink Mental Illness, Centre for Mental Health, The Mental Health Foundation, SAMH (Scottish Association for Mental Health) and Hafal ([WTW0039](#))
- 37 Mr James Ball ([WTW0034](#))
- 38 Ms Jacqueline Smith ([WTW0063](#))
- 39 National Housing Federation ([WTW0020](#))
- 40 NCG ([WTW0050](#))
- 41 NCVO ([WTW0038](#))
- 42 Nesta ([WTW0035](#))
- 43 Nottingham City Council ([WTW0033](#))
- 44 Pluss ([WTW0009](#))
- 45 Prospects ([WTW0043](#))
- 46 Public and Commercial Services Union ([WTW0019](#))
- 47 Randstad Student & Worker Support ([WTW0024](#))
- 48 Remploy ([WTW0049](#))
- 49 Resolving Chaos ([WTW0010](#))
- 50 Royal National Institute of Blind People ([WTW0004](#))
- 51 Scope ([WTW0052](#))
- 52 Shaw Trust ([WTW0054](#))
- 53 The Fit for Work Team ([WTW0044](#))
- 54 United Response ([WTW0030](#))
- 55 Welsh Government ([WTW0018](#))
- 56 What Works Centre for Local Economic Growth ([WTW0061](#))
- 57 Working Links ([WTW0037](#))

# Formal Minutes

---

**Wednesday 14 October 2015**

Members present:

Frank Field, in the Chair

Heidi Allen	Mrs Emma Lewell-Buck
Mhairi Black	Craig Mackinlay
Ms Karen Buck	Jeremy Quin
John Glen	Craig Williams
Richard Graham	

Draft report (*Welfare-to-work*), proposed by the Chair, brought up and read.

*Ordered*, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 87 read and agreed to.

Summary agreed to.

*Resolved*, That the Report be the Second Report of the Committee to the House.

*Ordered*, That the Chair make the Report to the House.

*Ordered*, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

\*\*\*\*\*



# List of Reports from the Committee during the current Parliament

---

All publications from the Committee are available on the Committee's website at [www.parliament.uk/workpencom](http://www.parliament.uk/workpencom).

The reference number of the Government's response to each Report is printed in brackets after the HC printing number.

## Session 2015-16

First Report	Pension freedom guidance and advice	HC 371
--------------	-------------------------------------	--------