The Work Programme Framework

Introduction to the Work Programme

The Coalition Agreement, published on 12 May 2010, set out a number of major welfare to work reforms, including a core integrated welfare to work programme and a number of measures designed to support people to find employment. These measures are designed to help in the government’s key aims of fighting poverty, supporting the most vulnerable and helping people break the cycle of benefit dependency.

This paper has been produced as a working document to help interested parties understand our overall approach and in particular the key stages for delivering the core Work Programme. If interested parties have further questions or comments they should contact us at THEWORKPROGRAMME.EXTERNAL@DWP.GSI.GOV.UK

The Work Programme

The Work Programme will provide greater freedom for suppliers to give people the support they need rather than prescribing one-size-fits-all programmes from the centre. It will focus on helping people into sustained jobs and pay delivery partners first and foremost by the results they achieve, not the processes they go through.

We want the Work Programme to be delivered by the best of the public, private and voluntary sectors and, to encourage this, we will give delivery partners longer to work with individuals and greater freedom to decide the appropriate support for them. We will offer contracts over a sufficient period of time to allow our delivery partners to invest and secure a proper return for that investment. We will also offer stronger incentives for delivery partners to work with the harder to help, paying out of the additional benefits they realised as a result of placing people into work.

Until the Work Programme is implemented, we will ensure support is in place. Where necessary, we will ensure that arrangements are in place so that there is no gap in provision and people can receive help and support to get back into work.

Once the Work Programme is implemented it will supersede much of the complicated raft of national programmes currently on offer and these will be phased out. The support currently provided by programmes such as the Flexible New Deal will be folded into the Work Programme as soon as possible.

The Government set out initial plans for the implementation of the Work Programme on 10 June.
Next steps

We are committed to supporting customers regardless of their age, the benefit they receive or their personal circumstances. As we progress on the design and implementation of the Work Programme we will publish further details about the support available to young people, older jobseekers, severely disabled people and those facing other challenges to employment.

We are determined to move quickly and are aiming to have the Work Programme in place nationally by the summer of 2011. We intend to do this via a two stage implementation process:

- putting the Work Programme Framework in place between now and the end of the year; and
- contracting more specifically for the Work Programme so that it is in place nationally by the summer of 2011.
The Work Programme Framework

The Work Programme Framework is the commercial vehicle through which the Work Programme will be delivered.

The Work Programme Framework will be an umbrella commercial arrangement which sets out some terms of agreement on future contracts. The framework is not in itself a contract; contracts will only be formed when services are arranged through the framework either directly or, more typically, through competition, thereby driving better value.

The indicative value of contracts to be awarded through this new Framework could be between £0.3 - 3 billion per year, with average individual contract values estimated to be approximately £10 - 50 million per year.

Why use a Framework?

Using a framework offers a number of commercial and operational advantages for the government and for delivery partners compared to the traditional contracting methods.

A framework will be a more efficient and responsive tool for government – with the potential to create administrative savings and allow us to respond to changing economic and policy conditions more swiftly.

It will simplify and significantly reduce the time and cost involved for those delivery partners on the framework in bringing their services to market, for example by cutting out the duplication of effort created by participation in a profusion of separate procurement competitions.

The framework will also help the government drive up performance and value for money – for example by enabling us to quickly move packages of work to the best performing delivery partners. This will form part of an overall package of features – currently under development - that we believe will both incentivise delivery partners to achieve more, and tailor rewards to reflect the value of outcomes.

In addition, the framework may be used by other Government Departments, Local Authorities and other public bodies, as well as DWP, to deliver future employment-related support services.

When?

The Framework competition was formally launched by the invitation of expressions of interest through an advert in the Official Journal of the European Union in the w/c 28 June. The Minister of State made a statement to Parliament on 29 June.
Our intended timeline for implementation is as follows:

<table>
<thead>
<tr>
<th>Date</th>
<th>Action</th>
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<tbody>
<tr>
<td>By end of June 2010</td>
<td>Start Framework competition</td>
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<tr>
<td>November 2010</td>
<td>Framework let</td>
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<tr>
<td>Nov/Dec 2010</td>
<td>Work Programme competition starts</td>
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<tr>
<td>January 2011</td>
<td>Work Programme contracts awarded</td>
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<tr>
<td>Spring 2011</td>
<td>Work Programme implementation starts</td>
</tr>
<tr>
<td>Summer 2011</td>
<td>Work Programme implementation complete</td>
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The Work Programme funding model

The aim of the Work Programme is to deliver a more efficient service for the taxpayer and a more tailored service for individuals. We also want to do more – extending employment support to customers who have not traditionally had access to that service.

Helping a wider group of customers, including those who have significant and complex barriers to employment, would be difficult using traditional funding models given the country’s current financial position. Given this, we are exploring an alternative model where the payments to delivery partners for helping someone into employment will be made from the benefit savings actually realised.

While we are currently developing the specifics of the provider pricing model, the intention of the model is that:

- payment should be exclusively or largely for delivering results and that payment should be made after the results have been delivered;
- we should avoid paying for customers who would have moved off benefits without help;
- the price paid for job outcomes should be set to make it worthwhile for delivery partners to help each group of customers;
- we should not specify what delivery partners can, or should, do; they should have freedom to innovate; and
- the price paid for job outcomes should not exceed the benefit savings that have been generated.

We expect that our delivery partners should be able to demonstrate the capital strength to take on the risks inherent in an exclusively or heavily outcome-based approach where we seek to deal with the cases of millions of people on out of work benefits.

We recognise that helping more people into employment will have associated costs. Doing more for our customers, as we hope to do under the Work Programme, means that funding will need to be found from benefit savings.
Transition to the Work Programme

We currently have a wide range of programmes on offer with contracts ending at different times. We are working with our delivery partners to agree how to move from the current support to an integrated programme of support available to customers seeking work.

We have already announced that the support provided through Flexible New Deal and Pathways to Work will be folded into the Work Programme as soon as possible. We will be announcing further details on what will happen to the Jobcentre Plus Support Contract, New Deal for Lone Parents, Work Choice and other programmes in the near future. We have also cancelled some planned programmes, such as Invest to Save and the Personalised Employment Programme.

The Government has started one to one discussions with delivery partners to discuss what this means for them. We believe that the Work Programme will offer significant new opportunities for contractors from the private and voluntary sectors to deliver truly flexible and personalised support, building appropriate partnerships to do so. We recognise the crucial role that the voluntary sector in particular has to play in tackling worklessness, and our plans reflect this.