

The Work Programme

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Organisation: Department for Work And Pensions

Country: United Kingdom

Level of government: Central government

Sector: Social protection

Type: Financial Resources, Public Service

Launched in: 2011

Overall development time: 41 months

Link to the innovation's website

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Description

The Work Programme is a new payment-by-results, welfare-to-work programme that launched throughout Great Britain, providing personalised support to an expected 3.3 million claimants over the life of the contract. The Work Programme is being delivered by private, public and voluntary sector organisations, which are supporting people who are at risk of becoming long-term unemployed to find work.

It replaces previous welfare-to-work programmes, which suffered from several problems: they were fragmented; interventions were over-specified; and incentives to the Providers were poor, allowing Providers to stay in business without delivering strong results.

Three main principles are at the heart of these changes include:

- Clear incentives to deliver results, with higher rewards for hard-to-help participants. Service Providers are paid when the participants sustain a job. The longer a customer stays in work, the more delivery partners will be paid.
- Freedom for service Providers (black box mechanism). Local Providers are best placed to help people into sustained work. They have been given freedom to do so without prescription from government.
- Long-term commitment. Five-year contracts give Prime Providers a firm basis on which to build long-term partnerships.

This is the biggest, single payment-by-results employment programme Great Britain has ever seen, providing personalised support to an expected 3.3 million claimants over the life of the contract.

Why the innovation was developed

Previously, we had a huge market with thousands of smaller, lower-value contracts, delivering a multitude of programmes. These programmes suffered from several problems: they were fragmented; interventions were over-specified; and incentives were poor, allowing Providers to stay in business without delivering strong results.

Objectives

Improve effectiveness, Improve efficiency, Improve user satisfaction

- Improve performance, by giving the right incentives to the service deliverers.
 - Improve efficiency, by paying for the results delivered.
 - Improve user satisfaction, by providing better services and helping them to obtain a job faster.
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Main beneficiaries

General population, Government bodies, Government staff, High-risk populations, Low-income groups

- Long-term unemployed or people who are at risk of being long-term unemployed.
- Service deliverers who gain more freedom to innovate.
- Prime Providers who gain a firm base, on which to build long-term partnerships.

Results

Results not available yet

The programme is ongoing and whilst there are statistics on employment outcomes, the evaluation is not yet mature enough to draw conclusions about the programmes impact on the factors stated above. The evaluation of the programme will be completed in early 2015.

Current Work Programme statistical information is available at [link](#).

Development

Design

The idea was set out in the Government's 2010 Coalition Agreement, having been part of the Conservative Party's Manifesto.

Design time: 10 months

Testing

The innovation was not trialled or piloted, but did build on the design of previous government programmes like the Flexible New Deal.

Implementation

Tools used:

18 different Prime Providers are delivering:

- 40 contracts across 18 areas of the country.
- All Prime Providers have assembled specialist supply chains to help deliver services to participants with a wide range of different needs.

Resources used:

It is a payment by results scheme, and so spend will vary depending on the results achieved. We project a GBP 3-5 billion spend over the course of the contracts.

Implementation time: 3 months

Diffusion

Many other countries have approached us to find out more.

Diffusion time: 28 months

Challenges and solutions

Poor Provider performance. Market share shifts were used to try to address this.

Partnerships

Varies by programme

Private sector

The private sector have been contracted to deliver the programme.

Lessons Learned

Lessons Learned

- All Providers had to absolutely assure DWP that they had the resources behind them to deliver the Programme and that their predictions were sound and robust.
 - The Work Programme had a staggered start with contracts going live between 1 June 2011 and early July 2011. Providers felt this was a mistake; however, it was primarily driven by Providers readiness to commence delivery.
 - Issues with participants being migrated from legacy provisions back to Jobseeker's Allowance and then on to the Work Programme resulted in Providers receiving far higher than predicted referrals in the first few months of the Programme: one Provider received 999 referrals on day one of their contract.
 - The flexible design of the Work Programme has allowed Providers to think more creatively about how they support participants, e.g., opening outside office hours to support those in work and use of technology to keep in touch with participants.
 - Whilst the Work Programme is more nuanced than any previous programme in how we segment and price different claimant groups, it is clear that improvements can be made in future design in better aligning the rewards available to providers to the investment required to help someone back to work.
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Conditions for success

- Ensuring incentives mean Provider support continues even once participants have found work, so as to ensure employment periods are sustained.
 - Ensuring incentives mean all participants receive equal degrees of help.
 - The amenability of labour markets to employing notoriously distant, hard-to-help groups.
 - Provider quality – which can vary drastically, even within the same local labour market.
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Other information

- The flexible use of mandation with participants also caused issues and a significant amount of work has been undertaken by DWP in this area to ensure fair and consistent usage of the mandation tool.
 - In response to NAO criticisms of previous validation regimes, the Department reviewed its end-to-end process for evidencing outcomes claimed by Providers with the focus specifically on addressing three major concerns within existing systems; 1) that the evidence it asks of Providers is not independent; 2) it is overly bureaucratic for Providers; and 3) that using off-benefit checks alone do not necessarily mean that an individual is in work. DWP developed a validation process to combine off-benefit checks in 100% of cases before payment is made and independent in-work validation for claims that fail the off benefit check with post payment checks of statistically valid samples, using links with HMRC and/or independent checks with employers to confirm that the individuals, for whom Providers have received payment, are both off benefit and in work. The new arrangements became fully operational following the upgrade of PRaP 2.1 in March 2012.
 - The current contracted performance metric is an in-year measure and a poor indicator of Programme performance; a cohort measure would be the best approach.
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