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The Work Programme

1 Introduction

This paper discusses the Work Programme in Great Britain and its Providers.

2 Key Points

- The Work Programme (WP) was launched in Great Britain in June 2011 as part of the UK Government's reform of the Welfare System;
- The DWP estimates that the WP will cost between £3 billion and £5 billion over five years and that it would help up to 3.3 million people;
- Prime Contractors manage the supply chain of subcontractors, assist with employer engagement, help build sub-contractor capacity through training and support and assist with performance management;
- There are 18 Prime Contractors and 785 subcontractors;
- The WP is described as a 'universal system' with those on a wide range of benefits included within its reach. This covers a variety of groups, including the long-term unemployed and those with disabilities;
- The WP itself operates in a much looser framework than previous programmes, allowing Prime Contractors to design their own programmes in order to meet local needs;

- Providers are required under their contract bids to state what support they will provide, including a minimum service offer;
- Providers receive payment for their work on the Programme based on their success;
- The intention of this model of payment system is to incentivise providers to secure sustainable job outcomes, particularly those with multiple barriers to employment through the use of performance based pay;
- The House of Commons Public Accounts Committee (PAC) recently reviewed the Work Programme and identified a number of shortcomings, including:
 - The first set of data on the employment outcomes achieved by the Work Programme shows that it is performing well below expectations;
 - There is substantial variation in the performance of individual providers;
 - The incentives for reaching the hardest to help claimants are not working; and
 - Poor performance to date increases the risk that one or more providers will fail.
- The PAC also identified issues regarding the ‘creaming and parking’ of clients;
- The National Audit Office estimated a minimum performance level of 9.7% of clients entering into employment. None of the 18 providers met this minimum level or the estimated higher government target of 11.9%;
- The NAO did state that the published statistics do not include a number of job outcomes that have occurred but which had either not been claimed by Providers or not been processed in the system. In addition, how quickly the Programme was likely to deliver outcomes may have been overestimated;
- The model used for the Work Programme is similar to that proposed for the Steps 2 Success programme currently being developed by the Department for Employment and Learning;
- As such, the Committee may wish to consider the following:
 - The Committee may wish to ask the Department to confirm if the Steps 2 Success model is based on that of the Work Programme;
 - What steps are the Department for Employment and Learning taking in the design of Steps to Success to ensure local Community and Voluntary organisations are not exposed to excessive financial risks;
 - How often will the Steps to Success programme be subject to review by the Department?;
 - What procedures will be put in place to ensure Lead Contractors meet targets, and if they fall short of these, what steps will be taken to rectify the situation?; and
 - How will the Department ensure ‘creaming and parking’ does not occur?

3 The Work Programme

The Work Programme (WP) was launched in Great Britain in June 2011 as part of the UK Government's reform of the Welfare System. It replaced a number of previous schemes such as New Deal and Employment Zones.

The WP is operated by collaboration between public, private and voluntary sector bodies.

The WP operates under three main guiding principles:¹

- **Clear incentives to deliver results:** Service providers are paid almost entirely based on their results (defined as sustained job outcomes);
- **Freedom for service providers:** Requirements for Providers are minimised under the programme to, as stated in the guidance, allow them to innovate and focus their resources where it will do most good;
- **A long-term commitment:** Providers are signed into five-year contracts to allow for development of links with local providers and to develop infrastructure and resources.

As stated on the Department for Work and Pensions website:²

The Work Programme provides tailored support for claimants who need more help to undertake active and effective jobseeking. Participants receive support to overcome barriers that prevent them from finding and staying in work. It is delivered by DWP contracted service providers who have been given complete autonomy to decide how best to support participants while meeting their minimum service delivery standards.

The DWP estimates that the WP will cost between £3 billion and £5 billion over five years and that it would help up to 3.3 million people.³

Prime Contractors manage the supply chain of sub-contractors, assist with employer engagement, help build subcontractor capacity through training and support and assist with performance management⁴. Most of the Prime Contractors also deliver services to clients directly, although two – G4S and SERCO do not.⁵

Subcontractors are made up of a variety of organisations and as of 31 July 2012 they consisted of:

¹ DWP, The Work Programme, <http://www.dwp.gov.uk/docs/the-work-programme.pdf>

² DWP, The Work Programme, <http://www.dwp.gov.uk/policy/welfare-reform/the-work-programme/>

³ National Audit Office, A commentary for the Committee of Public Accounts on the Work Programme outcome statistics <http://www.nao.org.uk/idoc.ashx?docId=395aba86-6a7c-48dc-8923-d1a996632938&version=-1>

⁴ Employment Related Services Association, ERSA Policy Briefing on the Work Programme, http://ersa.org.uk/system/files_force/ERSA%20Policy%20Briefing%20on%20the%20Work%20Programme_0.pdf?download=1

⁵ Ibid

- 292 Private Sector organisations;
- 125 Public Sector organisations; and
- 368 Voluntary or Community organisations.

Contractors operate in two tiers:⁶

- **Tier 1:** Responsible for delivering the end to end process or a specific element of the service, such as job-brokering. These partners are usually paid by results; and
- **Tier 2:** Work on a call-off basis⁷, as and when a prime provider judges a participant could benefit from that organisation's help.

3.1 Participants

The WP is described as a 'universal system'⁸ with those on a wide range of benefits included within its reach. This covers a variety of groups, including the long-term unemployed and those with disabilities.

The table below shows those who are eligible for inclusion on the WP.⁹

Table 1: Participant Groups

	Benefit	Participant group	Referral point, from	Attendance
1	Jobseeker's Allowance recipients	Aged 18-24	9 months into their claim	Required
2		Aged 25+	12 months	
3		Those who are seriously disadvantaged in the labour market, including some who have recently received incapacity benefits	3 months	Some required, some voluntary
4	Employment and Support Allowance recipients	Some of those in the Work Related Activity Group	When close to being fit for work	Required
5		All others	At any time	Voluntary
6	Income Support and incapacity benefits recipients	All (England 2011-14 only)	At any time	Voluntary

⁶ Department for Work and Pensions, November 2012, The Work Programme Official Statistics Background Notes, http://research.dwp.gov.uk/asd/asd1/work_programme/work_prog_note.pdf

⁷ This represents a firm commitment by a contractor to purchase goods or services from a subcontractor over a period of time. A 'Call Off', or an 'Order Off', type of contract will not be a contract in its own right. HMRC Definition.

⁸ National Audit Office, A commentary for the Committee of Public Accounts on the Work Programme outcome statistics <http://www.nao.org.uk/idoc.ashx?docId=395aba86-6a7c-48dc-8923-d1a996632938&version=-1>

⁹ DWP, The Work Programme, <http://www.dwp.gov.uk/docs/the-work-programme.pdf>

3.2 The Programme

The WP itself operates in a much looser framework than previous programmes. As stated in DWP documents:¹⁰

The Work Programme... gives providers far greater flexibility to design programmes that will work, using their experience and creativity. Rather than asking providers to make one-size-fits-all services work for a wide range of participants with varying needs, government is providing freedom for providers to personalise support for the individual in a way that fits the local labour market.

The Employment Related Services Association (ERSA) identifies the main features of the WP as:¹¹

- **A 'black box' approach:** allowing the providers the flexibility to match employment support to individual jobseeker needs;
- **Long term contracts:** giving providers the stability to invest in staff and forge the local relationships that will pay dividends;
- **Payment by results:** shifting the financial risk firmly from the taxpayer to the provider; and
- **Differential pricing:** recognising the additional costs of providing support to those further away from the labour market.

Providers are required under their contract bids to state what support they will provide, including a minimum service offer. These minimum services are provided on the DWP website and include a variety of commitments, by each provider. It should be noted that the content of these minimum service standards vary considerably. For example, Ingeus, which delivers services in seven Contract Package Areas (CPA), pledges to keep in regular contact with clients, ensure they can be easily contacted and give clients access to the tools and information needed. Seetec on the other hand states that initial contact will be made within 3 days of referral; they will have a named adviser; and will have at least fortnightly contact with their adviser.¹² The level of detail in the standards varies considerably from provider to provider.

Services provided by contractors can include:¹³

- Careers guidance linked to local labour market opportunities;

¹⁰ DWP, The Work Programme, <http://www.dwp.gov.uk/docs/the-work-programme.pdf>

¹¹ Employment Related Services Association, ERSA Policy Briefing on the Work Programme, http://ersa.org.uk/system/files_force/ERSA%20Policy%20Briefing%20on%20the%20Work%20Programme_0.pdf?download=1

¹² DWP, Minimum Service Pledge, <http://www.dwp.gov.uk/docs/provider-minimum-service-delivery.pdf>

¹³ Employment Related Services Association, ERSA Policy Briefing on the Work Programme, http://ersa.org.uk/system/files_force/ERSA%20Policy%20Briefing%20on%20the%20Work%20Programme_0.pdf?download=1

- Techniques to improve self-confidence including motivational training and Cognitive Behaviour Therapy;
- Providing opportunities for work experience placements and interviews with employers;
- Skills training; ranging from basic literacy, numeracy and IT skills through to specialist training for particular job roles and help getting an apprenticeship; and
- In-work support for up to two years once in a job.

3.3 Providers

The Work Programme is delivered via a series of contractors across GB. For the purposes of the WP England, Scotland and Wales are divided into 18 regions or Contract Package Areas (CPAs).

In each of these regions, a Provider is selected. The Provider is known as the Prime Contractor and will manage the activities of a number of subcontractors. This is similar to the proposed method for use in the Steps 2 Success programme in Northern Ireland.

It should be noted that a review of the list of sub-contractors found 785 listed, with Prime Contractors having between 7 (BEST) and 296 (G4S).

Each region has at least two Prime Contractors and can have up to three Prime Contractors, depending on population densities. These Prime Contractors compete with one another for sub-contractors. Clients are referred to the Prime Contractors on a random basis.

A local Jobcentre Plus will refer a client from one of the participant groups listed at Table 1 to the Prime Contractor which may then refer the client to a sub-contractor.

Providers receive payment for their work on the Programme based on their success. In practice this amounts to:¹⁴

- **Attachment Payment:** A fee of between £400 - £600 for each participant from nine different groups – this reduces each year of the contract and is zero for years four and five;
- **Job Outcome Payment:** Providers receive an ‘outcome fee’ for every participant they place in sustained employment, with this defined as lasting between three and six months depending on what category the individual is in. The outcome fee is between £1,000 and £3,500;
- **A Sustainable Outcome Payment:** an additional sustainment payment of £170 to £370 per four weeks if a participant stays in work longer; and

¹⁴ National Audit Office, A commentary for the Committee of Public Accounts on the Work Programme outcome statistics <http://www.nao.org.uk/idoc.ashx?docId=395aba86-6a7c-48dc-8923-d1a996632938&version=-1>

- **An Incentive Payment:** For jobs delivered beyond a given performance level – defined by the Department as 30 per cent above non-intervention – the number of claimants who would have found employment without a programme.

The NAO report found that up until July 2012:¹⁵

The Programme had cost £378 million, of which £329 million was attachment fees, £36 million outcome payments, and £13 million sustainment payments

The intention of this model of payment system is to incentivise providers to secure sustainable job outcomes, particularly those with multiple barriers to employment¹⁶ through the use of performance based pay.

Please note, Appendix 1 provides a map of providers in GB. Appendix 2 has further information on the providers.

4 Evaluation of the Work Programme

The following section will discuss a number of issues around the WP, including the Public Accounts Committee Review which made several serious criticisms of its progress to date.

4.1 The PAC Review

The House of Commons Public Accounts Committee (PAC) recently reviewed the first year of the Work Programme, based on DWP statistics.

The PAC's main findings include:

- The first set of data on the employment outcomes achieved by the Work Programme shows that it is performing well below expectations;
- There is substantial variation in the performance of individual providers;
- The incentives for reaching the hardest to help claimants are not working; and
- Poor performance to date increases the risk that one or more provider will fail.

The PAC report drew a number of its conclusions following discussions with the National Audit Office (NAO) which carried out its own review of the WP.

The NAO identifies that the DWP sets minimum performance levels every year against which to assess programmes, however by July 2012 it had not published any targets for the WP. Based on previous published targets for similar programmes, the NAO assessed the progress of the WP.

¹⁵ Ibid

¹⁶ Ibid

The NAO carried out a detailed analysis of the performance of providers. The table below combines this information and the value of the five year contracts under which they operate.

The table highlights that as contracted, the WP carries a cost of £3,271,350,200 over five years. Ingeus, A4e and Working Links have the largest value contracts, with Ingeus holding seven contracts to a value of £773,563,445 over five years.

The NAO estimated a minimum performance level of 9.7% of clients entering into employment. As can be seen in table 2, none of the 18 providers met this minimum level or the estimated higher government target of 11.9%.

Table 2: Performance analysed by Provider¹⁷

Provider	Number of Contracts	Contract Value for five years	Referrals*	Outcomes	Performance (%)
ESG	1	£69,782,460	16,290	810	5.0
Maximus	2	£176,388,190	36,570	1,670	4.6
EOS-Works	1	£90,044,260	21,800	910	4.2
Serco	2	£71,467,410	29,930	1,240	4.1
G4S	3	£183,752,040	54,080	2,240	4.1
Ingeus	7	£773,563,445	200,180	8,200	4.1
Reed	1	£69,153,965	18,870	690	3.7
Working Links	3	£307,752,305	77,910	2,790	3.6
Pertemps	1	£90,044,825	21,780	760	3.5
Careers Development Group	1	£96,920,210	26,630	910	3.4
A4e	5	£438,219,685	115,210	3,790	3.3
Avanta	3	£267,493,620	68,760	2,140	3.1
Seetec	3	£220,177,010	76,020	2,240	2.9
BEST	1	£65,327,770	21,040	570	2.7
Rehab	2	£156,202,775	34,050	910	2.7
Newcastle College Group	2	£100,901,965	35,040	840	2.4
Prospects	1	£50,392,740	11,890	270	2.3
JHP Group	1	£43,765,525	11,820	260	2.2
Totals	40	£3,271,350,200	877,880	31,240	3.6

*Please note, the figures may not cast due to rounding.

¹⁷ Information sourced from Contracts Finder, <https://online.contractsfinder.businesslink.gov.uk/Common/View%20Notice.aspx?site=1000&lang=en¬iceid=166510&s=true> and National Audit Office, A commentary for the Committee of Public Accounts on the Work Programme outcome statistics <http://www.nao.org.uk/idoc.ashx?docid=395aba86-6a7c-48dc-8923-d1a996632938&version=-1>

As can be seen above there is a significant gap in the DWP's expectations and the actual results. Indeed, it highlights further the fact that non-intervention is more successful, at this stage of the programme, than participation in the WP.

The NAO found that:¹⁸

- Using DWP methodology the WP had a Minimum Performance Level for job outcomes of 9.7%. Actual output performance was 3.6%;
- An estimate based on DWP's core assumptions about performance was also designed. It found that performance was expected to be at around 11.9% by 31 July 2012. As above, the actual outcome performance was 3.6%; and
- The NAO found that the Work Programme helped 3.4% of those taking part on the programme aged 25+ into employment. Based on previous targets, had the Programme not been running this figure would have been 9.2%.

The NAO concluded that:

Although it is still relatively early days, outcomes as a percentage of referrals will need to improve substantially in order to get back to expected levels.

The Centre for Economic and Social Inclusion (CESI) carried out its own evaluation of the Work Programme and made allowances for the ongoing economic weakness. The CESI found that even with this consideration it was still operating well below the estimated outcome level.¹⁹

The NAO report argues that the short time the WP has been operating may be a factor in its lack of success, with deliverable outcomes in the 14 months of operation having been potentially overestimated.

The CESI however compared the WP against similar, previous programmes and found that its performance was below others at the same point in time. It does point out, however, that the current economic situation may play a role in this.

The NAO report cited a number of reasons as to why the WP may not have reached its targets. These include:

- The published statistics do not include a number of job outcomes that have occurred but which had either not been claimed by Providers or not been processed in the system;
- How quickly the Programme was likely to deliver outcomes may have been overestimated – The WP has only been operating for a short period and clients are included in the Programme for two years, as such more positive outcomes may be possible for individuals who have yet to secure employment on the WP; and

¹⁸ Ibid

¹⁹ CESI, http://stats.cesi.org.uk/website_documents/initial_WP_Performance_InclusionComment.pdf

- Some providers got off to a slow start as they and the Department became used to new processes and local circumstances.

It is important to point out however that DWP did not believe the ongoing financial difficulties were a factor:

The Department does not consider that current labour market conditions are the reason for the Programme's under-performance. The Department attributes the differences in performance between providers to their different approaches and different levels of competence.

The PAC, whilst discussing the NAO report, highlighted their concern that Providers may fail altogether, either going out of business or the Department cancelling their contracts. In addition, the report raised concerns regarding the 'creaming and parking' of those belonging to the hardest to help groups. As defined by the Third Sector Research Centre (TSRC):²⁰

'creaming' refers to skimming off clients who are closest to the labour market and focusing service attention on them in the expectation that they are more likely to trigger a payment to the organisation. 'Parking' on the other hand refers to the opposite process, where those individuals deemed to be unlikely to generate an outcome payment are put to one side, perhaps receiving the bare minimum service (or even none at all) specified in an organisation's contract.

The Chairperson of the PAC, Margaret Hodge MP, stated that:²¹

Under the payment by results system, the Department has incentives in place which in theory are supposed to prevent providers concentrating on the easiest cases and ignoring those who are hardest to help. But these incentives are not working and there is increasing evidence of 'creaming and parking'

Providers have responded to these criticisms. The Careers Development Group (CDG) highlights that Providers have two years in which to place clients into work. It also states that the figure provided in the November 2012 statistics do not take it consideration Job Outcomes secured for JSA 18-24 and JSA 25+ clients (the largest group) from after February 2012 and as such may provide a more negative picture than is actually the case.²²

²⁰ Third Sector Research Centre, February 2013, Does sector matter? Understanding the experiences of providers in the Work Programme <http://www.tsrc.ac.uk/LinkClick.aspx?fileticket=0JrkSlkyQyg%3d&tabid=873>

²¹ Parliament.gov.uk, 22 February 2013, Report examines performance of the Work Programme <http://www.parliament.uk/business/committees/committees-a-z/commons-select/public-accounts-committee/news/work-programme/>

²² CDG and the Shaw Trust, Response to the Work and Pensions Select Committee Inquiry into the Work Programme: the experience of different user groups <http://www.cdquk.org/userfiles/file/Shaw%20Trust%20and%20CDG%20Submission%20to%20the%20Work%20and%20Pensions%20Selection%20Committee's%20Inquiry%20Into%20the%20Work%20Programme%20FINAL.pdf>

The CDG also points to regional variations in outcomes, with some areas more deprived than others with clients in some areas, no matter what benefit they are on, needing additional and therefore longer, support. For example, eight of the sixteen local authorities in the East London CPA are in the top twenty of the most deprived local authorities in England.²³

4.2 The Voluntary and Community Sector Experience

As previously mentioned, the WP operates by Prime Contractors working with local organisations as sub-contractors to deliver tailored programmes for local populations. The intention of this is to make use of local knowledge of industries and businesses to ensure the WP is effective.

There are 785 sub-contractors involved in the WP. Of these, 368 are Community and Voluntary Organisations, a significant portion of those delivering the programme.

The National Council for Voluntary Organisations published a report (in September 2012) on the experiences of these groups, following a survey of 98 Work Programme subcontractors. The survey found that:²⁴

- 35% had received no referrals at all and a further 15% had received between 1 – 10 referrals;
- A number of respondents stated that their contract was at risk of failure, with some voluntary and community organisations stating they are subsidising their service delivery and that this is creating financial pressures;
- There is a lack of Prime Contractor support to sub-contractors; and
- Over a third of respondents ranked their relationship with the Prime Contractor as “Not at all satisfied”.

4.3 The Work Programme and Steps 2 Success

The Committee may wish to note a number of similarities in the proposed model for the Steps 2 Success Programme and the Work Programme, especially in light of the performance issues identified above. The table below highlights the main aspects of each programme for comparison purposes.

As can be seen both Programmes have a number of similarities in regards the supply chain and finance models. It should be noted, of course, that Steps 2 Success is still in the planning stages, with the Consultation only recently completed.

The Committee may wish to ask the Department to confirm if the Steps 2 Success model is based on that of the Work Programme.

²³ As per the Indices of Multiple Deprivation 2010

²⁴ http://www.ncvo-vol.org.uk/sites/default/files/sig_survey_june_2012_report_17.9.12.pdf

Table 3: Comparison of Main Elements of Steps 2 Success and the Work Programme

Programme Element	Steps 2 Success proposals	Work Programme
Programme Eligibility	JSA clients: 18-24 (after 9 months) and 25+ (after 12 months). For harder to help clients an early entry point will be decided by the Employment Service Adviser. Entry point for ESA Work Related Activity Group (WRAG) clients will be decided by the ES Adviser. Existing ESA/IB clients will have voluntary entry.	JSA clients: 18-24 (after 9 months) and 25+ (after 12 months); ESA recipients; and Income support and Incapacity Benefit Recipients (both groups can access the programme at any time). Can be mandatory or voluntary.
Programme Content	Flexibility regarding contact with individual Contractors deciding on content. Must, however, meet minimum service guarantee to insure needs of clients are met.	Flexibility regarding contact with individual Contractors deciding on content. Prime Contractors must provide Minimum Service Delivery details when they apply for contracts. The content can, however, vary considerably.
Duration of Programme for Participants	12 months for JSA group and 18 months for ESA WRAG clients and harder to help JSA clients.	Up to 2 years.
Contract Area	Three contract delivery areas, one lead contractor per area.	18 contract delivery regions, at least two Prime Contractors per region.
Provider contract period	Four years, with an option to extend for two additional years.	Five years.
Supply Chain	Three Lead Contractors will make use of Sub-contractors to deliver programmes. Sub-contractors can be drawn from the Community and Voluntary Sector.	18 Prime Contractors, with 785 sub-contractors. Public, private and voluntary sector organisations involved at all levels.
Funding Model	Providers receive part of their funding as service/attachment fees with set amounts on Output Related Funding at defined points. Baseline performance level must be achieved.	Providers receive payment for their work on the Programme based on their success in helping clients gain employment.
Programme Design	Design and development work ongoing, however providers will have flexibility to provide clients with the practical support they need in order to find and keep a job.	A 'black box' approach - allows the providers the flexibility to match employment support to individual jobseeker needs.
Job Outcome	Employment lasting more than 16 hours per week.	For JSA claimants 6 months, for more disadvantaged people, 3 months.

5 Conclusions

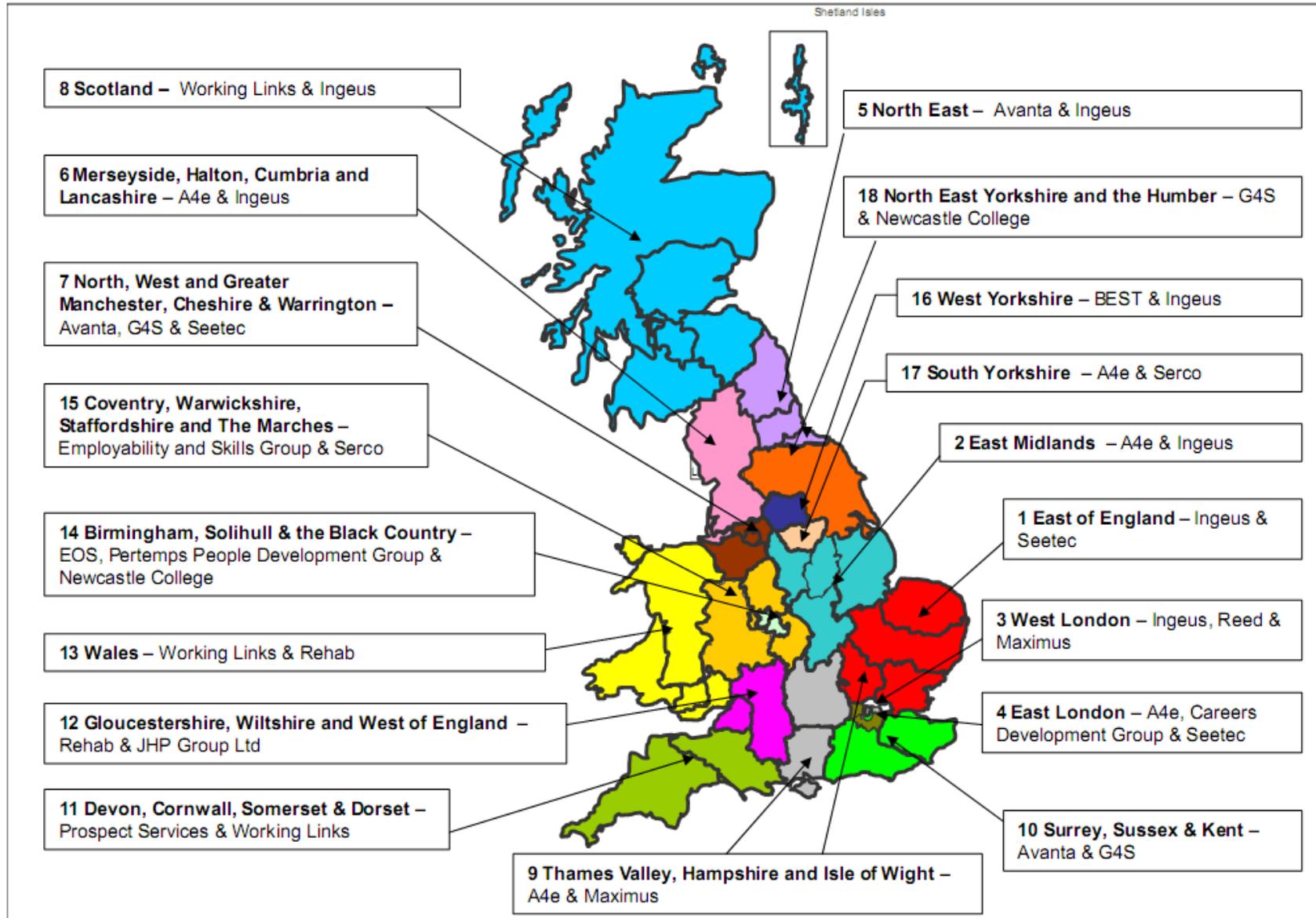
The Work Programme has been in operation since July 2011 and has been subject to a number of criticisms. The UK Public Accounts Committee highlighted a number of issues with the programme, including concerns regarding it being able to hit its targets.

As per one of the core principles of the Work Programme, Providers receive payment based almost entirely on their success on clients entering sustained employment. The PAC report highlights the lack of success in this area for all programme providers. As a result questions must be asked regarding the sustainability of the providers themselves if they are unsuccessful. As highlighted by the PAC Review, this could result in Providers themselves going out of business.

In light of some of the identified issues regarding the WP and the similar model being adopted for the Steps 2 Success programme in Northern Ireland, the Committee may wish to consider the following:

- The Committee may wish to ask the Department to confirm if the Steps 2 Success model is based on that of the Work Programme;
- What steps are the Department for Employment and Learning taking in the design of Steps to Success to ensure local Community and Voluntary organisations are not exposed to excessive financial risks;
- How often will the Steps to Success programme be subject to review by the Department?;
- What procedures will be put in place to ensure Lead Contractors meet targets, and of they fall short of these, what steps will be taken to rectify the situation?; and
- How will the Department ensure 'creaming and parking' does not occur?

APPENDIX 1: Provider Locations (Prime Contractor)



Appendix 2: Prime Contractor Details

Prime Provider	Contract Value	Contract Location/Amount Self delivered	Description	Work Programme Delivery	Number of Subcontractors	Referrals	Performance %	Researchers Comments
The Employment and Skills Group (ESG)	£69,782,460	CPA 15: Coventry, Warwickshire, Staffordshire and the Marches - 0% of delivery, please note some training is delivered by a subsidiary of ESG, Senica. No figures could be found which showed what % is delivered by this company.	ESG was formed in 2007 from a number of businesses specialising in employment related services and skills provision. Has a team of over 800 people and operates across England and Wales. Owned by Ares Management, a global alternative asset manager.	WP services delivered by subsidiary company Senica. Clients referred to ESG can expect: An Action Plan developed at the start of the Programme; Training; tools, resources and training materials; specialist support from other organisations if needed; travelling expenses and childcare; support post employment. Please note, has links with Ingeus in Programme Delivery	Tier 1: 5 Tier 2: 17	16,290	5.0	Best performance of the Prime Providers as identified by the NAO.
Maximus	£176,388,190	CPA 3: West London - 32.2% of delivery; CPA 9: Thames Valley, Hampshire and Isle of Wight - 50.3% of delivery).	Operates across the US, Canada, Australia, Israel and the UK. Specialises in helping people with disadvantages in the labour market obtain meaningful employment.	Core Commitments: Clear Communication; Seamless Service Delivery: will try to make the transition from Flexible New Deal and other services to the Work Programme seamless, so clients experience as little disruption as possible; Transparency: Will be open and honest about all processes. Please note, alliance with CDG and works with Avanta.	Tier 1: 12 Tier 2: 17	36,570	4.6	Holds one of the largest contracts, including delivery of services in West London but has a relatively small number of sub-contractors in comparison to other large providers.
EOS-Works	£90,044,260	CPA 14: Birmingham, Solihull and the Black Country (85.5% of delivery)	A prime provider of the Work Programme, EOS also delivers other Welfare to Work initiatives. This involves the provision of specialist support and mentoring to key target groups defined by the nature of the programmes	Delivery model encourages an active inclusion and participation of employers to identify, fill and sustain job opportunities. Core focus is to identify the specific needs of businesses and then design a placement and support programme to match these requirements, through a combination of: Intensive job search support; Comprehensive vacancy matching services; Real work experience; Skills development; and In-work support. Work Broker assigned to each client. Most clients will be attached to the Fast Track To Employment (FTTE) programme. Clients will start at least 15 days after referral from jobcentre.	Tier 1: 12 Tier 2: 29	21,800	4.2	Mentioned by CESI as having an interesting model. Delivers most of its training itself and clearly identifies on its website what clients can expect when they are referred to the company.

Appendix 2: Prime Contractor Details

Prime Provider	Contract Value	Contract Location/Amount Self delivered	Description	Work Programme Delivery	Number of Subcontractors	Referrals	Performance %	Researchers Comments
Serco	£71,467,410	CPA 15: Coventry and Warwickshire, Staffordshire and The Marches; and CPA 17: South Yorkshire	More than 100,000 employees in over 30 countries. Operates a number of services including traffic management systems, 192,000 square miles of airspace in 5 countries and manages Education Authorities.	The two year programme is divided into three phases: <ul style="list-style-type: none"> • Engage phase: lasts for up to 16 weeks, Serco works with clients to build an in-depth understanding of needs and help with an intensive job search. If clients do not find work during this time, they will be referred to a different provider to start the second phase. • The Enable phase: lasts for up to 44 weeks. Client receives support to ensure they have the tools, confidence and skills to apply for jobs. If they do not find work in this time, they will be referred on to a different provider for the third and final phase. • The Empower phase: lasts for up to 44 weeks, Serco takes advantage of the job search skills clients will have developed, and gives them open access to additional assistance in their job hunt. If clients are still not employed at the end of this period, they will be supported to return to Jobcentre Plus for ongoing assistance with their job search. 	Tier 1: 37	29,930	4.1	Mentioned by CESI as worth visting as a result of their supply chain model. SERCO is a large, multinational company. Of note is its non-use of tier 2 companies.
G4S	£183,752,040	CPA 7: North, West and Greater Manchester, Cheshire and Warrington - 0% of the delivery; CPA 10: Surrey, Sussex and Kent - 0% of the delivery; CPA 18: North East Yorkshire and Humber - 0% of the delivery.	G4S is the world's leading international security solutions group with operations in more than 125 countries and 657,000 employees.		Tier 1: 26 ; Tier 2: 268	54,080	4.1	Best known as a security company. Mentioned by CESI as worth visting as a result of G4S's supply chain model. One of only 2 companies not to deliver any training or services itself. This is reflected in the high number of Tier 2 sub-contractors.

Appendix 2: Prime Contractor Details

Prime Provider	Contract Value	Contract Location/Amount Self delivered	Description	Work Programme Delivery	Number of Subcontractors	Referrals	Performance %	Researchers Comments
Ingeus	£773,563,445	CPA 1: East of England - 48.7%; CPA 2: East Midlands - 46.1%; CPA 3: West London - 70.8%; CPA 5: North East - 49.4%; CPA 6: North West - 49.7%; CPA 8: Scotland - 53.6%; CPA 16: West Yorkshire - 45.2%.	Ingeus UK began as a division of the Ingeus Group. It is currently owned 50% by Deloitte and 50% by the Ingeus Group.	Once referred, Clients are contacted by telephone and then by letter regarding details of their first appointment with their Adviser. The Adviser will then develop a personal plan for the client. Support provided by Ingeus includes: Advice on job-searching, CV writing and interview skills; Calculations that show how much better off you can be in work; Vacancies that are exclusive to Ingeus clients; Use of computers and phones to find and apply for jobs.	Tier 1: 93 ; Tier 2: 51	200,180	4.1	CESI mentioned it may be worth a visit as whilst they use a conventional model they have been successful in its delivery. Ingeus is the largest Prime Contractor with 7 contracts across GB.
Reed	£69,153,965	CPA 3: West London - 62.7%	Founded in 1960, operates over 350 offices with over 3000 employees.	Once referred clients will meet their adviser within 10 days. Clients receive a variety of support, including: receive a full assessment of needs and skills; Review progress with Adviser at least once every four weeks; Receive support to develop a tailored CV and job goals; Receive financial advice and support to show how client will be better off working.	Tier 1: 6 Tier 2: 23	18,870	3.7	Whilst it may be best known as a recruitment agency, the Reed Group has a number of subsidiary companies, including Reed Learning, one of the UK's leading providers of training and development. As a result of this experience Reed delivers much of the training on the programme.
Working Links	£307,752,305	CPA 8: Scotland - 41%; CPA 11: Devon, Cornwall, Somerset and Dorest - 66.3%; CPA 13: Wales - 78.6%.	Working Links has been helping people into employment since 2000. Its work spans a number of areas including welfare to work, justice services, skills and young people's services. Also work internationally, using knowledge and expertise to help other countries deliver equally successful services. Trains around 10,000 people per year.	No information found on delivery method - check this again.	Tier 1: 13 Tier 2: 129	77,910	3.6	Working Links has one of the largest contracts to deliver the Work Programme, covering 3 CPAs. Has a large number of Tier 2 sub-contractors.

Appendix 2: Prime Contractor Details

Prime Provider	Contract Value	Contract Location/Amount Self delivered	Description	Work Programme Delivery	Number of Subcontractors	Referrals	Performance %	Researchers Comments
Pertemps	£90,044,825	CPA 14: West Midlands, Birmingham, Solihull and Black Country - 69%	Established in 1997 and currently employs around 800 people. Network of 40 Advancement Centres around the UK. 2nd in the Sunday Times Top 100 Best Companies to Work For in the UK.	No information found on delivery model. Works in partnership with ESG, G4S and Serco.	Tier 1: 3 Tier 2: 33	21,780	3.5	Pertemps is another company best known for its work as a Recruitment Agency. However, its subsidiary, the Pertemps People Development Group delivers a variety of training and development programmes, both through government funding and via private employers.
Careers Development Group (CDG)	£96,920,210	CPA 4: East London - 51.6%	CDG is one of the largest charitable welfare to work providers in the UK. 30 years of experience of delivering outcome focused employment and training programmes to workless individuals. CDG currently operates across 29 centres employing nearly 400 members of staff.	No information found on delivery model.	Tier 1: 14 Tier 2: 10	26,630	3.4	CESI mentioned it may be worth visting as CDG are one of the few voluntary sector Prime Contactors.
A4e	£438,219,685	CPA 2: East Midlands - 53.8%; CPA 4: East London - 51.6%; CPA 6: Meresyside, Halton, Cumbria and Lancashire - 47.9%; CPA 9: Thames Valley, Hampshire and Isle of Wight - 64.8%; CPA 17: South Yorkshire - 61.5%.	Over 2,000 employees and works across Europe, Australasia and Asia. Runs a range of 'frontline' public services including employment and welfare, training, education, and financial and legal advice, a great deal of which is provided in partnership with a variety of public sector, not for profit and private sector organisations.	A4e provides a number of service for WP clients: Help them find and keep a job; Work with clients to agree a personal Employment Plan, including regular reviews; Get clients any help and support they need from other organisations in order to meet the goals of the Employment Plan; Make it as easy for clients to use A4e services, whether by phone, email, text, or in person; and support clients for the long term. Includes a 7 stage 'journey to work' plan.	Tier 1: 58 Tier 2: 166	115,210	3.3	A4e has been recently heavily criticised in the media following a Channel 4 Investigation into its activities on the Work Programme. These criticisms include the 'creaming and parking' of clients. A4e has the second largest of the Prime Contractors contract, covering 5 CPAs.

Appendix 2: Prime Contractor Details

Prime Provider	Contract Value	Contract Location/Amount Self delivered	Description	Work Programme Delivery	Number of Subcontractors	Referrals	Performance %	Researchers Comments
Avanta	£267,493,620	CPA 5: North East - 47%; CPA 7: North, West and Greater Manchester, Cheshire and Warrington - 58%; CPA 10: Surrey, Sussex and Kent - 45%	One of the UK's leading welfare to work and training providers. For almost 30 years, Avanta has worked together with local communities to deliver services that improve people's lives and help communities and businesses to flourish.	Avanta carries out the following actions: Once a client is referred they are contacted by telephone to identify their nearest office and what to expect from the programme; Clients will then meet with an Employment Consultant to work out a personal action plan. Help will then be provided such as help with job applications, CVs or interviews. Once a client is in employment they will receive ongoing support for up to two years after they start employment.	Tier 1: 28 Tier 2: 8	68,760	3.1	Avanta is another company that provides a variety of services including recruitment. It works with a variety of organisations to provide recruitment and training services. It delivers around 50% of its own training, with only 36 sub-contractors.
Seetec	£220,177,010	CPA 1: East of England - 77.5%; CPA 4: East of London - 45.3%; CPA 7: North, West and Greater Manchester, Cheshire and Warrington - 53.8%	Seetec is one of the UK's largest and most experienced providers of Government -funded employment and skills training programmes, helping thousands of individuals find employment or gain qualifications every year. Provides Employment, Training and Consultancy Services.	Five track, three step model - once a client joins they are assigned to one of the five tracks according to their proximity to the labour market. The three steps are: Step 1: Personalisation and Customer Needs - involve a robust initial assessment, action planning and interventions as needed; Step 2: Into Work - Employer demand led pre-employment modules with packages of work experience and intensive job broking interventions move customers into work. Includes a Back to Work Plan; Step 3: Sustainment and Achievement - Ongoing in work support coupled with job broking services to join up short term and part time packages of employment, co-funded Skills Funding Agency provision.	Tier 1: 12 Tier 2: 36	76,020	2.9	Seetec has a detailed model of its service delivery to clients. In addition, it covers 3 CPA's. It should be noted that despite being one of the largest providers of Government funded programmes it has a relatively low success rate on the Work Programme to date.
BEST - please note, BEST was taken over by Interserve Working Futures in 2012	£65,327,770	CPA 16: West Yorkshire - 70%	Interserve Working Futures (IWF) is part of Interserve PLC, an international support services and construction group. IWF has a team of over 350 experts.	The Work Programme will provide a range of creative and innovative interventions that are responsive of the needs of the client. Customers will agree the most appropriate actions for their personal situation with their Work Coach, all of which will be recorded in their Action Plan.	Tier 1: 3 Tier 2: 4	21,040	2.7	Information on the WP services provided by BEST are relatively limited. It delivers the majority of its own training with only 7 sub-contractors.

Appendix 2: Prime Contractor Details

Prime Provider	Contract Value	Contract Location/Amount Self delivered	Description	Work Programme Delivery	Number of Subcontractors	Referrals	Performance %	Researchers Comments
Rehab Jobfit (in partnership with Interserve)	£156,202,775	CPA 12: Gloucestershire, Wiltshire and West of England; CPA 13: Wales. 0% of delivery, please note some training is delivered by a subsidiary of Rehab, The Shaw Trust. No figures could be found which showed what % is delivered by this company.	Rehab JobFit is a third sector led partnership of the Rehab Group and Interserve which delivers training, support and employability services across the UK. Rehab Group has extensive experience in supporting a wide range of customers to realise their full potential enables the achievement of a real step change in people's lives to deliver a better future. Interserve brings a wide variety of sustainable job opportunities as well as extensive supply-chain management expertise.	Limited information on delivery model, however, Rehab JobFit's aim is to provide customers with a work placement that will give them relevant work skills, help establish a work routine and familiarise them with working practices and employer expectations. It will provide clients with an Action Plan, support that could include training, qualifications and work tasters. Those who find a job will receive ongoing support for at least a year.	Tier 1: 20 Tier 2: 48	34,050	2.7	CESI mentioned it may be worth visting as CDG are one of the few voluntary sector Prime Contractors. However, it operates the WP in partnership with Interserve.
Newcastle College Group (NCG)	£100,901,965	CPA 14: Birmingham, Solihull and the Black Country; CPA 18: North East Yorkshire and the Humber. 0% of delivery, please note some training is delivered by a subsidiary of NCG, Intraining. No figures could be found which showed what % is delivered by this company.	NCG comprises three divisions - Newcastle College, West Lancashire College and Intraining Ltd based in Sheffield. Intraining is a wholly-owned subsidiary of the Corporation. It operates a wide range of skills and employability programmes. The operating structures of Intraining function through two key areas - Workforce Development and Employment Related services. It is this division which delivers the WP.	Clients can use NCG offices to undertake interventions and activity that will help them move closer to finding work. When job-ready they can use Intraining facilities to search for the right opportunities and get support in applying for those opportunities. Intraining work with clients to improve interview techniques and give the confidence and skills to get the job they want. Once successful they will continue to support clients in their job and help them integrate within that business and remain employed for a long time.	Tier 1: 24 Tier 2: 7	35,040	2.4	NCG is unique amongst the Prime Contractors as it is a consortium of a University, a regional college and a training company.

Appendix 2: Prime Contractor Details

Prime Provider	Contract Value	Contract Location/Amount Self delivered	Description	Work Programme Delivery	Number of Subcontractors	Referrals	Performance %	Researchers Comments
Prospect Services	£50,392,740	CPA 11: Devon, Cornwall, Somerset and Dorset - 31%	Prospects is an education, employment and training company, working both nationally and internationally. Services include: <ul style="list-style-type: none"> ■ Careers services for both adults and young people; ■ Advice and guidance for offenders; and ■ The Work Programme, the government's major initiative to help long term unemployed back to work. Prospects is an employee owned mutual company.	Uses the 'Ascent' model: This concentrates on challenging and changing ingrained behaviours in a systematic way through a combination of appropriate interventions, on-going assessment, one-to-one support and, where required, specialist assistance. Includes detailed interventions such as: Skills for the Future - focusing on developing customers' functional skills and managing their personal circumstances effectively; Employer Desirability - Helping customers prepare for the competitive labour market, overcoming issues around long-term unemployment, help with personal presentation, etc.	Tier 1: 2 Tier 2: 19	11,890	2.3	Prospect services is of note as it delivers 31% of training but only has 2 Tier 1 sub-contractors. However, both of these subcontractors are fairly large with one based across the UK and the other well established across the South West.
JHP Group	£43,765,525	CPA 12: Gloucestershire, Wiltshire and West of England - 21.9%	Established in 1993 and has a nationwide network of Business Centres. Adopts a local approach by providing long term training solutions to companies, public organisations and individuals in local communities.	No information found on delivery model.	Tier 1: 10 Tier 2: 23	11,820	2.2	The JHP group has the lowest performance rate as identified by the NAO.