

## Work Programme – Brief Overview

1. The Coalition Government has rapidly fast-tracked the introduction of the Work Programme. Welfare to work initiatives will in the future be managed by large mostly private companies, taking away a lot of the delivery management from Job Centre Plus. The community sector will be involved to some degree but only at a sub-contracting level. The role of the companies will be “helping people into sustained jobs”.
2. Programmes focusing on particular groups eg. New deal for Lone Parents – will no longer be supported for those on Job Seekers Allowance. Instead the Coalition Government is focusing on designing “support based on individual need.” ....“We want the Work Programme to be delivered by the best of public, private and voluntary sector and, to encourage this, we will give delivery partners longer to work with individuals and greater freedom to decide 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 strong 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.”
3. Delivery partners will be paid “first and foremost by the results they achieve not the processes they go through.” These are called “black box contracts” which will free providers from milestones and detailed monitoring and focus principally on out-puts, getting people into sustained employment.
4. Britain will be divided into “11 lots” – by the different regions and with Wales and Scotland as individual lots. 3 – 8 organisations will be appointed to deliver “not only the Work Programme but also other potential employment related support service contracts. This may also include contracts that attract European Social Fund (“ESF”) support. Some organisations could be included in several or all of the Lots.
5. The overall value of the contracts is likely to be between £0.3 billion – £3 billion per year. Individual contracts are likely to be between £10-50 million per year. The framework agreement will be for up to 4 years with the expectation that many contracts “will be long term and may be up to 7 years if justified.”
6. The Work Programme will replace virtually all national Job Centre Plus programmes including the Flexible New Deal and Pathways to Work. Those claimants who do not get involved in the Work Programme will be sanctioned.
7. In principle, the Work Programme will be fully implemented by summer 2011.

## **Work Programme – Brief Overview on the Potential Impact**

### **1. Equality and Social Inclusion:**

In no aspect of the presentations have equality and social inclusion been addressed, in particular how inclusion strategies will be embedded systemically in the Work Programme. This is very worrying given Black Box contracts will militate against strategic equality impact assessments, set targets, and the monitoring and evaluation of the programme overall.

The Emergency Budget is in the process of being challenged through a judicial review for its unequal impact on women, and by research undertaken by the Institute for Fiscal Studies for its unequal impact on people in poverty. The fast-tracking of the Work Programme without systemic equality measures in place, are also likely to lead to unequal outcomes for more marginalised groups. The Coalition Government statement that the programme is designed to support individuals, reverts back to pre-equality legislation.

Targeted programmes for disabled people, single parents, etc were designed to meet the complex and varying needs of more disadvantaged groups. Generic trainers and advisors will not have the expertise to address their complex issues, which is why the advisers under the New Deal for Lone Parents, for example, were able to deliver much better outcomes for single parents than general advisers.

How will programmes be sensitised to single parents with childcare issues, disabled people, claimants with English as a second language? We have no detail on this other than specialist sub-contractors will be expected to come on board.

### ***Recommended Action***

- *The delivery of sensitised programmes has been hard fought for by the equality and social inclusion sectors. Equality Impact Assessments including systematic objectives and how these are to be achieved need to be in place to ensure that equality and inclusion are addressed.*
- *Black box contracts will make systematic equality measures difficult to achieve. Contracts need to be agreed that embed equality impact assessments and monitor and evaluate progress. The public and voluntary sectors have been expected in the past to achieve such targets. This should be expected likewise from the private sector.*
- *Equality and social inclusion strategies need to be embedded in the principle of treating all claimants as individuals, eg in promoting access to affordable quality childcare, family friendly working conditions, career and advancement training for excluded groups.*
- *One way of addressing equality and social inclusion at a local level would be to enable claimants to choose the providers that they want to go to, personalising choice, enabling claimants to participate in initiatives that are most sensitised to their needs. Lord Freud's original research study showed that supportive, non-conditional training programmes had the best outcomes for supporting people into sustainable employment*

## **2. Voluntary Sector Involvement in Conditionality and Sanctions**

There is very little information if any, on conditionality and sanctioning, and no consultation in place for addressing this critical area, weakening the COMPACT. The voluntary sector could lose independence in defining how they wish to work with those most in need. They will be expected to play a part in the conditionality and sanctioning element of the Work Programme, by at a very minimum, reporting if someone does not turn up for training. Involvement in these programmes may contravene charitable status if activities contradict the charitable aims and objectives of the organisations involved. Sanctioning, which is a responsibility of the state, will be an antithesis to voluntary sector grassroots work on empowerment and holistic support in addressing the multiple barriers that many claimants face.

Given the level of unemployment expected in the next few years, where will employment be found? Most likely areas are those where there are poor family friendly conditions and low pay, expecting flexibility at a price, increasing poverty and debt in the process. Again many in the voluntary sector may be pressurised into contravening their commitment to fair employment conditions.

### ***Recommended Action***

- *Much greater consultation is needed with representatives of the voluntary sector, with regards to the potential long-term impact on grassroots delivery, charitable status and independence of the sector*
- *It is clear that in the next few years that there will not be enough economic activity to sustain those who want to work. Conditionality and sanctioning need to be re-evaluated within this context*
- *Much greater work has to be done with employers to ensure that employment is the route out of poverty as at the moment there is more in-work poverty than out of work poverty. Employers are the missing piece of the jig-saw.*

## **3. Contracts and tendering processes**

SPAN is seriously concerned that the Work Programme has been introduced, at great speed, with tendering processes already in process and no plans for piloting. There will be unprecedented structural change across the country involving the privatisation of the delivery of welfare to work initiatives, with at the same time unprecedented lack of consultation on such a major initiative. This does not reflect the coalition government's stated commitment to transparency, consultation and participation in local decision-making and delivery.

There are very large amounts of money involved – up to £3 billion. A good percentage of the public do not realise that private companies will profit from what the government are anticipating to be savings in benefits, rather than these savings going to the public purse. The voluntary sector should have serious concerns about the ethics of profit-making from people in poverty.

The government state that they want “the best of public, private and voluntary sector” organisations to deliver the programmes. The reality is that only very large organisations with some £millions in reserves will be able to bid. This means that virtually all of the

bids will come from the private sector with turnovers of many millions. Further bids are then opened up to these companies under the framework, including ESF bids. Some companies will be international with potentially over a billion in turn-over. There are already serious concerns amongst voluntary sector providers that the Work Programme will exclude voluntary sector specialist support and expertise. Although larger companies will in principle be encouraged to sub-contract to smaller organisations, in practice, this commitment will present many challenges, which cannot be addressed without much greater detail and a piloting process in place. The voluntary sector would be further squeezed if ESF funding became increasingly re-allocated to large private companies

***Recommended Action***

- *In principle the tendering process should be halted until more democratic consultation processes have taken place. At the very least, pilot projects should be introduced to test delivery and assess how delivery will be sub-contracted at a local level*
- *Black box contracts should not be awarded (see Equality and Social Inclusion response). Contracts should be transparent, detailed in their expectations and embed monitoring and evaluation*
- *Future government funding including ESF should not be ring-fenced for the preferred providers under the framework as this will further exclude the voluntary sector, already squeezed in this present economic climate.*

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**September 2010**