National Audit Office

The Restart Scheme for long term unemployed people

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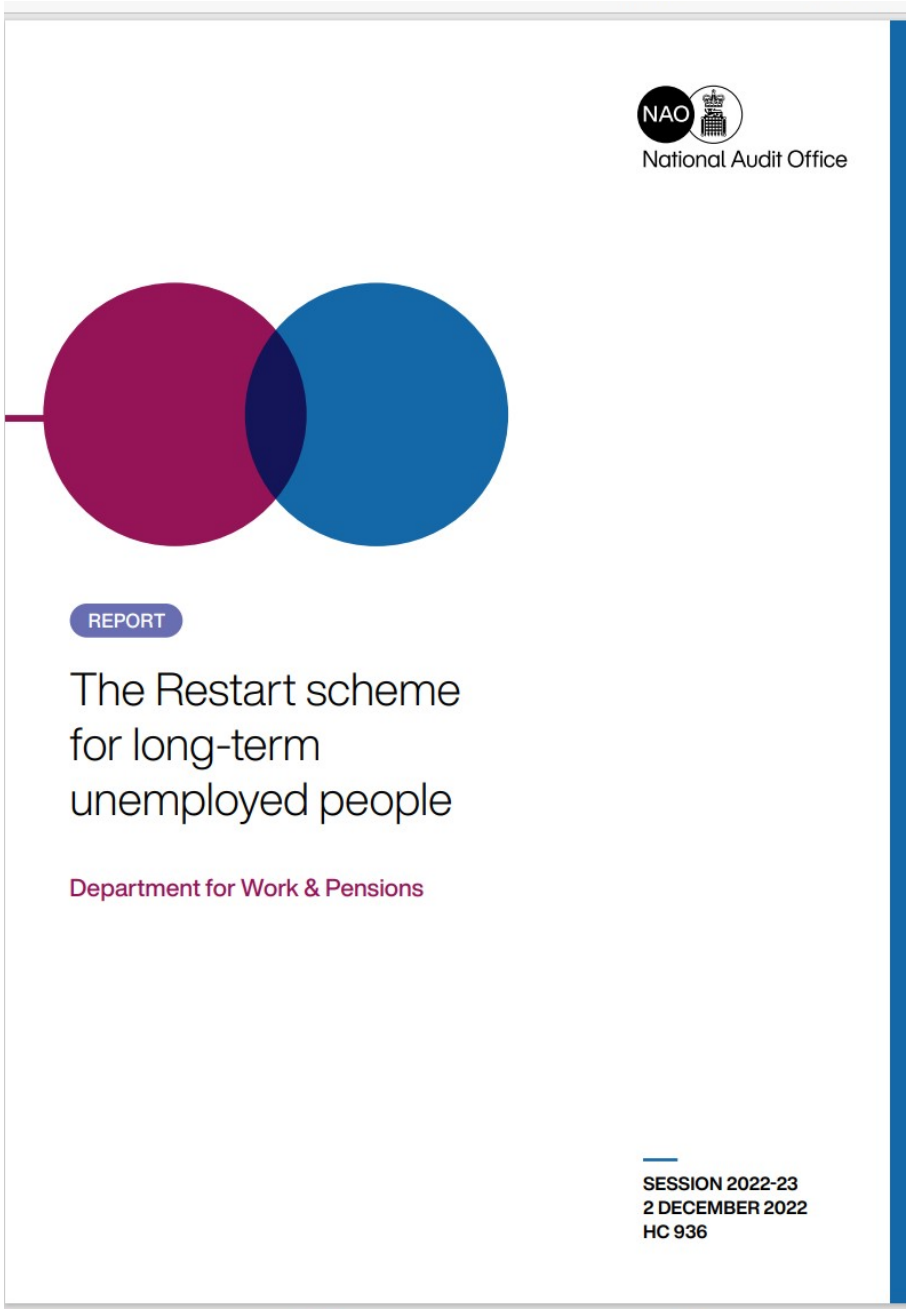


The government announced new large-scale provision for long-term unemployed people in the July 2020 Plan for Jobs and announced £2.9 billion of funding for the Restart scheme in the November 2020 Spending Review.

DWP intended that Restart would "provide intensive and tailored support to more than one million unemployed people and help them find work" by providing up to 12 months of tailored support for each participant.

DWP initially targeted the scheme at people who were required to search for work as part of their Universal Credit claim, and who had been unemployed for between 12 and 18 months. DWP expected that Restart would support around 1.43 million people. The last Restart participants are expected to start the scheme in June 2024 and finish in June 2025.

Under Restart, DWP pays eight prime contractors across 12 contract areas (referred to as contract package areas) that cover England and Wales, to provide coaching and tailored support to participants.

Prime contractors choose how to support people and are also able to subcontract some or all of the support. Including the subcontractors, there are a total of 77 providers.

Shortly after Restart was launched, DWP realised that its work coaches were referring far fewer people to the scheme than it had expected. In response, DWP widened the eligibility criteria for the scheme to increase the number of people who would be referred, and renegotiated the contracts.

Our report covers whether:

- DWP set up Restart to meet the needs of long-term benefit claimants (Part One);
- DWP did enough to understand the demand for the scheme (Part Two);
- DWP's commercial approach for Restart was appropriate (Part Three); and
- DWP still has a strong economic case for Restart (Part Four).

£1.68bn

revised total cost estimate for Restart contracts, 65% of the the original estimate of £2.58 billion

692,000

the number of people now expected to participate in Restart, 48% of the original forecast of 1.43 million

£2,429

expected cost to DWP for each person taking part in the Restart scheme, a third higher than the amount stated in the Restart business case of £1,800

£2.44:£1

the benefits DWP expects Restart to achieve per £1 spent. This is down from £3.80:£1 set out in its business case

2021–2025	the length of the Restart programme, with the last referrals expected in June 2024 and the last participants finishing in June 2025
36%	the proportion of participants DWP estimates that Restart is currently on course to support to achieve job outcomes, against DWP's expectation of 31% for these participants over the life of the contract
43%	the proportion of potential participants that DWP work coaches have so far found eligible and suitable for the scheme. DWP expected this to be 82%
£2.3 billion	the total net economic and social benefits DWP expects the Restart scheme to generate, down from £6.8 billion at the business case stage
8	prime employment support providers contracted by DWP to deliver Restart scheme employment support, across 12 contract package areas in England and Wales
77	the total number of providers, including subcontractors

Conclusion on value for money

Restart provides a useful service to help the long-term unemployed gain employment, which based on the impact of previous schemes will have significant net benefits to the wider economy. DWP has also improved its contracting since its previous similar scheme, the Work Programme, and helped its work coaches to target Restart at those claimants it is most suitable for, within the eligibility requirements it has set.

However, we believe Restart could have cost less. Given the economic forecast in 2020, DWP reasonably expected demand to be high. It had to support providers to build capacity to meet that demand after a period of limited spending on employment support, so DWP could not place as much emphasis on competition as it otherwise would. But DWP did not properly assess how many of its claimants would be suitable for the programme or plan for the possible scenario of significantly lower demand before it entered into contracts. This left it with fewer options to reduce the cost when demand was lower. As a result, Restart is more expensive per person than originally intended and more expensive per person than previous similar schemes.

High level summary

Restart looks like it is working

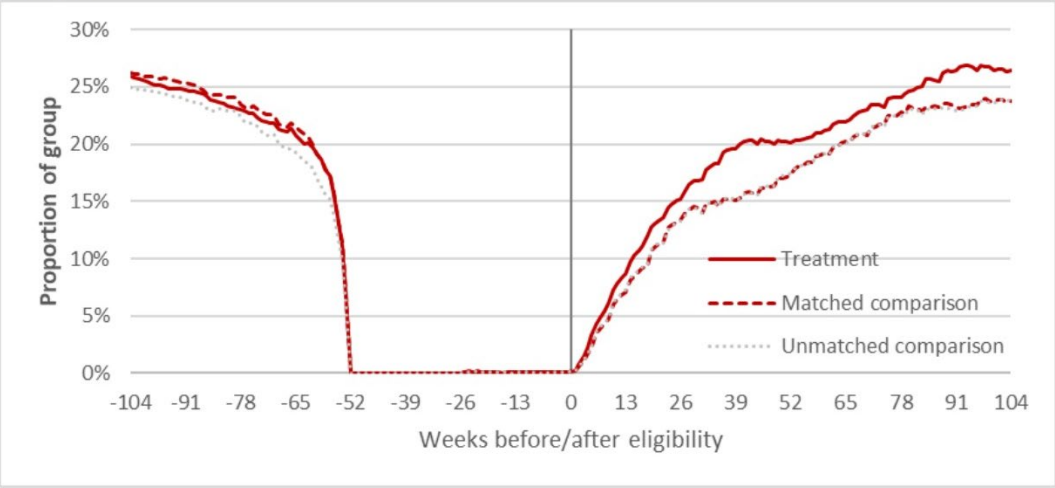
- **DWP established Restart in a fast but practical timeframe.** It was ready as new COVID-19 claimants became eligible.
- **DWP built on the Work Programme (2011-2017).** The 2020 evaluation of the Work Programme showed that participants spent on average an additional 46 additional days in work.
- **DWP managed the market well to achieve its aim of supporting providers to build their capacity and share best practice.** This was necessary because DWP expenditure on employment support had fallen significantly in the run up to the pandemic, leaving the market with lower capacity.
- **Restart Providers offer more intensive and structured support than offered in job centres.** This focuses on identifying and working on claimant's barriers to work (e.g. confidence, CV and interview technique, new skills, etc)
- **So far providers have had more success in getting people into work than DWP had expected by this point.** They are on course for 'job outcomes' for 36% of the participants who have already started, against a contractual expectation of 31%. It will not be clear how many would have found jobs anyway given the strength of the labour market until DWP completes its evaluation.
- **DWP expects Restart to achieve £2.44 per pound spent or £2.3 billion of net social economic benefit in total.**

High level summary

But it could have been cheaper:

- **Providers' systems are not integrated with job centres leading to inefficiency and duplication.** This could not be avoided from the standing start in June 2020, but can be improved for next time.
- **The focus on building capacity and cooperation meant DWP had to focus less on creating competition on price and performance.** DWP in effect set the price and allowed subcontractors to work across supply chains.
- **DWP introduced nine new customer service standards which providers have mostly failed to meet.** This means it is not clear to what extent providers are 'parking and creaming'
- **Restart is now expected to help around half the people it had initially expected to (692,000 participants rather than 1.43 million).** This was partly a stronger than expected economy, but the majority was because DWP had overestimated how many eligible people its work coaches would refer.
- **DWP did not plan how to manage Restart with so many fewer people than expected starting on the scheme.** We think it should have done better scenario planning and developed better options for reducing costs.
- **Between January and July 2022 DWP renegotiated the contracts with providers but was unable to achieve a significant reduction in price.** It planned well, but lacked commercial leverage. The contract value had fallen to £1.71bn due to lower volumes. They saved a further £27mn.
- **The average expected cost per participant has now increased from £1,800 to £2,429, making Restart more expensive than similar programmes.** This is 65% of the original expected value of the contracts, to help 48% of the original expected number of participants.

Figure 4.5 Proportion of ITT cohorts in employment and not claiming OW benefit



Cost Benefit ratio estimates using in employment and not in receipt of an Out of work benefit

		Participant	DWP	Exchequer	Society
Impact of participation	2 year observed	£1.25	£0.83	£1.50	£1.75
	3 year extrapolated	£1.26	£1.31	£2.38	£2.68
	4 year extrapolated	£1.26	£1.76	£3.21	£3.51
Range of impact	2 year observed	£1.22 to £1.27	£0.56 to £1.10	£1.00 to £2.01	£1.16 to £2.31
	3 year extrapolated	£1.23 to £1.27	£0.89 to £1.72	£1.60 to £3.15	£1.82 to £3.48
	4 year extrapolated	£1.23 to £1.27	£1.21 to £2.32	£2.17 to £4.25	£2.42 to £4.51

The work programme evaluation 2020

DWP's 2020 evaluation of the Work Programme compared the work and benefits status of individuals who would have been eligible for the work programme just before and just after the programme came to an end (and before the Work and Health Programme started).

It used statistical techniques to ensure the groups were comparable (Propensity Score Matching)

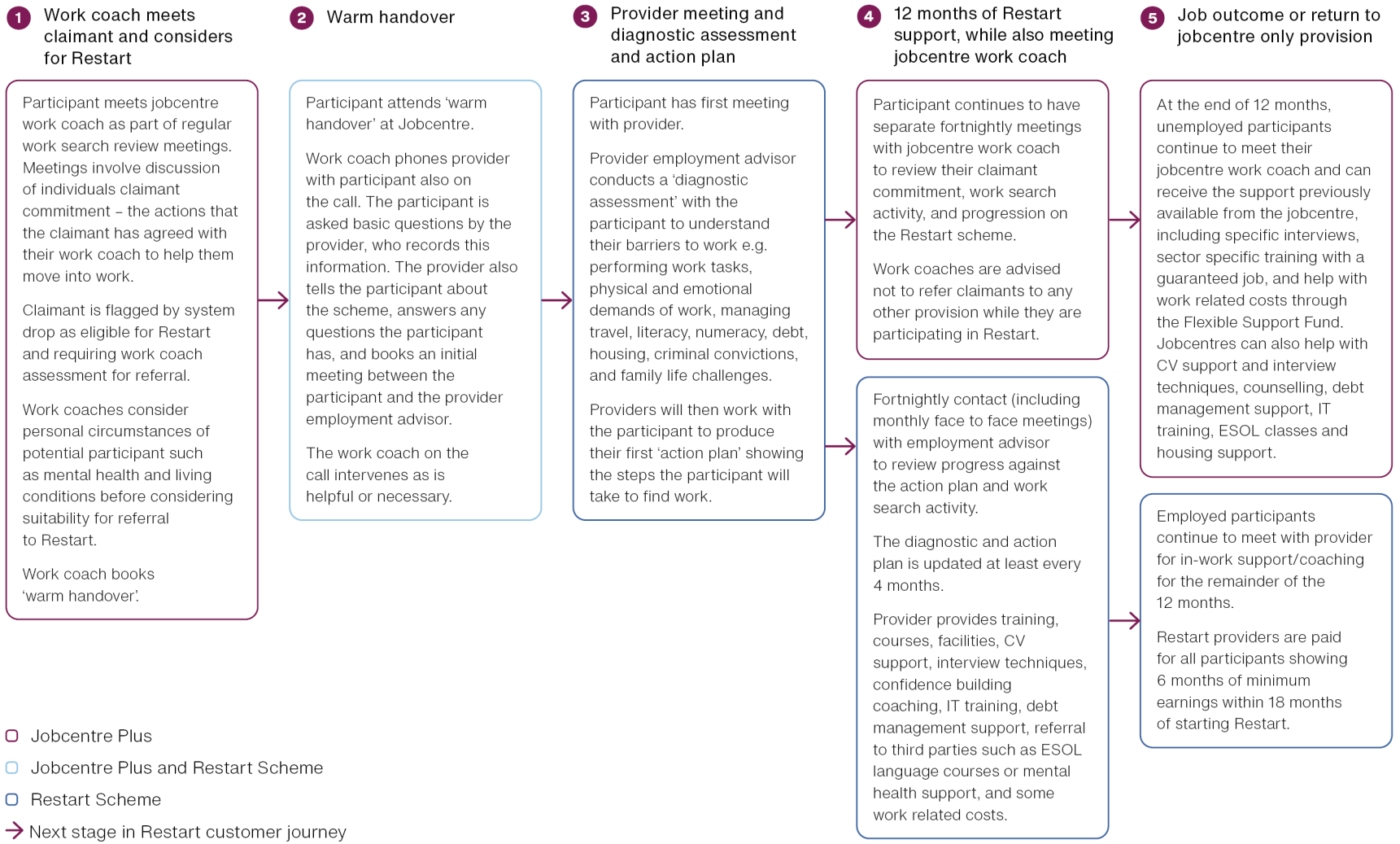
It found that on average participants spent 46 additional days in employment in the two years after they started on the scheme.

Although it only helps a small proportion of participants, the impact of having sustained employment on their lives and the economy is large

DWP used this to estimate that Restart would help around six in a hundred participants finding work they would not have otherwise done so.

Figure 4
Claimant journey on the Restart scheme

Restart provides a more systematic process to support long-term unemployed people, but it overlaps and is poorly integrated with the jobcentre offer



Note

1 Providers are either the prime contractors that DWP has selected to deliver Restart services to participants within a contract package area, or subcontractors of the prime contractor in the area.

Source: National Audit Office analysis of Department for Work & Pensions documents on the Restart Scheme, and observations of Restart being delivered

Lack of integration

Since the work programme ended, Universal Credit means claimants in the Intensive Work Search group get employment support as part of their benefit claim.

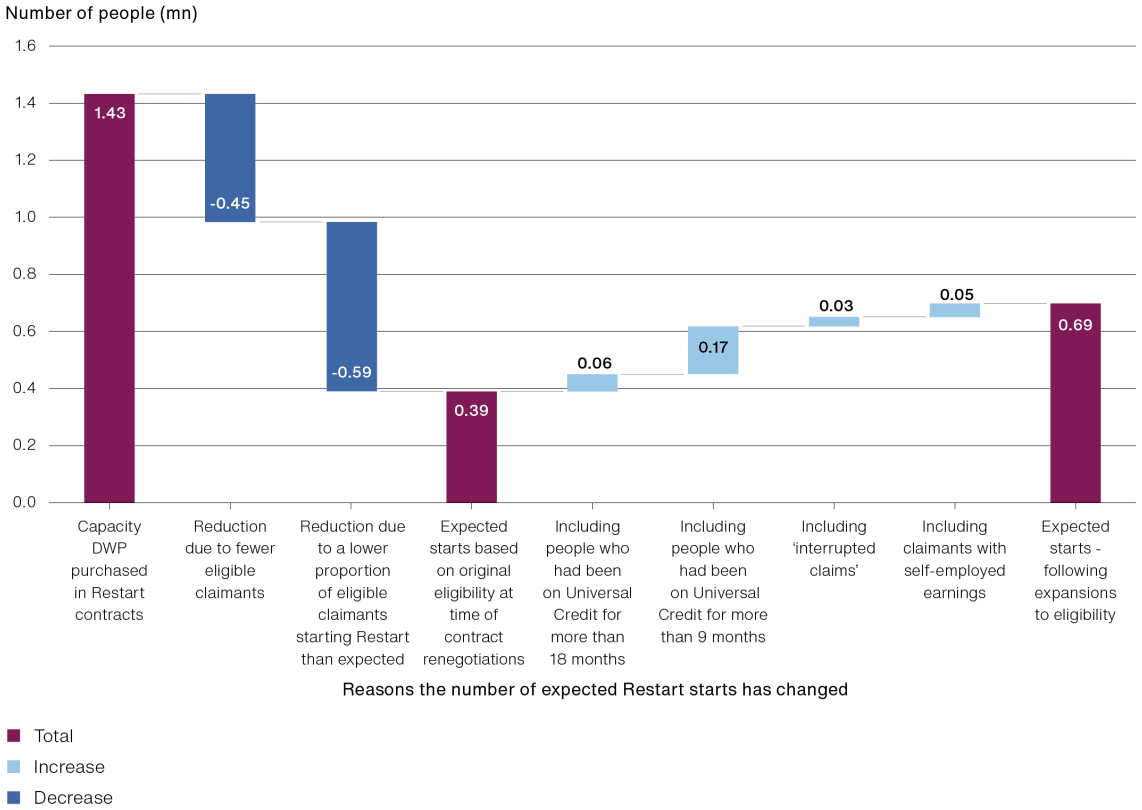
We found inefficiency and duplication in:

- Producing the Restart Action Plan and the Claimant Commitment separately;
- The warm handover
- Participants updating the work coach on what they do on Restart
- the work coach and provider employment advisers are unable to easily build on and reinforce the messaging of the other
- the jobcentres refer Restart participants to support or to employer interviews in the same way as Restart providers

Figure 5

The Department for Work & Pensions (DWP's) expectations about the number of Restart participants

The number of participants DWP expects to start Restart has fallen from 1.43 million to 692,000, partly because the number of eligible claimants fell and partly because work coaches decided many were not suitable for Restart



Notes

1 This figure shows DWP estimates about the number of customers who would start Restart during the life of the scheme. Increases and decreases represent changes in expectations from DWP's final business case to its expectations at the time of contract renegotiations.

2 Shortly after agreeing its final business case but before Restart went live, DWP estimated that 65% of people who were eligible for Restart would go onto the scheme and that 35% would be found unsuitable for the scheme by work coaches, or would become ineligible or drop out before they started. The reduction shown as "due to fewer eligible claimants" is calculated as the difference between the number of claimants DWP expected to be eligible for Restart when it produced its final business case and that it expected when it renegotiated the contracts, multiplied by the 65% expectation of how many of those eligible would start Restart. It includes both a change in the eligibility criteria of the scheme from 12-23 months to 12-18 months which occurred immediately after the final business case, and changes in the labour market.

3 The reduction shown as "due to a lower proportion of eligible claimants starting Restart" is calculated as the difference between DWP's original expectation that 65% of eligible claimants would go onto start Restart compared with DWP's expectation at the point of renegotiation that about 25% of claimants identified by the Universal Credit system as eligible would start Restart. In practice, up to October 2022, around 35% of those flagged as eligible have started Restart.

4 DWP estimated that without expanding the eligibility for the scheme, around 390,000 people would have started on Restart. The major eligibility expansions are shown in the figure, which DWP estimates will increase Restart starts (over the lifetime of the scheme) to around 692,000.

5 'Interrupted claims' are where a claimant has not always been required to search for work as part of their Universal Credit claim.

6 Numbers do not sum due to rounding.

Source: National Audit Office analysis of the Department for Work & Pensions (DWP) business cases, modelling of participant volumes, and DWP internal analysis about the Restart scheme

How the forecast number of participants has changed

DWP overestimated both the number of claimants who would be eligible for Restart and the proportion of eligible people who would be found suitable for the scheme. DWP's forecast of the number of people who will participate in Restart has fallen from 1.43 million to 692,000 (Figure 5), because:

- **there are fewer eligible claimants than DWP expected.** DWP purchased capacity for 1.43 million Restart places but estimates that the fall in eligible claimants alone would have meant just 1 million people could have started on Restart, without the expansion in eligibility;
- **not all eligible claimants are suitable.** DWP had assumed that most (82%) of potentially eligible claimants would be deemed suitable by its work coaches. In the first few months of Restart, DWP's work coaches found 30% of those the system flagged as eligible for the scheme to be suitable. This has since risen, and 43% of people flagged from the time Restart launched until October 2022 have now been found to be suitable, following a management focus to train work coaches on the benefits of Restart and who is suitable; and
- **not all those referred attend.** Around a fifth of those claimants who have been referred to Restart have not yet started on the scheme.

This means that around 35% of those flagged as eligible by the Universal Credit system have gone on to start with a Restart provider. As of October 2022, some 410,000 people have been referred to Restart and some 340,000 have started

Figure 6

Work coach decisions on the suitability of claimants for Restart from scheme launch in June 2022 until October 2022

53% of people flagged as eligible for Restart by the system were found not to be eligible or suitable when assessed by a work coach

Decision to refer	Number of people	Percentage of people flagged by system as potential participants
		(%)
Claimants work coaches decided not to refer to Restart (see breakdown below)	517,000	53
Claimants work coaches referred to Restart	404,000	41
Cancellation of possible claimant referral	50,000	5
Claimant not referred, with reason for non referral pending	7,000	1
Total	**978,000**	**100**
Breakdown of reasons work coaches gave when deciding not to refer a potential participant to Restart	**Number of people**	**Percentage of those who work coaches decided not to refer to Restart**
		(%)
Relating to work coach discretion (broken down below):	294,000	57
Complex barriers	90,000	17
More appropriate interventions	83,000	16
Awaiting work capability assessment (WCA)	49,000	9
Other reason (detail not provided)	72,000	14
Relating to no-longer being eligible (broken down below):	223,000	43
Earnings in last assessment period	120,000	23
No longer in the Intensive Work Search (IWS) conditionality group (i.e. they are no longer expected to look for work)	71,000	14
Upcoming employment	14,000	3
Gainfully self-employed	10,000	2
Easements in place	7,000	1
Total	**517,000**	**100**

Notes

1 The Department for Work & Pensions (DWP) has two assessments for identifying suitable claimants from what it considers its stock of eligible claimants. The information listed in this table draws from both of these assessments, as they are captured on DWP's systems.

2 'Earnings in last assessment' represents a combination of claimants who have newly received income since their name was listed as a potential referral, and claimants who have employment income, which is not automatically received by DWP from HM Revenue & Customs.

3 'Easements in place' are when a claimant is not required to search for work as part of their claim for a period. There are compulsory easements, where there is a legal requirement to switch off a person's work-related requirement (for example, in cases of domestic abuse and some bereavement cases), and discretionary easements, where a work coach determines it would be unreasonable for an individual to have to complete their work-related requirements to continue receiving benefits.

4 'Claimant not referred, with reason for non-referral pending' shows people who have not been referred where the reason is not yet present the system in which DWP analyses this information.

5 'Cancelation of possible claimant referral' shows instances where a work coach assessment around eligibility and suitability was not made, or the referral was otherwise cancelled.

6 The percentage of decisions shown as referred by work coaches to Restart, at 41%, differs to the 43% stated elsewhere in the report. This is because the 41% here is as a percentage of all decisions made, whereas the 43% stated elsewhere is as a percentage of decisions which were not subsequently cancelled. Similarly, the number of referrals shown here differs slightly to elsewhere in the report.

Source: National Audit Office analysis of the Department for Work & Pension's management information on the Restart scheme

Whether DWP is referring suitable people to Restart

DWP introduced a process to help ensure that people who were both eligible and suitable get referred to the scheme.

DWP wanted to manage the rate of referrals given it expected demand to be higher than capacity, so rather than attempt to refer all eligible people to Restart at once, it provided its work coaches with regular small batches of people that the system had identified as eligible. The work coach would then decide whether to refer each of these people at their next face-to-face work search review.

We saw work coaches using their knowledge of the claimant's circumstances to make decisions about whether they were suitable for Restart. This included information such as the claimant's living circumstances or mental health. The type of information work coaches use to make these decisions is not generally recorded in DWP's systems in a way that can be easily analysed, and DWP does not have access to this type of information centrally when it designs employment support schemes

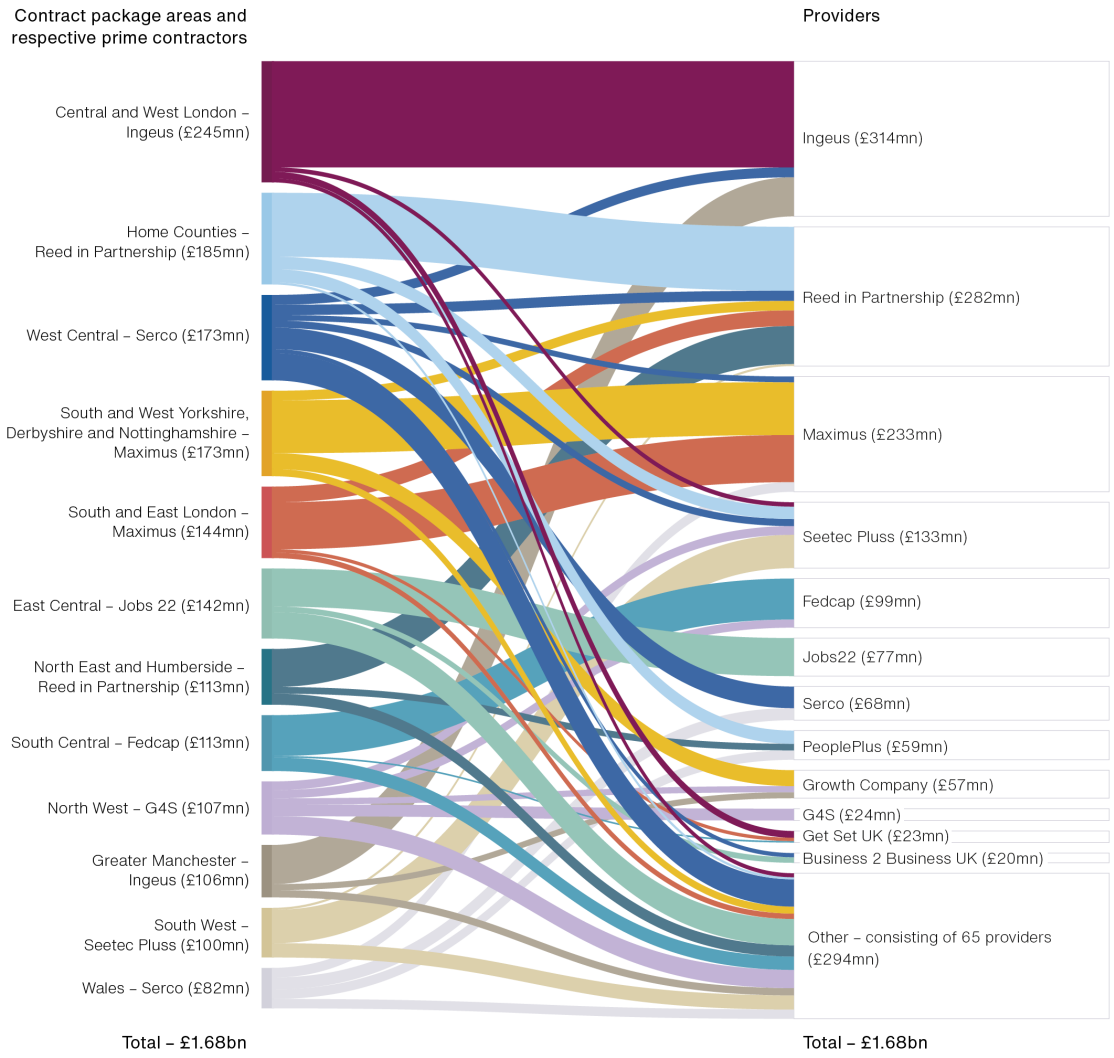
Work coaches referred 41% of those they considered for referral to Restart and choose not to refer 53% (the others were referred but then cancelled).

Work coaches referred fewer claimants than DWP expected because they found the claimant's circumstances had changed (43% of those not referred) or because they used their knowledge of the claimant to determine that Restart was not suitable (57% of those not referred).

Figure 8

Flow of expected revenue to different providers

Many of the larger providers operate across multiple contract package areas. Fifty seven per cent of renegotiated contract fees are expected to go to the four largest providers



Notes

1 The figure shows the expected contract value of Restart in each contract package area, who the prime contractor for that area is, and how much revenue different providers can expect to receive from delivering Restart.

2 The information about providers in each contract package area is drawn from documents provided by the prime contractors to the Department for Work & Pensions (DWP) and has not been confirmed with providers shown as subcontractors in each contract package area.

3 Providers listed separately are those who are expecting to receive 1% or more of the renegotiated expected total contract value. The 'Other' category consists of 65 providers each with less than 1% of the Restart renegotiated contract values.

The focus on building capacity and cooperation meant DWP had to focus less on creating competition on price and performance

In response to previous criticism that contractors had bid at unrealistic prices, DWP set a minimum price and all the successful bidders offered this.

DWP introduced a guaranteed fixed delivery fee of 30% of the (original) expected contract value, mostly paid early in the contract, so that providers could build that capacity.

Some providers work across contract package areas, which has helped facilitate the sharing of best practice, but reduces competition between package areas. For example, DWP only collects contract management information at a contract package area level and not by provider.

DWP did not require providers to set up consistent management information on the customer service standards. The sampling methodology DWP uses means there is at least a five-month delay before it can assess whether all the standards have been met.

Figure 9

Provider performance against customer service standards, September 2022

Providers have mostly failed to meet the customer service standards (CSS), although there has been significant improvement in performance

		To date	Current performance	
Customer service standards	**Target**	**Average performance of all contract package areas up to end September 2022**	**Average performance of all contract package areas in September 2022**	**Number of contract package areas where standard was met in September 2022**
	(%)	(%)	(%)	
1. (a) Providers must hold a face to face initial meeting with a participant within 30 working days of referral	85	84.1 ●	86.6 ●	9 of 12
1. (b) Providers must hold a face to face initial meeting with a participant within 15 working days of referral	70	72.5 ●	79.0 ●	11 of 12
2. For all participants who start on the programme providers must complete and record an initial diagnostic assessment within 8 calendar weeks of the referral	95	99.0 ●	99.6 ●	12 of 12
3. For all participants who start on the programme an initial SMART Action Plan must be completed for the participant within 8 calendar weeks of the referral	95	77.5 ●	87.1 ●	4 of 12
4. The provider must deliver 1-2-1 support for all participants at least every 14 calendar days	95	90.5 ●	95.4 ●	7 of 12
5. The provider must conduct a 1-2-1 face to face review meeting for all participants at least every 4 calendar weeks	95	90.6 ●	94.6 ●	8 of 12
6. The provider must formally reassess the diagnostic assessment for all participants at least every 4 calendar months	95	88.3 ●	87.8 ●	4 of 12
7. The provider must review and update the SMART Action Plan for all participants at least every 4 calendar weeks	95	84.5 ●	92.6 ●	6 of 12

● Performance below customer service standard target

● Performance at or above customer service standard target

Notes

1 The wording of the customer service standards has been simplified from the contract specification.

2 The results shown represent employment support provider performance to September 2022. There is a time lag between participants starting on Restart and the Department being able to fully check all CSSs (e.g. all standards for participants starting in July 2021 cannot be fully assessed until February 2022).

3 While data for standards 1a and 1b is from the September performance data pack, these standards are subject to change in subsequent months. We have therefore taken the most recent stable data for these standards, from July 2022.

4 The contract to date figures calculate an average of performance standards sample data from the earliest month that it is available for that standard. Average performance is calculated as the mean of performance in each contract package area, for each standard.

5 In March 2022 DWP introduced a "technical pass" for the standards. This would be used where a standard had not been met but it was clear that this was the fault of the participant rather than the provider (e.g. there was documented evidence of the provider making several attempts to schedule a meeting with a claimant, but the claimant was not responding). We expect that this has contributed to some of the improvement in performance against the standards.

Source: National Audit Office analysis of Department for Work & Pensions' Restart provider guidance and internal management information

Provider performance against standards

DWP introduced nine customer service standards into the Restart contracts, which it intended to help reduce the likelihood of providers focusing on people who are easier to get into work and to ensure that participants received tailored support.

Providers have mostly failed to meet the customer service standards. Although performance has improved in recent months, with providers moving closer to the expected standard for every measure, the providers for only one of the 12 contract package areas met all the standards in the last month for which data is available (September 2022).

Where providers are failing to meet the customer service standards, DWP agrees provider action plans with the prime provider to try and improve performance. DWP is also able to withhold up to 40% of the average monthly delivery fee.

By the end of October 2022, DWP had deducted 0.8% (£2.3 million) from the delivery fees it had paid to providers due to poor performance against the standards, with a further 1.9% (£5.6 million) of fees deferred until the providers can demonstrate an improvement.

The providers complained about participants' level of engagement, the way the standards are measured and the administrative burden of meeting the standards.

Figure 10

The outcome of the renegotiations on the cost and expected performance of the contracts, against the best alternatives

The unit cost of the renegotiated Restart contracts is about one-third higher than the Restart business case, but better than the best alternative option available of doing nothing

Business Case component	Restart business case, May 2021	"Do nothing" scenario as at January 2022	Theoretical optimal outcome suggested by consultancy firm KOSI in March 2022	Post-renegotiation business case, June 2022
Total contract cost	£2.58 billion	£1.71 billion	£1.55 billion	£1.68 billion
Estimated starts	1,430,000	692,000	692,000	692,000
Average expected unit cost	£1,800	£2,468	£2,241	£2,429
Contracted job outcome performance	34%	34%	36%	36%
Estimated job outcomes	486,000	249,000[1]	249,000	249,000
Proportion of fee derived from payment by results	70%	70%	As close to 70% as possible[3]	48%–62% (average 56%)

Notes

1 The estimated job outcomes stated for the "do nothing" scenario of 249,000 is calculated using a 36% job outcome rate rather than the contracted 34% job outcome rate. The change in expected outcome rate is driven by the eligibility expansion for Restart, and so would have been expected regardless of the outcome of contract renegotiations. Without the expansion in eligibility, and using the 34% expected job outcome rate, the number of estimated job outcomes would have been far lower.

2 The total contract cost given for the theoretical optimal outcome suggested by KOSI is based on potential cost reductions they identified of £180 million, from an iteration of prime provider returns they were provided which indicated a total cost of £1.73 billion.

3 KOSI recommended that payment by results be maximised in a revised payment model, to achieve a model that is as close as possible to the desired 'payment by results' ratio of 70%.

Source: National Audit Office analysis of Restart business case, and the Restart business case addendum following contract renegotiations

The renegotiations

DWP renegotiated the contracts to:

- ensure Restart service provision was maintained at the required level of quality;
- reduce the risk of disputes with providers which could potentially escalate to legal challenge; and
- reduce the risk of individual providers seeking separate individual and unplanned renegotiations

DWP prepared well for the renegotiations, using open book provisions to request cost registers from all the providers. It engaged consultants KOSI to review these cost registers

The contracts had been awarded with an expected value of £2.58 bn. This had fallen to £1.71bn due to the lower volumes. KOSI suggested a theoretical optimal outcome of £1.55bn if all possible savings were shared.

But DWP lacked commercial leverage because it could not set up alternative provision and wanted to incentive the contractors to continue. This limited the amount of savings DWP was able to achieve for the taxpayer. It agreed to pay two of the prime contractors more to stop their contracts from being onerous and the others less to reflect savings they could make. In total it made savings of £27m compared to KOSI's suggested £150m (£180mn from the baseline KOSI reviewed).

The consequence

Restart costs less because volumes are down but more per person than expected and more than previous schemes. It is still expected to have a positive return to the taxpayer but much less than expected

Figure 11

Comparison of costs per participant for different employment support schemes

Restart is expected to be more expensive per participant than similar previous programmes

Scheme	Total estimated cost per participant	Length of time participants receive support
Restart original contracts	£1,800	Up to 12 months
Restart renegotiated contracts	£2,429	Up to 12 months
The Work Programme (2011–2017)	£1,760	Up to 24 months
The Work and Health Programme (2017–2022)	£1,560	Up to 15 months, plus possible further 6 months of in-work support
The Work and Health Programme (2022 contract extension)	£2,120	Up to 15 months, plus possible further 6 months of in-work support

Notes

1 The unit costs stated for Restart and the Work Programme are based on the amounts stated in the Restart contracts. The Work & Health programme (2017-2022) unit cost is a weighted average of DWP's estimates of unit cost for the scheme between November 2017 and March 2020, and April 2020 and October 2022. The Work & Health Programme 2022 contract extension is the unit cost expected in new Work & Health Programme contracts, from November 2022.

2 The Work Programme and the Work and Health Programme (2017-2022) costs have been stated in 2021-22 prices, to align with when the original Restart contracts were agreed. The Restart renegotiated contracts and the Work & Health Programme contract extension are stated at the unit costs expected when these contracts were signed in 2022.

3 The Department for Work and Pensions had originally expected the Work and Health Programme (2017-2022) to cost £2,100 per participant who went onto the scheme. This unit cost was based on an expectation that providers would achieve a greater rate of job outcomes for participants than they were able to. Because the proportion of participants moving into work was lower than expected, the unit cost was actually around £1,560, as fewer outcome-based payments were made to providers.

Source: Department for Work & Pensions' business cases and other documentation

Figure 12

Economic case for Restart

The economic benefit of Restart (the net present social value) for the Department for Work & Pensions (DWP) has fallen by £4.52 billion

	Full business case	Business case after contract renegotiation
	(£bn)	(£bn)
Restart lifetime costs		
Cost of Restart contracts	2.58	1.68
Other costs	0.02	0.02
Total costs	**2.60**	**1.70**
Restart lifetime savings		
Savings from reduced benefit expenditure	3.44	1.45
Recurring economic and social savings	6.88	2.91
DWP payroll savings	0.05	0.02
Total savings	**10.37**	**4.38**
Net benefit	7.77	2.68
Net present social value (after allowing for the time value of money)	6.84	2.32
Cost benefit ratio	£3.80:£1	£2.44:£1

Notes

1 The economic and social savings and reduction in benefit expenditure are both linked to the additional employment that DWP expects participants on Restart to gain compared to similar Universal Credit claimants who do not participate in Restart. DWP estimates that Restart should achieve job outcomes for an additional 6 percentage points of participants than would have happened without the scheme. This is based on its evaluation of the Work Programme which found that on average participants spent 46 additional days in work and off benefits over the two years after the programme than the comparison group. To estimate the return on investment on Restart, DWP used the lower end of the range of its estimate of the benefit cost ratios (rounded down) that it had calculated as part of the Work Programme evaluation and extrapolated these across the amount it expected to spend on Restart before it had agreed the contracts. It believes that this produces a conservative estimate of the value of Restart.

2 DWP expects the make-up of the recurrent economic and social benefits for Restart to be similar to that of the Work Programme. DWP estimates that 89% of the recurrent economic and social benefits arising from the Work Programme were because of increased economic output produced by participants, due to additional time spent in employment. This represents the increase in wages for participants and the increase in national insurance contributions for employers associated with that additional employment. The remaining 11% of recurrent economic and social benefit represents a presumed re-allocation of resource that would have been required to support claimants who instead found work (8%) and a presumed reduction in healthcare costs associated with the increased employment (3%).

3 The benefit cost ratio is the ratio of the present value of benefits to the present value of costs, using HM Treasury's Green Book Social Time Preference Rate, and therefore cannot be recalculated from the numbers in the rest of the table.

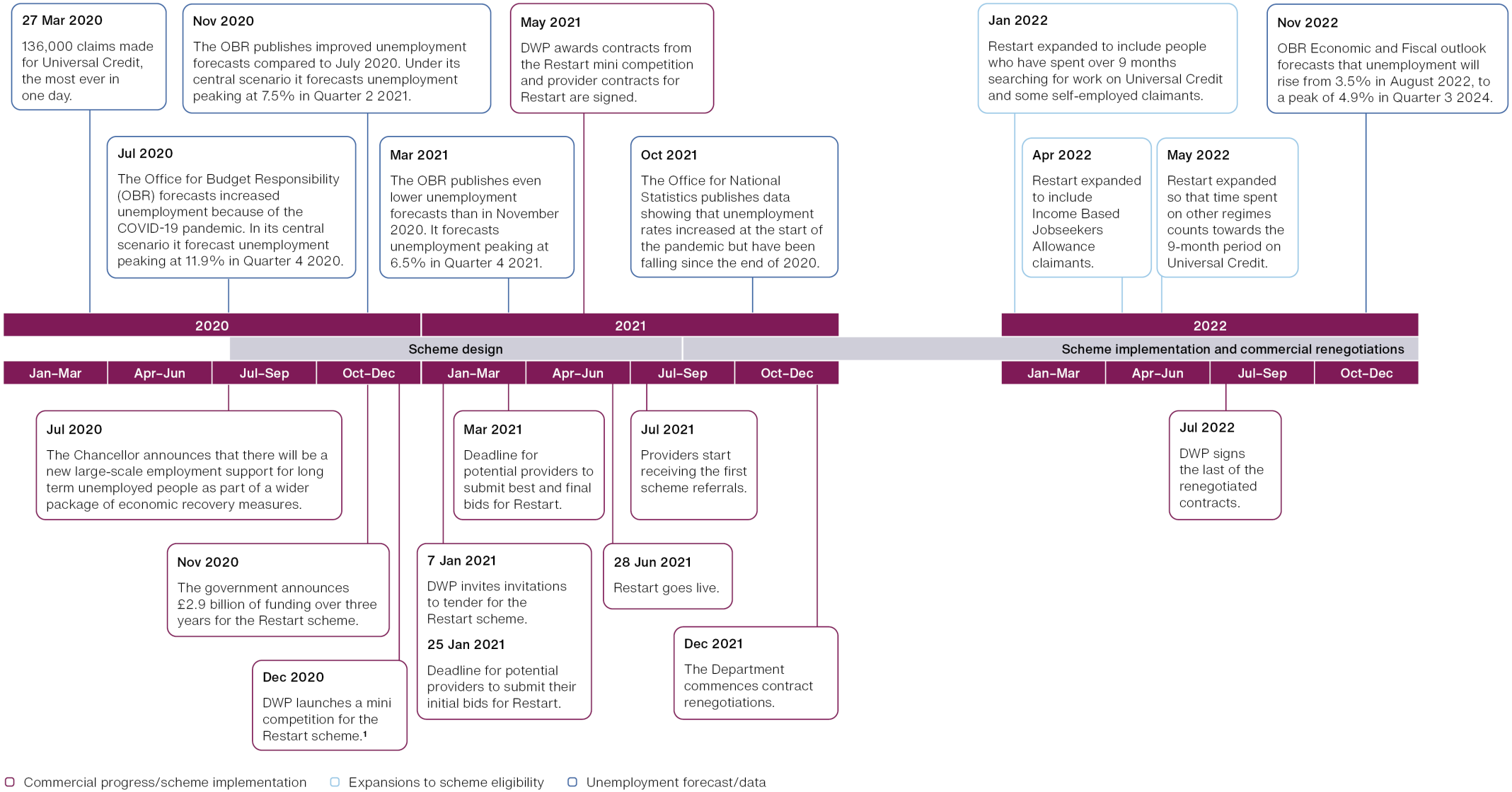
4 There is likely to be some overlap between the DWP payroll savings shown and the operational element of the recurring economic and social savings. The payroll savings relate to reduced fortnightly work search review meetings for participants who find work during their time on the programme, and the operational savings are based on the presumed impact on staffing requirements over the following four years. If this were a complete overlap, it would reduce the cost benefit ratios by around £0.01-£0.02.

Source: Department for Work & Pensions' Restart business cases

Figure 1

Key events relating to the Restart scheme

The Department for Work & Pensions (DWP) set up Restart to receive its first referrals in July 2021. The programme has continued to evolve since



Source: National Audit Office analysis of Department for Work & Pensions documents on the Restart scheme and publicly available data on unemployment rates and forecasts

Figure 2

Number of Universal Credit (UC) claimants in the Intensive Work Search (IWS) regime March 2020 to August 2022

The total number of long-term UC claimants required to search for work peaked in May 2021, a year after the start of the COVID-19 pandemic. Since then, this population has fallen and the number of vacancies in the economy has grown, but there remain significant numbers of people who may be eligible for Restart

Notes

1 Data on the number of UC claimants comes from the Department for Work & Pension's administrative data, rather than published statistics. The data captures a claimant's status at a point in time, usually the second Thursday of each month. This data therefore represents the total 'stock' of claimants at a particular time, as opposed to a 'flow' of claimants newly hitting the eligibility criteria at that time.

2 The number of people shown in each eligibility criteria for Restart is not available in the data DWP routinely publishes about the number of people receiving Universal Credit, and DWP has applied less quality assurance to this data than it does for routinely published statistics.

3 The claimant count series are based on the eligibility criteria when Restart was launched (participants having spent 12–18 months in the intensive work search Universal Credit conditionality group) and the current eligibility criteria (being in the intensive work search conditionality group having been on Universal Credit, in certain conditionality groups, for over 9 months). The original eligibility was in place from the time of the first scheme referrals in July 2021. DWP expanded eligibility in January 2022, and again in May 2022, to the criteria shown in the series for current eligibility criteria. Note that the data shown here is an imperfect approximation of the number of people falling into each eligibility criteria, and does not, for example, include the number of people who might now be eligible for Restart but who are in receipt of Income Based Jobseekers Allowance, rather than Universal Credit.

4 Data includes claimants in the United Kingdom, including Northern Ireland and Scotland, where Restart is not available.

5 The data on vacancies is from the Office for National Statistics (ONS) seasonally adjusted UK vacancy survey series, October 2022 release, *VACS01 Vacancies and Unemployment*, available at: www.ons.gov.uk/employmentandlabourmarket/peoplenotinwork/unemployment/datasets/vacanciesandunemploymentvacs01.

Source: National Audit Office analysis of the Department for Work & Pension's management information and ONS vacancies data

Figure 7

Restart scheme contract package areas and prime providers

The Restart scheme is delivered in England and Wales across 12 contract package areas by eight prime contractors

	West Central	North West	Central and West London
Prime provider	Serco	G4S	Ingeus
Renegotiated contract value	£173 million	£107 million	£245 million
Renegotiated forecast scheme starts	77,000	39,000	110,000
Key subcontractors	Reed in Partnership, Ingeus, Seetec Pluss	Growth Company, Seetec Pluss, Fedcap	Get Set UK, Seetec Pluss, Groundwork, Twin Training
	East Central	**Greater Manchester**	**South and East London**
Prime provider	Jobs 22	Ingeus	Maximus
Renegotiated contract value	£142 million	£106 million	£144 million
Renegotiated forecast scheme starts	61,000	43,000	60,000
Key Subcontractors	Acorn Training, WorkPays, Business 2 Business UK Ltd	Growth Company, B2W, Rochdale Council	Reed in Partnership, Get Set UK, Bexley Council
	North East and Humberside	**South West**	**Home Counties**
Prime provider	Reed in Partnership	Seetec Pluss	Reed in Partnership
Renegotiated contract value	£113 million	£100 million	£185 million
Renegotiated forecast scheme starts	44,000	37,000	82,000
Key Subcontractors	People Plus, Triage, Standguide	Go Train Ltd, Prospect Training Services, Wiseability	PeoplePlus, Seetec Pluss, Forward Trust
	2b. South and West Yorkshire, Derbyshire and Nottinghamshire	**South Central**	**Wales**
Prime provider	Maximus	Fedcap	Serco
Renegotiated contract value	£173 million	£113 million	£82 million
Renegotiated forecast scheme starts	69,000	42,000	27,000
Key Subcontractors	Growth Company, Reed in Partnership, Future Advice, Skills and Employment	Palladium International Ltd, Portsmouth City Council, Get Set UK	Maximus, PeoplePlus, Itec Skills and Employment

Notes

1 The information about providers in each contract package area is drawn from documents provided by the prime contractors to the Department for Work & Pensions (DWP) and has not been confirmed with providers shown as subcontractors in each contract package area.

2 The 'key subcontractors' shown are the three subcontractors in each contract package area expected to receive the most revenue for delivering Restart, according to documentation provided by the prime contractors to DWP. Within one contract package area Central and West London, four subcontractors are shown, as two of these subcontractors are expecting to receive the same amount of revenue.

Source: National Audit Office analysis of renegotiated business case for Restart and of provider bids for contract package areas

Figure 3

Summary of the differences between the Work Programme, the Work and Health Programme, the Job Entry Targeted Support programme (JETS) and the Restart scheme

The Department for Work & Pensions (DWP) based the Restart scheme on the Work Programme and the Work and Health Programme which followed it, with some important changes

Design feature	Work Programme (2011–2017)	Work and Health Programme (2017–ongoing)	JETS Programme (2020–2023)	Restart original contracts (2021–2022)	Restart following renegotiation (2022–2025)
Length of time on unemployment benefits before being eligible	9–12 months	24+ months	3+ months	12–18 months	9+ months
Other referral eligibility	Disabled claimants	Disabled claimants (main criteria)	None	Discretionary referrals by work coaches	Discretionary referrals by work coaches
Number of people expected to go onto scheme	1.6 million	275,000	220,000	1.43 million	692,000
People who have started on scheme to date	1,925,000	222,000 (as at May 2022)	310,000 (as at October 2022)	339,000 (as at October 2022)	339,000 (as at October 2022)
Maximum duration of support	24 months	21 months (including up to 6 months in-work support)	6 months	12 months	12 months
Average unit cost (2021-22 prices)	£1,760	£1,560 until October 2022 £2,120 (expected from November 2022)	£774	£1,800	£2,429
How 'job outcomes' are assessed: employed	Provider submitted outcome, DWP validated	Earnings data from HM Revenue & Customs (HMRC)	Earnings data from HMRC	Earnings data from HMRC	Earnings data from HMRC
How 'job outcomes' are assessed: self-employment	Provider submitted outcome, DWP validated	Provider submitted outcome, DWP validated	Provider submitted outcome, DWP validated	Provider submitted outcome, DWP validated	Provider submitted outcome, DWP validated
Minimum service standards	Differed by area, provider set	Consistent standards set by DWP and others taken from successful bids	Consistent standards set by DWP	Consistent standards set by DWP	Consistent standards set by DWP
Number of contract package areas	18	6	6	12	12
Number of prime providers	18	5	5	8	8
Number of prime providers per contract package area	2–3	1	1	1	1
Whether scheme is mandatory	Mandatory for most participants	Voluntary for most participants	Voluntary for most participants	Mandatory, although engagement preferred over sanctions	Mandatory, although engagement preferred over sanctions
Proportion of expected job outcomes	27%	49% until 2022 34% in renewed contracts from November 2022	22%	34%	36%
Proportion of actual job outcomes	32%	30%	40%	Estimate of 36% for people who had started Restart, as at September 2022	Estimate of 36% for people who had started Restart, as at September 2022
Customer satisfaction measure	None	None	None	Yes	Yes
Evaluation					
Participant survey	Yes (commissioned)	Yes (commissioned)	No	Yes (commissioned)	Yes (commissioned)
Provider survey	Yes (commissioned)	Yes (commissioned)	No	Yes (commissioned)	Yes (commissioned)
Qualitative research	Yes (commissioned)	Yes (commissioned)	Yes (in house)	Yes (commissioned)	Yes (commissioned)
Impact analysis	Yes (in house)	Yes (in house)	Yes (in house)	Yes (in house)	Yes (in house)
Outputs published	Detailed publications for evaluation outputs	Evaluation work ongoing	Evaluation work ongoing	Evaluation work ongoing	Evaluation work ongoing
Impact achieved	46 additional days in employment	Findings not yet available	Findings not yet available	Findings not yet available	Findings not yet available

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