

Executive Summary

The Government has set a clear direction of travel towards greater devolution of employment support. The challenge now is how to do so without disrupting essential services, weakening performance and losing the national capability built through successful programmes such as the Restart Scheme. This paper argues that devolved services can be delivered consistently well providing the right conditions are put in place. By combining local commissioning with a strong national framework, the Government can give Mayoral Strategic Authorities (MSAs) greater control over employment support while protecting continuity for the people who rely on these services, maintaining quality standards and allowing all areas to progress to the required standard of delivery in a reasonable timeframe.

The core principle is that devolution should be evolutionary rather than disruptive. Local leaders should gain greater influence over employment support as their capacity and capability develop, supported by national frameworks that provide consistency, performance assurance and access to proven providers. Managing the transition carefully, particularly the move from the Restart Scheme to Future Employment Support (FES), will be critical to ensuring that power is transferred to places without creating gaps in support or weakening outcomes for those who depend on these services.

The recommendations of this paper are that DWP should:

1. Develop the new employment support landscape around a mixed commissioning model, with MSA responsibility in devolved areas and DWP-commissioned FES elsewhere.
2. Establish a nationally approved provider framework, with appropriate price parameters and information on past performance available to MSA commissioners.
3. Retain national performance benchmarking and evidence infrastructure as commissioning becomes more local.
4. Extend the Restart Scheme where successor arrangements will not be operational before existing referrals end.
5. Maintain a single start date for DWP-commissioned FES.

These five key enablers are discussed in more detail below. Together, they are intended to provide for a coherent transition and avoid a scenario in which provision develops at different speeds, established delivery capacity is lost, employers face a more complex landscape and participants experience unequal access to support.

1. Establish a mixed commissioning model

The Government's Rewiring the State agenda, as set out in the July statement from the Cabinet,¹ marks a significant change in the way employment support is expected to be commissioned in England. It gives elected mayors a much greater role and commits to devolving employment support, including powers for local areas to procure tailored support for the long-term unemployed.

¹ Cabinet Office (2026): [Rewiring the State](#).

DWP's emerging approach to FES reflects that change. It has confirmed that FES will be commissioned centrally in areas not covered by devolved arrangements.² The future system is therefore unlikely to follow one commissioning model across England.

In MSA areas, local commissioning responsibility should be the starting point. Employment support sits alongside wider mayoral responsibilities for local growth, skills and public services reform. A stronger commissioning role would give MSAs greater scope to connect provision to local labour markets and employer demand.

Not every MSA will need to take on the same responsibilities immediately. Co-commissioning with DWP may be appropriate in some places, giving the MSA a formal role in specification and provider choice whilst retaining access to DWP's existing commercial capability.

DWP would continue to commission FES directly in non-MSA areas. This preserves national provision where devolved arrangements are not in place and gives later mayoral areas a stable system from which to transition.

The Cabinet statement itself recognises that readiness will vary and that local capacity will need to develop as functions move from central government. The commissioning model should allow for that. Areas able to move first should do so, whilst others follow as their institutions develop.

2. Use FES to deliver the Government's devolution agenda

FES should be designed as part of the Government's wider devolution reforms, rather than simply as the successor to the Restart Scheme.

The Cabinet statement describes the new approach as "devolution, not delegation" and adopts a principle of "devolving by default".¹ Where policies or services are being redesigned, central government will be expected to justify why they should continue to be held nationally.

Employment support provides an early test of that principle.

A conventional FES procurement could leave DWP commissioning provision through large contract areas for several years while the Government is transferring more responsibility to MSAs. The result could be a commissioning structure that is already becoming less aligned with the wider direction of policy soon after it begins.

At the same time, immediate wholesale devolution carries risks. MSAs differ in experience and capacity, and the Government has already recognised that new responsibilities will need to move at different speeds.

A mixed model offers a practical route between the two. MSAs that are ready can take on commissioning responsibility, with co-commissioning available where useful. DWP can retain responsibility elsewhere. As mayoral institutions develop, the balance can shift further towards local commissioning.

² Department for Work and Pensions (2026): Communication on Future Employment Support commissioning arrangements.

This fits with the Government's timetable. Strategic authorities are expected to be in place across England by the end of 2028.¹ FES should therefore be flexible enough to operate alongside a rapidly changing map of devolved government rather than fixing commissioning arrangements that become increasingly difficult to unwind.

Over time, MSA commissioning should become the standard model where mayoral arrangements are in place. DWP would continue to perform national functions where scale and consistency remain useful.

The aim should be to allow local leaders to make better use of employment support alongside the other services for which they are responsible, without losing national capability that continues to add value.

3. Combine national assurance with local choice

Devolved commissioning should involve MSAs being able to access DWP's proven and tested commercial infrastructure.

One option would be for DWP to establish a nationally approved shortlist or preferred supplier framework. Frameworks are already an established public procurement mechanism. Under the Procurement Act 2023, contracting authorities can award subsequent contracts under a framework once the participating suppliers and relevant terms have been established.³

For employment support, entry to the framework could depend on financial resilience, delivery capability, quality and value for money. Agreed price ranges and core service standards could also form part of the arrangement. MSAs would then have a credible pool of providers from which to commission without having to repeat a full procurement process each time.

Past performance should be an important part of that choice. DWP already publishes Restart Scheme performance by Contract Package Area, including job outcomes against contractual expectations.⁴ This provides a clear evidence base on the ability of providers to deliver at scale and achieve results. As commissioning moves closer to place, MSAs should be able to use this information to inform their choice of provider.

This evidence base extends beyond the Restart Scheme. Successive nationally commissioned programmes have built provider capability and generated evidence over many years. DWP's evaluation of the Work Programme found that participants spent 46 more days in employment and 70 fewer days on out-of-work benefits over two years.⁵ Work Choice, which provided specialist employment support to disabled people, achieved more than 36,000 sustained job outcomes.⁶ DWP's subsequent impact evaluation also found positive employment effects from the programme.⁷ These programmes helped establish the provider experience and delivery experience that more recent employment support has drawn upon. Future commissioning should build on this.

³ Cabinet Office (2026): [Procurement Act 2023: Guidance – Frameworks](#).

⁴ Department for Work and Pensions (2026): [Restart Scheme statistics to April 2026](#).

⁵ Department for Work and Pensions (2020): [The Work Programme Evaluation 2020](#).

⁶ Department for Work and Pensions (2020): [Work Choice: referrals, starts and job outcomes to October 2019](#).

⁷ Department for Work and Pensions (2025): [Work Choice impact evaluation](#).

Whilst taking into account past performance, MSAs would still need genuine discretion over the local offer. They should be able to select from the approved market and shape provision around local priorities. One area may want stronger links to skills provision; another may place greater emphasis on employer engagement or specialist support.

The framework would therefore provide assurance rather than a complete national specification. DWP would determine which providers meet the required threshold, while MSAs decide how best to use that market locally.

There should also be scope to add specialised provision where local circumstances justify it. The Government's commitment to give local areas power to procure tailored support for the long-term unemployed provides a clear policy basis for this approach.

Done well, a framework of this kind would preserve the benefits of a national provider market whilst giving MSAs real commissioning responsibility. It would also reduce the risk that devolution produces a series of costly procurements with little added value for participants.

4. Manage the transition and avoid a cliff edge

The Restart Scheme is now a substantial part of England's employment support infrastructure. By April 2026, 1.2 million people had been referred to the programme and 1.1 million had started it. Fully 430,000 participants had achieved first earnings and 280,000 had achieved a job outcome.⁴

The Scheme provides intensive and tailored support to people who have spent a sustained period out of work. DWP's recent qualitative research into the Restart Scheme extension also confirms that evidence from the programme is being used to inform options for future employment programmes.⁸

With long-term unemployment an ongoing challenge across the economy, it is critical that existing capacity is retained until adequate successor provision is ready. DWP currently estimates that FES will go live in February 2028, while referrals to the Restart Scheme are set to end in summer 2027. This creates a significant gap between the end of new Restart Scheme referrals and the planned introduction of FES. Extending the Restart Scheme would provide a practical means of maintaining continuity and ensuring that people who become long-term unemployed during this period can continue to access intensive support.

The issue goes beyond current contracts. Employment support depends on experienced staff, established supply chains and relationships built over time. The Restart Scheme is delivered by eight prime providers across 12 Contract Package Areas, supported by a diverse network of around 75 delivery organisations. These include local authorities, charities and social enterprises, colleges and training providers, specialist employment support organisations and larger national providers. This combines national scale with significant local and specialist capability that would take time to recreate if it were allowed to dissipate.

There is also an immediate labour market case for maintaining continuity. Restart Scheme providers and their supply chains have built relationships with employers and developed vacancy pipelines over five years of delivery, helping employers to fill vacancies and connecting participants to opportunities at both local and national level. A break in provision

⁸ Department for Work and Pensions (2026): [Restart Scheme extension qualitative research](#).

risks weakening those relationships at the point when successor services will need them most.

The need to support out of work young people is relevant here. Nineteen per cent of Restart Scheme starts to April 2026 were among 18–24-year-olds.⁴ The Scheme does not support all young people who are not in education, employment or training, but it provides an established route into intensive support for eligible young people who have spent time unemployed.

In May 2026, the Office for National Statistics estimated that over one million young people aged 16–24 were not in education, employment or training.⁹ At a time of continued concern about youth disengagement from the labour market, the move to a new commissioning system should not remove an existing route to intensive support before a replacement is available.

There is a second transition issue around the timing of FES itself. A single start date should apply across all areas where DWP remains the commissioner. For mandatory employment support, different start dates would have significant consequences: people with the same eligibility and support needs could have access to different provision simply because of where they live. The commissioning model should not create a postcode lottery of access to a national service.

Connect to Work provides a useful recent example. The programme is organised across 49 delivery areas and was deliberately rolled out locally, with services becoming available at different points between April 2025 and March 2026. Unlike the Restart Scheme, comparable performance data is not yet available to assess results consistently across Connect to Work delivery areas. DWP has indicated that performance data and more detailed breakdowns will be published when sufficient data becomes available.¹⁰

There were practical reasons for allowing Connect to Work areas to develop local arrangements at different speeds. The result was nevertheless that equivalent provision was not available everywhere from the same point.

The context for FES is different. Where DWP is commissioning mandatory employment support for long-term unemployed people, comparable participants should have access from the same point. A common start date across DWP-commissioned areas would protect that principle.

MSA areas should move to successor arrangements once provision is fully commissioned and ready to accept participants. If this cannot be achieved before Restart Scheme referrals are due to end, the Restart Scheme should continue for long enough to avoid a gap.

The principle should be that existing provision remains available to participants until a suitable replacement is operational. A targeted extension of the Restart Scheme would give the Government the flexibility to manage the transition without creating a cliff edge.

⁹ Office for National Statistics (2026): [Young people not in education, employment or training \(NEET\), UK: May 2026](#).

¹⁰ Department for Work and Pensions (2026): [Connect to Work to March 2026](#).

5. Protect performance, innovation and continuous improvement

A progressively devolved system should retain the performance features that have helped nationally commissioned programmes deliver strong results and improve over time.

The successful Restart Scheme demonstrates the value of this approach. DWP sets contractual performance expectations and publishes results by Contract Package Area. Across the period to April 2026, all 12 Contract Package Areas had overall job outcome performance above the Scheme's Minimum Performance Level.⁴ This provides a clear picture of performance across providers and places and creates a strong basis for accountability and continuous improvement. That should remain part of the future system.

There is also a strong value for money case for protecting the investment made to date. The National Audit Office reported DWP's estimate that the Restart Scheme will generate £2.44 in social benefits for every £1 spent.¹¹ That investment has built not only support for participants, but a skilled workforce, employer relationships, local delivery networks, systems and evidence that can support the next generation of employment provision. Future commissioning should build on this infrastructure rather than incur the cost and disruption of allowing capability to fall away and subsequently having to recreate it.

DWP should continue to set common outcome measures and maintain transparent performance information. MSAs would then be able to judge their own provision against performance elsewhere rather than in isolation.

There is also an important national evidence role. DWP's July 2026 Employment Support Evidence Review identifies features associated with effective employment support, including continuity of adviser and the organisation of effective support.¹² The new What Works Centre for Local Employment Support is intended to help regional and local government make greater use of evidence when commissioning, designing and evaluating local employment support.¹³

These functions become more useful as commissioning becomes more local. MSAs should have freedom to test different approaches, but there needs to be a way of identifying which changes improve outcomes and sharing that learning more widely.

The new model should also leave room for providers to invest in improving services. Employment support needs to adapt as labour markets and technology change. Providers require sufficient certainty to develop their workforce and test new approaches.

This matters if commissioning becomes more fragmented. Smaller local contracts could make it harder to sustain investment that currently benefits participants across several areas. The framework should therefore allow successful providers sufficient scale to invest and transfer learning between places.

DWP's role would be one of evolution. As MSAs take greater responsibility for commissioning, the Department should focus increasingly on the performance and health of the wider market. National benchmarking and a shared evidence base can help ensure that local innovation improves the system beyond the area in which it began.

¹¹ National Audit Office (2022): [The Restart Scheme for long-term unemployed people](#).

¹² Department for Work and Pensions (2026): [Employment Support Evidence Review](#).

¹³ Department for Work and Pensions (2026): [Labour Market Evidence Programme: user consultation and scoping report](#).

Devolution should add local power and accountability without losing the delivery capability and performance information built through existing programmes.

6. Conclusion

The Government has set a clear direction of travel for employment support. The opportunity now is to turn that ambition into a commissioning model that gives MSAs greater responsibility while maintaining quality, continuity and equality of access.

A mixed commissioning model provides a practical route to achieve this. MSAs that are ready should take on commissioning responsibility, with co-commissioning available where it supports the transition. DWP should commission FES in non-MSA areas and retain national functions where they continue to add value.

A nationally approved provider framework would support that settlement by combining national assurance with genuine local choice. Past performance should be an important part of provider selection, alongside financial resilience, delivery capability, quality and value for money.

The transition from the Restart Scheme is critical. Existing provision should not be allowed to wind down before successor services are ready. Where necessary, the Restart Scheme should be extended to maintain continuity, including an established route to intensive support for eligible young people. DWP-commissioned FES should also begin on a single date, avoiding a postcode lottery in access to mandatory employment support.

Taken together, these measures provide a model for devolving employment support that is ambitious about transferring power while realistic about what is needed to make the new system work.

The longer-term destination is an employability ecosystem in which MSAs increasingly lead employment support commissioning around their places, while DWP maintains the national framework needed to support good performance and a healthy provider market.

Managed well, the transition from the Restart Scheme to FES can begin to put the Government's new settlement for employment support into practice without losing the capability and capacity needed to deliver high-quality outcomes.

To discuss the recommendations of this paper please contact policy@ersa.org.uk