DELIVERING LOCALLY AT NATIONAL SCALE

Building on what works to successfully devolve employment support

ersa
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EXECUTIVE SUMMARY

We are at a pivotal moment in the evolution of employment support. The government's commitment to enable places to set their own ambitions, raise labour market participation and integrate public services, including employment, health and skills support, is welcome. But devolution of employment support will only succeed if it builds on the expertise and strengths of the employability sector.

Nationally commissioned employment support delivered by a diverse market of providers has helped millions of people move closer to and into work since the New Deal for Young People was introduced in 1998. These programmes have delivered significant impact for society: from £2.44 in returned value for every £1 spent on the Restart scheme, which has provided up to 12 months of personalised support to eligible participants since 2021,[1] up to £4.51 in society-wide benefits over four years for every £1 spent on the Work Programme (2011-2017).[2]

Now, devolution is presenting an opportunity to bring employment support closer to local labour markets and communities. As these reforms are taken forward, we must build on the strengths of the existing system, retaining capabilities that have taken years to develop and the advantages that come from scale. We must carry forward the hard-won lessons of decades of experience to ensure that local flexibility improves integration and impact, and that it does not inadvertently create inequities in quality, access, accountability or outcomes.

1 National Audit Office, *The Restart scheme for long-term unemployed people*, (National Audit Office, 2022), available online: https://www.nao.org.uk/reports/restart-scheme-for-long-term-unemployed-people/

2 Department for Work and Pensions, The Work Programme: impact assessment, (UK Government, 2020), available online: https://www.gov.uk/government/publications/the-work-programme-impact-assessment

RECOMMENDATIONS TO CREATE A SHARED AGENDA FOR SUCCESSFUL DEVOLUTION:

1. Establish common standards and principles for devolved employment support. These should define what good looks like, support transparency and accountability, and enable meaningful comparison of outcomes.
2. Build devolved commissioning capacity and capability through national support, including assessment, training, practical guidance, access to data and intelligence, and peer learning networks.
3. Retain the economies of scale needed for integration and system leadership around employment outcomes. Employment support provision should sit within a coherent system that brings together employment, skills, health and economic growth objectives with common standards and principles for accountability and local delivery.
4. Ensure an effective transition from national to devolved commissioning, with a focus on continuity of provision and protecting workforce expertise. Successful devolution will depend on preserving the expertise, capacity and professional capability that already exists within the employment support sector.
5. Draw on providers' decades of experience to co-design future employment support programmes.
6. Commission for long-term outcomes and a sustainable provider market. Provide long-term funding packages, flexibility to change priorities, and transparent decision-making.

RESEARCH METHOD

ERSA has researched and written this report with input from its members. Organisations consulted range from prime providers on current and/or past government contracts – where companies and charities that can do so manage large contracts and deliver at scale, working with supply chains of smaller and more specialist partners – through to specialist SMEs and small VCSE organisations.

This report combines the ERSA network's first-hand experience of delivering national employment support contracts for decades with desk-based research to identify best practice and lessons learnt.

ERSA conducted desk-based research using publicly available evaluations, academic articles, value for money evaluations, and other accounts. This information was used to understand the design, delivery and impact of nationally commissioned employment support programmes. A full list of sources consulted can be found in the References section.

ERSA also conducted a series of unstructured and semi-structured interviews with a range of sector professionals experienced in bidding for and delivering nationally commissioned programmes. Interviewees were provided with a list of questions in advance to structure and stimulate discussion. ERSA conducted interviews with 10 prime or larger providers and 16 supply chain partners. Of these, 8 organisations interviewed were SMEs and 7 were VCSE organisations.

This process and the writing of this report were supported by a steering group of 10 ERSA members who have collectively funded this work. These organisations are highlighted in the Contributors section.

In total, ERSA engaged 24 organisations through interviews and steering group meetings.

CONTRIBUTORS

ERSA would like to thank the following organisations for their invaluable input, with steering group members in bold:

AKG

Acorn Training

Belina Grow

Business 2 Business (B2B)

Elevate Employment Services

Fedcap

Get Set UK

Groundwork West Midlands

Ingeus

Institute for Employment Studies

Maximus

Newground

Offploy

PeoplePlus

Reed in Partnership

Seetec

Serco

Shaw Trust

Standguide

Sussex Community Development Association (SCDA)

The Growth Company

Transform and Achieve

Triage

Twin Group

INTRODUCTION

The evolution of employment support

We are at a pivotal moment in the evolution of employment support.

The government's commitment to rewiring the state marks a significant change in the way employment support is expected to be commissioned in England.[1] It presents a key challenge for the future of employment support: how to devolve effectively while retaining the scale, capability, expertise, infrastructure, and relationships that the employability sector has built over decades, and which deliver life-changing impact for people across the country every day.

The government's commitment to enable places to set their own ambitions, raise labour market participation and integrate public services, including employment, health and skills support, is welcome. But devolution of employment support will only succeed if it builds on the expertise and strengths of the employability sector.

This report sets out those strengths, drawing on over twenty-five years of experience and expertise from employment support providers of all sizes. It makes the case for a balanced approach to devolved commissioning: combining national reach and availability with local responsiveness, supporting innovation while maintaining transparency and accountability, and recognising both commissioners and providers as critical partners in designing and delivering devolved employment support.

High-quality services can be, should be, and are delivered locally, flexibly, responsively and effectively, at scale. Nationally commissioned employment support programmes, where companies and charities that can manage large contracts and deliver at scale act as 'prime providers', working with supply chains of smaller and more specialist partners, have helped millions of people move closer to and into work over the past quarter century. Through contracts delivered by diverse networks of providers, these schemes have combined national investment and performance standards with locally tailored support models, delivering employment support that is both accountable to taxpayers and responsive to the needs of local communities.

This scaled approach to commissioning has enabled organisations to invest in infrastructure, technology, innovation, specialist expertise, and capacity- and capability-building for SMEs and VCSE organisations. This in turn has built resilient delivery networks that have responded to rapidly changing labour market conditions and supported many people into work.

Devolution of employment support must not lose the advantages that come from scale. We must carry forward the hard-won lessons of decades of experience to ensure that local flexibility improves integration and impact, and that it does not inadvertently create inequities in quality, access, accountability or outcomes.

Those lessons are captured in this report's recommendations to create a shared agenda for successfully devolving employment support. The recommendations lay a solid foundation upon which to build future devolution, underpinned by common standards and principles, system stewardship, co-design with experienced providers, retention of the benefits of scale, a managed transition that builds capability and protects workforce expertise and service continuity, and an approach to commissioning that is focused on long-term outcomes for people who are unemployed or economically inactive.

The labour market will continue to change in ways we cannot imagine – but we can be certain that high-quality employment support will remain critical to realising people's potential, meeting employers' workforce needs, and creating good growth in every postcode.

Lessons from national commissioning: *A foundation for successfully devolving employment support*

LOCAL DELIVERY AT NATIONAL SCALE

Nationally commissioned programmes are, in practice, place-based. Their delivery offers valuable insights into how to bring employment support closer to communities.

Every employment support provider delivers their services with local staff in local offices, working closely with local employers to support residents into good jobs. Providers also often act as place-based convenors, working with local and combined authorities, VCSE organisations, housing associations, health services and specialist support agencies to tailor services and build holistic support pathways.[2345] Multi-year contracts significantly enhance these ways of working, as it takes time to build these relationships and pathways.

For example, Reed in Partnership's 'Community Corners' initiative in the North East brings trusted local organisations into Restart Scheme offices, creating welcoming spaces where participants are supported with housing, health, debt, language barriers and digital exclusion alongside employment support services.[6]

Employment support is most impactful when economies of scale and local expertise reinforce one another. For example:

Through Central London Works, Ingeus worked with Goldstar Creative[7] to support young Charedi women in Hackney, a group that can face cultural barriers to engaging with mainstream employment services. Recognising that many participants had strong academic backgrounds but lacked the confidence, networks, and workplace skills needed to access professional opportunities, Ingeus funded and supported a tailored employment programme delivered by Goldstar. An initial pilot supported 20 women, with 17 progressing into sustainable employment. Following this success, Ingeus supported the programme's expansion to further cohorts. By August 2025, more than 120 women had enrolled and over 70% had progressed into good work.

Fedcap's Youth Mentoring Service was developed in response to a significant change in the young people they were supporting. Through delivery of the Restart Scheme, Fedcap saw a 122% increase in the number of young people accessing this employment support service, highlighting the growing need for an approach that went beyond traditional job search support. In 2025, Fedcap's Service Excellence team began listening directly to young people through an Innovation Workshop in Glasgow and six listening and focus groups across multiple locations. Young people consistently highlighted social isolation, anxiety, low confidence, limited access to positive role models, weak professional networks and a lack of exposure to workplaces and opportunities.

These insights directly shaped the development of Fedcap's Youth Mentoring Service, matching young people with trained volunteer mentors who can provide encouragement, build confidence and social skills, strengthen community connections and help young people access opportunities they might not otherwise encounter.
The service complements mainstream employment support by recognising that building the relationships, confidence and social capital needed to engage with education, training or employment can be an essential first step. The listening process also identified the importance of employer exposure and work experience, helping to inform wider initiatives focused on connecting young people with workplaces, employers and career opportunities. In this way, the service responds to the issues identified through both frontline experience and the wider evidence base around the causes of youth disengagement. This approach demonstrates how frontline insight can translate national policy priorities into practical service innovation and help more young people progress towards education, training and good work.

An effectively devolved system will maintain delivery of locally tailored employment support services at national scale. This means that devolution to each local area should only happen once the capacity and capability are in place to commission and deliver it, so that residents are not left without support.

ECONOMIES OF SCALE

With over 1.7 million people unemployed and over 9.1 million economically inactive, the UK faces a labour market challenge that is both vast and complex.[8] Barriers to work often combine health, skills, confidence, caring responsibilities, transport, housing and employer practice, and surmounting them requires support that is both tailored to individuals' and communities' circumstances and can be delivered to everyone who needs it, no matter where they live.[9]

Economies of scale help make this possible.[10] They enable the confidence, financial resilience and organisational capacity needed to invest in infrastructure and technology, develop diverse supply chains, build the capacity and capability of SME and VCSE partners, share learning and best practice, absorb risk, and maintain high performance standards across the country. They therefore enable greater transparency, accountability and value for money.

Future commissioning should protect these benefits of scale – explored in depth in the following subsections – while empowering local areas with influence over service design and integration.

1. VALUE FOR MONEY

To drive growth and improve public services in all parts of the country, the government must ensure that every pound spent creates value for communities. The Treasury's Green Book defines value for money as `[optimising] social value within a constrained budget...[including] economic prosperity, justice, security, the climate, the environment, [...and] people's health and wellbeing.[11]'

Evaluations of nationally commissioned programmes clearly demonstrate their value for the taxpayer, return on investment for government, and positive impact.[12] For example:

The Restart scheme, which has provided up to twelve months of personalised support to eligible participants since June 2021, is expected to achieve £2.44 in benefits for each £1 spent.[13]

The Job Entry Targeted Support (JETS) scheme, which ran from October 2020 to September 2022, offered six months of support to help prevent short spells of unemployment during the Covid-19 pandemic. JETS was found to return between £5.93 and £6.35 over five years for each £1 spent.[14]

The Work Programme, which supported nearly 2 million people to find sustained work between 2011 and 2017, was found to return between £2.42 and £4.51 in society-wide benefits over four years for each £1 spent.[15]

Work Choice, which ran from October 2010 to March 2019, provided specialist employment support to over 158,000 disabled people. It was found to deliver £2.98 to society for each £1 spent.[16]

Scaled commissioning drives good value for money. It gives the government access to specialist expertise built over decades, established and constantly improving infrastructure, advanced technology, innovation, secure data management and reporting systems, and ongoing investment in workforce development, without having to recreate those capabilities in every local area. Furthermore, functions such as contract management and governance sit more centrally, so more funding can be spent on frontline support.

Scaled commissioning also crowds in private and voluntary sector investment, including volunteering opportunities in local communities and supporting staff to volunteer, delivering free advice and training to local SMEs and VCSE organisations, engaging with schools to support students' career planning, and co-designing specialist services with communities. These activities extend the impact of public funding beyond contractual outputs and are explored further in the section on social value.

Fragmenting commissioning and delivery responsibilities risks diverting funding into duplicated administration, infrastructure, and bidding processes, and thus away from frontline support. For example, Connect to Work, which aims to support up to 100,000 people with complex barriers to work to move towards sustained employment annually, is expected to generated benefits of £2.22 for every £1 spent, assuming all key performance indicators are met (which, as explored in the next section, may prove difficult to assess).[17] While positive, this is below the estimated returns for several previous nationally commissioned programmes.

The strongest value-for-money proposition for devolving employment support will therefore be a balanced approach that combines common standards and sufficient commissioning scale with local decision-making about priorities, partnerships and service integration.

2. CONSISTENCY, TRANSPARENCY AND ACCOUNTABILITY

Every jobseeker should have access to high-quality employment support. However, devolution of other funding packages has demonstrated that when employment support is devolved too quickly, some areas can face significant capability and capacity-building challenges in commissioning effective support, because institutional capacity and capability vary across places.[18]

This risks creating variation in access, quality and outcomes, and thus risks deepening existing inequalities both within and between regions. This risk is heightened by the likelihood of funding allocations and commissioning approaches diverging over time.

For example, there has been significant delay in many areas with commissioning Connect to Work, a key employment support programme for people who are disabled, have health conditions, or face complex barriers to work. This has left residents without support, in some areas for almost two years and counting, at a time when the Work and Health Programme has ended without a replacement.

Providers have reported numerous challenges that have led to gaps in support, including:

- One provider reported that they bid to deliver Connect to Work in three areas where the procurement process was subsequently stopped and then restarted with a new model and invitation to tender.
- Providers have reported new stages, such as interviews, being introduced to the procurement process after tenders have been submitted.
- Some areas have restarted procurement processes because no bids met requirements or bids were tied.
- Some areas have only recently gone out to the market.

Some local areas have been delivering Connect to Work since April 2025, while others have not yet commissioned it. This means that communities' access to this support has in many cases been determined by local commissioning capability and capacity instead of need, which is particularly concerning at a time when economic inactivity remains high.

A national 'blueprint' that sets out overarching objectives and outcome measures, along with minimum quality standards, evidence requirements, and commissioning principles, would support local leadership while avoiding inconsistency and duplication of effort. This 'blueprint' should draw on DWP's commissioning and market stewardship expertise and the wider sector's delivery experience, both of which have matured over many years. It should recognise that employment support is complex, and that effective procurement and contract management require specialist expertise that takes time to recruit and develop.

The national datasets and performance measures enabled by scaled commissioning are a system asset that has also improved significantly over decades. Without them, it becomes difficult to assess effectiveness, compare outcomes, identify and share best practice or evaluate value for money. Smaller-scale programmes may also lack the capacity to undertake robust evaluation, leading to weaker evidence on what works.

Evidence-based scrutiny should apply equally to all commissioning and delivery models, including where local authorities choose to insource delivery. All providers should have to demonstrate that they have the expertise and resources to deliver a high-quality service, and should be held to rigorous standards on capability, management information, and impact data. Providers of all sizes are concerned that devolution risks increasing the salience of local relationships or budget gaps in commissioning decisions, at the expense of strong performance.

Local flexibility is important, but it needs guardrails to prevent deepening inequality between places. Consistent standards, transparent data and strong accountability arrangements will be essential if devolution is to improve employment support outcomes without increasing inequity or reducing impact – or, in the worst cases, leaving residents without any support, sometimes for years at a time.

3. INNOVATION

Commissioning at scale enables innovation. Financial flexibility, access to data and insights, workforce capacity, and diverse supply chains all contribute to identifying common problems, testing solutions, and scaling successful approaches. Smaller organisations might struggle to resource this work on their own, but as part of delivery networks are able contribute their specialist expertise and community relationships to designing, testing and delivering new approaches.

The sector has adapted to emerging barriers to employment by investing in, for example, integrated models that combine employment support with health and wellbeing expertise, specialist interventions, and tailored support. Larger organisations have also invested in tools and resources, such as labour market intelligence tools, and in developing new delivery approaches and testing new digital tools, including AI-enabled solutions. They also support supply chain partners to pilot new interventions, generate evidence and scale successful approaches through their ability to mobilise resources across partner networks and large geographies.

Providers collectively hold the knowledge of past innovation and can build on existing solutions. Devolution risks losing these gains; for example, early experience of Connect to Work has shown that some commissioners have returned to more analogue, less automated ways of working and less efficient processes, building in delay and administrative burden that divert time and attention from delivering frontline support. On the other hand, devolution presents an opportunity to provide even greater flexibility to respond to emerging needs, developing technologies and changing labour market conditions in local communities.


MARDI GRAS
ROUNDHAY PARK, LEEDS
14 08 21
QUEENS ARCADE
Dune

INNOVATION CASE STUDIES

AKG identified a clear gap in how organisations worked together in Coventry and Warwickshire to support disadvantaged people into employment. There was no single forum to coordinate activity, identify gaps in provision, share local intelligence or develop consistent referral pathways. This meant opportunities for collaboration were being missed and residents could experience fragmented support.

AKG responded by co-convening the Coventry and Warwickshire Integrated Network (CWIN) with ISS, creating a neutral, cross-sector partnership that brought together statutory, voluntary and private sector organisations around a shared objective of improving employment outcomes for local people. AKG played a central role in shaping the network by identifying priority themes, developing meeting agendas, securing guest speakers, promoting the forum, facilitating discussions and encouraging organisations to work collaboratively to address local barriers rather than in isolation.

The network focused on practical local challenges, including identifying gaps in employability provision, improving awareness of the wide range of services available to support residents, strengthening referral pathways and increasing collaboration between organisations. Regular themed meetings enabled partners to share best practice, exchange local intelligence and coordinate solutions around barriers such as health conditions, digital exclusion, skills needs, ESOL provision and employer engagement. By increasing awareness of local provision, organisations were better equipped to signpost and refer residents to the most appropriate support, reducing duplication and improving access to services. A key ambition was to create a lasting collaborative network that would continue beyond the Restart Programme.

The partnership has grown into an established local network involving approximately sixty organisations across local authorities, DWP, VCSE organisations, employers, colleges, housing providers, health services and community organisations.

The impact has been a more coordinated local employment support system. Partners have used the network to share opportunities, improve awareness of available services, develop new referral pathways, identify unmet needs and collaborate on local solutions that would not have been achieved through individual organisations working alone. The network has created a sustainable partnership model that continues to strengthen collaboration beyond individual contracts, leaving a lasting legacy for employability support across Coventry and Warwickshire.

Fedcap's Mental Health Clubhouses in Surrey and Brighton were developed in response to evidence from Restart delivery that some customers with significant and entrenched mental health barriers require a different approach to mainstream employment support. For these individuals, challenges including social isolation, low confidence and a lack of routine can become significant barriers to sustained employment. Rather than treating these issues separately from employment, the Clubhouse model brings them into the employment journey, creating the conditions people need to progress towards sustainable employment.

The Clubhouses provide a complementary, community-based and non-clinical model of support alongside mainstream employment provision. All members are Restart customers, but the Clubhouse offers a more flexible environment in which members and staff work together to build confidence, establish routines, develop social connections and strengthen work readiness, while retaining a clear focus on employment. Around a third of Clubhouse members have moved into paid employment, demonstrating the potential of a more personalised approach for customers facing significant mental health barriers.

The model also demonstrates the value of designing services around the people they are intended to support. Clubhouses are member-led, with people using the service actively shaping how it operates and the support it provides. This creates a model that is responsive to lived experience and can adapt to the changing needs of its members.

Fedcap's experience with Clubhouses suggests that effective employment support is not about creating a single pathway for everyone, but having the flexibility to provide the right intervention at the right point in a person's journey towards sustainable employment.[19]

ingeus

As part of its delivery of the Restart Scheme in Greater Manchester, **Ingeus** developed and invested in an innovative pilot programme designed to address some of the deeper barriers facing young people furthest from the labour market. RISE (Ready, Inspired, Skilled & Employed) is an intensive residential employability programme created to accelerate participants' journey into work by combining practical employment preparation with personal development, confidence building, and wellbeing support.

The pilot has been delivered to two cohorts, supporting 100 young people aged 18-24. Recognising that many participants faced challenges extending beyond job search skills alone, Ingeus designed RISE as a five-day residential experience that removes participants from their usual environment and provides the time, space, and support needed to develop new skills, broaden aspirations, and build confidence. The programme combines a comprehensive employability curriculum with experiential learning. Participants complete workshops covering financial literacy, public speaking, workplace etiquette, first aid, interview preparation, self-reflection, and personal goal setting. These are complemented by mentoring, wellbeing sessions, and group coaching, helping young people build resilience, emotional awareness, and the confidence required to succeed in the workplace.

A distinctive feature of RISE is its residential and outdoor learning element. Through activities such as rock climbing, kayaking, zip wiring, high ropes, and team challenges, participants are encouraged to step beyond their comfort zones and develop transferable skills including teamwork, communication, leadership, problem-solving, and perseverance. These experiences often provide participants with opportunities they have never previously had, while creating a strong sense of achievement and self-belief.

The impact can be seen in the experience of Jago, a 22-year-old Restart participant who initially almost withdrew from the programme. Before attending RISE, he had never spent time away from home, struggled to engage with new people, and lacked confidence in unfamiliar situations. During the residential programme, he embraced activities he had previously avoided and developed greater confidence in himself and his future prospects. Following RISE, Jago secured employment with a Manchester brewery company and is now training in the hospitality sector, with ambitions of progressing into management and ultimately running his own business. Reflecting on the experience, he noted that the confidence gained through RISE transformed his approach to interviews and future opportunities.

The outcomes from the pilot have been particularly encouraging. From the first cohort, 86% of participants secured employment opportunities following the programme, demonstrating the potential of intensive, immersive interventions to accelerate progression into work for young people facing multiple barriers.

maximus

The **Maximus** Local Impact Fund (LIF) is a place-based social value initiative that invests directly in charities, community organisations and grassroots projects operating in the communities where Maximus delivers the Restart Scheme. It is designed to leave a lasting legacy by addressing unmet local needs, improving access to employment and supporting economic recovery.

Since its launch in 2023, the fund has delivered more than £400,000 of investment supporting 60+ initiatives across the UK, demonstrating both scale and impact.

The fund is based on a simple principle: community organisations often have the strongest understanding of the challenges facing their areas but can struggle to access funding for innovative projects. The Local Impact Fund provides grants to help bridge this gap, particularly where initiatives cannot be supported through existing national or local funding streams. It also supports innovation, testing approaches that can then be scaled when proven effective.

A distinctive feature of the fund is its local governance model. Grant applications are assessed through a competitive process involving Maximus colleagues and local stakeholders, including local authority representatives. This approach helps ensure funding decisions reflect local priorities and maximise impact.

Projects supported by the fund typically focus on innovative approaches to removing barriers to work, supporting disadvantaged groups and strengthening collaboration between organisations. For example, in 2026 Maximus awarded Nottingham charity Standing Tall[20] a £10,000 grant to fund a programme that places individuals into housing and works with supportive employers, creating a clear route from homelessness to long term stability. And in Redbridge, London, £5,000 was granted to support 40 mothers facing long term employment barriers through the Empower Her Women's Employment and Entrepreneurship Programme.

Reed in Partnership

Reed in Partnership has a dedicated Continuous Improvement Team trained in industry-standard frameworks and supported by 40 Continuous Improvement Agents who have completed the company's accredited CI Academy.

In response to data on the increasing prevalence of language barriers to work, the continuous improvement leads piloted a new live voice, text and document translation app for use during appointments with Employment Advisers, as well as with external organisations, including employers.

Pilot participants were provided with access to the app for six months, and 94% found the approach improved their understanding of English and achieved a positive impact on job outcomes. Reed in Partnership then committed to investing in a service-wide rollout of the app as a core part of their offer to participants with language barriers.[21]

PeoplePlus

PeoplePlus's approach to good jobs and employability outcomes is driven by partnership and capacity building with employers, working alongside them to build social recruitment into how they operate rather than delivering it to them from the outside.

The Social Recruitment Advocacy Group (SRAG), chaired by the Rt Hon Anne Milton, has been operating for over five years and now has over 200 employer members across a broad range of sectors including construction, logistics, tech, transport and retail.[22] The group aligns organisations' recruitment and retention strategies with core business drivers such as social value, giving employers a practical route to embed inclusive hiring rather than treat it as a reporting exercise. Using a Charter Mark system to guide employers, this helps them understand where to change or adapt to help those most disadvantaged in the labour market.

This work is underpinned by the Social Recruitment Framework (SRF), delivered by PeoplePlus, which connects employers to employability providers, skills providers and colleges through a single, co-ordinated route. The SRF turns employers' inclusive hiring ambitions into practical action which is locally delivered but nationally scalable for large national organisations.

One SRAG member, a global facilities management company supporting major hotel chains, shows what this partnership and capacity-building approach achieves in practice. Its learning and development team took ownership of the commitment themselves, progressing through the SRAG Charter Mark tiers to Gold status, signing up to the Social Recruitment Covenant, and building inclusive hiring into how the business actually recruits.

That employer-led ownership was apparent in the scheme's outcomes:

52% of the company's recruitment came through social value routes

1,334 unemployed individuals entered work through the company

23% of the company's workforce identified as refugees

19.9% of people who were hired through social value routes were refugees, and 32.9% were previously unemployed

The company was recognised in July 2026 with a Social Recruitment in Action Award at SRAG's Powering Potential summit, for work that has demonstrably moved people facing complex barriers into employment.

seetec

For a young person who has little or no experience of work, being asked to choose a career can be daunting. Without opportunities to experience different roles, how can they know where their skills lie or what they will genuinely enjoy? Greenlight Safety & Training, working collaboratively with **Seetec** in Plymouth, has developed an innovative five-day programme that tackles this challenge while creating a direct pathway into one of the UK's key employment sectors: construction.[23]

The programme has been designed around the needs of young jobseekers, particularly people whose lack of experience, qualifications or exposure to different careers can create barriers to employment. Rather than simply training participants for a predetermined role, Greenlight gives young people the opportunity to explore construction for themselves.

On day one, participants work towards their Construction Skills Certification Scheme (CSCS) qualification. Greenlight's facilities enable learners to complete the required testing on site, removing the need to arrange and travel to a separate testing centre – a simple change that can remove an important practical barrier for young people. Over the following four days, participants get hands-on experience of different construction trades. This gives them a safe and supportive environment in which to try new skills, learn from industry professionals and discover what they enjoy.

Employment is embedded throughout the programme. Greenlight's employer engagement team works alongside learners, getting to know them and identifying apprenticeships and opportunities that align with their interests. This creates a joined-up pathway from engagement and training through to employment.

The approach recognises that sustainable employment is about more than securing the first available vacancy. Not only do the young people gain a qualification, but they also leave with practical experience, greater confidence, a clearer understanding of where they could belong within the industry and a tangible route towards employment.

At a time when young people need meaningful opportunities and construction employers need new talent, Greenlight is successfully bringing the two together – helping young people move from being NEET towards sustainable careers with genuine potential for progression.

serco

Serco identified that long waiting lists for ESOL provision in the West Midlands were preventing many participants from progressing towards work. Around 16% of participants required English language support, and Serco's data showed a 23 percentage point gap in employment outcomes between those who received ESOL provision when they needed it and those who did not.

In response, Serco developed its own ESOL programme, despite this sitting outside the contract specification. This additional investment helped address a critical barrier to employment, demonstrating how providers use their experience, resources and flexibility to respond to local needs and improve outcomes for participants.

shaw trust

In partnership with South Yorkshire Mayoral Combined Authority (SYMCA), Shaw Trust designed the original WorkWell service, an innovative early-intervention model targeting residents of Barnsley, Doncaster, Sheffield, and Rotherham. Developed to address health-related barriers to employment before they result in long-term worklessness, the programme acts as a single, integrated gateway connecting health services, local organisations, and job centres.

The primary innovation of WorkWell is its shift away from clinical-led approaches, utilising instead a highly trained, non-clinical Multi-Disciplinary Team (MDT) to deliver personalised care focused on dedicated Work & Health Coaches (WHCs). WHCs maintain a small, highly focused caseload to provide intense, tailored mentoring, working alongside Allied Healthcare Professionals or experienced work-and-health practitioners. These teams generate "Health at Work" assessments, offering deep expertise in both physical and mental health alongside employment advocacy.

By embedding these multidisciplinary teams locally, Shaw Trust ensured the service was responsive to hyperlocal economic priorities and deeply integrated with existing primary care and community health networks. Rather than operating in a silo, WorkWell was designed to align seamlessly with South Yorkshire's existing employment and wellness infrastructure, including the regional "Working Win" Individual Placement and Support (IPS) service and the National Careers Service.

This pioneering, health-first early-intervention system was commissioned with an initial target of engaging 3,750 participants. Early evaluation of subsequent WorkWell pilots found evidence of both 'soft' outcomes (such as improved motivation and confidence) and 'hard' outcomes (such as improved physical and mental health and finding paid employment).[24] WorkWell will now be rolled out to up to 250,000 more people across England.[25] It stands as a masterclass in how a combined authority and a dedicated charity can pool resources to transform regional health outcomes, protect local economic productivity, and prevent individuals from falling out of the workforce.

The Growth Company

When the bus operator Metroline expanded its work in Greater Manchester as part of the Bee Network, it needed to recruit at scale while establishing itself as a responsible local employer. The Growth Company saw an opportunity to connect this investment directly to employment and skills support for local residents.

Support began during the tender process, when the Growth Company worked with Metroline to identify practical social value commitments that reflected the company's workforce needs and the priorities of Greater Manchester. This early involvement meant that local recruitment and community benefit were built into the contract from the start, rather than added after operations had begun.

Following the award of contracts to operate services from the Hyde Road, Tameside, and Sharston depots, the Growth Company brought together its expertise in inward investment, employment, skills, and social value. Working alongside Manchester City Council and Tameside Council, it helped Metroline develop recruitment pathways and engage with communities that might otherwise face barriers to accessing opportunities in public transport.

This included a review of Metroline's recruitment process, identifying changes to job descriptions, advertising, and assessment methods that could attract a wider range of candidates. Recruitment events were held in community settings, including Wythenshawe Library, alongside participation in local jobs fairs and careers activity with young people.

The partnership also created the Metroline Academy, providing unemployed residents with targeted training and a guaranteed assessment for bus driver vacancies. To date, 40 residents have completed training, with 20 moving into bus driver roles. This has allowed Metroline to meet an immediate workforce need while helping local people to secure sustainable employment.

Transport for Greater Manchester is currently working with the Growth Company to apply the same 'local benefit' approach to customer service recruitment and explore how it could potentially be extended across the wider public transport network.

4. COLLABORATION, LEARNING AND CONTINUOUS IMPROVEMENT

Scaled commissioning creates valuable mechanisms for collaboration, enabling providers to share challenges, identify solutions, learn from peers, and share best practice.

These mechanisms support providers of all sizes to generate and share insight at different levels. Smaller and/or specialist organisations bring deep community relationships and understanding, while larger providers have data and insights spanning communities and regions. Delivery networks are critical channels through which expertise, innovation and good practice flow between places. Providers draw on experiences from across regions, sectors and, in some cases, countries, enabling them to scale successful approaches and meet needs that span geographic boundaries.

For example, one small VCSE organisation has provided community-based support for parents in one city for many years. Through this work, they have identified many support needs that parents share no matter where they live, including understanding how AI is changing CV-writing, employees' rights with regards to flexible working, and navigating childcare. They have recently piloted an online support model that is available to parents throughout the country. This approach has turned out to be in high demand, as it meets a real need for specialist support designed with expertise built up over decades.

Collaboration and learning are fundamental to the way that employment support providers design and deliver their services. This is driven, in large part, by the accountability and performance management that is built into contracts, and by the transparency of performance data.

For example, Ingeus pioneered the use of automation technologies alongside PRaP and became the first provider approved to use iMacros with the system. Historically, providers were required to complete large volumes of manual activity through the DWP Provider Referrals and Payments (PRaP) system. While essential for contract compliance, these activities were repetitive, labour intensive and delivered little direct value to participants. During large national employment programmes, referral processing teams often started work in the early hours of the morning to ensure referrals were downloaded, acknowledged and made available to frontline advisers within demanding contractual timescales. The Restart scheme to date has received more than 1.3 million referrals, so even a simple process requiring only a few clicks per referral resulted in millions of manual transactions.

Ingeus championed their new automated approach rather than retaining it for commercial advantage. Other providers subsequently adopted similar methods, demonstrating the strong culture of innovation and knowledge sharing that is a defining strength of the sector. Processes that previously took hours could now be completed in minutes or seconds. Reducing manual handling of data improved consistency, strengthened information security controls, and reduced the risk of human error while improving operational performance.

These changes were transformational for capacity. Every hour removed from administration was an hour that could be redirected towards supporting participants into employment. Rather than increasing the size of back-office teams, providers were able to invest more resources in participant engagement, employer relationships and frontline delivery.

There is also enormous value in the convening power of larger providers. The government regularly engages with these providers to gather intelligence from across their networks and understand emerging challenges. At the same time, consistent performance data enables both providers and the government to identify trends, evaluate interventions and continuously improve services.

For example, the Restart scheme has benefited from the partnership working facilitated by the ReAct Partnership – an industry-led collaboration to support continuous improvement across Restart delivery, funded by the prime providers and managed by the Institute for Employment Studies (IES), working alongside ERSA and the Institute for Employability Professionals (IEP). This collaboration has strengthened collaboration in a competitive market, improved employer engagement (explored further in a later section), and enhanced frontline practice.[26]

A key risk of devolution is the loss of these national mechanisms for sharing learning and best practice. Furthermore, in a more fragmented devolved landscape, policymakers will find it much more resource-intensive to coordinate stakeholder input, surface key issues and develop a coherent picture of system performance.

It is also important to note the necessity of consistent data and national impact evaluation in ensuring every local community can benefit from learning from other places. If employment support is delivered through a wide range of locally designed services, each collecting different data, it will become significantly more difficult to share and spread successful approaches across the system.

Mechanisms for capturing and sharing learning should therefore be designed into devolution arrangements to avoid siloing best practice within local areas.

5. SERVICE INTEGRATION

People seeking work often require support that extends beyond employment services alone, including health, skills, housing, and wider community-based provision. Central, single-source funding and commissioning can play an important role in enabling integration through aligning national, regional and local programmes around shared objectives.

Coherence and service integration requires leadership and coordination of sustained and strategic investment in capability and capacity building. It also requires common standards and principles, effective partnership arrangements, transparent and consistent data collection and impact measurement, and accountability for outcomes.

For example, in West London, Shaw Trust has developed a triage and 'single front door' model that helps residents access the right employment, health and skills support. Instead of navigating separate pathways for Connect to Work, WorkWell[27], IPS[28], the MSK Trailblazer[29] and wider local provision, residents receive a holistic assessment and are directed to the support that best meets their needs. This creates a simpler participant journey, reduces duplication and helps local partners coordinate provision around people rather than programmes.

The model is only possible because of the scale and infrastructure Shaw Trust brings as a prime and strategic partner. It can connect multiple funding streams, referral routes, partners, data flows, quality standards and employer relationships into one coherent local pathway. Specialist VCSE and local partners remain vital, with the prime providing the governance, compliance, performance management and system coordination needed to make integration work in practice.

Changing the level at which services are commissioned is unlikely, in and of itself, to either overcome structural barriers to cross-department working or cohere activity around the goal of supporting people into sustainable employment. Without deliberate planning, mechanisms and governance, devolution risks shifting a lack of integration from the national level to the local or regional level.[30]

Instead, commissioners should build on ERSA's recommended common standards and principles to commission for outcomes. This should include funding formal mechanisms for integration and aligning incentives and performance measures across public services.

6. INVESTMENT IN INFRASTRUCTURE

The scale and duration of national contracts have enabled larger providers to build efficient and effective infrastructure, including:

Due diligence and compliance activities that are required by commissioners (for example, regarding cybersecurity, data protection, modern slavery and emissions)

CRM systems and data management processes, which enable not only effective service delivery, but also data-driven innovation, transparent impact reporting and effective contract and performance management

IT systems and artificial intelligence (AI) tools that enhance delivery and improve performance, including case management and programme delivery platforms that are tailored to each contract.

Much of this investment is undertaken either internally or by innovative specialists in the employment support sector, including Beam, Candid AI, Cognisoft, Early Bird, Geographic Solutions, ICONI, Lingly AI, MI Computer Solutions, Rumbo, Saffron Interactive and Sopra Steria.

As of summer 2025, larger providers had begun embedding AI technologies in their operations, while many smaller providers remained in the early exploratory stages or had yet to adopt these tools. This divergence was driven less by attitudes and more by disparities in financial resources and the scale of contracts, which afford larger providers greater capacity to invest in innovation and absorb associated risks.[31]

Large providers support their supply chains with AI tools and wider infrastructure, especially with rigorous, expensive and resource-intensive compliance requirements. For example:

Through partnership with Ingeus, Momentic[32] received practical support to navigate data protection and information governance, strengthening its organisational capability and readiness for growth. Ingeus also supported Momentic in achieving Cyber Essentials Plus accreditation and strengthening its overall assurance arrangements, and enabled Momentic staff to develop accredited improvement skills through access to its Continuous Improvement Academy. Reflecting on the partnership, Momentic's CEO said that the support provided by Ingeus saved considerable time and effort, helping Momentic navigate a highly complex area that would otherwise have been difficult to manage independently.

As an employee-owned organisation rooted in local communities, Seetec works alongside VCSE and SME partners to open up access to contracts for which they may not otherwise have been able to compete. As a prime provider for one contract, Seetec provided partners with access to its information security team and expertise, supporting partners through complex and potentially cost-prohibitive compliance and security requirements such as ISO 27001 and SOC 2.

Larger providers also have a history of relationship-building with commissioners, supply chain partners and employers. Alongside the deep local relationships that SMEs and VCSE organisations often bring, larger providers can dedicate additional resources to coordinating and developing relationships with key stakeholders, as well as to leveraging their infrastructure to build capacity and capability in their supply chain (explored further in the next section).

Collectively, these capabilities support nationally available programmes, the rapid mobilisation of resources at scale, and strong performance management processes across large geographical areas, including rural or very small areas.

Providers of all sizes must also dedicate resource to writing bids and competing for contracts. There is a significant risk that, as the DWP said in their April 2024 submission to the Work and Pensions Committee, 'further decentralisation of employment support would...lead to increased costs associated with submitting multiple tenders. This would likely impact where providers choose to focus their resources and could lead to areas, such as those that are rural, with limited, or no services.'[33]

Successfully devolving employment support will require retaining the necessary scale to leverage these efficiencies, enabling high-quality support and ensuring as much funding as possible goes towards frontline delivery.

7. INVESTMENT IN SUPPLY CHAINS

Commissioning at scale enables providers to invest in capability- and capacity-building across their supply chains, including through training and skill-building, secondments, support with commercial capabilities and engagement with contracts, and opportunities for supply chain partners to collaborate, learn from one another, and work together to strengthen operational performance.[34]

It also unlocks opportunities for SMEs and VCSE organisations to partner with a diverse range of organisations. When these organisations participate in supply chains or join providers' partner networks, they gain access to funding, investment and opportunities to share expertise, and in many cases are enabled to grow.

For example:

Reed in Partnership uses its scale to support smaller organisations and create wider social value in the communities where it delivers services. In the last financial year, 32% of its supply-chain spend was with SME and VCSE organisations. Over this period, Reed in Partnership also delivered 13 free masterclasses to 72 employers, suppliers, VCSE organisations and public sector partners. Wider social value activity included more than 2,300 hours of charitable volunteering, 3,600 hours of mentoring and training, and £31,000 in entrepreneurial grants. Since 2022, the organisation estimates that its activities have generated more than £100 million in social value. This shows how larger-scale contracts can support investment in smaller organisations and help build capacity within local communities.

AKG delivers Restart through a mix of direct delivery, external suppliers and specialist delivery partners. This approach helps bring local expertise into the programme and shows how a large employment contract can support smaller organisations as well as participants. In the last financial year, 86% of external spend associated with the Restart contract was with SMEs, including specialist delivery partners. Delivery partners are provided with the flexibility and autonomy to deliver frontline support based on their experience and knowledge of the local community. Their work is underpinned by support from AKG, including access to tools like AI that help them be more effective.

One of AKG's delivery partners said,

"AKG have always been looking for ways to provide better support to both participants and Employment Coaches. What I particularly value is the wide range of practical resources they have developed to help Employment Coaches provide more targeted and individualised support. This includes the EC-led session resources and the EC Companion, which give coaches additional tools to work with participants based on their individual needs.

"AKG's Delivery Partner Management Team and supporting teams regularly share resources, ideas and good practice, and they create opportunities for delivery partners to work more closely together and learn from each other. Their work may often happen behind the scenes, but the support, tools and resources they provide make a real difference to frontline delivery. For me, what stands out is that they are always looking at what more they can do to support Employment Coaches and, ultimately, improve the experience for our participants."

Maximus work with more than 350 local organisations through their Community Partnership Network (CPN).[35] These organisations provide a wide range of services that help address barriers to employment, including mental health support, ESOL provision, peer support groups, skills programmes and addiction services.

The vast majority of organisations in Maximus's CPN have reported that they value their membership and see it benefitting their organisation, including through peer support and collaboration as well as the opportunity to refer participants to funded or other locally available provision.

SMEs and VCSE organisations have deep specialist expertise and experience supporting specific cohorts of people, and contribute this to wider employment support programmes through participation in supply chains. This partnership working enables them to support more people through access to large-scale government funding, with large providers managing end-to-end contracts, taking responsibility for delivery KPIs, and absorbing some financial risk (explored further in the section on market resilience and stewardship).

For example, through its partnership with Smart Works, Ingeus helped increase access to specialist support for women seeking employment, including interview preparation, career coaching, confidence-building, and professional styling. Ingeus invested £25,000 in Smart Works Greater Manchester through its Performance Fund, which enabled expanded capacity and increased accessibility in Oldham and Wythenshawe. This enabled Smart Works to extend its reach and support more women, including those beyond Ingeus programmes, whilst providing participants with greater access to specialist employability support in their local communities.

The government and communities have also benefitted from prime providers' role in building new capacity and capability where needed. The availability of SME and VCSE capacity and capability varies from place to place, so there are many places where prime providers have filled gaps in provision by both delivering services themselves as well as building local SME and VCSE capability and capacity.

Fragmenting the commissioning landscape risks, perhaps counterintuitively, restricting opportunities for smaller organisations to participate in larger delivery networks and access associated investment and partnership opportunities. Conversely, commissioning at scale can create opportunities for SMEs and VCSE organisations, combining specialist expertise with financial resilience and investment to build capacity and capability.

8. EMPLOYER ENGAGEMENT

Evidence from employers and employment support providers highlights the importance of a coordinated approach to employer engagement. Employers, particularly larger regional and national organisations, value a single point of contact and a coherent offer across employment support programmes – but this is also true of smaller local employers with limited engagement capacity.

Through collaborative efforts, such as the ReAct partnership's Prime Provider Network (PPN), employer engagement professionals share learning, including insights into the labour market and participant context and how best to meet employers' needs. They also share vacancies and conduct 'warm handovers' across regional boundaries, which can strengthen the engagement offer for employers operating across larger geographic areas.[37]

This collaborative approach is important for employers navigating numerous employment support schemes. It helps reduce duplication, improves employers' experiences, supports employers to build relationships and trust with multiple providers, and supports more effective partnership working to fill vacancies.[38]

For example, the PPN helped facilitate a collaborative initiative between Serco, AKG and supply chain partner B2B. What began as a conversation between Serco's Employer Engagement Team and their Justice & Immigration Division to explore recruitment challenges evolved into a powerful example of cross-sector and cross-provider collaboration. Fosse Way prison in Leicester was identified as a pilot site, and Serco's training team developed a bespoke, week-long pre-employment course designed to give participants a realistic insight into working in custody.

Although outside of Serco's contract package area (CPA), the Employer Engagement Team travelled to the Leicester delivery site to support screening sessions alongside B2B, a supply chain partner of AKG. Together, they identified eleven suitable Restart candidates from the local community, and by the end of the pilot, all eleven participants expressed a desire to pursue a career in custody. As of October 2025, four of the participants had successfully secured roles, with another four progressing through the recruitment pilot.[39]

Employers and labour markets do not always fit neatly within administrative boundaries, so without effective coordination, employers could find themselves navigating a growing number of devolved programmes, commissioners, and providers, both across and within areas. This risks creating duplication and eating into capacity (which is often already very limited), thus reducing employers' willingness to engage.

Employment support does not work without employer engagement. Providers have built strong and collaborative relationships with employers, and fragmenting these relationships would significantly undermine government's objective of reaching 80% employment. Successfully devolving employment support will require funding and support to coordinate employer engagement, alongside retaining the economies of scale that have enabled effective partnership working with employers.

FOCUS ON EMPLOYMENT OUTCOMES

Organisational culture is a critical, and often overlooked, determinant of successful employment support. Effective programmes are built around a clear focus on helping people move into and progress in work, with systems, expertise and performance management aligned to that objective.

Employment support providers have developed this focus over decades, building specialist knowledge, workforces and delivery models designed specifically to achieve good employment outcomes. Critically, their performance is judged on longer-term outcomes rather than job starts, with payment by results contracts incentivising providers to match candidates to suitable roles and provide effective in-work support.

Organisations' investment in their workforces is particularly critical to achieving good outcomes for programme participants. This investment includes:

- meeting accredited professional standards
- comprehensive inductions
- performance reviews and development
- auditing skills gaps
- buying in or developing training
- mentorship and peer support
- peer learning networks
- funding professional memberships
- leadership programmes
- commissioning behavioural insights experts to develop toolkits that support employment advisors with increasingly complex client needs

For example, one provider has developed Power BI dashboards that every employment advisor can use to monitor the needs and flow of their particular caseload, empowering them to tailor the support they provide.

This level of intensive and ongoing workforce development is enabled financially by economies of scale, and culturally by providers' focus on employment outcomes.

For example, AKG's one-team approach is built around collaboration, consistency, and shared accountability across all areas of delivery. They bring managers of internal teams and delivery partners together quarterly to align priorities, share learning and ensure participants receive consistently high-quality services and equitable access to opportunities regardless of the contract or site through which they engage. Clear expectations and accountability are central to this approach. Everyone understands the standards, targets and processes that apply, including the actions required when delivery moves off track. AKG focuses on creating an environment where issues can be identified early, addressed collectively and used as opportunities for improvement.

Programme performance data from the Restart Scheme[40] illustrate the time it takes for providers to build up the skilled workforce required to achieve job outcomes. The workforce is the employment support system's greatest and most critical asset. Protecting it in order to ensure service continuity should be at the heart of designing a devolved system.

Additionally, there is a risk of diluting focus on employment outcomes if employment support is a relatively small part of larger organisations with responsibilities spanning many public services. Local authorities and combined authorities, for example, have responsibility for an enormous and increasing range of complex services, and employment support often represents only a very small proportion of their overall activity. Similarly, the NHS is rightly focused on improving clinical outcomes, but this means that many of their systems and processes are not designed to measure or manage – and therefore make it much more difficult to track and support – employment outcomes.

Recent experience has highlighted the importance of specialist employability expertise. For example, in some areas, Connect to Work has been commissioned by teams with limited experience of employment support commissioning and delivery, illustrating the challenges of transferring commissioning responsibility without ensuring sufficient sector-specific capability. In other areas, commissioners have set payment terms and incentives for Connect to Work that are not aligned with the scheme's objectives; for example, payment by results mechanisms that would prevent the locality using all of its committed budget.

Employment support can be highly effective when integrated with wider services, but all partners must align around that shared goal if integration is to drive good employment outcomes. It also requires that shared goal to be measured and benchmarked appropriately, as embedding employment support within a complex network of services risks employment outcomes being overlooked in favour of other success measures for other services.

Future commissioning arrangements should protect workforce capacity and expertise, and thus service continuity. They should also ensure that specialist employment support expertise remains at the heart of policy design, commissioning, delivery, and impact evaluation alongside enabling effective collaboration across the wider public services system.

MARKET RESILIENCE AND STEWARDSHIP

A key advantage of the prime provider model is that these organisations often absorb and manage risk on behalf of both commissioning bodies and delivery partners. This includes financial, reputational and performance-related risks, for which responsibility should rightly sit with the organisations best placed to manage and mitigate them.

For example, large employment support organisations demonstrated their resilience and ability to scale up rapidly in response to the introduction of the Restart scheme in 2020. Providers could maintain services, moved rapidly to providing support remotely, and stand up large-scale delivery of a new scheme because they already had the financial stability, workforce and infrastructure to do so.

When the National Audit Office evaluated Restart in 2022, it found that, although '[DWP's] spending on employment support had fallen significantly since 2010-11, leaving the employment support market with a lower capacity to deliver large-scale schemes,' providers were able to sufficiently increase their capacity in a very short time frame with support from DWP's 'commercial approach that emphasised cooperation and building capacity.' [41]

Critically, providers were then able to adapt when the expected number of people accessing Restart support was revised downward significantly. In many cases, this required providers to simply absorb costs – for example, of newly acquired premises – in a way that smaller organisations would have found difficult or impossible.

In response, the National Audit Office recommended that DWP should 'reduce the cost of scaling up and scaling down employment support' by considering 'whether to maintain contracted-out employment support between economic shocks to maintain a market'.

Prime providers take overall accountability for contract delivery, including achievement of key performance indicators (KPIs), contract compliance and financial performance. This reduces the exposure of smaller specialist providers to risks that could otherwise threaten their sustainability, and enables supply chain partners – particularly smaller SMEs and VCSE organisations – to leverage their deep expertise and focus on delivery.

For example, as the prime provider of a contract, Seetec built mobilisation costs into bids to protect partners' cashflow and introduced faster payment terms where needed. Rather than asking smaller organisations to absorb the financial burden upfront, Seetec shared or absorbed it.

This model creates resilience within the employment support system. For example, larger organisations have often had the capacity to step in when smaller providers have encountered delivery difficulties, underperformed consistently, withdrawn from supply chains, or faced financial challenges. Similarly, larger providers can help stabilise delivery during periods of economic uncertainty or rapidly changing labour market conditions by supporting supply chain partners and maintaining service continuity.

This risk-bearing role sometimes means that prime providers must absorb underperformance within their supply chain, including when replacing or taking over from a provider may not be operationally or politically feasible. In these situations, prime providers' financial resilience helps protect programme stability.

This commissioning model also often enables SMEs and VCSE organisations to participate in contracts that would otherwise be too financially risky for them. These organisations often cannot or do not want to be responsible for 'payment by results' contracts (though this is not always the case). Depending on the circumstances, prime providers are often able to offer more favourable and stable payment terms to their supply chain partners.

A diverse market also relies upon organisations being able to spread risk internally. Successful organisations in this sector, including VCSE organisations, typically have a number of income streams, and providers of all sizes rely on surplus from contracts to build financial resilience.

Successful devolution will require local and regional commissioners to steward markets carefully, as reducing contract sizes or moving to grant funding risks squeezing surpluses and reducing financial resilience. This could lead to more prime providers directly delivering in order to make contracts profitable, thus reducing supply chain opportunities for SMEs and VCSE organisations. Additionally, contracts should be large enough and last long enough for providers of all sizes to build and maintain partnerships, delivery networks, and capacity and capability.

SOCIAL VALUE

Social value is a key driver of economic growth, job creation, and opportunities. The government has strongly emphasised that public spending should create tangible community benefits. Recent reforms have increased the weighting attached to social value in major public contracts and placed greater emphasis on job creation, skills development, fair employment practices, and opportunities for young people and those furthest from the labour market. [42]

These ambitions are welcome. They also highlight the importance of economies of scale in commissioning employment support.

Delivering social value is resource-intensive: for example, in one local area alone, a prime provider has committed to delivering 25 separate social value activities, including apprenticeships, free webinars for local employers, outreach sessions in schools, and volunteering initiatives. These commitments – which go above and beyond the contract specification and therefore are not funded – require dedicated staff and management capacity, investment in relationships with employers, schools, and local civil society organisations, specialist expertise, and financial investment that smaller organisations would struggle to sustain.

Larger providers are uniquely placed to commit to these costs because they can typically spread investment across multiple contracts, locations and employer relationships. They can also mobilise national and regional networks to deliver social value at scale. This creates both benefits for participants and local communities and value for money.

For example, Shaw Trust has invested in targeted trials to test new ways of supporting young people who are NEET or at risk of disengagement. These include care leaver support in Ealing, the new Reframe project, and hospitality work experience with a secondary school in Birmingham. Each trial responds to local need and helps young people build confidence, develop employability skills and access clearer routes into education, training, work experience or employment.

These trials show the value of combining local innovation with the scale of a larger provider. Schools, councils, employers and community partners bring specialist insight and trusted relationships, while Shaw Trust provides the investment, safeguarding, employer engagement, oversight and learning needed to test, adapt and scale what works. This demonstrates why future employment support needs both local flexibility and strategic providers with the capacity to invest ahead of need.

Importantly, large-scale delivery does not exclude smaller organisations. Delivery and partnership networks create opportunities for SMEs and VCSE organisations to contribute specialist expertise and local insights towards meeting social value commitments. Prime providers remain accountable for ensuring that commitments are delivered, reducing risk for smaller organisations.

The government's focus on social value as a mechanism for creating good jobs also highlights the importance of the employment support sector. Employers are being asked to create quality jobs, offer training opportunities and support workforce progression. Employment support providers are essential partners in helping achieve these objectives by identifying talent, supporting people with complex barriers into work, and helping participants progress and sustain employment over the long term.

Fragmenting the commissioning landscape risks reducing the sector's capacity to invest in social value. The result could be fewer opportunities for participants, weaker support for employers and diminished achievement of the government's own objectives around good jobs, skills and inclusive growth.

By contrast, a sustainable employment support system should invest in both experienced providers with the capacity to deliver social value at scale, combined with the specialist knowledge and community relationships of SMEs and VCSE organisations. This offers the best prospect of delivering both high-quality, locally tailored employment support and the substantial social value outcomes that the government increasingly expects from public investment.

RECOMMENDATIONS:
a shared agenda for successful devolution

The history of employment support since 1998 is not simply a story of national commissioning. It is a story of how local services, local partnerships and local innovation have been delivered successfully at scale. As devolution gathers pace, this history provides invaluable lessons about how to design, commission and deliver devolved services that will improve employment outcomes for local residents and communities.

The recommendations that follow set out a shared agenda for achieving that goal and ensuring that the next chapter of employment support builds on the successes of the last.

1 Establish common standards and principles for devolved employment support – including retaining national performance benchmarking and evidence infrastructure.

The government should create a national 'blueprint' of common standards and principles, enabling local flexibility whilst preserving national accountability.

The 'blueprint' should:

Define what good commissioning and contract management look like.

Set an expectation of continuous provision in every postcode, so that nobody is left without support.

Include overarching objectives, outcome measures, performance and quality standards, evidence requirements, commissioning principles, and accountability arrangements. This should include aligning procurement and delivery timescales across devolved areas as much as is possible.

Retain and strengthen national performance benchmarking, transparency and accountability through existing data and evidence infrastructure, including collection and reporting requirements.

Enable meaningful comparison of outcomes and value for money across areas.

This would ensure that devolution delivers innovation and local responsiveness without inadvertently creating fragmentation or inequity.

2 Build devolved commissioning capacity and capability through national support.

As employment support responsibilities are devolved, DWP should take on a formal system stewardship role, supporting local areas to develop the capability and capacity required to commission services effectively.

This should include:

Independent assessment of local areas' commissioning capabilities, underpinned by national standards.

A national commissioning support function.

Training and development for commissioners and contract managers.

Practical guidance on programme design, procurement and performance management.

Giving devolved commissioners access to DWP's proven and tested commercial infrastructure. This could include, for example, DWP establishing a nationally approved shortlist or preferred supplier framework. DWP would determine which providers meet the required threshold of financial resilience, delivery capability, quality, and value for money, while devolved commissioners would retain responsibility for selecting providers and shaping provision around local priorities.

Access to national datasets and labour market intelligence.

Communities of practice, peer networks and learning forums supported by DWP and ERSA.

This would help accelerate local capability building, ensuring equity of access to support for residents and avoiding the need for every area to reinvent systems and processes independently.

3 Retain the economies of scale needed for efficiency, integration and system leadership around employment.

Employment support provision should sit within a coherent system that brings together employment, skills, health and economic growth objectives with common standards and principles for accountability and local delivery.

The government should:

Ensure devolved commissioning arrangements retain sufficient scale to support investment, innovation, resilient supply chains, employer engagement, social value and value for money.

Avoid fragmentation that creates unviable contracts, duplicates infrastructure, disengages employers, and weakens effectiveness of support.

Work with departments across Whitehall to align policy levers, incentives and commissioning geographies across employment support, health, skills, education, and other key public services.

Provide clear national oversight and stewardship to ensure coherence between local authorities, mayoral strategic authorities, integrated care systems and other commissioning bodies.

Coordinate delivery partners around shared outcomes and prevent the emergence of disconnected or competing local systems.

This approach would combine strong local leadership and integration with the scale, market stewardship and accountability needed to deliver equitable access to employment support in every postcode.

4 Ensure an effective transition from national to devolved commissioning, with a focus on continuity of provision and protecting workforce expertise.

Future reforms should preserve the expertise, capacity and professional capability that already exists within the employment support sector.

The transition to devolved funding support should protect funding for that purpose, while respecting opportunities for integration with other services through integrated settlements or other funding arrangements.

The government should:

Carefully manage the transition to devolved support in order to avoid gaps in provision. Where successor arrangements will not be ready in time, existing provision should continue until new services are operational. In the short term, this should include a mixed commissioning approach to Future Employment Support (FES), the successor to the Restart scheme.43 Mayoral strategic areas (MSAs) that are ready should take on commissioning responsibility, with co-commissioning available where useful and DWP retaining commissioning responsibility elsewhere.

As mayoral institutions develop, the balance can shift further towards local commissioning, giving future MSAs a stable system from which to transition.

Provide capacity- and capability-building for areas that would benefit (as per recommendation no. 2).

Develop a long-term workforce plan with ERSA and providers.

Act to retain the specialist skills, knowledge and relationships that have been developed across the sector over many years, and which drive performance and good employment outcomes.

Successful devolution will depend on retaining the experienced workforce that delivers impact for residents.

5 Draw on providers' decades of experience to co-design future employment support programmes

Employment support providers have accumulated decades of experience, evidence and expertise about what works for different cohorts, labour markets and places. Future reforms should draw on this knowledge base to ensure new programmes are commissioned effectively and are evidence-led.

6 Commission for long-term outcomes and a sustainable provider market.

Future commissioners should take procurement approaches that support the employability sector to deliver good outcomes over the long term. This would allow for providers to confidently continue investing in technology, innovation, professional workforce development, and supply chains, while reducing the heavy costs of repeated contracting and then mobilisation.

This should include:

Long-term funding packages with multi-year deals. Contracts should be large enough and last long enough for providers of all sizes to build and maintain partnerships, delivery networks, and capacity and capability.

Flexibility within contracts to adapt and change priorities, including changing eligibility criteria.

Transparency in decision-making around commissioning decisions, including where mayoral strategic areas choose to 'double devolve' funding to local authorities, and where delivery is insourced.

Designing commissioning approaches and contracts that distribute risk appropriately, including across sufficiently large geographies to make delivery of the overall contract viable.

Planning programme transitions carefully to prevent workforce / provider exit and loss of expertise and institutional knowledge.

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