



Department
for Work &
Pensions

THE RT HON THERESE COFFEY MP
Secretary of State for Work & Pensions

Caxton House
Tothill Street
London, SW1H 9AJ

Rt Hon Stephen Timms MP
Chair
Work and Pensions Committee
House of Commons
London
SW1A 0AA

2 February 2021

Dear Stephen,

Thank you for your letter dated 18th January on the Government's new Restart scheme.

We know that people who have been out of work for longer periods of time might need extra support to move back into employment. That's why our £2.9 billion Restart scheme represents a pivotal part of our ambitious, multibillion-pound [Plan for Jobs, announced by the Chancellor at the Spending Review on 25th November](#).

The comprehensive measures we have set out in our Plan for Jobs will be vital in ensuring we Build Back Better after the pandemic. Our Restart Scheme will give Universal Credit claimants who have been out of work for at least 12 months enhanced support to find jobs in their local area. Supporting customers who have been in the Universal Credit Intensive Worksearch regime for between 12 to 18 months, this will not aim to be a 'catch-all' programme, but instead offer intensive and tailored guidance to this group of claimants, helping to break down any barriers to employment they are facing. While there will naturally be a wide range of needs within this target cohort, Restart will complement, and not replace, existing specialist programmes for disabled people and longer-term unemployed individuals who may have multiple and complex challenges in their path to finding work. Indeed, for many of these customers, the support offered by the Work and Health Programme and Individual Personalised Employment Support may be more appropriate.

My department will work closely with providers to ensure the scheme is in place as quickly as possible, building on our excellent track record of successfully delivering large-scale projects adeptly and at pace. The commercial process began on 10th December 2020 and we expect contracts to be awarded in Spring of this year, with the scheme due to go live in the summer. To support this work, we have released an overview of the scheme and made the specification and other invitation to tender documentation available online here:
<https://www.gov.uk/government/publications/restart-scheme> and
<https://dwp.bravosolution.co.uk/go/500749140176D249A722>

Please see below detailed responses to the specific points raised in your letter. I look forward to my upcoming appearance before the Select Committee where we can discuss my Department's work in this area further.

Yours sincerely,

1. What support will be available for these people before the scheme goes live?

The Government has taken, and is continuing to take, unprecedented steps to protect the livelihoods of millions of families with a furlough scheme that has supported 9.9 million jobs and a Self-Employed Income Support Scheme which has paid out £5.9 billion in grants.

The measures we have introduced as a Government have aimed to keep people close to employment and, where necessary, offer comprehensive preparation for entering or re-entering the world of work through our Plan for Jobs. There will be other schemes including Kickstart, JETS, JFS and SWAPs. Kickstart is focused on young people and offers six-month, fully-funded placements to enable them to take the first important step on the employment ladder. Targeting those out of work for three months or more, Job Entry Targeted Support (JETS) scheme boosts support for claimants to give jobseekers access to the tailored, flexible support needed to quickly move back into employment. While our new Job Finding Support (JFS) offer is helping working age claimants on Universal Credit, New Style Jobseekers Allowance or New Style Employment and Support Allowance who have been unemployed for 13 weeks or fewer and need only light-touch support to increase their chances of finding employment.

Alongside this, we are expanding our Sector Based Work Academy Programme (SWAPs) to upskill, retrain and pivot people towards growth sectors of high vacancies, in line with local labour market and employer demand. We have already met our target to deliver 40,000 SWAPs this year in England and Scotland and will consider how we can extend this provision further in coming years.

1 a. How many people is the scheme expected to support during its first a) six months and b) year?

There will be 175,000 places on the scheme within the first six months, growing to 475,000 by the end of the first year of operation.

1 b. When do you expect the scheme to reach its target of supporting one million people into work?

Restart is a new three-year long programme to provide intensive and tailored support to over one million unemployed people and help them find work.

While we expect many individuals who might otherwise have faced longer-term unemployment to find a permanent job through the scheme we have not stated that we would expect *all* of those participants to find sustained work, given each individual's unique and often complex needs.

We would however expect all participants to receive regular, personalised support on their journey towards getting back into work.

2. Of the £2.9 billion funding for the scheme, only £400 million has been set aside for 2021/22. Why is the level of funding relatively low for the first year? a. Have any decisions been made yet about how funding will be split between the remaining two years of the scheme?

Restart will start part way through 2021/22 with escalation growing as providers to scale up their operations. The bulk of payments made will be through payment by results fees for

sustained job outcomes. These are likely to fall most heavily in the later stages of the programme. We expect the scheme to be operational from this summer, and the cost model reflects this part-year operation.

The exact details of the spending allocation will be agreed at future spending rounds. While service contracts will allow for three years of referrals, spend is expected to continue past this point due to the time taken for participants referred in the final year to start to move into work and claims to be identified, leading to outcome payments.

3. Many people will have been “long-term furloughed” since March 2020. Will they be able to benefit from any support under the scheme?

There will be an opportunity for discretionary referrals to Restart at the appropriate time in an individual’s work journey, based on individual claimant and work coach discussions.

This could include people who have been out of work for longer than their benefit claims and therefore could include claimants who were previously furloughed.

4. Are you confident that there will be a sufficient number of jobs available for the people who the scheme will support? What discussions has DWP had with HM Treasury and other departments about the availability of jobs?

The OBR has provided independent forecasts on likely employment levels. Although we saw a major fall in vacancies¹ from above 800,000 pre-Covid to 340,000 in May 2020, following the initial lockdown in March, we have seen a recovery in numbers in recent months, with recent figures from September to November signalling half a million vacancies. Jobs are still available in the economy and the latest HMRC data indicates over 670,000 people joined a new PAYE scheme, i.e. started a new job, in November.

Plan for Jobs is a cross-Government plan, enhanced by several measures, designed to scale up employment rates, including; investment in infrastructure, the Green Industrial Revolution, and defence plan.

5. Do the minimum service standards contain any provisions about the number of participants in advisers’ caseloads? How will the Department work with providers to ensure that advisers are not overburdened and that participants will receive a sufficient amount of one-to-one support?

Providers will detail how they will allocate advisors to participants as part of the bidding process, including the maximum and minimum caseload per advisor. Additionally, we have asked them to set out the caseload assumptions for each job role and give a brief overview of what tasks and activities each role will be carrying out.

Caseload sizes will subsequently form part of the contract with the winning bidder and will be monitored and managed as part of in-life contract management including attaching contractual levers to ensure ongoing compliance.

6. Will there be any requirements for providers under the scheme to ensure people have access to basic skills training? a. The witnesses we heard from stressed the importance of ensuring that Restart is joined up with skills provision. How will the scheme interact with existing skills and training providers?

¹<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/december2020#vacancies>

We expect that Work Coaches will in most cases have identified claimants' basic skills needs before they are referred to Restart, and will have ensured the individual is given access to basic skills training. Where this has not been possible, we expect Restart providers to identify gaps as part of their diagnostic assessment activity. Restart providers will be expected to ensure that participants' key barriers to work, including basic skills needs where appropriate, are met through either directly delivering support or helping participants access support through national and local partners. Basic skills provision will not be a specific requirement that providers are managed against, unless it is specifically included in the provider's bid.

The nature of Restart's open-specification provision is that we expect providers to tailor their provision to meet the needs of each individual. Some people will need access to basic skills training but many people will not need this particular support. Evidence from previous provision suggests that this approach can work. However, we recognise that we need to continue to develop the evidence base to achieve the right balance of flexibility and specifying requirements.

7. How will you ensure that the practice of creaming and parking is not repeated under the Restart scheme?

Restart is specifically designed for those who are fit for work and in need of that extra support to get back into sustained employment. The Payment by Results model incentivises providers to help as many people as possible into sustained employment, as the more people they help, the more outcome payments they will receive.

We have learned from the failures of previous programmes and have four specific ways to mitigate unintended practices.

- 1) Designing strong customer service standards into the contract including specifying on personalisation and a minimum frequency of contact using a variety of methods and channels.
- 2) Payment by results – using an accelerator payment model that offers higher payments for higher numbers of outcomes to encourage providers to give extra support to those who need it;
- 3) Referring the targeted cohort - ensuring that Work Coaches refer those who are very far from the labour market to other more intensive or specialist support where appropriate.
- 4) A robust performance management process which includes the use of a regular customer satisfaction survey that would monitor each contract on a quarterly basis.

8. Under the scheme, how do you intend to identify people who are furthest from the labour market and might need extra support to find work?

a. We heard evidence that some countries have profiling systems within their welfare-to-work programmes, which help to identify people who are most in need of support. Have you looked into any examples of what has worked internationally?

Historic evidence suggests the longer someone is out of work the more difficult it is to get back to work. Therefore, we expect that most people who become eligible for the scheme (unemployed for 12 to 18 months) will benefit from the more intensive support which Restart will offer. This is also seen in other communities.

DWP has trialled statistical profiling, tried in other countries, as a way of identifying the most appropriate support. However, this tool is still at an early stage and often faces several issues (e.g. data protection issues, ethical concerns, lack of explanatory data and real-time

data). We have also not seen evaluations where it has been clearly demonstrated to be cost effective. Given the need to design and implement provision quickly and simply in an unprecedented situation, with limited data and without good evidence of a working statistical profiling tool, we decided not to pursue this route for Restart.

9. What tailored support, if any, will be available under the scheme for disabled people and people with health conditions? a. Will funding be available for any additional costs that disabled people may face when looking for work — for example, transport costs?

b. Are there grounds for expecting Restart to be more effective for disabled people than the Work Programme was? If so, what are they?

Evidence^[1] shows that the Work Programme delivered a strong impact for Jobseekers Allowance claimants referred at 12 months but there is not an evidence base isolating the impact on those who had a disability. The Work Programme was designed to support a much broader cohort of customers, including those receiving incapacity benefits and Employment and Support Allowance, while Restart will support one main group of claimants. There will of course be variations in the needs of individual claimants, and providers must tailor their offer accordingly. However, as a consequence of Restart's design, the participant base will not be as broad as that seen in the Work Programme.

Restart is specifically targeted at UC claimants who have been in the Intensive Worksearch Regime for 12 months or more. These claimants are considered able to work and required to actively seek employment, and Restart providers will tailor their support offer to meet the needs of those claimants.

Given this design, people with more complex barriers to employment who may be in other conditionality regimes – such as the Work Preparation and No Work Related Requirements regimes – will not be eligible to access Restart. For these claimants, the Work and Health Programme and Intensive Personalised Employment Support programme are already in place, and supporting thousands to move closer to the labour market.

Nevertheless, claimants with disabilities and health conditions who are in the Intensive Worksearch Regime and who otherwise meet the eligibility requirements may be referred to Restart. For these claimants, the Restart provider must ensure they deliver support in line with the Equality Act 2010 to enable them to access the provision equally. Restart providers will be responsible for travel and 'additional support' costs while claimants are participating in the provision. 'Additional support' is defined as extra help that allows a claimant to attend and participate fully in provision (for example clothing, childcare and specialist equipment). Access to Work, which aims to help more disabled people start or stay in work, will remain in place.

10. Jobcentre Plus and previous work programmes have employed specialist lone parent advisers to help support single parents into work. Will any specialist advisers be appointed under Restart, for single parents or any other groups who might need specialist support? a. Under Restart, there appears to be only be one set of minimum service standards, which will apply to all customers. How will you ensure that providers are offering specialist support to people who may need it?

No, specialist advisers will not be appointed. Our work coaches will be part of a three-way handover conversation with the claimant and provider. The work coach will introduce the claimant to the provider, who will explain how the claimant can benefit from the programme. This will be a key opportunity for the claimant to raise any issues or concerns they may

have, and discuss reasonable adjustments, to ensure they can receive the unique and specialist support they need to return to the labour market.

11. How confident is the Department that the contracted-out market can be scaled up sufficiently to meet the demands that will be placed on it when Restart is launched?

In preparation and anticipation of the Restart programme, the Department contracted for a Framework Style agreement (Commercial Agreement for Employment and Health Related Services [CAEHRS]) that sought to draw into the market the necessary capacity and capability to deliver the Restart expectations. DWP has had extensive conversations with providers and will continue to do so through the commercial process, implementation of the scheme and live running.

The CAEHRS agreement was let in October 2020 from which Restart has been called. The CAEHRS agreement contains sufficient capacity and capability from organisations that have sufficient financial sustainability to deliver the Restart requirements, including volumes and a quality customer service, throughout the life of the entire agreement. The implementation period and ramp-up arrangements will be subject to specific discussion during our conversations with providers as part of the commercial negotiations.

12. The Government has devolved powers to London and the Greater Manchester Combined Authority to deliver their own versions of the Work and Health Programme. Have you considered whether to take a similar approach with Restart and devolve powers so that some areas can deliver their own local version of the programme?

In light of the scale of the pandemic and the significant impact on the labour market, we have considered the best commissioning model for Restart is central commissioning across England and Wales. In making this decision, we having factored in the strength of evidence around different approaches and the need to ensure a swift increase in support to a consistent level across all areas as quickly as possible. The impact of the pandemic has been large and far-ranging, and central commissioning will be the best tool to scale up quickly and equitably.

Restart is designed with local delivery at its core and we are pursuing opportunities to maximise local tailoring and engagement without delaying implementation.

DWP and local government partners have a strong shared interest in making sure that we contract the best providers to deliver Restart and that their service is tailored to local needs, opportunities and existing services. This will help to ensure participants receive the best possible support to find sustained work. Bidders will need to show how they will tailor their offer to local conditions, taking account of the wider landscape of support and working closely with employers, local government and other service providers to identify skills gaps and growth sectors. Bidders' plans to do this will be evaluated at bid stage and incorporated into contracts.

DWP have worked to ensure the expertise and priorities of local stakeholders are reflected in the procurement process by working with local stakeholders to set a Contract Package Area (CPA) specific tender question for each area, informed by the best local intelligence available. Up to two external assessors per CPA are invited to review and score bidders' responses to these questions, forming part of DWP's overall bid evaluation approach.

13. How will you work with providers to ensure that participants have access to sustainable and secure employment opportunities, and that people are not just

supported into precarious employment (such as zero-hour contract and “gig economy” roles)?

Restart is designed to maximise providers’ expertise and ability to innovate in supporting people into sustained work. Past experience shows that providers will deliver the support needed for participants to find and sustain work where the payment model and programme design provide the right structure and incentives. In a challenging labour market DWP is not making judgement on different types of employment. We are incentivising providers to help people into work that they can sustain in order to achieve outcome payments.

14. The Department has said that there is no requirement for providers to offer in-work support to participants once they have found a job. Why is this, and how will the scheme ensure that people are able to find and stay in sustainable employment?

Providers will only receive an outcome payment when a participant earns over a certain threshold (equivalent of six months’ (26 weeks) work at the National Living Wage (NLW), with 16 hours worked each week). This is in line with thresholds used for the Work and Health Programme and Intensive Personalised Employment Support and is considered a reasonable proxy for sustainment of a job outcome. Analysis of Work and Health Programme performance has shown that over the last three years using this threshold has succeeded in driving providers to deliver sustained job outcomes and where necessary this has included supporting participants in work. We are confident that this approach for Restart will ensure people are supported to find and stay in sustainable employment, and that we will be paying for quality outcomes linked to employment with clear evidence of continued earnings.



Work and Pensions Committee

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From the Chair

Rt Hon Dr Thérèse Coffey
Secretary of State
Department for Work and Pensions

18 January 2021

Dear Thérèse,

On 16 December, the Committee held an oral evidence session on the Restart scheme with evidence from employment support organisations, policy experts and local authorities.

We welcome the Department's commitment to publishing further information on the scheme in due course, which we look forward to seeing. In the meantime, it would be helpful to have answers to the following questions arising from our recent evidence session.

Timescale and numbers

The scheme is expected to go live in July 2021, but many people who lost their jobs during the first lockdown will have reached long-term unemployed status (that is, people who have been out of work for 12 months) before then.

- 1. What support will be available for these people before the scheme goes live?**
 - a. How many people is the scheme expected to support during its first a) six months and b) year?**
 - b. When do you expect the scheme to reach its target of supporting 1 million people into work?**
- 2. Of the £2.9 billion funding for the scheme, only £400 million has been set aside for 2021/22. Why is the level of funding relatively low for the first year?**
 - a. Have any decisions been made yet about how funding will be split between the remaining two years of the scheme?**
- 3. Many people will have been “long-term furloughed” since March 2020. Will they be able to benefit from any support under the scheme?**

Job creation

Some of the witnesses we heard from said that low levels of hiring and a lack of available jobs may be a barrier to the success of the scheme.

- 4. Are you confident that there will be a sufficient number of jobs available for the people who the scheme will support? What discussions has DWP had with HM Treasury and other departments about the availability of jobs?**

Support under the scheme

We welcome the fact that the Department has set out minimum service standards for providers, including requirements that providers have 1-to-1 contact with participants at least fortnightly. A previous Committee expressed concern that, under the Work Programme, the ratio of clients to advisers was too high, with some advisers having a caseload of up to 180 participants.

- 5. Do the minimum service standards contain any provisions about the number of participants in advisers' caseloads? How will the Department work with providers to ensure that advisers are not overburdened and that participants will receive a sufficient amount of 1-to-1 support?**

The Learning and Work Institute has argued that the Restart scheme should offer a "basic skills guarantee", which would ensure that all adults have basic literacy, numeracy and digital skills.

- 6. Will there be any requirements for providers under the scheme to ensure people have access to basic skills training?**
 - a. The witnesses we heard from stressed the importance of ensuring that Restart is joined up with skills provision. How will the scheme interact with existing skills and training providers?**

Support for particular groups and people with complex needs

Like the Work Programme, Restart will take a payment by results approach. The Work Programme attracted criticism because of the practice of "creaming and parking", where the payment by results model disincentivised providers from supporting people who were furthest from the labour market into work.

- 7. How will you ensure that the practice of creaming and parking is not repeated under the Restart scheme?**
- 8. Under the scheme, how do you intend to identify people who are furthest from the labour market and might need extra support to find work?**
 - a. We heard evidence that some countries have profiling systems within their welfare-to-work programmes, which help to identify**

people who are most in need of support. Have you looked into any examples of what has worked internationally?

9. What tailored support, if any, will be available under the scheme for disabled people and people with health conditions?
 - a. Will funding be available for any additional costs that disabled people may face when looking for work—for example, transport costs?
 - b. Are there grounds for expecting Restart to be more effective for disabled people than the Work Programme was? If so, what are they?

10. Jobcentre Plus and previous work programmes have employed specialist lone parent advisers to help support single parents into work. Will any specialist advisers be appointed under Restart, for single parents or any other groups who might need specialist support?
 - a. Under Restart, there appears to be only be one set of minimum service standards, which will apply to all customers. How will you ensure that providers are offering specialist support to people who may need it?

Work with partners

We heard evidence from the Institute for Employment Studies that the contracted-out employment market is one-sixth of the size it was following the last recession.

11. How confident is the Department that the contracted-out market can be scaled up sufficiently to meet the demands that will be placed on it when Restart is launched?

12. The Government has devolved powers to London and the Greater Manchester Combined Authority to deliver their own versions of the Work and Health Programme. Have you considered whether to take a similar approach with Restart and devolve powers so that some areas can deliver their own local version of the programme?

Quality of work and in-work support

13. How will you work with providers to ensure that participants have access to sustainable and secure employment opportunities, and that people are not just supported into precarious employment (such as zero-hour contract and “gig economy” roles)?

14. The Department has said that there is no requirement for providers to offer in-work support to participants once they have found a job. Why is

this, and how will the scheme ensure that people are able to find and stay in sustainable employment?

It would be helpful to have a response by Monday 1 February.

Yours sincerely,

A handwritten signature in black ink that reads "Stephen Timms". The signature is written in a cursive style with a horizontal line above the name.

Rt Hon Stephen Timms MP
Chair, Work and Pensions Committee