

WCVA Briefing

Version 1 - May 2011



The Work Programme and ESF in Wales

What is the Work Programme?

The [Work Programme](#) is the central pillar of the Government’s plans to reform welfare-to-work provision across the UK, and ensure people have the right support as the economy moves out of recession and into recovery.

Through the Work Programme, the Government intends to do away with much of the array of existing programmes for unemployed people, which it believes to be too inflexible and expensive, and which often fail to reach the hardest to reach.

The Work Programme is designed to support a wide variety of people back into sustained employment, including claimants of Jobseeker’s Allowance (JSA) and Employment and Support Allowance (ESA). It aims to give providers the flexibility to design support based on individual need, reward providers for keeping people in work and for helping harder-to-help individuals.

Alongside the Work Programme, the [Universal Credit](#) will fundamentally reform the benefits system as part of the wider welfare to work agenda. It will replace current working age benefits and tax credits with a single welfare payment that rewards people for moving into work. Incapacity benefits will be phased out over the next 3 years. There are currently 116,000 people in Wales receiving incapacity benefits; these will either be moved to receive ESA, JSA or be taken off benefits all together.

Who will have access to the Work Programme?

The Work Programme is a ‘black box’ contract, so there are no prescriptions as to the delivery process or range of interventions on offer. It will be left to providers to determine the most appropriate service for clients and how best to deliver it. It aims to give harder to help groups access to personalised, individual support at the appropriate stage.

Customer groups who will receive support under the Work Programme are as follows:

Customer group	Time of referral	Basis for referral
Jobseekers Allowance customers aged 25+	From 12 months	Mandatory
Jobseekers Allowance customers aged 18-24	From 9 months	Mandatory
Jobseekers Allowance customers who have recently moved from Incapacity Benefit	From 3 months	Mandatory
Jobseeker Allowance customers facing significant disadvantage (e.g. young people with significant barriers, NEETs, ex	From 3 months	Mandatory or voluntary depending on circumstance

offenders)		
All Employment and Support Allowance customers	At any time after their Work Capability Assessment	Voluntary
Employment and Support Allowance (income related) customers who are placed in the Work Related Activity Group	When customers are expected to be fit for work in 3 months	Mandatory

Participants in the Work Programme, including those who choose to access the programme, must undertake the activities specified by their adviser whilst on the programme. The exception to this is those ESA Support Group customers who volunteer for the Work Programme and some lone parents and carers in receipt of ESA.

Support for those not included in the Work Programme

The Work Programme is not expected to be delivered in isolation: it will be supported by a more flexible advisory service in Jobcentre Plus, which will give local offices more control and allow them to deliver in a way that is responsive to local needs. Jobcentre Plus will also continue to play a key role in helping customers with benefit claims, decisions and appeals.

Jobcentre Plus will help people to volunteer, do work experience or take advantage of peer-to-peer support, before they enter the Work Programme. As part of this Work Clubs, which encourage people who are out of work to exchange skills and share experiences, and Work Together, which allows people to develop work skills through volunteering, have been launched.

Work Choice will run alongside the Work Programme to give additional help to enable disabled people to get into work. Enhanced support will also be offered to lone parents in receipt of Income Support.

Delivery of the Work Programme in Wales

[Working Links](#) and [Rehab Jobfit](#) have been appointed to deliver the Work Programme in Wales on behalf of the UK Government. It is expected that these prime providers will need to work with a broad range of sub-contractors and local partners, including those from the voluntary sector, in order to deliver the personalised and localised services required.

The aim is to have the Work Programme in place nationally from summer 2011.

European Structural Funds in Wales

The Structural Funds Programmes in Wales 2007-2013 have a focus on addressing the long-term structural issue of economic inactivity by aiming to ensure 85% of people receiving help in the Competitiveness area and 50% in the Convergence area are economically inactive rather than unemployed.

The ESF Programmes are designed to be complimentary to the mainstream UK provision in place when they were developed and approved. Added value is secured by extending the range of provision available through the New Deal programmes to those furthest away from the labour market and least able to access the activities and work-related interventions delivered under such programmes. The European Programmes give a commitment to build on rather than replicate any action already undertaken through a UK Government programme.

The Work Programme in Wales and the European Social Fund (ESF)

The Welsh European Funding Office (WEFO) is currently funding 29 projects aimed at helping people who are out of work to find jobs, 10 of which are led by third sector organisations. These projects range from national projects, through regional projects sponsored by groups of local authorities, to smaller-scale projects for niche target groups. In total, £252m of European Social Fund (ESF) has been offered to these projects from the Convergence programme and £25m from the Competitiveness programme. Most of the projects have been underway for some time and have not yet reached their end dates.

The introduction of the Work Programme presents two specific problems for ESF projects in demonstrating added value. The intention to deliver to all categories of JSA and ESA recipients will cut across the cohorts which many of the ESF projects have drawn on to date. Beyond this, implementation through a 'black box' approach makes it difficult to identify any clearly defined 'additional' interventions available for ESF support.

Welsh Assembly Government Ministers have previously underlined that they do not wish Assembly Government-funded provision *to duplicate or substitute* for the Work Programme. WEFO is also committed to ensuring the ESF is not used to substitute expenditure which the Member State would otherwise make from its own resources. Therefore organisations currently delivering ESF projects could potentially sub contract to deliver parts of the Work Programme, but the Work Programme *cannot* be used to match fund ESF.

WEFO is currently meeting with sponsor organisations to assess the full impact on the employment projects. From summer 2011, in line with the introduction of the Work Programme, WEFO is encouraging ESF projects to re-focus their activities towards the following target groups, which are not eligible for the Work Programme:

- 16-17 year olds
- Income Support Recipients (e.g. single parents of children aged under 7 and other carers)
- Incapacity Benefit Recipients (IB will be gradually phased out and replaced by ESA and Universal Credit)
- People out of work who are not claiming benefits
- People being made redundant

The changes to eligible groups could lead to formal changes to the Convergence and Competitiveness ESF programmes for Wales in terms of participants, targets and outputs. In consequence, restricting the ESF employment projects to the more limited client groups listed above could lead to the scaling back of proposed expenditure and the reduction of some of the ESF funds that have been allocated to these projects. Any available monies would subsequently need to be redeployed to other eligible activities under the Convergence and Competitiveness programmes, subject to agreement with the European Commission on the necessary Programme modifications.

Issues for the third sector

WCVA is seeking feedback from third sector project sponsors and organisations that have been contracted to deliver services for ESF employment projects to understand the impact of the introduction of the Work Programme. Some of the issues raised in discussions so far include:

- **Continuity of support for participants** - is critical during the transition from ESF projects to the Work Programme, ensuring appropriate referral mechanisms are in

place.

- **Added value** - a greater understanding is required of the number of clients that Work Programme providers can deal with, in comparison with the potential number of eligible clients. If demand for the Work Programme is greater than the providers are able to supply, ESF projects may still be able to demonstrate added value on the basis of participant numbers alone. Similarly, Flexible New Deal (FND) has historically run alongside ESF interventions, with projects able to clearly demonstrate added value. What are the key differences between FND and the Work Programme?
- **Voluntary places on the Work Programme** - For 2011-13, the Department for Work and Pensions (DWP) in England will be spending around £66 million of ESF funding on voluntary places on the Work Programme for Incapacity Benefit and Income Support claimants, and around £200 million on employment focused provision for families with multiple problems¹. Could Welsh ESF projects be re-focused in a similar way?
- **Timescales** - the Work Programme will be rolled out from summer 2011. Vital ESF interventions, a number of which are profiled to end in 2012, must continue in order to underpin the transition for eligible participants onto the Work Programme, with a particular focus on ensuring that support remains in place for ESA clients while they wait for health assessments to clear through the system before they can be accepted onto the Work Programme (this is planned to be phased in over a three year period).
- **Contractual obligations** - what are the legal and financial liabilities for contractors and project sponsors of terminating contracts earlier than expected?

Next steps

WCVA will continue to seek feedback on the impact on the third sector, as well as project participants, in order to work with WEFO to influence how the process of change to the Work Programme can be effectively managed. WEFO will present formal proposals for changes to the ESF Programmes to the All Wales Structural Funds Programme Monitoring Committee (PMC) meeting on 17 June; WCVA is a member of the PMC and will put forward views and recommendations on behalf of the third sector.

If you have any comments or questions, please contact: 3SET@wcva.org.uk; 029 2043 1744/1779.

¹ Europe 2020: UK National Reform Programme 2011, 28 April 2011 (4.29)

