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Major steps forward in welfare reform

This morning I announced the results of the Work Programme contracting process and who our preferred delivery partners will be, which keeps us firmly on track for a successful launch in June. A list of these providers is attached to this letter for your information.

The Work Programme is the most ambitious programme of back to work support this country has ever seen and will deliver help for around 2.4 million people. It represents a massive expansion of the payment by results principle, removing flat rate service fees and ensuring that we move to 100% outcome based contracts as soon as possible. For the first time, we will also be paying providers using the benefit savings that they help to generate, building value for money into this programme in a way that hasn't been possible in the past.

The Work Programme will also mean a multi-million pound investment in the voluntary and community sector over the next 5 years. Our list of preferred bidders includes impressive third sector involvement with nearly 300 voluntary sector organisations involved in delivery of the Work Programme as sub-contractors, and 2 as prime contractors. Voluntary sector organisations also make up a substantial proportion of prime contractors supply chains, in some cases over 50%.

The Work Programme is also a boost for small and medium size enterprises, around half of all private sector organisations involved in the Work Programme supply chains will be SME. Overall we expect the private sector to make a total net investment of approximately £580m in the Work Programme in the first year of operation.

It is of course essential that those on benefits also do their part and that those who can look for work do so. This is why I am pleased that from next week we'll be significantly increasing the reassessment rate of old style incapacity benefits claims to around 7000 claims a week. This will further increase to

around 11,000 cases a week in May. People who cannot take steps to prepare for work will rightly continue to receive unconditional support.

These changes, taken together, represent a major step forward in how we deliver support to people who are out of work in this country. If you would like to discuss them further, particularly if you want any further guidance about how to deal with the Incapacity Benefit changes at a constituency level, please contact my Parliamentary Office who will be happy to arrange a meeting.

W.H. best wishes

A handwritten signature in black ink, consisting of a large, stylized 'C' followed by a long horizontal stroke.

Rt Hon Chris Grayling MP
Minister for Employment

Work Programme - Preferred Bidder List & Supply Chain Composition

East of England		Supply chain composition (Approximate % distribution)
Ingeus UK Ltd (Private sector)		
	Voluntary	31.20%
	Public	0.60%
	Private (incl SMEs)	19.50%
Seetec (Private sector)		
	Voluntary	5.70%
	Private (incl SMEs)	16.81%
East Midlands		
A4E Ltd (Private sector)		
	Voluntary	10.80%
	Public	7.00%
	Private (incl SMEs)	28.40%
Ingeus UK Ltd (Private sector)		
	Voluntary	10.91%
	Public	2.00%
	Private (incl SMEs)	40.96%
West London		
Ingeus UK Ltd (Private Sector)		
	Voluntary	17.80%
	Private (incl SMEs)	11.40%
MAXIMUS EMPLOYMENT UK LTD (Private Sector)		
	Voluntary	52.60%
	Public	3.00%
	Private (incl SMEs)	12.20%
Reed in Partnership (Private Sector)		
	Voluntary	9.10%
	Public	5.66%
	Private (incl SMEs)	22.56%
East London		
A4E Ltd (Private Sector)		
	Voluntary	15.00%
	Public	14.40%
	Private (incl SMEs)	19.00%
CAREERS DEVELOPMENT GROUP (CDG) (Voluntary)		
	Voluntary	22.00%
	Public	4.20%
	Private (incl SMEs)	30.10%
Seetec (Private Sector)		
	Voluntary	8.50%
	Private (incl SMEs)	46.22%

North East		
Avanta Enterprise Limited (TNG) (Private Sector)		
	Voluntary	30.00%
	Public	21.00%
	Private (incl SMEs)	2.00%
Ingeus UK Limited (Private Sector)		
	Voluntary	15.71%
	Public	3.10%
	Private (incl SMEs)	31.78%
North West (Mersyside, Halton, Cumbria and Lancashire)		
A4E Ltd (Private Sector)		
	Voluntary	15.20%
	Public	16.20%
	Private (incl SMEs)	20.70%
Ingeus UK Ltd (Private Sector)		
	Voluntary	27.50%
	Public	6.70%
	Private (incl SMEs)	16.10%
North West (Greater Manchester, Cheshire and Warrington)		
Avanta Enterprise Limited (TNG) (Private Sector)		
	Voluntary	4.30%
	Public	16.50%
	Private (incl SMEs)	21.20%
G4S (Private Sector)		
	Voluntary	41.25%
	Public	20.91%
	Private (incl SMEs)	37.82%
Seetec (Private Sector)		
	Voluntary	16.45%
	Public	1.00%
	Private (incl SMEs)	28.74%
Scotland		
Ingeus UK Limited (Private sector)		
	Voluntary	8.00%
	Public	2.10%
	Private (incl SMEs)	36.30%
Working Links (Private sector)		
	Voluntary	6.00%
	Public	10.00%
	Private (incl SMEs)	43.00%
South East (Thames Valley, Hampshire and IOW)		
A4E Ltd (Private Sector)		
	Voluntary	23.13%
	Public	4.21%
	Private (incl SMEs)	7.86%

MAXIMUS EMPLOYMENT UK LTD (Private Sector)		
	Voluntary	34.70%
	Public	3.60%
	Private (incl SMEs)	11.40%
South East (Surrey, Sussex and Kent)		
Avanta Enterprise Limited (TNG) (Private Sector)		
	Voluntary	21.00%
	Private (incl SMEs)	34.00%
G4S (Private Sector)		
	Voluntary	49.24%
	Public	8.92%
	Private (incl SMEs)	41.82%
South West (Devon, Cornwall, Dorset and Somerset)		
Prospects Services Ltd (Private Sector)		
	Voluntary	56.50%
	Public	6.00%
	Private (incl SMEs)	6.50%
Working Links (Private Sector)		
	Voluntary	8.60%
	Public	25.10%
South West (Gloucester, Wiltshire and West of England)		
JHP Group Limited (Private Sector)		
	Voluntary	34.60%
	Public	9.50%
	Private (incl SMEs)	34.00%
Rehab JobFit (Voluntary Sector)		
	Voluntary	50.00%
	Private (incl SMEs)	50.00%
Wales		
Rehab JobFit (Voluntary Sector)		
	Voluntary	13.00%
	Public	10.00%
	Private (incl SMEs)	76.00%
Working Links Wales (Private Sector)		
	Voluntary	5.30%
	Public	16.10%
West Midlands (Birmingham, Solihull and Black Country)		
FourstaR Employment & Skills Ltd (Private Sector)		
	Voluntary	11.92%
	Private (incl SMEs)	2.58%
Newcastle College Group (Public		

Sector)		
	Voluntary	10.70%
	Public	5.30%
	Private (incl SMEs)	84.00%
Pertemps (Private Sector)		
	Voluntary	8.00%
	Public	12.00%
	Private (incl SMEs)	11.00%
West Midlands (Coventry, Warwickshire, Staffordshire and the Marches)		
ESG (Private Sector)		
	Public	21%
	Private (incl SMEs)	79.00%
Serco Ltd (Private Sector)		
	Voluntary	24.00%
	Public	12.00%
	Private (incl SMEs)	64.00%
West Yorkshire		
Business Employment Services Training (BEST) Ltd (Private Sector)		
	Public	15.00%
	Private (incl SMEs)	15.00%
Ingeus UK Ltd (Private Sector)		
	Voluntary	8.20%
	Public	2.50%
	Private (incl SMEs)	44.10%
South Yorkshire		
A4E Ltd (PrivateSector)		
	Voluntary	20.00%
	Public	5.40%
	Private (incl SMEs)	13.10%
Serco Ltd (Private Sector)		
	Voluntary	44.00%
	Public	2.00%
	Private (incl SMEs)	54.00%
North East Yorkshire & Humber		
G4S (Private Sector)		
	Voluntary	8.23%
	Public	10.92%
	Private (incl SMEs)	80.84%
Newcastle College Group (Public Sector)		
	Voluntary	19.10%
	Public	71.80%
	Private (incl SMEs)	9.10%