

## WRITTEN MINISTERIAL STATEMENT

Friday 1st April 2011

### THE DEPARTMENT FOR WORK AND PENSIONS

#### Work Programme Preferred Bidders

**The Minister for Employment (Rt. Hon Chris Grayling MP):** This morning, the Government took another major step forward in its delivery of the most sweeping welfare reforms for 60 years, announcing preferred bidders for 40 Work Programme contracts.

Competition for contracts was intense, with 177 bids submitted by 30 organisations and this has led to a diverse and high quality list of preferred bidders.

We have also been very encouraged by preferred bidders' response to the emphasis we placed on the involvement of voluntary, local and community organisations in Work Programme delivery. There is impressive voluntary sector involvement with almost 300 voluntary sector organisations involved in delivery of the Work Programme as sub-contractors, and 2 voluntary sector organisations and 1 public sector organisation as prime contractors. Voluntary sector organisations make up a substantial proportion of prime contractors supply chains, in some cases over 50%, representing an investment of £95 million in the voluntary and community sector.

We have chosen at least two providers to deliver in each of the 11 contract package areas. Their relative performance will determine their future share of the welfare to work market in each contract area, and we expect that this ongoing competition will continue to drive quality and performance in live running.

The new payment by results system will deliver better value for money by paying providers from additional benefit savings they create, and providers will be paid more for helping those with the greatest needs, creating better incentives to deliver truly tailored support for everyone.

The announcement of preferred bidders today keeps us on track for successful delivery of the Work Programme in June, delivering innovative back to work support for around 2.4 million people.

[I will place a document containing the list of preferred bidders in the library today.](#)