

Accounting Officer Assessment – Connect to Work Programme

It is normal practice for Accounting Officers to scrutinise significant policy proposals or plans to start or vary major projects and then assess whether they measure up to the standards set out in Managing Public Money. From April 2017, the government committed to make a summary of the key points from these assessments available to Parliament when an Accounting Officer has agreed an assessment of projects within the Government's Major Projects Portfolio.

This Accounting Officer Assessment considers the Connect to Work Programme, which is a Department for Work and Pensions (DWP) Labour Market initiative with the DWP Permanent Secretary as the Accounting Officer. It is being published now following HM Treasury (HMT) approval of the Programme Business Case (PBC).

Background and Context

Connect to Work is a voluntary employment Programme for inactive disabled people and those with health conditions and additional barriers to employment. The Connect to Work Programme offers up to 12 months of 'place and train' support from a dedicated keyworker, assisting participants in finding suitable jobs tailored to their needs.

Funded across England and Wales, once operating in steady state Connect to Work aims to support up to 100,000 people each year by providing grant funding to Accountable Bodies (ABs). The ABs are mostly the lead authority for a "cluster" of local authorities (LAs) who work together to deliver the Programme in return for the grant funding. In some cases, the AB is a formally constituted Combined Authority.

Following approval of the Outline Business Case (OBC) an Accounting Officer Assessment was published in November 2024. This Assessment provides an update following Chief Secretary to the Treasury's approval of the PBC on 23 June 2025.

In the Autumn Budget 2024, Greater Manchester and West Midlands were allocated funding through Integrated Settlements. An Outcomes Framework for these two areas has been agreed for 2025/26 and funding has been transferred from DWP to the Ministry for Housing, Communities and Local Government.

Since the publication of the Connect to Work grant guidance on 26 November 2024, the Programme has invited ABs to submit delivery plans. The Programme has received draft or final delivery plans from most of the ABs and expects to receive the remainder over the next few months. The first delivery area to roll out began supporting participants in April 2025. As a result of the Spring 2025 multi-year Spending Review, the impact of funding uncertainty for ABs has reduced.

Assessment Against Accounting Officer Standards

Regularity

The Programme requires no new primary or secondary legislation to deliver its objectives. Legal advice confirms the Secretary of State has the authority to issue grants under section 2 of the Employment and Training Act 1973. The scheme is within the Department's ambit, being clearly related to movement towards and sustainment in employment and does not run counter to any wider legislation.

The defined funding period for Connect to Work is up to March 2030. This is set out clearly in the Grant Funding Agreement's (GFAs) and is the basis upon which ABs are developing their delivery plans.

Funding for 2025/26 was agreed in the Spending Review 2025 Phase 1. Funding for 2026/27 to 2028/29 was confirmed in the outcome of the Spending Review 2025 Phase 2. Funding for any commitments beyond 2028/29 will be subject to further confirmation by HMT. While funding for the full duration of the programme is not guaranteed, as a result of the spending review, DWP has been able to provide additional assurance of funding up to 2028/29. Since any Accountable Body wanting to contract would be doing so in this financial year, the Spending Review settlement gives them the certainty of funding to contract over three years and may assist with their longer-term arrangements.

The Regularity test is met, subject to confirmation of the future funding position for 2029/30.

Propriety

The Programme will meet Parliament's expectations by ensuring provision is in place across England and Wales, considering the devolution agenda and incorporating appropriate controls. Delivery through ABs aligns with the government's localism agenda and grant policy requirements.

Connect to Work offers ABs operational flexibility but requires compliance with supported employment standards. Controls, cost validation, and performance management frameworks are in place, with arrangements for regular publication of performance data.

The Programme adopts a phased rollout approach informed by AB Delivery Plans. The phased rollout approach allows time to test and learn, although it may result in regional variations.

The Programme will support ABs through a range of activities, ensuring that implementation aligns with both local and national expectations. Arrangements and start dates in delivery areas will vary, however, local integration is a key rationale and requires different approaches in each area. Volumes in each area are derived from a consistent formula and reflect existing local arrangements.

Programme risks including fraud have been assessed and mitigations to manage the risks are being implemented.

The propriety test is met.

Value for Money

The Return on Investment estimates in the PBC Economic Case are based on evidence from similar employment schemes, demonstrating that the supported employment model drives benefits. This evidence indicated a Net Present Value (NPV) of approximately £693m over nine years. This is a decrease from the £728m NPV in the OBC caused by better reflecting the impact of inflation in the NPV estimate.

The most significant risk to the Programme not realising its returns and benefits, is low participant volumes. The Programme has adopted a ratio of 85% out-of-work participants to 15% in-work participants aligning with Ministerial priorities to reduce inactivity and raise

workforce participation rates. Scenario analysis found that, if other planning assumptions hold, the Programme would still show a positive return, £16m, even if volumes were 50% lower than the central scenario.

The Programme will have an Evaluation Framework in place to provide evidence of Value for Money, and there is a requirement to record outcomes on DWP systems to ensure alignment with other Programmes.

To apply for funding, ABs must submit Delivery Plans and Grant Cost Registers, which are robustly challenged by DWP. Only when they meet the required standard will they be progressed. Connect to Work requires ABs to adhere to Supported Employment standards, with limited flexibility.

To ensure appropriate use of funds, eligibility checks will be completed and appropriate action taken if funds are found to have been misused. Additionally, s151 statements from the ABs will confirm financial controls are in place locally.

The value for money test is met.

Feasibility

The Programme faces several delivery risks, including safe implementation.

The modelled participation volumes are based on previous initiatives, with over 1 million eligible individuals expressing interest in participating if their conditions allow. Analysis of trial data suggests that ABs, once in a steady state, can achieve these volumes, despite historical take-up rates of voluntary programmes for people with disabilities and health conditions being sometimes lower than expected.

Since the grant guidance was published on 26 November 2024, ABs have started submitting delivery plans, the Programme is addressing AB queries reviewing their submissions and for those who have had their delivery plans approved, GFAs have been signed enabling the ABs to implement delivery arrangements and start contracting with suppliers.

DWP's experience indicates that contracting may take 9-12 months although some ABs expect to be able to deliver to shorter timescales, therefore a first fidelity assessment occurs 12-16 months after delivery begins.

Connect to Work delivery commenced in Spring 2025, with the first AB having signed its Grant Funding Agreement in April 2025. During the ramp-up period, DWP will provide ongoing support, manage AB performance using ongoing Management Information (MI) and conduct cost validation exercises, ensuring payments align with the AB's Cost Registers and monthly profiles.

Digital activities have largely been completed in alignment with service readiness. The remaining components are currently underway. The Programme will continue to manage any timeline uncertainties, report progress and escalate risks as necessary.

The feasibility test is met.

Conclusion

In conclusion, I have prepared this summary to outline the key points informing my decision. My overall assessment is that the Connect to Work Programme satisfies the requirements of the four Accounting Officer tests—regularity, propriety, value for money, and feasibility—to proceed at this stage. This assessment is contingent on critical dependency of future funding. If these factors change materially during the Programme's lifetime, I undertake to prepare a revised summary, setting out my assessment of them.

This summary will be published on the government's website (GOV.UK). Copies will be deposited in the library of the House of Commons and sent to the Comptroller and Auditor General and Treasury Officer of Accounts.

Sir Peter Schofield KCB

18 July 2025