



From devolution to delivery: a blended commissioning framework for effective employment support.

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AKG's approach

At AKG, we understand the role effective employment support can play in helping people move into, stay in and progress in good work. Every person, place and community is different. That is why, together with individuals, employers, commissioners and partners, we co-design and deliver services that are practical, person-centred and rooted in local need.

AKG supports a blended approach to employment support commissioning. National commissioning remains important where scale, consistency and shared infrastructure are essential, while local commissioning and tailoring can enable services to respond more effectively to communities, participant groups and local labour-market conditions. A strong national framework could provide the common standards and accumulated commissioning learning needed to make both approaches effective.

By a strong national framework, we mean a clear minimum core for eligibility, outcomes, data, mobilisation, commercial principles, contract management, service expectations, social value, and provider engagement. Within that core, local areas should be able to tailor delivery models and partnerships, referral routes, employer engagement and integration with employment, skills, health and wellbeing services.

Where commissioning responsibility is transferred to local areas, its benefits depend on commissioners having the capacity, expertise, guidance and commercial tools to procure well. This position is informed by AKG's delivery, bidding and partnership experience across national and local programmes, including Restart and Connect to Work.

The next phase of employment support commissioning should not default either to recentralisation or universal devolution. It should determine which services benefit from national scale and consistency, which benefit from local integration and tailoring, and the minimum conditions needed for both to deliver effectively. Connect to Work has demonstrated the promise of locally-led design, but also the risks created by variable procurement capacity, inconsistent commercial terms and uneven mobilisation.

Together, these recommendations address both the architecture of commissioning, including what should be national, local or blended, and the practical disciplines needed to turn that architecture into effective services.





Key recommendations

- 1. Introduce a national commissioning playbook for a blended national and local approach to employment support**, setting out which types of provision benefit from national scale and consistency, which elements can be commissioned or tailored locally, and the minimum standards for eligibility, outcomes, data, mobilisation, commercial principles, contract management, service expectations, social value, and provider engagement.
 - 2. Build local commissioning capability** through model specifications, commercial guidance, procurement expertise, peer learning and practical mobilisation support, with proportionate readiness assurance before significant responsibilities are transferred.
 - 3. Commission integrated pathways** that join up employment, skills, health and wellbeing support around the individual.
 - 4. Design commercially viable and transparent contracts** that reflect delivery costs and service intensity, balance service fees with outcome incentives, avoid excessive risk transfer, and show how much funding reaches frontline delivery.
 - 5. Use structured pre-procurement engagement with providers, employers and communities** to test deliverability, shape specifications, inform lot design, and publish how that engagement shaped the final tender.
 - 6. Use procurement to codify and share good commissioning practice**, including clear specifications, viable, non-fragmented lotting, transparent processes, balanced evaluation, realistic mobilisation and measurable social value.
 - 7. Measure and publish outcomes, participant progress, comparative performance and learning through a common outcomes and data framework** covering job entry, sustainment, progression, participant experience, employer engagement, service integration, distance travelled and person-centred milestones.
- AKG's recommendations build on a consistent body of work¹ calling for considered devolved employment support with national standards and stronger data oversight; place-based integration of employment, skills and health; and relational, employer-informed support for people with complex needs.

AKG's position

01

Introduce a national commissioning playbook for a blended national and local approach.

Local flexibility works best when national expectations are clear. Where central government funds a national employment provision, every local area should not have to reinterpret the basics from scratch.

Eligibility, outcomes, data, mobilisation, commercial principles, contract management, service expectations, social value, and provider engagement should be nationally consistent. Local flexibility should focus on tailored delivery models and partnerships, referral routes, employer engagement and alignment with local labour market need.²

AKG's proposed playbook should build on DWP's Employment Category Commissioning Strategy 2025³ and existing commissioning guidance, including the Sourcing Playbook and Procurement Pathway, rather than sit apart from it. Its purpose should be to translate strategic guidance into a practical, plug-and-play resource for national and local commissioners: model specifications, best-practice guidance, case studies, mobilisation checklists, payment model options and examples of effective market engagement.

The playbook should not prescribe a single service or delivery model. Its role should be to preserve and make accessible the evidence, operational learning and commissioning expertise developed through national and local programmes, while defining the minimum conditions required for effective delivery. Accountable Bodies should retain discretion over local design but should set out how they have considered the playbook and explain any material departure from its guidance.

Decisions about national, local or blended commissioning should consider the need for scale and cross-boundary consistency, dependence on shared data or digital infrastructure, the value of integration with local services, the specialist nature of the participant cohort, provider-market capacity and the commissioning readiness of the area.

As an example, in our experience of Connect to Work as a national programme with common policy intent, outcomes and funding parameters, procurement has been devolved to Accountable Bodies.

This produced a wide variation in delivery models, procurement routes, risk appetite and commercial terms. AKG's experience across eight Lead Accountable Bodies included three procurements being cancelled mid-process and restarted.

This position is reinforced by the Work and Pensions Committee's recent report

on Connect to Work⁴, which warned that variation in local commissioning and delivery risks creating inconsistent experiences for participants and providers. A national commissioning playbook would help preserve local flexibility while setting a clearer minimum core for consistent, effective delivery.

Key recommendation

Government should introduce a national commissioning playbook that defines the common national core and criteria for national, local or blended commissioning, while preserving local discretion. It should provide adaptable guidance and require Accountable Bodies to explain how it informed their approach and any material departures.

¹[Support for the Future: Making a devolved employment support system work \(2025\)](#)

²[Guarantee of potential: Place-based employment support within a new local policy ecosystem \(2025\)](#)

³[DWP Employment Category Commissioning Strategy \(2025\)](#)

⁴[Employment support for disabled people: Connect to Work \(2026\)](#)



02

Build local commissioning capability.

Transferring commissioning responsibility to local areas requires more than delegating budgets. Accountable Bodies need the capacity, commercial understanding and service expertise to design viable contracts and manage highly performing, complex delivery partnerships. Commissioners need to understand participant journeys, payment models, supply chains, mobilisation, employer engagement and the practical differences between models such as Individual Placement and Support (IPS) and the Supported Employment Quality Framework (SEQF).

AKG's previous work has argued that locally responsive employment support must be backed by sufficient commissioning capacity, stronger DWP guidance and closer central-local working. In the paper *Support for the Future*⁵, AKG specifically recommended that DWP should support local areas with commissioning guidance, minimum standards and, where appropriate, access to officials with experience of large-scale commissioning and data.

MPs similarly highlighted⁶ that in the launch of Connect to Work, support from DWP was not consistent across areas, with variation in

guidance, engagement and digital readiness. Its recommendation that DWP strengthen operational processes, information flows and consistent national standards supports AKG's case for more practical commissioning support to Accountable Bodies.

The extent and pace of delegation should reflect an area's demonstrated commissioning maturity. Before full commissioning responsibility is transferred, DWP and the relevant Accountable Body should complete a proportionate readiness assessment covering governance, procurement and commercial capacity, data and digital readiness, market engagement, mobilisation and contract management.

Where an area is not yet ready, DWP should provide enhanced support, co-commissioning arrangements or access to nationally procured frameworks. Greater responsibility should be transferred in stages as capability develops. This should be an improvement and assurance process, rather than a permanent barrier to local control. Where devolved provision is replacing outgoing national services, commissioners should aim to avoid long breaks in provision.

Key recommendation

DWP should provide Accountable Bodies with model specifications, commercial guidance, peer learning and mobilisation support, and assess readiness before transferring significant responsibilities. Where capability or capacity gaps remain, enhanced support, co-commissioning, national frameworks or staged delegation should be used.

⁵[Support for the Future: Making a devolved employment support system work \(2024\)](#)

⁶[Employment support for disabled people: Connect to Work \(2026\)](#)



03

Commission integrated pathways.

Employment support should not be commissioned in isolation. People furthest from the labour market often face complex, interdependent barriers across health, skills, housing, confidence, caring responsibilities, transport and local employment opportunity.

AKG has argued⁷ that employment, skills, health and wellbeing support should operate as a single pathway, particularly for young people, disabled people, people with

long-term health conditions and those with complex needs. Coherent, cross-departmental funding linking these services would be welcomed. Employers should also be involved earlier in programme design so that support meets local labour market needs and reflects real vacancies, progression routes and workplace expectations.

Key recommendation

Commissioners should design joined-up employment, skills, health and wellbeing pathways through local partnerships, bringing together government, health, employers, skills providers and VCSE and specialist organisations. These pathways should include embedded health support, shared case management, employer input and in-work support.

⁷[AKG contributes to independent Government review on young people and work \(2026\)](#)



04

Design commercially viable and transparent contracts.

Employment support for complex cohorts requires skilled staff, outreach, coaching, assessment, employer engagement, partnership management, in-work support and sustained case management. These costs are incurred before employment outcomes are achieved.

Commercially weak contracts are fragile and risk poorer outcomes for end users. Excessive risk transfer, flat funding rates or 100% payment-by-results can significantly reduce service quality, limit reach, deter capable providers and leave public funding underused.

In AKG's experience, inappropriate payment mechanisms, including flat funding rates that do not reflect service intensity, can leave DWP grant funding undrawn; reducing the resources available for frontline support. Commercial models should therefore reflect the true cost and intensity of delivery, particularly for participants with complex barriers.

An East Midlands Local Authority's Connect to Work commissioning provides a useful example of a more balanced approach, with three substantial lots and a payment mechanism based on 70% service fee and 30% payment-by-results, creating a lower-risk contract while retaining an outcomes incentive.

Minimum commercial principles should also require transparent reporting of commissioning, administration and contract management costs, including management fees within delivery supply chains. Commissioners should show the proportion of total programme funding expected to reach frontline delivery and explain how duplicated management, reporting and performance management layers have been avoided. DWP should benchmark these costs across areas and require justification where they appear disproportionate.

Key recommendation

Government should set minimum commercial principles covering service fees, outcome payments, mobilisation funding, risk transfer and service intensity. Commissioners should avoid 100% payment-by-results for complex cohorts, test models with the market and report how funding is divided between administration, contract management and frontline delivery.

05

Use structured pre-procurement engagement effectively and show how it has shaped the tender.

Good commissioning starts before the tender is published. Pre-procurement engagement should include providers, employers, VCSE organisations, skills providers, referral partners and, where appropriate, people with lived experience. Crucially, commissioners should publish a clear feedback trail alongside the final specification, showing what was heard, what changed as a result, and why any material feedback was not adopted. This should cover changes to delivery design, commercial structures, payment models, lot structure, partnership expectations, mobilisation assumptions and performance expectations.

In practice, many national and local commissioners already use pre-procurement engagement to test proposed payment models with the market. The issue is often not the absence of engagement, but whether it is treated as a genuine design input. AKG's experience is that providers can raise practical concerns about payment profiles, but final tenders can still be issued with limited change. Commissioners should therefore build in

sufficient flexibility to respond before launch and publish a short "you said, we did" summary explaining how market feedback has shaped the final tender.

Employers should also be involved early. AKG Korea's Customised Job Placement Programme provides a useful example of employer-informed design in practice. The programme gives young people direct contact with employers through job-focused training, mentoring from business professionals, job matching with local businesses, recruitment events and opportunities to work on real business challenges. It also uses SME wage subsidies alongside programme delivery to widen the pool of employers able to offer opportunities to young people.

The lesson for commissioners is that employer engagement should not be left until the end of a participant journey. It should shape programme design from the outset: the skills offer, referral pathways, job matching, employer support, post-placement coaching and the way risk is shared between participants, providers and employers.

Employer engagement should be designed around what employers can realistically manage. SMEs often lack the capacity to engage with multiple providers or complex programme requirements, while larger employers may be approached by several

primes or delivery partners across different areas.

Commissioners should therefore make employer engagement simple, coordinated and low burden, with clear points of contact and shared materials to avoid duplication.

Key recommendation

Commissioners should use structured pre-procurement engagement with providers, employers, VCSE organisations, referral partners and people with lived experience to test assumptions and shape tenders. They should publish how feedback influenced commercial structures, lot design and mobilisation, and coordinate employer engagement to reduce duplication.



06

Use procurement to codify and share good commissioning practice.

Procurement remains an essential tool for commissioners to shape the market, define service quality, allocate risk, support integration and ensure public funding reaches frontline delivery.

Connect to Work shows that strong procurement practice is already emerging, but inconsistently. Good examples have included detailed specifications, viable contract sizes, balanced payment mechanisms, transparent KPIs and mature social value frameworks. Poorer examples have included over-fragmented lots, rushed bid processes, inconsistent clarifications, unclear build-or-buy approaches and an apparent misunderstanding of delivery models such as SEQF and IPS.

Social value should be structured and measurable, not left as a generic bid narrative or excluded altogether. Commissioners should use pre-defined

frameworks and commitments, such as TOMS, to make social value transparent, comparable and capable of being contract managed. From 2027, the Government's revised Social Value Model (PPN 026) will double the minimum social value weighting from 10% to 20% for central government contracts worth £5 million or more. This increased focus on measurable community benefit means commissioners should evaluate social value as rigorously as any other outcome. A North West Local Authority's Connect to Work procurement provides a useful case study: clearly defined geographies; viable, non-fragmented lots designed to avoid unnecessary provider overlap and preserve sustainable delivery volumes; detailed KPIs; a viable payment model; 90% technical scoring and 10% social value; no price weighting; and pre-defined TOMS goals and monetary values measured and recorded through the Social Value Portal.



There is no single optimum lot size. Lotting should provide sufficient scale and referral volume for viable delivery, while allowing credible specialist and VCSE organisations to participate. Commissioners should avoid structures in which multiple providers compete for the same participants or repeatedly approach the same employers, and should publish the rationale and market-testing evidence behind their chosen lot structure.

This also aligns with the Work and Pensions Committee's recommendation⁸ that DWP identify lessons from Connect to Work mobilisation that can be applied to future employment support programmes. Capturing strong local procurements as case studies would be a practical way to turn those lessons into repeatable commissioning guidance.

Key recommendation

DWP and local commissioners should codify strong procurement practice through case studies and guidance. Future procurements should combine clear specifications, viable, non-fragmented lotting, transparent processes, balanced evaluation, realistic mobilisation and measurable social value, while avoiding unnecessary provider and employer overlap.

⁸[Employment support for disabled people: Connect to Work \(2026\)](#)



07

Measure and publish outcomes, progress and learning through a common outcomes and data framework.

Measuring whether commissioning is delivering services that help people move into, stay in and progress in good work, and assessing the effectiveness of interventions over time will be critical.

Employment outcomes remain essential, but they should not be the only measure of success. For people furthest from the labour market, progress towards work can include personal milestones such as sustained engagement, improved confidence, better routine, skills development, work exposure, improved health management, employer contact or increased readiness for employment. These milestones should be recognised as meaningful outcomes in themselves, particularly where they show that a participant is moving closer to sustainable work.

The Work and Pensions Committee's report⁹ supports this broader view of impact, noting that Connect to Work's evaluation should consider wider outcomes as well as performance. This aligns with AKG's view that outcome frameworks should recognise personal milestones, distance travelled and progression towards work, not only job entry and sustainment.

Restart has demonstrated why this matters. Headline data can show how many

participants achieve first earnings or a job outcome, but it tells us less about the measurable progress made by those who do not move into work during the programme. A stronger outcomes framework should therefore capture both employment outcomes and the distance travelled by participants who are still progressing towards work.

AKG's recent learning from delivery of Sweden's 'Steg till Arbete' (Steps to Work) programme provides a useful example. The programme supports people to move gradually towards work or study through tailored guidance, work-preparatory activities and staged support, recognising that job readiness is developed over time rather than being a fixed starting point. This contrasts with models that focus primarily on rapid placement and underlines the importance of preparing participants properly before job entry so that employment is more likely to be sustained.

AKG's experience through one UK-based partnership pilot also shows why distance travelled matters. Independent evaluation found that 74% of NEET young people with complex needs sustained engagement through the programme, supported by trusted, consistent relationships with a named coach or mentor.

For individuals furthest from the labour market, this kind of progress is a critical step towards sustainable employment and should be reflected in commissioning outcome frameworks. AKG is also reflecting this

learning into future service design, including by placing greater emphasis on progression, job readiness and personal milestones alongside employment outcomes.

Key recommendation

Government should establish a common outcomes and data framework with consistent definitions for employment outcomes, participant progress, distance travelled and personal milestones. DWP should publish comparable, contextualised area- and programme-level performance, and commissioners should use formal learning reviews to improve delivery.

⁹[Employment support for disabled people: Connect to Work \(2026\)](#)



