

The National Employment Service - Implementation and Delivery Plan

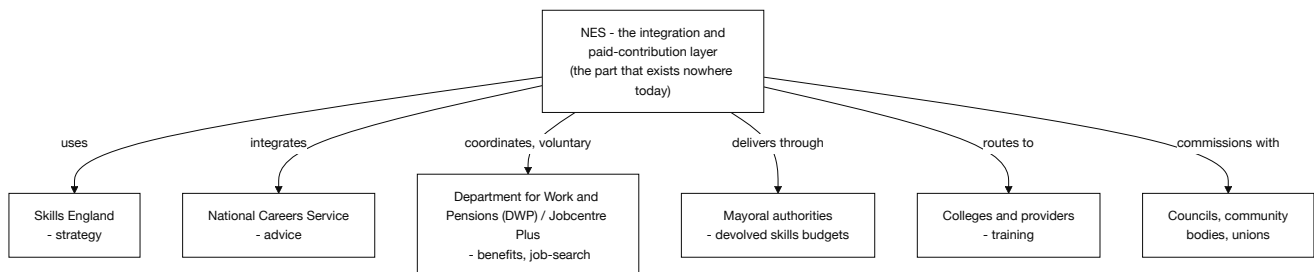
The operational detail behind the *White Paper*: how the National Employment Service (NES) would actually be legislated, built, funded, governed, sequenced and - if the evidence does not hold - wound down.

Discussion draft · version 1.0 · May 2026. Companion to the White Paper, the Evidence Annex, the Costing and the Pilot Design. It answers the seven questions any implementation-ready policy must answer: legislation, delivery body, funding (whole-life cost, source and incidence), the first hundred days, measures of success and evaluator, sequencing and dependencies, and failure modes and exit conditions. Like the White Paper, it sets out options and does not advocate adoption; the scale and the value question are for the public.

This plan describes a **pilot-first** route. Nothing here commits the country to national scale. National scale is gated (Gate 3) on a *proven* benefit-cost ratio and a confirmed cross-departmental funding settlement; absent those, the programme does not expand, and the no-regret infrastructure is retained.

1. The institutional landscape - what NES owns, uses and coordinates

The first delivery risk for any "single front door" is becoming an **N+1 coordinating layer** on top of bodies that already claim to coordinate. NES avoids this by owning only the layer that genuinely exists nowhere, and using the rest. The boundary map:



Existing body	Its function	NES relationship
Skills England	National skills strategy and demand analysis	Uses - NES delivers against Skills England's strategy; it does not set skills strategy.
National Careers Service	Careers advice and guidance	Integrates - NES embeds NCS advice in the personal pathway; it does not duplicate advice.
DWP / Jobcentre Plus	Benefits administration; job-search support; conditionality	Coordinates, voluntary and parallel - NES is opt-in and does <i>not</i> run the conditionality regime. It reuses DWP's Find a Job rails (see §6).
Mayoral Combined Authorities	Devolved Adult Skills Fund; local economic strategy	Delivers through - NES commissions and delivers locally via Mayors and councils, not over their heads.
Colleges and training providers	Education and training provision	Routes to - NES funds and refers; it does not become a provider.
Local authorities, community bodies, unions	Local need; oversight	Commissions with - they sit on the local commissioning panels that source and sign off roles.
<i>The integration-and-paid-contribution layer</i>	Person-level routing across all of the above, plus funding paid additional work	Owns - this is NES. It exists nowhere today.

The single thing NES owns that no one else does is the bottom row: an integrated route through the landscape for the person, and the funding of paid, additional, socially-valuable work. Everything else it borrows.

2. Legislation

2.1 Primary legislation - a National Employment Service Act

- **Statutory remit and duties.** Establishes NES as an arm's-length body with a defined remit (the two missions), a duty to operate the additionality safeguards (§9), a duty of cross-departmental cooperation, and a **statutory, ring-fenced evaluation duty** so the evidence base survives a spending review. (The Future Jobs Fund was cancelled before its evaluation reported; the duty exists to prevent a repeat.)
- **The make-work-pay guarantee.** The reform of how Universal Credit interacts with earnings is **reserved and UK-wide**, and is the element most likely to need primary legislation (or substantial regulation under the existing welfare framework). It is logically separable from the rest of NES and could proceed on its own track.
- **Employment-law status of placements.** The Act must settle that paid placements are **genuine employment** with full worker rights - a real contract, holiday and pension entitlement, Real Living Wage compliance - and explicitly not a benefits-conditionality activity. This is what distinguishes NES from workfare in law, not only in framing.

2.2 Secondary legislation and statutory instruments

- **Data-sharing gateways.** The federated, consent-based data layer needs lawful bases to surface a unified view across the Department for Education's (DfE) Learning Records Service, His Majesty's Revenue and Customs (HMRC) and DWP. The likely route is the **Digital Economy Act 2017** public-service-delivery powers plus bespoke data-sharing agreements, with a **Data Protection Impact Assessment** (a formal check of privacy risks) and Information Commissioner's Office (the UK's data-protection regulator) engagement before any data flows. The lawful basis is consent plus public task under UK GDPR (the General Data Protection Regulation, the UK's main data-protection law) / Data Protection Act 2018. **There is no national database** (White Paper §4.7); NES is a broker on consent.
- **Commissioning and additionality framework.** The funded-post test, union/sector sign-off and the non-competition rule (§9) are given force through the commissioning regulations and the body's published framework.

2.3 Critical-path legal dependencies

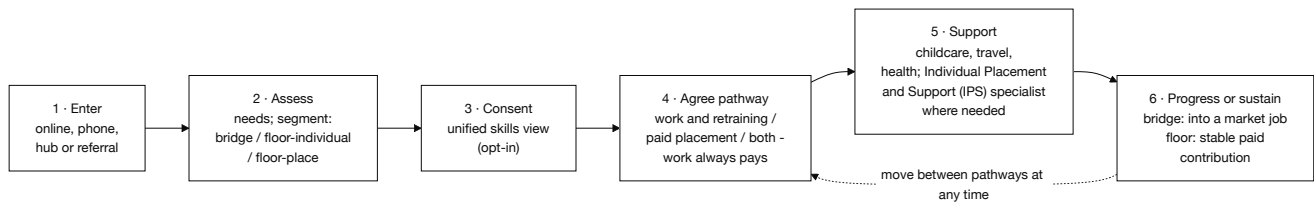
The data gateways and the make-work-pay element are on the critical path: the pilot cannot reach Gate 1 (go-live) without the gateways in place, and the make-work-pay reform must be at least in pilot regulation before placements begin, or participants face the very cliff-edges NES exists to remove. These are sequenced in §7.

3. Delivery body and governance

- **Form.** A lean national spine as an arm's-length body - an executive agency or non-departmental public body - owning the platform, standards, the make-work-pay reform, funding flows and the evaluation. It is deliberately small: it commissions and sets standards, it does not deliver directly.
- **Cross-departmental sponsorship from the outset.** Because the benefits land across departments (White Paper §7.4), the sponsorship and funding should too: a DWP lead with DfE, the Department of Health and Social Care (DHSC), the Ministry of Housing, Communities and Local Government (MHCLG), and HM Treasury (HMT) as co-sponsors. This is not administrative tidiness - it is how the wrong-pocket scoring problem (§5) gets solved in practice, by giving the departments that *receive* the savings a stake in the body that *generates* them.
- **Local delivery.** Mayors, councils, dedicated non-market entities and local commissioning panels deliver. The national body provides the platform, the standards and the money; local actors provide the roles, the supervision and the local knowledge.
- **Board composition.** Government departments, local authorities, employers, unions, the voluntary sector, cultural organisations, data-ethics expertise and participant voice - with the additionality safeguards and the evaluation reporting to the board independently of delivery pressure.

4. The citizen journey

The journey is designed around what the person is trying to achieve, not around the institutions behind it:



1. **Enter** - online, by phone, through a local hub, or by referral from a jobcentre, GP, college or community body. One route in, however the person arrives.
2. **Assess** - a needs assessment that segments without labelling: *bridge* (closer to the market, progression-oriented), *floor-individual* (far-from-market, health or disability - routed to an IPS-fidelity specialist), or *floor-place* (a collapsed-market area). Needs-assessed at intake, not treated as homogeneous.
3. **Consent** - the person chooses whether to surface a unified view of their existing records (learning, earnings, benefits) through the federated layer. Opt-in; partial coverage is fine.
4. **Agree a pathway** - job-matching and retraining (Mission 1), or a paid additional placement (Mission 2), or a combination, with the make-work-pay guarantee ensuring work always pays.
5. **Receive support** - childcare, travel, equipment, health adjustments, and for the floor-individual cohort an Individual Placement and Support specialist (IPS being a well-tested method of helping people into work) at "Good"-or-better fidelity.
6. **Progress or sustain** - for the bridge cohort, post-placement transition support toward unsubsidised work (the lesson from the Employment Retention and Advancement (ERA) trial: durability needs support and a five-year horizon). For the floor cohort, stable, dignified, ongoing paid contribution - success measured by stability and wellbeing, not exit.

At every step the person can move between pathways. No step is a sanctionable obligation.

5. Funding - whole-life cost, source, and incidence

5.1 Whole-life cost (from the costing)

Phase	Cost
One-off setup (lean platform, mobilisation, design authority, standing up entities)	£150-500m (separate from running costs)
Pilot (≈12,000 paid placements + Mission-1 throughput, 4-5 regions, 3 years)	£1.0-1.8bn over three years
National steady state at 300,000 placements (gross / Exchequer net)	£7.8bn gross / £4.15-4.75bn net per year

Per placement per year: ~£26,122 gross; ~£13,846 (whole-government) to ~£15,846 (paying-department) net. Central societal benefit-cost ratio (BCR, the value returned per pound spent) ≈ 0.97 (range 0.59-1.46). **NES is not self-funding** (White Paper §7).

5.2 Source - a neutral core plus a public-choice menu

The **neutral core** funds the baseline without coding NES on the political spectrum:

- redirect participants' passive benefits into active wages;
- consolidate today's fragmented employment-and-skills budgets (parts of Restart, the Work and Health Programme, the Adult Skills Fund);
- recover dodged tax (Pillar Two, the Diverted Profits Tax, avoidance enforcement);
- the departmental funnel - replace some consultancy spend with trained public-workforce delivery capacity;
- invest-to-save.

The **public-choice menu** offers more ambition, each option presented with an honest graded estimate of what it reliably raises and at what risk, and flagged where it is a value choice: a wealth tax, an AI/automation levy, capital-gains alignment, windfall taxes. **NES does not prescribe a mechanism.** A fiscal-conservative government funds the core from redirection; a progressive one adds a menu option; both use the same NES.

5.3 Incidence - who pays, and the wrong-pocket problem

The honest difficulty is **scoring, not economics**. Much of the payback lands in *other* departments (health, social care, justice) over a longer horizon than Treasury scoring windows, and some is foregone-tax-now-recaptured that Treasury may not credit. So the economics can be near-neutral while the score still shows a large upfront cost on one department's line. The fixes are structural, not rhetorical:

- a **cross-departmental funding settlement** so the departments that receive the savings contribute to the body that generates them (this is why §3 puts them on the sponsorship from day one); and
- **prove-then-scale** - the pilot measures the actual cross-departmental savings, converting them from assumption to evidence before any national commitment (Gate 3).

6. Reusing existing infrastructure

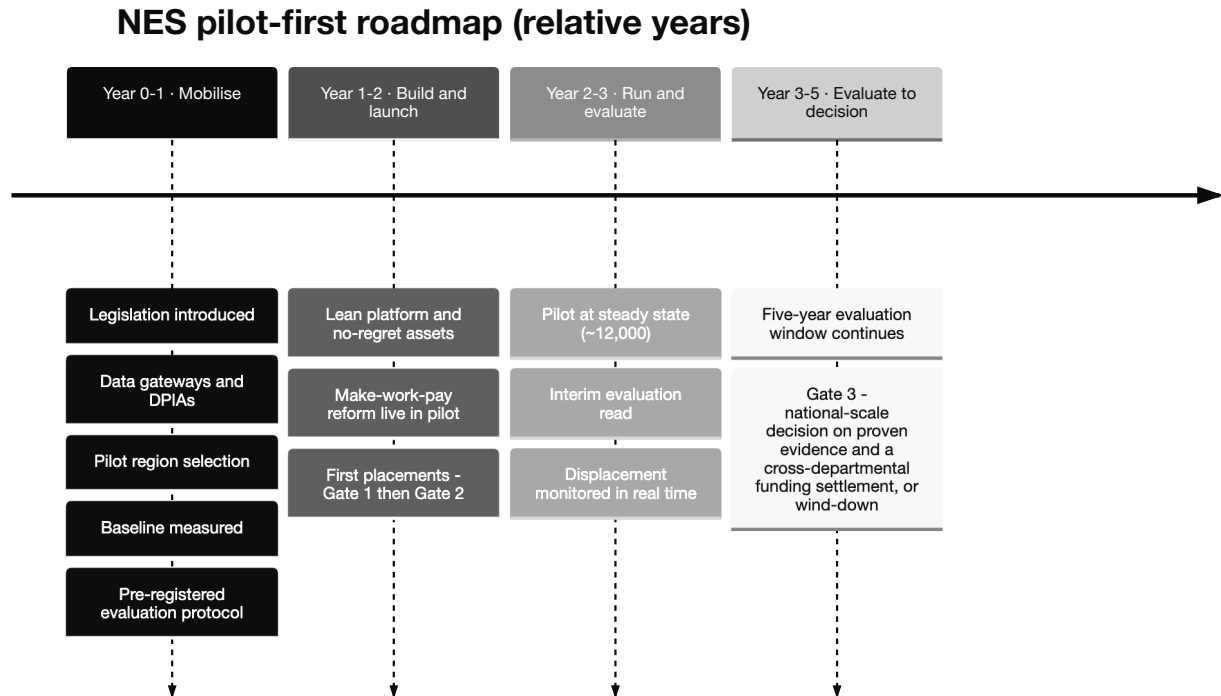
NES builds the minimum and reuses the rest:

- **DWP's Find a Job** (and its 2026 rebuild) - NES *extends* it with paid community/regeneration placements alongside market vacancies, and adds a mobility dimension (commute/relocate/remote). Coordinate with the rebuild; do not collide with it.
- **DfE Learning Records Service, HMRC, DWP data** - surfaced on consent through the federated layer, not copied into a new store.
- **The existing apprenticeship framework and skills levy** - used for Mission 1, not duplicated.
- **Skills England's demand analysis and the Mayors' devolved budgets** - the strategy and the local money NES delivers against.

The three things genuinely new - a real-time evaluation capability, the federated matching layer extending Find a Job, and the consent-based skills-data layer - are the **no-regret assets** (Pilot Design §2): built lean-but-reusable, and retaining national value even if NES never scales.

7. Sequencing, dependencies and the roadmap

7.1 Roadmap



Phase	Timing	Content
Mobilise	Year 0-1	Legislation introduced; design authority stood up; data gateways and DPIAs secured; pilot regions selected; baseline measured; evaluation protocol pre-registered and published.
Build and launch pilot	Year 1-2	Lean platform and no-regret assets built; make-work-pay reform live in pilot regions; commissioning panels and dedicated entities operating; first placements begin under the embedded evaluation. Gate 1 / Gate 2.
Run and evaluate	Year 2-3	Pilot at steady state (~12,000 placements); interim evaluation read; displacement and additionality monitored in real time.
Evaluate to decision	Year 3-5	Five-year evaluation window continues past the placements (the post-placement tail appears late). Gate 3: national-scale decision on proven evidence and a funding settlement - or wind-down with the no-regret assets retained.

7.2 Critical-path dependencies

These must be in place before the dependent step, and are the things most likely to delay or derail delivery:

- 1. Data-sharing gateways and DPIAs** - block Gate 1. No federated view without them.
- 2. The make-work-pay reform (at least in pilot regulation)** - must precede first placements, or participants hit the cliff-edges NES exists to remove.

3. **The devolution settlement** - pilot regions in devolved nations need agreement on how the reserved make-work-pay element meshes with devolved employment-and-skills competence.
4. **Programme consolidation** - redirecting existing budgets (Restart, Work and Health Programme, Adult Skills Fund) requires those programmes' commitments to be unwound in an orderly way.
5. **Cross-departmental funding settlement** - blocks Gate 3 (national scale), and should be pre-built through the day-one cross-departmental sponsorship (§3, §5.3).

7.3 The three decision gates (each evidence-gated)

- **Gate 1 - go live:** legal authority and data gateways in place; lean infrastructure live; commissioning panels and additionality safeguards operating; evaluation protocol published; baseline measured.
- **Gate 2 - expand within the pilot:** positive interim outcomes; no material displacement detected; placement quality and additionality holding; take-up in the expected range.
- **Gate 3 - national scale:** the benefit-cost ratio **proven** on *measured* wellbeing, output, displacement and transition; a stable platform; and a confirmed cross-departmental funding settlement. Absent these, NES does not scale.

8. The first hundred days

A concrete, deliverable list for the period immediately after Royal Assent (or the equivalent commitment):

1. **Appoint the design authority and interim leadership**, with cross-departmental sponsorship formalised (DWP lead; DfE, DHSC, MHCLG, HMT co-sponsors).
2. **Publish the pre-registered evaluation protocol** - outcomes, comparison-group construction and estimators - *before* any participant is enrolled, with the protected evaluation budget written into the body's mandate.
3. **Begin the data-gateway and DPIA work** with the ICO, since this is on the critical path for Gate 1.
4. **Select the 4-5 pilot regions** against the published criteria (community-org capacity to host; a labour-market shortage NES can feed; mayoral/local willingness to co-design; a clean measurable baseline) - a deliberately mixed set (collapsed-market, coastal, rural, urban).
5. **Stand up the first local commissioning panels** and the additionality framework, with union and sector representation.
6. **Commission the independent evaluator** and establish the baseline measurement, including the control areas for direct displacement measurement.

9. The additionality operating framework (the linchpin)

The entire anti-workfare, anti-displacement case rests on additionality being real, not asserted.

Operationally:

- **The funded-post test.** A role qualifies only if it is *not* an existing or planned funded post. A host organisation cannot cut paid staff and backfill with NES placements. This is tested at commissioning and audited in operation.

- **Source roles to minimise gaming.** Prefer dedicated non-market entities (on the model of France's 'zero long-term unemployment zones' scheme (TZCLD) - additionality is structural) and local commissioning panels (local knowledge plus a displacement guard). Avoid pure host-organisation bidding (the Kickstart model, ~54% deadweight) except at the margins.
- **Union and sector sign-off** on each role at the local panel.
- **Scaffold, not permanent substitute.** Where NES reveals a genuine standing need, that is evidence the service should be *properly funded* - escalated as such, not kept on cheap transitional labour. NES is a lever against austerity, not a tool that entrenches it.
- **Measured, not assumed.** Displacement and deadweight are measured directly in the pilot via linked employer-employee data and control areas (the standing criticism of Kickstart by the National Audit Office (NAO, Parliament's public-spending watchdog) was that this was never done).

10. Measures of success and the evaluator

Measures are multi-dimensional and adjusted for how far each person starts from the market (full list in White Paper §9): **wellbeing** (measured by ONS4, the Office for National Statistics' four standard life-satisfaction questions; a primary outcome), sustained unsubsidised employment for the bridge cohort, the social value of the work delivered, displacement and additionality (target ~zero), take-up against the eligible pool, stability and retention for the floor cohort, capability gains, and downstream effects on benefits, health and justice via linked administrative data. **No headline "% into market jobs" target** - it would gut the model and is meaningless where no market jobs exist.

The **evaluation is embedded before the first participant and pre-registered** (Pilot Design §4): randomised waitlists where oversubscribed; staggered-rollout Callaway-Sant'Anna difference-in-differences; entropy balancing rather than propensity-score matching; regression discontinuity at thresholds; a five-year window with no extrapolation. An **independent evaluator** is commissioned before launch, reporting to the board independently of delivery, with a statutory protected budget.

11. Failure modes and exit conditions

11.1 Risks and mitigations

Risk	Mitigation
Mischaracterised as workfare	Paid, voluntary, real employment rights in statute; no conditionality, no sanctions.
Bureaucratic expansion / N+1 layer	Lean national spine that commissions but does not deliver; the boundary map (§1) that uses existing bodies.
Displacement of real jobs	The funded-post additionality test; union sign-off; dedicated non-market entities; displacement <i>measured</i> directly, not assumed.
The ABM trap (Germany's ABM job-creation schemes, where sheltered dead-end work harmed the employable)	Progression-and-real-employer default for anyone who can reach the market; permanent placement reserved for those who genuinely cannot.
Data privacy / surveillance	Federated, consent-based, broker-only; no national database; DPIAs and ICO engagement; opt-in.
Cream-skimming the easy cases	No payment-by-results in the placement phase (the Work Programme lesson).
The wrong-pocket scoring problem	Cross-departmental settlement and sponsorship from day one; prove-then-scale.
Political mischaracterisation	Non-partisan by construction; the funding menu prescribes no tax; present options, do not advocate.
Major-project delivery failure (the standing risk in any large new state IT and delivery build)	Lean-but-reusable build; the no-regret assets stand alone; staged gates rather than a big-bang national launch.

11.2 Exit conditions

NES is explicitly stoppable, and the conditions are named in advance rather than left to political weather:

- **If Gate 2 fails** - material displacement detected, additionality not holding, or take-up far below expectation - the pilot does not expand, and the design is revised or halted.
- **If Gate 3 fails** - the measured benefit-cost ratio does not justify the Exchequer cost, or the public answers the value question (White Paper §7.6) "no", or no cross-departmental funding settlement is reached - NES does not scale. Existing placements are wound down with transition support; participants are not abandoned mid-stream.
- **In every exit case, the no-regret infrastructure is retained:** the real-time evaluation capability, the federated matching layer enhancing Find a Job, and the consent-based skills-data layer all keep their national value. This is what makes the pilot a defensible bet rather than an all-or-nothing gamble.

Sources and companions

[White Paper](#) · [Evidence Annex](#) · [Costing and model](#) · [Pilot Design](#) · [Public Summary](#). Evidence grades and full citations are in the Evidence Annex.