

National Employment Service (NES) Mission-1 costing - Better Work and Skills

A cost-benefit appraisal of the lighter-touch support cohort, separate from the paid placements costed in the main costing. Model and assumptions: `nes_costing/mission1_model.py`. Order-of-magnitude and deliberately conservative.

Why this is costed separately

The National Employment Service has two missions, and they have completely different economics. The main costing deals only with **Mission 2 - Paid Community Contribution**: real paid jobs for people the market has no place for, at roughly £26,000 a head a year, a genuine ongoing cost to the Exchequer at societal break-even. This note deals with **Mission 1 - Better Work and Skills**: the much larger, much cheaper cohort who need help getting *into* ordinary work and training, not a paid placement.

Conflating the two hides the truth in both directions. Mission 1 is cheap and, on the existing evidence, clearly cost-effective. Mission 2 is expensive and its case rests partly on a value judgement. Reporting a single blended figure would flatter the expensive part and understate the value of the cheap part.

What is being costed

Mission-1 support is integrated job-matching, retraining routes, sector-based fast-tracks, adviser support and practical wraparound (childcare, travel, equipment). The figure here is the **support cost NES itself adds per participant** - the matching, the adviser caseload, a fast-track, and wraparound. The cost of the actual training is largely met through the existing apprenticeship and skills-levy system and the Adult Skills Fund, so it is **not** added here; counting it would double-count money the state already spends.

The evidence this is anchored to

Rather than model employment probabilities from scratch - which would rest on weak assumptions - the figures are anchored to the closest evaluated UK programmes. Lighter-touch employment support of this kind is consistently cost-effective on the evidence:

Programme	Unit cost	Effect	Benefit-cost ratio	Grade
Sector-Based Work Academies	~£428	+13pp (percentage points) employment at 2 years	Societal £5.66; Exchequer £1.83 per £1	B/C
Work and Health Programme (voluntary)	~£1,560	+3-5pp (randomised trial)	No full ratio published	A (effect)
Work Programme	~£700-1,170	+46 days employment over 2 years	Societal £3.21; Exchequer £1.76 per £1	B/C
Restart	~£700-1,170	~36% job-outcome rate	Societal £2.44-£3.80 per £1	C

The pattern is consistent: this kind of support returns several pounds of social value and more than a pound to the Exchequer for each pound spent. The figures below are held conservatively against that range.

The figures

Per participant (the unit cost is one-off per support episode, not an annual wage):

Scenario	Support cost	Net to the Exchequer	Net to society	Exchequer ratio	Societal ratio
Conservative	£2,500	+£500 gain	+£2,500	1.2	2.0
Central	£1,200	+£960 gain	+£3,000	1.8	3.5
Optimistic	£600	+£720 gain	+£2,400	2.2	5.0

At scale (central scenario):

Throughput	Gross spend	Net Exchequer gain	Net societal benefit
Pilot (~40,000/yr)	£48m	+£38m	+£120m
National (250,000/yr)	£300m	+£240m	+£750m
National (750,000/yr)	£900m	+£720m	+£2.25bn

The honest reading

Two conclusions, and the caveats that go with them.

Mission-1 support is cost-effective on both counts. Unlike the paid placements, it returns more than a pound to the Exchequer for each pound spent, and several pounds to society - because it is cheap and it moves people into ordinary work and training where most of the value (wages, tax, lower benefit spend) follows. On the evidence, this is the part of NES least in doubt.

But the ratios are borrowed, not yet measured for NES. They come from comparable programmes (graded B/C), and they already reflect the central honesty problem in this kind of support: **deadweight** -

some participants would have found work anyway. The comparator ratios partly net this out, but NES's own deadweight, for its own cohort, is one of the things the pilot is designed to measure directly rather than assume (see the [Pilot Design](#)). Until then, treat these as the expected range on good external evidence, not as a measured NES result.

Together with the paid placements, the picture is honest and complete: a cheap, cost-effective mission that helps the many move toward ordinary work, and an expensive mission - paid contribution for those the market cannot place - that runs at societal break-even and a real Exchequer cost, and whose worth is a value question for the public. The two are costed apart precisely so neither claim leans on the other.

Companion to the [White Paper](#), the [main costing](#), the [Evidence Annex](#) and the [Pilot Design](#).