

POOLING TOGETHER

*SCOPING THE CAPACITY OF EDINBURGH, MID AND EAST
LOTHIAN'S DISABILITY AND EMPLOYMENT SUPPORT SECTOR*

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EXECUTIVE SUMMARY

JULY 2006

Pooling Together

Scoping the capacity of Edinburgh, Mid and East Lothian's Disability and Employment Support Sector

A research project by Sharon Milne of the Intowork Networks Team. The work was undertaken as a part of the ESF Objective 3 funded project, "Primary Intermediary Models". Funding for the research was provided through Edinburgh's Cities Growth Fund.

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Employability Forum*



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Social Justice in Edinburgh



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Section 1	Executive Summary
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Background to the Study

The primary purpose of this study was to scope disability and employment focussed services provided by specialist and other intermediaries, primarily within the City of Edinburgh, but also in the neighbouring East Lothian and Midlothian travel to work areas. Intermediaries were (in the main) keen to participate in and contribute to the completion of the study, recognising an opportunity to collectively promote their services and quantify the impact they make in placing and supporting people with disabilities into employment. The study represents the first time that such a detailed analysis of the local disability and employment service sector has been undertaken, and comes at a time when national government policy and resources are becoming ever more targeted on reducing the numbers of people claiming inactive benefits, particularly those in receipt of Incapacity Benefit.

Those clients receiving a service are generally those defined as having a disability under the Disability Discrimination Act 1995. The Act defines a disability as:

“A physical or mental impairment which has a substantial and long term adverse effect on the ability to carry out normal” day to day activities”¹

Quantitative and qualitative information was gathered in order to:

- Calculate the current capacity of intermediaries to work with disabled job seekers against actual and potential demand for these services.
- Quantify the cost of and job impact made by these services.
- Communicate to stakeholders the increasing relevance and wider value of the work undertaken by disability and employment

¹ Disability Discrimination Act 1995 (c. 50)

intermediaries, and the need to at least maintain or increase investment in this area of activity.

- Identify gaps, weaknesses and opportunities for development within the current service framework.
- Identify, if there are, patterns of working which could encourage demand led' academies to work more effectively in partnership with 'client centred' intermediaries.

Information was collected and collated from 18 key disability and employment intermediaries. These intermediaries provide services incorporating

- Pre-employment
- Employment transition and post employment support.

Information was also provided by:

- Edinburgh's eight Sectoral Employment Academies
- The City's local Area Based Initiatives
- Further Education Providers and Jobcentre Plus.

Policy, Service Framework, Funding and Legislative Context

National Policy Framework

The launch of the Green Paper 'A New Deal for Welfare: Empowering People to Work'² and subsequent Welfare Reform Bill has provided a driver for debate as to how people can be helped to move from 'enforced inactivity' into work. The proposed replacement of Incapacity Benefit and the creation of a new 'Employment and Support Allowance', complemented by mandatory work focused interviews and a revised 'Personal Capability Assessment' process, moves the focus to supporting capability, rather than sustaining incapacity. These changes, barring any major pre-implementation rethink, will come into force from 2008 onwards. They represent not

² Department for Work and Pensions (2006) A New Deal for Welfare: Empowering People to Work, January 2006

only a concerted effort to reduce the numbers of people currently claiming Incapacity Benefit, but an attempt to control the numbers of people taking up and staying on the new Employment and Support Allowance. The key service initiative supporting this shift will be 'Pathways to Work', which will be rolled out nationally by 2008 – with an expected arrival in Edinburgh and the Lothian in October 2007.

Service Framework

Pathways to Work will build on the current disability and employment service framework, a mix of core national programmes managed by Jobcentre Plus and sub contracted out to a range of national and local service providers across the public, private and voluntary sectors. These core programmes are complemented by a myriad range of additional services, funded largely by local authorities, local enterprise companies, the European Social Fund, the Big Lottery and grant giving Trusts. As a consequence, this current service framework, with its preponderance of short term contract and project based funding, can be confusing to jobseekers, employers, funders and even service professionals alike. The level and sophistication of provision can also differ significantly from one geographical or local authority area to another – although this is less of a problem in Edinburgh, Midlothian and East Lothian than other areas of Scotland. However, there are disparities in the depth of provision across these three council areas, with Edinburgh, as would be expected, having a comparatively greater depth of provision.

Given the perceived complexity of the current service framework and the 'competitive free for all' on which it is based, the recently launched 'Workforce Plus: An Employability Framework for Scotland'³ is a further addition to the drive for change. The stated desire to 'connect specialist and employment services in a coherent framework which promotes long term progression by individuals into and through employment', indicates that although the 'problem' is well recognised, it may be the solution and the collective desire to achieve it will be somewhat more elusive.

Funding and Resources

Amidst this desire for change, resources and the use of those resources is never far from the centre of debate. Within the context of the Welfare Benefit Green Paper and the new Employability Framework, the better use of existing resources is a key message.

3 'Workforce Plus' An Employability Framework for Scotland (draft), February 2003

Increasing those resources is not necessarily on the agenda. In all probability we are entering a period where the modus operandi may well be the better use of fewer resources.

As is demonstrated in this study, many current services depend on sources other than Jobcentre Plus to fund their services – most notably local authorities and the European Social Fund. Local authority funding becomes more stretched with each financial year, and the ongoing imposition of cost saving regimes and zero growth budgets will not alleviate this trend. The latter source will reduce to 45% or less of its current level from 2007 onwards. This unavoidable reduction will have a significant impact, as this source has been used to fund services which many feel should already have been mainstreamed. Supporters of this view can certainly be found within those organisations who subscribe to the ‘supported employment’ model – a person centred ‘process’ which traverses the initial engagement phase right through to post employment ‘in workplace’ support. Supported Employment has never made the leap from ‘project to mainstream’ funding. The impending reduction in ESF funding could certainly lead to the closure of some key organisations and services – many of which are geared towards working with a specific disability or those people most distanced from labour market participation.

Legislation

In terms of legislation, the study also recognises the ongoing implementation of the DDA and the public duty element which covers the employment practices of all public bodies. Equally important, given the increasing incidence of mental health issues within the working age population, is the Mental Health (Care and Treatment) (Scotland) Act 2003, whose Section 26 charges local authorities with the responsibility of ‘providing services designed to promote well being and social development’ including ‘assistance for people over school age in obtaining and undertaking employment’. Given that one in three people are now presenting for Incapacity Benefit with mental health issues, this could place an increasing demand on local authorities and further highlights the gap between mental health service capacity and potential demand. The demand on mental health services could potentially intensify if IB claimants whose principle disability is not a mental health problem are in receipt of mental health services..

Given the policy, service framework, resource and legislative contexts, it is clear that disability and employment provision is entering a period of such significant change, it is yet unclear what shape and form it will emerge in after this change is fully enacted. What this study indicates are some elements of that change process

around which a clear direction and activities can be undertaken, progress made and benefits derived.

The Local Disabled Population

Although the current employment rate in Edinburgh (77.1%) is above the Scottish average (74.9%), people with disabilities still face significant difficulties in obtaining and sustaining employment – even in what is considered a relatively buoyant regional labour market. In the City of Edinburgh, 60.6% of those people who come under the scope of the Disability Discrimination Act (DDA), or have a work limiting disability are currently inactive – approximately 19,000 people. The corresponding ‘inactive’ figures are higher in both Midlothian and East Lothian – 4,300 (72%) and 4,100 (70%) respectively.

Approximately 30,000 people in Edinburgh, East and Midlothian are in receipt of Incapacity Benefit (IB) or Severe Disablement Allowance (SDA). Around 18,000 people in these local authority areas receive Disability Living Allowance (DLA) – individuals in receipt of DLA may also be in employment, as this benefit is awarded regardless of occupational status. Given the annual collective service capacity identified within this study (around 1400 clients per annum), and taking into account that only a proportion of those people in receipt of inactive benefits will be able to or want to take up employment, a new benefits regime providing ‘more active encouragement to take up work’ may founder on that lack of service capacity. Even assuming employers would wish to recruit from that group; recent studies undertaken on behalf of the CIPD indicate that one in three of companies surveyed would not recruit people currently on inactive benefits. Within the Edinburgh labour market context, a further issue is the increasing number of migrant workers from accession states within the EU. Those migrant workers may offer a ‘skilled’ and ‘lower cost’ recruitment option, in comparison with employing local people who have been out of work for some time and face a range of ‘barriers and issues’.

Current Employability Services in Edinburgh, Midlothian and East Lothian

Study Findings

- The total value of identified funding for disability and employment intermediaries was approximately £3 million per annum, equating to around half of the £6 million annual spend on employment access provision within Lothian.
- Around 10 major funding streams were identified, with organisations (on average) funded by at least three different funding bodies.
- Of those funding streams, the largest spend was made by Local Authorities and the European Social Fund.
- Intermediaries indicated they would prefer more collaboration with funders, expressing the view that funding bodies had a lack of awareness of the difficulties in placing disabled people into sustainable employment.
- Sustainability of funding and a move away from 'short termism' was considered more important than collaboration between or reduction in the number of funders.
- Only 29% of intermediaries currently receive funding on an open ended basis. In the main organisations have less than five years funding, however those organisations who are heavily funded through the ESF route fare less well with less than two years funding left.
- Collectively, the disability and employment intermediaries surveyed were able to provide a service to approximately 1400 clients in an operational year – indicating a considerable shortfall between capacity and demand, especially if potential reforms to the welfare benefits system are implemented.
- Most direct client referrals to intermediaries came through Jobcentre Plus, however 82% of Jobcentre Plus referrals are to NDDP Job Brokering services, leaving only 18% of their referrals to intermediaries catering for a specific disability.
- The second largest source of referrals to intermediaries were health providers, mostly to those intermediaries working with people with severe and enduring mental health problems.
- Self referral is a bigger source than through local authority Social Work departments, who tend to work mostly with

those intermediaries supporting people with learning disabilities.

- In the operational year surveyed (2004-05), almost 300 disabled individuals were placed into open employment through the use of intermediary services, a further 486 gained work placements or obtained permitted work.
- The average length of time to achieve a recognised client outcome varied across different service elements, with Job Broker services achieving the shortest 'time worked with' at 8.4 months in comparison with average 'time worked with' in a learning disability service at 17.5 months
- In terms of staff resource, the majority of employment intermediaries did not stipulate any minimum qualifications for staff working in a client facing employment development role, preferring to find a prospective employee with the right 'values base'.
- A very small number of staff across the intermediaries surveyed are currently studying for a supported employment qualification, with cost and lack of funding to support training activity cited as the major reason for this.
- A knowledge and awareness gap exists between disability and employment intermediaries and sectoral employment academies. Academies have little knowledge of the work of those intermediaries and disability in general, with funding 'mismatches' and 'barriers to programme entry' continuing to make it difficult to traverse that gap.
- Those with physical disabilities have no generic services catering to their collective needs. There exists organisations catering to specific physical disabilities or health problems but other than these very specific services they are catered for through Edinburgh, Lothian and Borders network of NDDP job brokers, whose services are being increasingly stretched by the large number of clients with mental health problems.

Conclusions – Gaps and Opportunities

- 1) There is no common set of performance data collected by disability and employment intermediaries. Information chosen for recording purposes depends on the demands of a particular funding body and the individual organisational method of working. Some organisations collect different data

sets for different funders, who ostensibly fund the same activity. Lack of availability of consistent data makes it difficult for organisations to make stronger funding cases – particularly those supported employment agencies who do not track and record sustainable outcomes (the key ‘selling point’ outcome of the SE model), as they are not funded or required to do so.

- 2) There is an opportunity for greater levels of collaboration between intermediaries and their funders, with a view to increasing programme flexibility that better reflects the needs of and barriers faced by service users. Increased levels of awareness on the part of funders may lead to the removal of unnecessary programme entry barriers and geographical constraints.
- 3) Funding is largely outcome driven, with less emphasis on achieving sustained outcomes even beyond (in many cases) a 13 week period. This short term emphasis is distinctly at odds with longer term job sustainability as a key measure of success.
- 4) There is often little or no funding for ‘aftercare,’ the result of which is intermediaries supporting individuals out of their own reserves e.g. clients referred by Jobcentre Plus onto supported permitted work for which there is no funding, with a consequence that clients and employers may feel they are receiving a ‘cut price’ service below what they expected or were promised.
- 5) Intermediaries are inconsistent in recording sustained outcomes, with many not undertaking this task as they are not funded to do so. Although intermediaries are able to make a strong funding case based on the innumerable benefits to the individual enhanced evidence of sustained employment outcomes, would only strengthen the funding case (incorporating a valid cost benefit analysis of the ‘supported employment’ model) could then be made.
- 6) There are recognised professional qualifications within the field of supported employment. Unfortunately, none of these qualifications has, as yet, achieved an ‘industry wide’ acceptance. This denies supported employment practitioners a recognised career path and militates against the development and implementation of a quality standards framework for service delivery. This is exacerbated by short term funding which leads to higher levels of staff turnover. A lack of a recognised professional status makes it difficult for

supported employment practitioners to operate as equals with partners from Health Service and Social Work.

- 7) There is a need to raise the profile of 'supported employment' amongst referring agencies and health practitioners, ensuring that all potential clients can gain an active awareness of the employment support options available to them.
- 8) Partnership working between intermediaries is usually client centred and not (as yet) based on formal agreements, practices and procedures. Whilst this supports a degree of flexibility, it does not support the shared adoption of a quality standards driven framework for service delivery.
- 9) There is no single entry gateway to disability and employment service provision, making it confusing for clients, employers, service professionals and other key stakeholders. Disability Employment Advisors and Personal Advisors at Jobcentre Plus (theoretically) are the accepted 'gateway', but this concept works less well in practice as the bulk of referrals made through this route are directed to Job Broker agencies.
- 10) The current focus of service provision is on getting people back into work, with little or no emphasis on assisting people with or developing a disability to retain their existing job. National statistics suggest that the longer someone is out of work the less likely they are to return to employment, therefore a greater focus on and resources devoted to helping people retain their existing employment may be beneficial – especially when concerns about an aging workforce are taken into account.
- 11) Sectoral Academies and 'supported employment' providers have not, as yet, worked effectively together. Academies are invariably training people for immediate vacancies whereas intermediaries' clients are often quite distanced from the labour market. The Sectoral Academies have encountered a number of funding changes affecting both their course durations and entry specifications - changes which have made it increasingly difficult for people with disabilities to engage with the Academies.
- 12) There is currently a clear disparity between service demand and capacity, particularly for the increasing number of clients presenting with mental health problems and the relatively few services available to meet those needs. Specialist intermediaries catering for those clients with severe and enduring mental health problems are leaving job brokering

services to pick up an increasing number of people whose inactivity is a result of a mental health problem. There is also a clear need for further mental health training across the spectrum of intermediary agencies and employers.

Recommendations

1) Mutual Agreement on the Scope of Performance Data Collection

Collectively, disability and employment Intermediaries should agree, with funders, on a common template of performance data. This data should then be gathered across programmes, on a regular basis. The creation of a template could be achieved through current representative networks or a special focus group formed for this particular purpose. The template should consider what data is of most use in accurately representing performance and presenting strong funding arguments. There are current gaps in data collection around recording longer term sustained outcomes, this would be a more meaningful statistic which could be of assistance to funders, and help intermediaries to promote the supported employment model more effectively.

2) Funding Stability

Increased stability within the funding framework, even more so than the level of available funding and resources, would increase the focus on effective service delivery and the quality of that delivery, allowing intermediary organisations to plan in the longer term and invest in organisational and staff capability. This research has shown that many disability and employment intermediaries operate on very short funding timeframes – between one and three years is the norm. This ‘short termism’ is perhaps the greatest barrier to developing a service framework which meets the needs of disabled jobseekers.

3) Benefits Flexibility

There is need for the introduction of a more flexible mechanism, where benefits income can be retained whilst employment income rises to an agreed level, and in turn that employment becomes stable and long term. A recurring theme in undertaking the research for this project is the mismatch between entry level job salaries and the level of benefits received by those people with more severe disabilities. This mismatch moves employment, even as an option, out of the reach of many people who would like to work,

particularly older people with families. Even with the introduction of Tax Credits (formerly known as Disabled Person's Tax Credit) and other tweaks to the system, this mismatch between potential earnings and benefits income still remains.

4) Collaboration with Funding Bodies

There needs to be increased collaboration with funding bodies to raise awareness of the specific needs and characteristics of this particular client group. A national representative association (like the Scottish Union for Supported Employment (SUSE)) is probably in the best position to take this forward, supported by their linked local area networks of employment intermediaries.

5) Increased Collaboration with Job Centre Plus

As a substantial funder of programmes Job Centre Plus should endeavour to collaborate more with smaller providers at a local level this would enable programmes to better reflect the local circumstances and build upon local expertise. Increased collaboration with local providers would allow programmes to develop based on existing capacities and provision.

6) Efficacy of the Supported Employment Model

There needs to be further research on the impact of the supported employment model, focussing particularly on more detailed cost benefit analysis. This information would help funding bodies, stakeholders and policy makers to assess the model and make investment decisions based on its efficacy. This is particularly important in comparing (what can be) the higher initial costs of the supported employment model versus the longer term financial impact in terms of benefits saved, tax and disposable income generated etc. over a longer period of time.

7) Matching Service Capacity with Demand

Further investment and better targeting of resources is required to address mismatches between service capacity and demand for those services. This is particularly relevant in the area of mental health service provision, given the number of people now presenting with mental health issues and proposed welfare benefit reform which will bring in a new regime where there is more 'active encouragement' to engage with work.

8) Raising Professional Standards

There is a need for a 'universally recognised' professional qualification specific to 'supported employment', affording supported employment practitioners the status and recognition of any other professional service. In the interim, intermediaries should endeavour to develop a set of shared 'core competencies' by which to measure applicants, reducing the subjectivity associated with choosing potential employees with the 'right value base.'

9) Operational Partnership Working

Intermediaries should introduce formal protocols to support more effective operational partnership working. They should aim for a better balance between 'client centred' driven joint working, and more formal agreements between organisations. These protocols would help the sector deal with what will be a rapidly changing funding environment, where there may be an increased need for joint bidding for contracts and possible mergers of existing services or organisations.

10) Engaging with Health and Social Work Agencies

Collectively, disability and employment intermediaries need to promote more effectively to key referring agencies. They may want to focus particularly on raising their profile to community based health professionals and GP practices.

11) Linkages with Academies

Opportunities for the Sectoral Employment Academies and disability and employment intermediaries to exchange information should be created, filling the knowledge gap which currently exists. This could be achieved through specific events or intermediary led training and information provision under the auspices of the Lothian Employability Forum or Joined Up for Jobs Partnership Forum.

12) Service User Involvement

More detailed research and consultation involving service users would benefit future service planning. This process would be beneficial in terms of identifying future needs and developing and resourcing appropriate service provision to meet those needs.

13) Workforce Retention

Disability and employment intermediaries should not focus their efforts solely on those who are out of work, but provide services to those who have difficulty in sustaining their current employment. Little retention work is currently undertaken by any of the intermediary agencies, as there is no funding to support this work – other than through the Workstep programme where places are at a premium. However, the recent 'Green Paper' sets ambitious targets for reducing the number of people claiming Incapacity Benefit, with a focus on moving people off the benefit as quickly as possible – or perhaps reducing the likelihood of them claiming it in the first place. Disability and employment intermediaries are well placed to provide these retention focussed services.

Pooling Together

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