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Jobs First

Funding employment support with individual budgets

Jobs First – funding employment support with individual budgets

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Jobs First – funding employment support with individual budgets

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Background

1. Personal and Individual Budgets were introduced to enable people to have greater choice and control over their lives and make better use of public money. Evidence from various sources, verified by findings in the Getting a Life and Jobs First sites¹ suggests that often, people with learning disabilities and their families choose to use their personal budgets to fund leisure and community activities rather than employment support. It is important that aspirations for employment are raised, particularly during childhood and transition, so that people are aware that employment is something they can include as an outcome in their support plan. A related issue is that in many localities there is insufficient quality employment support for people to buy with their budget.
2. The Jobs First² project is testing the use of Individual Budgets to buy the support needed by individuals with moderate to severe learning disabilities, to access and sustain paid employment. In theory, this should be a straightforward approach. However, the support required to get someone a job goes further than the use of Social Services funding: individuals should be able to access funding to support them from a range of funding sources. Pooling funding from various sources into an Individual Budget is a new approach to funding employment support. Jobs First is showing how this can be done
3. For the cohort taking part in the Jobs First project, the expectation is that a proportion of their Individual Budget will be used to purchase support to find and sustain a paid job. Getting a job will be the priority goal within all support plans for the cohort, and wider life decisions will be made in such a way that make employment possible. No support plans will be signed off that do not have employment as a priority goal.
4. An earlier version of this paper was written to support the Jobs First demonstration sites. This revised version is intended for a wider audience and may be of particular use to other localities wishing to take a personalised approach to funding employment support.

¹ Personal Budgets: checking the results: Page 6 shows results from the Personal Budget Outcomes Evaluation Tool (POET), including how personal budgets had led to increased life outcomes except in relation to employment.
www.puttingpeoplefirst.org.uk/_library/PPF/NCAS/personal_budgets_checking_the_results_final_29_October_2010.pdf

Evaluation of the Individual Budgets Pilot Programme: Final Report
<http://php.york.ac.uk/inst/spru/research/summs/ibsen.php>

A report on In Control's Third Phase - Evaluation and learning 2008 - 2009
<http://www.in-control.org.uk/publications/reports-and-discussion-papers/a-report-on-in-control's-third-phase-evaluation-and-learning-2008-2009.aspx>

² More information about Jobs First, including a list of areas where the programme is happening, can be found at <http://www.gettingalife.org.uk/areas.html>

Purpose of paper

5. The purpose of this paper is to:
 - Present the range of funding streams that might comprise an Individual Budget to pay for employment support
 - Suggest how these funding streams can be used and drawn down
 - Highlight issues and barriers
 - Outline what agencies need to have in place in order to use Individual Budgets for employment.
 - Describe how to cost a supported employment service, for use by individuals wishing to pay for support with their Individual Budget.

6. It is worth emphasising that this paper is intended to look at the costs of supported employment for people with learning disabilities who are known to social care services and therefore are entitled to a personal budget in respect of their social care entitlement.

7. We are grateful to the British Association for Supported Employment (BASE) and many other stakeholders for their feedback on earlier drafts of this paper. Personalisation raises a number of issues for the supported employment market. A number of the concerns raised by stakeholders over the course of the Jobs First project are addressed in a Q&A section at the end of this paper. However, some questions will remain unanswered until the Jobs First approach has been tried and tested more extensively. The final Jobs First evaluation report, due in September 2012, will allow a fuller understanding of the advantages and pitfalls of funding supported employment with Individual Budgets.

Available Funding Streams that can be used to fund employment outcomes for Jobs First sites

| Funding Stream | What can be funded | Amount available |
|---|---|--|
| Adult Social Care Funding | Support with personal care and social needs – can be used to fund employment support if assessed as meeting a person’s social care needs. | Varies locally according to Fair Access to Care Services (FACS) eligibility. Also varies according to the points scored against employment outcomes in a local Resource Allocation System. |
| Work Choice (in Right to Control Trailblazer sites) | Support to gain skills, experience of work and sustained paid employment, over a 2 year period. | £2,000 is available to individuals who wish to exercise their Right to Control in respect of Work Choice ³ . This money is held by Trailblazers and is released by Jobcentre Plus when the development plan is agreed indicating that the customer wishes to take the Work Choice entitlement as a cash payment. |
| Access to Work (ATW) | Work trials, job coaching for people in work of 16 hours or more per week, travel to work and specialist equipment and adaptations. Can also be used to support individuals when starting their own business, but not compatible with Incapacity Benefit or Employment Support Allowance. Some regional variation is known to exist with Access to Work funding. | Amounts are allocated on a case-by-case basis. Job coaching is paid at a benchmarked rate of approx £14 per hour ⁴ . This figure is based on London figures so could be less outside of London but may also be more in some circumstances. ATW Advisors will usually request 3 quotes and will agree the lowest comparable quote based on this information. |

³ This amount may vary according to individual need.

⁴ Valuing Employment Now demonstration sites have reported that Access to Work funding for job coaches can vary from this benchmarked figure. Where the Access to Work rate is not sufficient to cover the predicted cost of employment support, individuals can use the co-funding approach to ensure sufficient funds are available. This

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| | | |
|--|--|---|
| Independent Living Fund | Support with living independently. N.B only available to those getting social care support above £320 per week to enable them to live more independently. | Varies according to need. Not open to new applicants. |
| Additional Learning Support (ALS) for learners under 25 | Further Education providers have the flexibility to respond to the needs of learners so that they meet their learning aims and can progress in learning and work. This could include using elements such as ALS to fund the learning element of supported employment (e.g. job coaches). | Lower level ALS is up to £5.5k. For those learners with ALS requirements in excess of £5.5k funds can be used to pay for job coaching as one of a range of options. Higher level ALS is up to £19k. This must be applied for retrospectively from the YPLA. The money would not come to the individual directly. See Annex A for more information on how Colleges can use this money to fund employment support. |
| Independent Specialist Provision funds from the Young People’s Learning Agency | These funds are used to fund Independent Specialist residential provision usually out of area. | Approx £60 - £90k per individual is spent on out of area residential placements each year. The placement should include relevant and appropriate work placement activity. The cost of this should be covered by the agreed funding level in relation to the agreed programme, to enable young people to engage in wider supported/full employment post completion of their programme. The money would not come to the individual directly. Using the funding differently would need to be negotiated on an individual basis. |

might entail using social care funding alongside Access to Work, for example. See Paragraph 11 of this paper for more detail on the co-funding approach.

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Supporting People

This is to support people with housing related needs with the aim of promoting independence.

It can also be used to help people to access training in skills such as how to manage budgets.

N.B. Supporting People funding is for anyone experiencing difficulties.

Different localities have different rules as to how Supporting People funds can be used, meaning that the use of this money must be negotiated locally. It should be possible to use this money to fund a support worker to help somebody get up in the morning to get to work on time, for example. Some Right to Control Trailblazers are including Supporting People as an individualised funding stream⁵. It could amount to approximately £20k per year depending on individual need.

⁵ Only the long term floating support element provided to overcome barriers associated with disability or a long term health condition is included in the Right to Control.

How these funding streams can be used and drawn down

8. Local Authority Social Services budgets are currently the main source of funding used for what are referred to as Personal Budgets. The person (or their representative) is informed about an upfront allocation of funding on completion of a Self Assessment questionnaire, calculated by using a Resource Allocation System (RAS). This enables them to plan their support arrangements through an agreed support plan, making clear what outcomes are to be achieved with the money.
9. There are 6 different ways to manage a personal budget. Funds can be paid to the individual directly; to a care manager; to a representative; to a legal trust fund; to a broker or to a provider. The money is then used to support the delivery of activities in their support plan. Where the money is made to an individual (or their representative) as a cash payment, this is known as a Direct Payment.
10. Individual Budgets are allocated to a person as a single transparent sum and they can choose to take this money either in the form of a direct payment in cash, as provision of services, or as a mixture of both. Individual Budgets have a number of key features:
 - Resources from different agencies, not just social care monies, can be collated together and accessed from the one Individual Budget to give the individual a more joined-up package of support.
 - It should be clear to each individual how much money has been allocated to them to spend on their care and support packages.
 - The individual should be central to the process, using their money in a way that suits their own situation and needs, with a focus on self-assessment.
11. The key to using Individual Budgets for employment support in the Jobs First sites is a co-funding approach, which allows Social Care money to be used alongside Access to Work (subject to eligibility) and Work Choice funding (in Right to Control Trailblazer areas). The co-funding approach is likely to be necessary where the cost of employment support is greater than any one funding stream on its own. People with moderate to severe learning disabilities are likely to have a number of social care needs to fund from their Social Care budget which will require them to top up the funds that they are able to spend on employment support with additional funding streams⁶.
12. Additional to the funds that are brought together in an Individual Budget, it may also be possible to use funding such as Additional Learning Support (ALS) money, as set out in the

⁶ The use of a social care budget to pay for employment support is encouraged as good practice. See for example the Vision for Social Care, Capable Communities and Active Citizens, November 2010 [Debby please could you insert the link here?]

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table above so that there is more support available to individuals to help them into work. This funding will not be available as an individualised funding stream, but can be used flexibly to support employment goals. Clearly, this funding will only be relevant to individuals who are enrolled on a programme of learning where employment could be introduced into the curriculum.

13. It may also be possible to use funds from personal health budgets to fund employment support, provided that an employment outcome is assessed as meeting an identified health need. Personal health budgets are being piloted and while we do not yet know whether this approach has been tried, there is international evidence about the effectiveness of personal health budgets at getting people back to work or education⁷.

⁷ http://www.rri.pdx.edu/historic_projects_directory/real_choice_Feb2006_eib_eval_report.pdf

Barriers that may be encountered

14. There are some barriers to using funding in this way, mainly because the approach is new and there is still very limited understanding of what it costs to support a person with moderate to severe learning disabilities into work. Most funding streams have restrictions and eligibility criteria which mean that funding only becomes available at a certain point in time.
15. For example, other than for work trials, Access to Work only becomes available at the point at which someone enters paid work of 16 hours a week, or for self employed people at the point at which they are earning enough money to come off benefits. Eligibility for Access to Work for Work Choice customers is the same in Right to Control Trailblazers as elsewhere.
16. If the individual is currently in further education and employment is an outcome that has been identified as part of their education programme, then their education allocation can be used to support them to progress into employment. This would need to be negotiated with the college and employment would need to be stated as an outcome within the person's transition plan.
17. However, in practice, there is evidence⁸ that although some colleges are focusing on students' outcomes in this way, most young people leave college with little or no employment experience. Colleges are able to use the additional funding that they receive for disabled students to fund employment support but this practice is not widespread and requires colleges to refocus their budgets to free up money that may have been allocated to fund aspects of the curriculum. Even Further Education courses that are intended to be employment focused rarely provide the quality job coaching and supported work experience that is known to be what best helps people with learning disabilities to access employment.⁹
18. There is some anecdotal evidence from Jobs First sites that Local Authorities have tightened Fair Access to Care criteria to such an extent that individuals are only entitled to social care funding if they are considered to be in the 'critical' band. In such instances, it is possible that adequate funding for employment support will not be available through a Social Care budget. There is also growing concern that Local Authorities may rule that a capacity to work takes an individual out of the 'critical' banding, thus removing their Social Care eligibility altogether.
19. When making these decisions, Local Authorities should be mindful of the Guidance on Eligibility Criteria for Adult Social Care¹⁰. The guidance states that councils should consider

⁸ For example, the Getting a Life project and the 'Making it Work' events by NIACE have shown that where young people wish to enter employment on completion of their College course, there is limited support available for them to pursue this goal. [Debbie please could you insert the link to the NIACE report on the resource hub]

⁹ The Learning for Living and Work Strategy sets out how FE Colleges could work towards being more employment focused. http://readingroom.lsc.gov.uk/lsc/National/learning_for_living_and_work_complete_2.pdf

¹⁰ www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_113154

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that people at all levels of need, regardless of whether or not they have eligible needs or fund their own care, may be able, with the right type of tailored intervention, to reduce or even eliminate their dependency on social care support. Anyone, including those with critical needs, should be supported to find and remain in employment when that is what they want. Being in employment should not be assumed to imply that somebody does not have eligible needs. When considering if a person still has critical eligible needs Local Authorities should consider if "vital involvement in work, education or learning cannot or will not be sustained" if they withdraw support. And, where support in employment is helping to prevent needs from becoming critical, councils might find it advisable to continue funding that support.

20. Whilst there is agreement in theory in the Jobs First sites that Individual Budgets should be available and used to support people to get a job, this approach is not fully embedded in practice at present. The following points have been put together as a guide to the elements that should be in place so that the use of Individual Budgets to pay for employment support can become standard practice. Not all of these elements will be in place in the Jobs First sites at present, and other areas wishing to try the Jobs First approach may not have all of these elements in place. For the Jobs First approach to work well, it would be beneficial to work towards achieving as many of these as possible.
21. Please see the Q & A at Annex D for further information about potential barriers to using Individual Budgets to fund employment support, and concerns that some stakeholders may have about this approach.

What needs to be in place to help people with learning disabilities to use their Individual Budget to pay for employment support

- Person centred transition planning should include employment as an outcome and should inform employment focused support planning.
- Practitioners involved with people with learning disabilities should believe that they can work.
- The individual who has expressed the wish to work should be supported to understand what a job is and the difference it can make to their life, both financially and socially.
- The Resource Allocation System (RAS) should be fit for purpose and the process in place to calculate the amount of funding available for the individual to use to support them into employment.
- The amount of funding allocated by the RAS should be sufficient to contribute towards appropriate employment support whilst not prejudicing other essential support services.
- There should be agreement across agencies (e.g. Social Services, Job Centre Plus, Colleges) that they will collaborate on making the funds available.
- There should be agreement to ensure there is a process for funding to flow from one organisation to another, to create the Individual Budget.
- The support to help the individual get a job should be available either by an 'in house' supported employment service, a bespoke supported employment service, a freelance job coach or via Jobcentre Plus. (NB you can not use a personal budget to pay for an in-house service.)
- The support available should be of consistent quality and meet the Government's best practice guidelines for job coaching and supported employment¹¹
- The support available should be priced in a way that allows individuals to pay for it with their Individual Budget.
- If an individual is under 19, then it is important that the funding from Children's Services and Adult Services is aligned and both services work together to identify how a funding allocation can be agreed.
- Day Service staff or the Local Authority lead must be briefed to ensure an Individual Budget is going to be used to support the individual to find a job.
- Individuals must have an employment focused review, where employment is the priority goal and funding is allocated to support this goal.
- Individuals who are part of Jobs First should agree to participate and use their funding allocation identified through the RAS.

¹¹ <http://www.valuingpeoplenow.dh.gov.uk/content/employment-resources-hub>

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- Individuals should be supported to understand the other funding sources available such as Access to Work, and how this will affect the total amount of money in their budget that can be used to pay for employment support.
- An up front agreement with the employment support provider should indicate the estimated number of hours allocated to the key stages (discovery, job search and job match, at and around work support, crisis intervention.) A contract / protocol should be written up to agree expectations, including how to address complaints.
- Support plans should be signed off with full understanding of the validity of a co-funding approach to paying for employment support.
- Care managers and Supported Employment staff should support individuals to attend interviews with Disability Employment Advisors at Jobcentre Plus, or for an independent better-off calculation, based upon work of 16 hours a week as a minimum.

Funding supported work experience for young people in education

22. There is mounting research evidence, supported by the experience of young people in the Getting a Life sites, to demonstrate that work experience, with good support, while still at school or college leads to a greater likelihood of job outcomes for young people on leaving full time education¹².
23. Despite this evidence, there is no clear means of funding the support that young people with learning disabilities need to make sure their work experience placement is a meaningful one. Presently, Local Authorities fund Education Business Partnerships (EBPs), which liaise between schools and employers to set up work experience placements, and to carry out risk assessments and health and safety checks. However, EBPs do not provide or fund job coach support, nor do they negotiate tailored placements for students with specific needs and consequently young people with moderate to severe learning disabilities rarely benefit from this provision.
24. There are some examples of individual schools and Colleges using funding differently to pay for the cost of supported employment for young people. Some of these are listed at Annex C. In each case, it appears there have been different and innovative approaches to funding the employment support that learners required.

¹² Beyer, S., Kaehne, A., Grey, J., Sheppard, K. and Meek, A. (2008) *What works? Transition to employment for young people with a learning disability*. Chippenham: Shaw Trust

Costing supported employment for services and individuals

25. If we want to offer supported employment to individuals as a personalised service that they can purchase with their Individual Budget, we need to know how much supported employment costs. This information will tell commissioners how much it would cost to set up a service that can price itself for people who have Individual Budgets. It will also tell individuals and their supporters how they can incorporate employment costs into a support plan. Providers may also find this information useful to help them price their service for people using Individual Budgets.
26. The findings set out below suggest that investing in supported employment as part of a strategy to reduce day service use offers considerable cost savings as well as greatly improved life outcomes. Jobs First is an approach that allows funds previously allocated for day services to be redirected into employment support. Jobs First is still in the process of testing out the costs and approaches described here and the final evaluation of the project in September 2012 will provide more extensive information.
27. Three Jobs First sites¹³ have provided information on how they fund support for people with learning disabilities to get jobs. The aim was to provide an indication of the cost of good supported employment for this group. Different services use different funding arrangements and consequently the cost of a service that is available to people using Individual Budgets will vary. However, commissioners will need to set a local market price based on what can be understood as a reasonable cost. Likewise, individuals will need an approximate figure to budget with, that represents a reasonable cost for high quality support.
28. The remainder of this paper explains how these costs can be calculated. The costs set out in this paper relate to the core activity of job coaching and the essential activities that allow agencies to move people into jobs and sustain those placements, such as employer engagement, office administration, health and safety checks, crisis management, staff training and marketing. Many agencies undertake activities additional to the core activity of getting people into jobs, such as attending meetings of the Learning Disability Partnership Board, or working with young people in schools to prepare them for future employment. The cost of these strategic activities are not included in the costs set out in this paper. Commissioners may wish to consider separately commissioning these important functions of supported employment agencies that increase employment within local communities over a longer period of time.
29. If a Local Authority funds a supported employment organisation via a 'block contract' and a person wishes to purchase their support with an Individual Budget, the Local Authority should

¹³ The Jobs First sites that provided this information are Oldham, Leicester and Northamptonshire. Pure Innovations also provided data which was used to inform this paper.

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not charge for this service as they are already funded to provide the support by the terms of their contract. However, if the Local Authority can identify and agree the cost of the service with the provider, then it could be purchased using an Individual Budget and the cost of the service would be deducted from the Individual Budget accordingly. If the supported employment service is 'in house' then the same process would apply but it should be more straightforward to agree the cost and deduct it at source.

30. The main issue is to agree how much a supported employment service costs, what it includes and whether the service meets the best practice guidelines on job coaching and supported employment proposed by Government. There are a number of factors to be taken into account when identifying the costs of supported employment:
 - The number of staff involved in providing the support
 - The number of clients that can be worked with at any one time
 - Cost of premises; office overheads; training; marketing
 - Salaries with on costs; support costs e.g. IT
31. The service will need to consider the different elements that make up the service, for example does it include:
 - personal work development plans
 - better off calculations
 - job searching
 - travel training
 - risk assessment / health and safety checks
 - job negotiation
 - in-job training and support (for individual and employer)
 - ongoing support and monitoring (for individual and employer)
32. Once the service knows how much they are spending on the different elements of support, they can calculate how much they are spending per individual client.
33. The first way of calculating the cost of supported employment is to look at the research evidence from North Lanarkshire and Kent, which offer a detailed analysis of the costs of placing disabled people into work through the supported employment approach.
34. The North Lanarkshire supported employment service and Kent Supported Employment have both been independently costed and it was found that costs for placing an individual in full time paid work are significantly lower than the cost of day opportunities, and the social benefits were far reaching¹⁴.

¹⁴ <http://www.valuingpeoplenow.dh.gov.uk/content/employment-resources-hub>

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35. The most recent study by Beyer and Kilsby (2010) on Kent Supported Employment Service¹⁵, identified an averaged cost of £9,000 per person placed in paid work. The cost of sustaining this placement is thought to be, on average, a further £2,000 per person. This means that based on the costs from these services, a sustained employment outcome costs an average of £11,000 per person. This is expressed as a one off cost, even though some people may need intensive ongoing support. By averaging out these costs, the additional cost incurred by working with people with higher support needs has been absorbed. The agency could charge the same amount to support any client regardless of their level of disability, because the cost of supporting a severely disabled client is offset by the savings made when supporting more able clients at the same standard rate. This should prevent the unacceptable practice of 'cherry picking' the most able clients.
36. The British Association for Supported Employment (BASE) has estimated that it will take up to 12 months to place an individual with moderate to severe learning disabilities into paid employment, where that individual has had little or no experience of paid employment. BASE estimate that ongoing support will on average take a further year. Again, these time frames are averaged out, to encompass the possibility that some individuals can be placed relatively quickly and some may always need some level of support.
37. A second way of understanding the cost of supported employment is to use the cost breakdown in the table below.
38. For supported employment providers, it is helpful to think of how costs per individual can be broken down into individually costed elements. For example, some providers have broken down the services they offer into initial assessment, job search, risk assessment, on-the-job job coaching etc. and have been able to identify the cost of each element of the service. To do this, each agency needs to review their service and decide on a cost that allows them to provide support based on the elements of support they offer.
39. However, the most successful models of supported employment offer an holistic model. A 'flat rate' cost covering all the essential components allows for more consistent ongoing support over time.
40. The cost of a 'job coach' or an 'employment advisor' will vary slightly from one supported employment service to another, but it is thought that the costs given in the tables below are indicative for a supported employment agency with office overheads and other back office costs to consider¹⁶. Supported Employment agencies will need to analyse the cost of their own service, which may vary from the estimated costs set out below.

¹⁵ https://shareweb.kent.gov.uk/Documents/adult-Social-Services/kent-supported-employment/kse_financial_costs_report.pdf

¹⁶ The figures used in this document are based upon figures supplied by supported employment services from 3 Jobs First sites (Oldham, Leicester and Northamptonshire) as well as figures supplied by Pure Innovations. This is

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| Cost of employment | Assumptions |
|--|--|
| £35,000 / 5 = £7,000* per person placed into paid work | Average cost for a job coach is £35,000 per annum inc VAT. This includes the cost of office overheads, staff training etc. The expectation is that a job coach will get 5 people into paid employment during a 12 month period. |

If an hourly cost is needed then:

| Calculations | Assumptions |
|-----------------------------------|---|
| Working days (52 x 5) = 260 | Bank holidays and annual leave amount to 28 days a year. |
| Minus holidays (28) = 232 | |
| Less 10% (22) = 210 | A job coach spends 90% of their time actively working with clients. |
| Day rate (35,000 / 210) = £166.67 | |
| Hourly rate (day / 7) = £23.80† | A job coach works 7 hours a day. |

41. BASE have estimated that a job outcome takes a person with moderate to severe learning disabilities on average one year from a starting point of never having worked before. Ongoing support (the work needed to ensure that an individual remains in employment) will cost approximately £2,000¹⁷ on average on top of the £7,000* that it costs to place the person in work and can be averaged out to be expressed as a further 12 months of support. This means that the total cost of supporting somebody with moderate to severe learning disabilities to find and sustain paid employment, over a period of two years, is £9,000, expressed as an averaged cost and based on the figures and assumptions set out above.
42. Based on the figures set out above, an agency that is working to the Government's best practice guidelines for supported employment and job coaching,¹⁸ and needs to build in the cost of office overheads and staff training etc. should be able to work on the basis of charging approximately £24 an hour inc VAT† to individuals wishing to use their Individual Budget to pay for their support.¹⁹
43. Agencies may like to charge this standard flat rate regardless of the element of service required by the individual, meaning that the cost of services is averaged out across the

a relatively small sample. It is important to use the costs set out in this paper as estimates only. They are not intended to definitively set the cost of supported employment at this estimated rate.

¹⁷ This figure of £2,000 has been estimated based upon costs provided by the 3 Jobs First sites that contributed to this paper and Pure Innovations.

¹⁸ www.valuingpeoplenow.dh.gov.uk/valuing-people-now/resources/getting-job-resources

¹⁹ This figure of £24.00 an hour is based upon data provided by the 3 Jobs First sites that contributed to this paper and Pure Innovations.

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organisation. The important thing is to provide a holistic service to individuals that meets the Government's best practice guidelines for job coaching and supported employment.

44. A third way of pricing a supported employment service for payment with Individual Budgets is set out at Annex B.

Conclusion

45. It appears that the averaged cost of supporting an individual with moderate to severe learning disabilities to achieve a sustained job outcome, using an Individual Budget to pay for their support, can be estimated to fall within the range of £9,000 to £11,000. This will vary according to the salaries paid to employment advisers, the level of additional on-costs and the intensity of ongoing support factored in. Services will need to analyse their own costs to understand how they would need to price themselves for the Individual Budget market.
46. Expressed as an averaged one-off cost, this represents significant savings when set against the cost of continued day service use, which costs in the region of £14,000 per person per year and does not lead to the job outcomes that people with learning disabilities are able to achieve.
47. The final report of the Jobs First evaluation, due in September 2012, will tell us more about the emerging findings that are set out in this paper.

Annex A - Funding for further education learners in 2011/12

1. YPLA funding follows the learner in terms of programme costs and additional learning support.
2. Funding allocations are made to FE colleges on the basis of lagged learner numbers but it is possible to calculate the approximate value of foundation learning programmes undertaken by a young person using the on-line calculator. This should only act as a guide, as individual college Finance Managers will determine where funds are directed within your college.
3. Enrichment activity and additional learning support (ALS) may be drawn down in addition to programme costs.
4. Below £5,500 per learner, ALS is allocated to colleges in part by formula and in part on historic usage. This allocation can be used at the discretion of the college providing they can demonstrate to both Ofsted and Audit that they are acting in the best interests of all their learners and not just a select few. For those learners with ALS requirements in excess of £5,500, funds can be used to pay for job coaching and for teaching support as one of a range of options.
5. Where it is identified that a particular individual requires ALS outside of the agreed allocation, the FE provider is advised to contact its LA and YPLA regional office to discuss their requirements.
6. 53. Learners with learning difficulties and/or disabilities are a key priority for this government, the YPLA and local authorities.
7. **If you need to discuss any particular cases, please contact your local authority and regional YPLA funding team.**
8. Funding is not such an issue for any learners not yet in further education. Schools receive their funding from local authorities via the Special Educational Needs block grant, which is allocated on a pupil premium basis. Queries on allocations, or requests for additional funding should be directed to your local authority contact.

Annex B – Alternative ways of pricing support for Individual Budget users

- Each client has individual needs and expectations requiring a different level of support to secure employment. With a changing economic and employment market this means that an upfront precise cost for each client is difficult to establish. Therefore, the options could be;
 - Flat cost. This will not account for individual need but will be based on the average cost for securing, and sustaining, a client in employment.
 - 'Pay as you use'. The cost of providing an employment service is broken down to an hourly or daily rate and clients are charged for the amount of time spent on securing, and sustaining, their employment. This could either be paid for up front or on an 'invoice' basis.
 - Modular service. Similar to flat cost, each element of an employment service is allocated an average amount of time and a flat fee charged for that element e.g. initial assessment.

Option 1 – Flat Fee

The cost is derived by taking the actual cost of the service²⁰ and dividing by the planned number of people who secure a job:

$$£35,000 / 5 = \mathbf{£7,000}$$
 per individual

The cost of sustaining employment will be **£166.67 per day**

| | 1 | 2 | 3 |
|---------------------------------------|---|---|--|
| Scenario | Client secures employment in 21 days over 2 months elapsed time | Client secures employment in 42 days over 7 months elapsed time | Client secures employment in 63 days over 12 months elapsed time |
| Cost to secure employment | £7,000 | £7,000 | £7,000 |
| Cost of sustaining employment | £1,667 | £833 | Nil |
| Total cost year 1 | £8,667 | £7,833 | £7,000 |
| Total cost year 2 (sustained support) | £2,016 | £2,016 | £2,016 |
| Overall cost | £10,683 | £9,849 | £9,016 |

²⁰ The costs in this table are derived from data provided by 3 Jobs First sites (Oldham, Leicester and Northamptonshire) and costs provided by Pure Innovations. Services will need to calculate their own costs using this approach as a guideline.

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Option 2 – Pay as you use

| | 1 | 2 | 3 |
|-------------------------------|---|---|--|
| Scenario | Client secures employment in 21 days over 2 months elapsed time | Client secures employment in 42 days over 7 months elapsed time | Client secures employment in 63 days over 12 months elapsed time |
| Cost to secure employment | £3,500 | £7,000 | £10,500 |
| Cost of sustaining employment | £1,667 | £833 | Nil |
| Total cost year 1 | £5,167 | £7,833 | £10,500 |
| Total cost year 2 | £2,016 | £2,016 | £2,016 |
| Overall cost | £7,183 | £9,849 | £12,516 |

Annex C - Funding supported work experience for young people in education

1. The following examples are not exhaustive. A number of other schools and colleges have made similar arrangements with supported employment agencies with some good results.

Progress Employment –supported work experience

2. Progress Employment has built up partnerships with special schools (and some mainstream schools) which now commission supported work experience for individual students, to meet the statutory duty to provide work-related learning for students in Key Stage 4 and ensure that all pupils have access to work experience that will benefit in the short and long term. Progress works with students to ensure that work experience is meaningful and relates to the student's plan for employment after they leave school. This is happening across Lancashire, funded by the schools from their existing budgets.
3. Progress is starting to see paid employment for some students before they leave school (e.g. holiday and weekend work). They are also running a pilot project (using £7.5K funding from a local Children's Trust grant) with a school for students with severe learning disabilities, to support six young people there into Saturday jobs.
4. Below is an example of the costs of supported work experience at one school.

Costs:

£156.43 per day

£22.35 per hour

Breakdown of hours:

| Work undertaken | Hours |
|---|-----------|
| Co-ordination of 1 job analysis and work experience | 18 |
| Co-ordination of 10 work experiences with existing employers | 20 |
| Completion of 11 risk assessments, information sheets and other admin | 12 |
| Follow-up calls/visits/letters/emails to school and employers | 11 |
| Two meetings at the school – student meeting and planning | 6 |
| Total hours | 67 |

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Cost per placement = £136

5. This is an example from one school which has a long relationship with Progress. The collaborative work allows maximum benefit from minimal resource.
6. This cost is unusually low because ten of the placements are repeated rather than new. The cost for a new placement is over £400 plus travel.
7. Supported work experience is one element of a suite of support services that Progress provides to schools and colleges. Other elements include entrepreneurship, positive future basing training days (raising aspirations of staff and students), and experience of work visits. Key is keeping the experience as close to an ordinary age appropriate experience as possible.
8. For more information about Progress Employment, please contact Deborah Parker, deborah.parker@supportedemployment.org.uk

Pure Innovations – Bolton

9. Pure Innovations, a supported employment provider, is funded by a Firwood special school to provide an Employment Officer based in the school. The employment officer provides real work experience for young people with severe learning disabilities, including discovery, and matching placements to young people's skills and interests.
10. In the first year of the scheme, six young people have been supported in work experience placements, and two are now moving into paid employment. The scheme has demonstrated the importance of job matching, for example, one young man with autism was matched to a work placement that utilised his ability to focus intensely on specific tasks.
11. The expectations of young people and families are changing, as they start to see the impact of positive work experience placements. Some young people and families are starting to think about going straight into work from school, and others are still planning to go to college but now expect to get a job after that.
12. For more information about Pure Innovations' work in Bolton, please contact Sarah Sturmeay, Pure Employment Manager, Sarah.Sturmeay@pureinnovations.co.uk

Richmond – Vocational Profiling

13. In Richmond, the Getting a Life team has commissioned an easy-read vocational profile called "Me and My Job", and are trialling it with young people in a local SLD school and a college.
14. Power Employment, the council's in-house supported employment service, is working with 10 young people to complete the profiles and identify work experience placements or Saturday

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jobs based on their interests and skills. These placements will begin in the New Year with Power providing job coaching support for those still at school, and those at college using their PAs (funded by their personal budgets) for support.

15. This trial is part of a wider development of Power's involvement with schools and colleges, to improve transition to employment for young people with learning disabilities.
16. For more information contact Karl Burgess, Transitions Development Manager, karl.burgess@richmond.gov.uk

Nottinghamshire

17. For several years, Nottinghamshire County Council's supported employment service has met with special schools and taken referrals from young people in their final year who wanted to work. This was not always coordinated well or funded in a clear way, and the usual route was into college and then day services.
18. In the last twelve months, i-work (a specialist employment service for people eligible for adult social care funding) has been working with schools more closely. After a number of meetings with special schools and a successful conference for heads and governors across the county, planned progression routes towards paid work are now in place.
19. Each school mapped out their current practice and identified where current resources could be used differently to fund support for employment goals.
20. Schools' teaching staff work with supported employment staff to create vocational profiles, observe placements arranged by schools and work with those who want to move into paid work after leaving school.

Progression Routes:

21. *Age 14 – 16 (Years 9 to 11)*
From year 9 young people with a learning disability and their carers are introduced to work as an option. The school and the specialist employment service works together to provide sessions about work to young people and their families.
22. Young people in year 11 undertake work experience placements. Paid work opportunities are co-ordinated for young people at weekends and holidays.
23. Some young people are involved in training and enterprise projects as part of their work-based learning programme from year 11.
24. *Age 17 – 19 (Years 12 – 1)*

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Schools to provide vocational work opportunities away from the classroom within social enterprises run by the Supported Employment Service. School work experience co-ordinators support the work experience in line with supported employment guidelines. Work experience includes rotations of four different opportunities matched to the young person's interests and abilities, with holiday and weekend jobs also offered.

25. In year 14, the specialist supported employment service finds paid work for the person and when they leave school, they continue to be supported when needed by the specialist supported employment service.
26. For more information please contact Andy Billings, Employment Development Manager, 07774014990 or andy.billings@nottscc.gov.uk

Annex D - Q & A

Q1. How will providers be able to predict the number of clients that will want to access job coach support with an Individual Budget?

A1. Providers may wish to hold discussions with Local Authorities to agree a period of transition from block contracts to individual budgets. This may require Local Authorities to provide additional funding for a period of up to a year to compensate any loss of income to the provider. This discussion with the Local Authority should allow providers to understand the predicted demand and therefore income. Jobs First is finding that demand can increase when employment is prioritised during support planning. The evaluation of Jobs First will set out how far this demand has increased in comparison to a group of people who did not interact with Jobs First.

Q2. How will providers market this service to Individual Budget users given that there is no guarantee of employment? Will people want their money back if they don't get a job?

A2. People should be supported to understand that there is no guarantee of employment and this should be set out in a contract at the outset. Supported employment agencies would be advised to estimate how long it may take, based upon prior experience, and set expectations with clients on this basis.

Q3. How will crisis intervention be factored in? What if clients choose not to pay for this?

A3. This should be factored in to the costs that clients are charged, since this is an essential part of the service. The costed examples in this paper have factored in the cost of long term, ongoing support, including crisis intervention. Not all clients will need this element of the service, which means that the cost of providing it can be spread across all clients.

Q4. How will providers ensure that people are properly safeguarded at work given that they may not choose to use their Individual Budget to pay for a health and safety check?

A4. Again, essential elements of the service such as health and safety checks should be factored in to the cost that clients are charged. The costs set out in this paper have factored in this element of support to clients. The service to clients should meet the standards set out by the Government's best practice guidelines for supported employment and job coaching, which emphasise the importance of keeping people safe at work.

Q5. How will the quality of service to customers using Individual Budgets be monitored to prevent people being exploited?

A5. Adherence to the best practice guidelines for supported employment and job coaching and to a contract between the client and provider at the outset should ensure that customers receive a high quality of service. Providers that do not provide a quality service will lose business as the market place develops and clients are in a position to choose the best providers.

Q6. How will providers cope with additional administration involved with large numbers of invoices from individuals?

A6. Administration costs are factored in to the cost of the service as set out in this paper. It is possible that some people will choose to have their support commissioned by the local authority, which is likely to reduce the number of invoices to be processed.

Q7. How will a transition to Individual Budgets affect provision that is currently running on a block contract?

A7. Jobs First is promoting the move from Local Authority block contracts to self directed support. There may need to be a period of additional funding while that transition is made. This will involve working with providers to develop the supported employment market. Over time, this is likely to drive standards up as expectations are raised.

Q8. Is there a genuine demand for the provision of employment support paid for with an Individual Budget?

A8. Many people with learning disabilities want to work, but in most localities the market is not yet developed enough to enable people to buy good employment support with their Individual Budget. People are often advised to spend their money on alternatives that are more readily available. As the market develops, support planners and care managers will have more confidence in services that support employment goals, and will be more likely to direct people to these services.

Jobs First is finding that when employment is prioritised during support planning, individuals are keen to spend their budget on employment support. The Jobs First evaluation will record any increased levels of demand.

Q9. How will providers receive payment for strategic partnership work?

A9. We recommend that commissioners consider funding these elements of services separately. This would allow agencies to concentrate on the core activity of getting people into

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employment. There is also some evidence that schools will pay for children with learning disabilities to undertake supported work experience.

Q10. This approach may lead to a casualisation of the job coach market.

A10. Adherence to the Government's best practice guidelines for supported employment and job coaching should prevent standards of job coaching from dropping. Support planners and brokers should guide people towards job coaches that are known to adhere to these standards.

Q11. Changes to FACS eligibility criteria will mean that many people will not be entitled to social care funding and those who find employment may be reviewed and found to be no longer eligible.

A11. This is an area of concern that the Jobs First sites will be monitoring closely. Any evidence of this issue will be fed into Government. The Jobs First evaluation will assess the extent to which this affects people's ability to pay for employment support with their Individual Budget. Please see the Fair Access to Care Services guidance²¹ which states that anyone, including those with critical needs, should be supported to find and remain in employment when that is what they want. Being in employment should not be assumed to imply that somebody does not have eligible needs. When considering if a person still has critical eligible needs, Local Authorities should consider if "vital involvement in work, education or learning cannot or will not be sustained" if they withdraw support. Where support in employment is helping to prevent needs from becoming critical, councils might find it advisable to continue funding that support.

Q12. Is this paper targeted only at people able to work 16 hours a week?

A12. No. This paper is intended to be relevant to people with moderate to severe learning disabilities who are eligible for social care provision. It is expected that most Jobs First participants will use their personal budget to progress towards working 16 hours a week, at which point they may become eligible for funding streams such as Access to Work and are likely to be financially better off than they would be on benefits.

Q13. The use of a flat rate charge could lead to cherry picking.

A13. The costs set out in this paper are intended to prevent cherry picking. The cost of supporting a less able client on an ongoing basis has been factored in to the cost of providing support at a flat rate. Because a less able client is charged the same rate as a more able client, the cost of supporting a less able client is absorbed.

Q14. Why is co-funding necessary? Local Authorities have been meeting the full costs of supported employment via block contracts.

²¹ www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_113154

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A14. In times of austerity, Local Authorities will be looking for best value from all services. This may lead to contracts being revisited and to local reductions in Supported Employment where the business case is not well understood. Feedback from the Valuing Employment Now demonstration sites indicates that this is a risk.

Jobs First is demonstrating an approach that allows existing funding to be used differently. This entails using social services funding that would otherwise be used to pay for day service provision to fund employment support. This is likely to lead to better outcomes for individuals at a greatly reduced cost. By pooling funding streams from a number of agencies, the cost of supporting people with moderate to severe learning disabilities can be accommodated.

Annex E - Contributors to this paper

Susan Allott, the Jobs First Programme Manager, Department of Health commissioned this paper to support the learning of the Jobs First programme. Ellen Atkinson provided the costs and early findings in the paper, and subsequent drafts were written by Susan Allott in collaboration with Ellen Atkinson.

A number of stakeholders and Government Departments reviewed and amended this paper, including:

BASE
Remploy
Mencap
Pure Innovations
Deborah Parker, Progress
Simon Whitehead
Nicola Gitsham, Getting a Life
Foundation for People with Learning Disabilities
In Control
DWP Work Choice Team
DWP Access to Work Team
ODI Right to Control Team
DH Personalisation team
BIS
Department for Education