

# **An Independent Financial Costs: Benefits Analysis of Gloucestershire County Council's Employment Service (GES)**

**Authors**

**Dr Mark Kilsby, Julie Allan and Dr Stephen Beyer**

**March 2015**

**Correspondence:**

Dr Mark Kilsby or Julie Allan

Kilsby and Allan Ltd

13 Tewkesbury Place

Cardiff

CF24 4QU

[Tel: 02920 333707](tel:02920333707)

Email: [Enquiries@kilsbyandallan.co.uk](mailto:Enquiries@kilsbyandallan.co.uk)

<b><u>Contents</u></b>	<b><u>Page Number</u></b>
<b>Executive Summary</b>	<b>1</b>
<u>Summary of Recommendations</u>	4
<b>Section 1: Introduction</b>	<b>5</b>
<u>Meeting the Challenge</u>	5
<u>Cost Reduction verses Cost Avoidance Savings</u>	6
<u>Previous Employment Costs: Benefits Studies</u>	7
<u>Early Intervention (invest to save) Policy</u>	8
<u>Analysis Aims</u>	9
<b>Section 2: Method</b>	<b>10</b>
<u>Identification of Key Service and Beneficiary Characteristics</u>	10
<u>Outline of Financial Costing Framework</u>	10
<b>Section 3: Key Service Characteristics and Outcomes</b>	<b>16</b>
<u>The Service Context and Key Procedures</u>	16
<u>Numbers Entering Paid Work</u>	18
<u>Age and Gender of Beneficiaries</u>	19
<u>Type and Level of Disability</u>	20
<u>Hours Worked and Pay Rates</u>	22
<u>Residential Status</u>	23
<u>Job Type and Employment Sector</u>	24
<b>Section 4: Financial Costs: Benefits Results</b>	<b>26</b>
<u>Situation with GES: Employment Budget and Per Capita Costs</u>	26
<u>Per Capita Costs</u>	27
<u>Situation with GES: In-work Services Received</u>	28
<u>Situation without GES: Costs of LA Service</u>	28
<u>In-work and out of work Welfare Benefits/Tax Credits</u>	29
<u>Total In-work vs Out-of-work Costs: Welfare Benefits and Tax Credits</u>	29
<u>Better off Calculations</u>	31
<u>Income Tax and National Insurance Contributions</u>	31
<u>Indirect Taxation Before and Following Work</u>	31
<u>Summary of Costs: Benefits – Calculations and Results</u>	31
<b>Section 5: Case Studies</b>	<b>35</b>
<u>Case Study 1: Peter</u>	35
<u>Case Study 2: Stephen</u>	36
<u>Case Study 3: Arthur</u>	37
<u>Case Study 4: Jonathon</u>	38
<u>Case Study 5: Jocelyn</u>	39
<b>Section 6: Discussion and Recommendations</b>	<b>40</b>

## **Contents**

## **Page Number**

### **List of Tables**

<u>Table 1: Identification of Key Service and Beneficiary Characteristics</u>	10
<u>Table 2: Summary of costs and flowbacks for GES</u>	11
<u>Table 3: Welfare Benefits, Tax Credits, Tax and N.I</u>	14
<u>Table 4: Funding Allocation for GES</u>	26
<u>Table 5: Distribution of Weekly Income</u>	29
<u>Table 6: Indicative illustration 1</u>	33
<u>Table 7: Indicative illustration 2</u>	34
<u>Table 8: Summary of the Place-Train-Maintain SE Approach</u>	46

### **List of Figures**

<u>Figure 1: Numbers Accessing Paid Work Through GES</u>	19
<u>Figure 2: Age Distribution of Workers</u>	19
<u>Figure 3: Employees by Banding</u>	20
<u>Figure 4: PRNs and Service Usage of Workers</u>	21
<u>Figure 5: Hours Worked by Workers</u>	22
<u>Figure 6: Residential Status of Workers</u>	23
<u>Figure 7: Hours Worked by Residential Status</u>	24
<u>Figure 8: Type of Job</u>	24
<u>Figure 9: Employment Sector</u>	25
<u>Figure 10: Distribution of Total Budget Spend</u>	27
<u>Figure 11 : Costs per Employee</u>	28
<u>Figure 12: Changes in Benefit Uptake Following Work</u>	30

### **List of Appendices**

<u>Appendix 1: Summary of Supported Employment Approach</u>	46
<u>Appendix 2: Community &amp; Adult Care Support Needs Criteria FACE Assessment Banding</u>	48
<u>Appendix 3: Plain Summary of Findings</u>	49

## Executive Summary<sup>1</sup>

"You feel good about yourself when you are working. People like you more, they look at you differently when you have a job - you get a nice reputation and praise".

Jonathon - 57 year old beneficiary who previously attended an Adult Day Centre.

This analysis was commissioned by Gloucestershire County Council (GCC) to identify the financial costs and benefits associated with GCC's Employment Service (GES). The service sits within GCC's Employment and Enablement Team and currently provides beneficiaries, mainly who have Learning Disabilities, with support to enable them to access paid work. It is set within the local service context of GCC's 'Meeting the Challenge' and the 'Building Better Lives' policies and in the context of GCC's commitment to generate savings, while maintaining services in a harsh economic climate.

This analysis is based upon a costs: benefits framework employed in previous studies to assess the financial impact of supported employment (SE) approaches.<sup>2</sup> This compares the financial costs and benefits in a situation where the SE service exists to one where it does not. The net balance of costs to savings per year is presented for the Taxpayer and LA levels, covering the period of GES activity from April 1<sup>st</sup> 2013 to November 30<sup>th</sup> 2014 (20 months). The key procedures and service outcomes associated with GES are presented to describe the service context and the impact these have on financial outcomes.

Ninety-one beneficiaries with learning disabilities were supported into paid jobs throughout the analysis window. The job fall out fall-out rate was 11% and 81 people with learning disabilities were in work at November 30<sup>th</sup> 2014. Seventy-five paid jobs were obtained over the period at a rate of 3.75 jobs per month (p.m). LA funding has been re-targeted within the County with the specific aim of developing the employment strand of work with an average yearly expenditure of £265,860 per year (p.y.) within the analysis window. This is close to the reported average yearly spend for employment services across the UK in the NDTi report of £262,132.<sup>3</sup>

Results indicate that the LA has invested £6,976 for every job obtained taking into account the 11% fallout rate, which is less than the £8,217 average found in the NDTi report of 2014. Evidence suggests that this per capita cost is falling and will continue to do so in the short term if current funding levels are maintained. Additional funding will be required when the capacity of the service to support those already in work and those entering the service is reached.

---

<sup>1</sup> For plain summary of findings see Appendix 3, page 49.

<sup>2</sup> Kilsby, M and Beyer, S (2011) A Financial Cost:Benefit Analysis of Kent Supported Employment - Establishing a Framework for Analysis. Kent County Council.

<sup>3</sup> National Development Team for Inclusion (2014) The Cost Effectiveness of Employment Support for People with Disabilities. Full report.

Results also indicated that 85% of those in paid work were previously NEET (Not in Education, Employment or Training) and were claiming out of work benefits. Over a quarter of the beneficiaries of a subsample of 42 individuals were claiming I.B. (Incapacity Benefit) prior to working, having previously been deemed to be incapable of undertaking paid work. This is evidence that GES is challenging previously held beliefs about the lack of ability of these individuals and raising the expectations of those around them.

The average age of the beneficiaries supported in work was 31.9 years ranging from 18:8 to 63:6 years of age. Thirty eight per cent of the beneficiaries were aged 18 to 24 reflecting a focus on early intervention and improving the potential for cost avoidance savings throughout the lifetime of the individuals. Eighty five per cent of the beneficiaries had an Assessment of Need via LA assessment and 43% were still in receipt of services following paid work. These beneficiaries received a combination of Employment and Day Service provision. Only 15% had no statement of need and had not been in receipt of services.

These results suggest that GES is hitting its target group and that most of these individuals would be out of work and eligible to receive alternative services. However, 86% of the beneficiaries accessing paid work via the service were people with mild learning disabilities, while 16% were described as requiring medium levels of support through the FACE assessment. One of the key challenges for the service is to enable more people banded from C to A to access paid work. Social Enterprises may represent one method for enabling the progression of some of those with higher support needs.

The results indicated that 45% of those in paid work through the service were also in receipt of residential services. This had a significant impact upon the amount of hours that these beneficiaries could work without it negatively affecting their welfare benefits. Fifty five per cent of the jobs in GES were categorised as full-time and the average hours worked per person was 13.45 hours p.w. All the beneficiaries received NMW on starting work. Over half of those in the sample (55%) lived independently or with their parents and the data show that the difference in hours worked between these groups and those receiving residential services was relatively small being on average just under 1 hour more p.p.p.w (per person per week). This suggests that there is greater scope to develop more full time work opportunities in accordance with the 'standard working week' of between 30 and 40 hours for those living at home.

The jobs obtained via GES occurred in a variety of workplaces and engaged 50 local employers. A significant proportion of the jobs were undertaken in 4 Social Enterprises (39%). It is unclear how many beneficiaries are progressing from Social Enterprises into inclusive paid jobs. However, the results suggest that there is potential for increasing the proportion of inclusive jobs undertaken in the Public and Private Sectors from the current rates of 11% and 49% respectively.

The results indicate that following entry to work the pattern of financial income sources for the beneficiaries changed with movement off I.B. and I.S (Income Support) and onto income related Employment and Support Allowance (ESA) (50%) and Working Tax Credits (36%). All of the beneficiaries were financially better off as

a result of working by an average of £73.97 p.p.p.w. implying they had greater financial autonomy and independence.

There is sensitivity in the analysis according to which criteria is applied. Four alternative costs: benefits outcomes are presented along with the criteria applied for each in this report. When the most conservative calculation was applied<sup>4</sup> LA costs in the situation with GES (which combines the costs of directly funding GES with the in-work service costs to the LA) were £554,353 p.y. This compared to £648,108 p.y., calculated in avoidance costs based on an average cost to the LA for out of work band D service users. This produced a net balance of savings to the LA of £93,755 p.y., returning £1.17 to the LA for every £1 it spends on the service.

The low number of hours worked by the beneficiaries, combined with low wage levels meant that savings at the Taxpayer level were modest, returning just 5p for every £1 spent. An increase in the average hours worked by the beneficiaries would assist in increasing these savings. When savings at the Taxpayer and LA levels are combined, this produces a headline figure of £1.23 for every £1 of expenditure.

Applying a less conservative criteria to cost estimation<sup>5</sup> LA costs in the situation with GES were £579,082 p.y. This compared to £732,252 calculated in avoidance costs. This produced a net balance of savings to the LA of £144,170 p.y., returning £1.25 to the LA for every £1 it spends on the service and £1.17 to the Taxpayer. This results in a combined return of £1.42 for every £1 spent on the service.

A number of recommendations are made on the basis of this analysis. These include mapping the infrastructure to the delivery components associated with best practice Supported Employment approaches including the methods associated with 'Vocational Profiling', 'Job Searching', 'Job Matching', 'Job Carving', 'Systematic Instruction' and 'Accommodations to Worksite Culture'. Currently the provision of job coaches within the service has been on an ad hoc basis via Access to Work funding. This may not be sustainable and it is recommended that GES significantly increase the budget proportion (currently at 5%) for the hiring/commissioning of a pool of full time dedicated job coaches.

The importance of providing support in an on-going way and the financial impact of not doing so are also highlighted as is ensuring that there is sufficient funding to maintain support for those already in work over the longer term. Overall, GCC has made significant progress in the journey from factory based congregate/segregate employment services towards 'inclusive' paid work opportunities. The results provide strong evidence that the service is generating savings at the Local Authority and Taxpayer Levels and that this is having a direct benefit to the quality of lives of those it supports. Twelve recommendations are made on the basis of this analysis. These may reinforce current and intended plans within GES regarding future strategies.

---

<sup>4</sup> i.e., excluding alternative service costs for those without an assessment of need and allowing for the 11% fall out rate.

<sup>5</sup> i.e., based on total numbers supported over the duration, but excluding alternative service costs for those without an assessment of need.

### **Summary of Recommendations**

- 1: That the Local Authority continues to fund the Employment Service at a level that enables it to maintain its current support to beneficiaries and to make the service more cost effective by placing more people into paid work.*
- 2: That the service obtains a higher proportion of full time jobs based on the hours of a standard working week of over 30 hours.*
- 3: That the service continues to closely monitor the proportion of those obtaining work with higher support needs and those from other vulnerable groups.*
- 4: Invest in developing a dedicated pool of job coaches trained in the methods of the supported employment to underpin the strategies mentioned above.*
- 5: Continue focussing on early intervention that enables young vulnerable people to move from schools and colleges into paid employment.*
- 6: Explore the potential for developing Internships, Apprenticeships, Traineeships and Peer Support Approaches to Transition.*
- 7: That the Social Enterprises be developed as a means to progressing those with higher support needs into paid jobs.*
- 8: That the Service monitors the extent that those employed in Social Enterprises are progressing into inclusive paid work.*
- 9: That the service continues to target Public and (especially) Private Sector inclusive employment opportunities to increase the proportions of jobs in these Sectors.*
- 10: Map the employment procedures developed by GES against those of Supported Employment to ensure the service adheres to the Place-Train-Maintain approach to employment strategy.*
- 11: Ensure mechanisms are in place to closely monitor fall out rates monitor and be prepared to provide additional support to these beneficiaries when required.*
- 12: Ensure that there is sufficient funding to maintain support for those already in paid work over the longer term and be prepared to provide additional funding when service capacity is reached.*

## Section 1: Introduction

### Meeting the Challenge

This analysis was commissioned by Gloucestershire County Council (GCC) to identify the financial costs and benefits associated with GCC's Employment Service (GES). The service sits within GCC's Employment and Enablement Team as 1 of 6 strands of work and currently engages beneficiaries, mostly with Learning Disabilities, with the explicit aim of enabling them to access paid work. It is set within the context of GCC's 'Meeting the Challenge' and the 'Building Better Lives' policies and through the 'Big Plan Implementation Strategy' which has the aim of:

*"Making Employment a real option and presenting solutions at the front door"*

In order to:

*"Increase in the number of adults of all ages receiving preventative/enablement services in the community funded by Adult Social Care" (Outcome 3), in order to reduce the number & percentage of young people aged 16-18 who are not in education, employment or training (NEET)" (Outcomes 3 and 7).<sup>6</sup>*

The challenge however, is two fold: GCC go onto state their commitment to help to reduce the nation's debt by:

*"Generating around £114m in savings, reducing management and other running costs and focusing our front-line services on protecting the most vulnerable people, supporting active communities and building a sustainable County."*

Recent estimates suggest that the unemployment rates for people with Learning Disabilities may be as high as 95% in some areas of the UK, with many remaining permanently out of work throughout their lives. This is despite a report by Community Care who surveyed over 1,000 people with Learning Disabilities and found 66% wanted a job.<sup>7, 8</sup> Within Gloucestershire, unemployment rates among this group in 2013 were reported at 6.1%; an unemployment rate of just over 93%.<sup>9</sup> Unemployment rates are also high among other vulnerable groups with 60% of Young Offenders 94% of those with a Mental Health condition; 33% of Care Leavers and 84% of Young Parents being reported as unemployed.<sup>10, 11, 12, 13</sup>

---

<sup>6</sup> GCC Council Strategy 2011 to 2015 (2014 update): *Meeting the Challenge*.

<sup>7</sup> Department of Health, *Valuing people: The story so far... A New Strategy for Learning Disability for the 21st Century – Long report*, 22 March 2005, available at [http://www.dh.gov.uk/PublicationsAndStatistics/Publications/PublicationsPolicyAndGuidance/PublicationsPolicyAndGuidanceArticle/fs/en?CONTENT\\_ID=4107054&chk=i8aSgl](http://www.dh.gov.uk/PublicationsAndStatistics/Publications/PublicationsPolicyAndGuidance/PublicationsPolicyAndGuidanceArticle/fs/en?CONTENT_ID=4107054&chk=i8aSgl) (accessed 27 July 2005)

<sup>8</sup> Community Care (2007) Employment barriers for people with learning disabilities <http://www.communitycare.co.uk/Articles/31/05/2007/104643/Employment-barriers-for-people-with-learning-disabilities.htm?printerfriendly=true>

<sup>9</sup> Learning Disabilities Profile (2013) Gloucestershire Public Health England <http://www.improvinghealthandlives.org.uk/profiles/index.php?pdf=E10000013>

<sup>10</sup> Education of Young People Supervised by the Youth Justice System: Background Paper DCFS (2007). <https://education.gov.uk/publications/eOrderingDownload/Youth%20Justice%20-%20Next%20Steps.pdf>

<sup>11</sup> Audit Commission (2010) Estimating the life-time cost of NEET: 16-18 year olds not in Education, Employment or Training. Study by the University of York



Most of the research relating to costs: benefits analysis has focussed on specialist employment initiatives as a 'Supported Employment' provision. Supported Employment involves a specific set of skills aimed at enabling people with Learning Disabilities to access inclusive (typical) paid work environments and focuses on three core areas of support, encapsulated in procedures associated with what has been termed the 'Place-Train-Maintain' model of Supported Employment. For those unfamiliar with the approach we have included a representation of some of the main facets in Appendix 1. One common thread running through the supported employment research is that better employment outcomes are assured for vulnerable groups when the supported employment infrastructure, values and procedures are present within the service.

GES does not refer to itself as a supported employment service, although it will become clear that it applies procedures that cover many of the key characteristics of the approach. It is beyond the scope of this analysis to determine the extent that these components are absent or present within the service. However, there are a number of reasons for supposing that GES is a viable financial option compared to other service models. On the one hand engagement of vulnerable groups in the labour market offers people increased career prospects, greater access to normative lifestyles and improved quality of life and health outcomes; on the other, it holds the promise of reduced welfare benefit payments for the Taxpayer and reduced costs to the LA due to the beneficiaries becoming less reliant upon adult social care. This analysis intends to determine the financial costs: benefits associated with Gloucestershire Employment Service (GES) by comparing the financial costs and benefits in a situation where the service exists and one where it does not.

#### Cost Reduction verses Cost Avoidance Savings

The Social Finance Organisation recently argued that although most public sector funding is contingent upon them achieving certain criteria, the financial implications (such as savings) are rarely factored into the equation. Consequently, there are no financial incentives for improving services, as payments are not linked to results.<sup>14</sup> It is relatively straightforward to measure reductions in cost (e.g., the savings that occur when a service stays within a reduced budget), but more difficult to determine what savings occurred as a result of the beneficiaries becoming less reliant on alternative LA funded services.

Ahembaum (2006) highlights the importance of identifying savings into 'cost reduction' or 'cost avoidance' categories. Savings made due to cost reductions tend to be more tangible than those of cost avoidance because they are observably and directly linked to a reduction in actual expenditure. Avoidance savings are less tangible to quantify because they are based on an estimation of what alternative service costs would have been if GES did not exist. This necessarily assumes that the beneficiary would not have entered paid work if the service had not intervened, and also that they would be engaged in an alternative (and potentially more costly) form of service delivery as a result.

---

<sup>12</sup> Department of Health (1999) Stein, M & Wade, J Social Work Research and Development Unit University of York. <http://www.communities.gov.uk/documents/localgovernment/pdf/145836.pdf>

<sup>13</sup> (Department for Education and Employment,(1998) Labour Force Survey.

<sup>14</sup> Also referred to as 'Payment by Results'

There may also be clues within the data to support or contradict these assumptions: For example, if the GES beneficiaries have a 'Statement of Need' via a local social services assessment, then this provides support for the notion that they would have received alternative services. Similarly, a history of long-term unemployment up to the point of the intervention would provide evidence that the service had a direct impact on changing that person's employment status. One way to calculate avoidance costs is to compare the costs in a situation where the service exists, and one where it does not. Avoidance savings are identified when the costs of the alternative services outweigh those of the employment service.

#### Previous Employment Costs: Benefits Studies

Previous research on supported employment has shown to be highly effective in terms of the beneficiaries' increased financial independence, levels of self-esteem, and of engagement in inclusive community locations, compared with traditional services.<sup>15, 16</sup> Numerous financial cost-benefit analyses in the UK have shown the potential that specialist employment provision has to generate cost avoidance savings for the Taxpayer and LA. A national study of supported employment in the UK (1996) of 1,400 supported employees across 201 agencies found that from the worker perspective, financial benefits exceeded costs, creating a costs to benefits ratio of 2.47, meaning that supported workers gained £2.47 for every £1 lost in the transition to employment. From the taxpayer perspective, Tax and National Insurance savings yielded a saving of 43p for every £1 spent.<sup>17</sup>

A report in North Lanarkshire (2007) showed that people with Learning Disabilities were 113% financially better off after employment and found a 47.5% lower cost compared to Social Service Funded Day Service provision, resulting in a potential saving to the government of 25p for every £1 invested in the service.<sup>18</sup> The key to this success was relatively high numbers of people working over 16 hours (94% of workers), the average being 22.4 hours per week per worker with a Learning Disability. Working only a few hours and retaining welfare benefits means that people pay little tax, and there are few financial flow-backs to the Treasury, while costs of support programmes remain significant. A financial cost benefit analysis of Kent Supported Employment Service estimated an avoidance saving of £1,290 to the LA and £3,564 per person per year at the Taxpayer level.

A recent national study by the National Development Team (2014) aimed to identify the per capita costs of specialist employment services across 43 LA's (70 Employment services). It found that on average cost per job outcome for all services was £8,217. This was based on an average employment budget of £262,132. Although the study also highlighted variability within the findings. Costs of a subsample of 11 evidence-based services produced an average cost per job outcome of £2,818pp

---

<sup>15</sup> Kilsby, M. & Beyer, S. (1996). Engagement and interaction: A comparison between supported employment and day service provision. Journal of Intellectual Disability Research, 40, 348-357.

<sup>16</sup> Moseley, C. R. (1988). Job satisfaction research: implications for supported employment. Journal of the Association for Persons with Severe Handicaps, 13, 211-219.

<sup>17</sup> Beyer, S., Goodere, L. and Kilsby, M. (1996). Costs and benefits of supported employment in Britain. London: The Stationery Office, London.

<sup>18</sup> Beyer, S. (2007). An evaluation of the Outcomes of Supported Employment in North Lanarkshire. Welsh Centre for Learning Disabilities, Cardiff.

ranging from £870 to £4,908.<sup>19</sup> A cost benefit analysis at the Taxpayer level of Kent County Council's Vulnerable Learners Project showed that employment could be cost effective across a variety of vulnerable groups when applied to Supported Apprenticeships. This included 16 Young Offenders, 23 Young Parents, 21 people with Learning Disabilities and/or Mental Health and 9 Care Leavers. The report concluded that positive cost outcomes were contingent upon the extent that the supported employment approach was available to all groups. Although there were costs associated with the delivery phase, these were cancelled out at the Taxpayer level with 12 months paid employment and there was a saving of £1.38 for every £1 invested. The authors concluded that the support available through supported employment should be available to all vulnerable young people where it is required regardless of their background or disability.

#### Early Intervention (invest to save) Policy

The focus on the Transition from Education into paid employment is reflected in a number of recent Government initiatives aimed at the targeting employment services at the 16 to 24 age groups. This includes the 'Getting a Life', 'Valuing People Now', 'Preparing for Adulthood' and SEND Pathfinder initiatives and investment into Apprenticeships, Traineeships and Internships.

Planning and investing in early intervention strategies has many benefits: it provides beneficiaries with access to the normative pathways taken by their non disabled peers in the transition from schools and colleges into paid work; increases the beneficiaries potential to lead more meaningful and active lives as included members of their communities; and it provides greater lifetime savings to local services and the Taxpayer alike. A recent report from the office of National Statistics shows that those who had been unemployed for less than three months were 3.2 times more likely to move into employment than those who had been unemployed for over two years.<sup>20</sup>

Research by York University suggests that a failure to implement early intervention strategies for Care Leavers was leading to significant increases in costs to the public purse. They plotted the life paths for a young person, comparing the human and financial cost where the person receives support through intervention to one where they do not. In the positive scenario, the person receives £50,000 worth of support packages, which included a 'life-changing' trip to the Pyrenees and childcare support while she undertook a Level 3 qualification that led to a paid job. By contrast person B required a lot of support throughout his late teenage years and his early twenties interspersed with long periods of unemployment. The researchers estimated that the cost could spiral to over 60 times the investment figure in this situation.

The York study estimated an average lifetime public finance cost of £56,301 for a young person who is NEET aged 16 to 18, but concludes that the costs for teenage parents are likely to be higher. In the case of Sophie B this was definitely the case costing £858,362. As with other research the York study suggests that for Young

---

<sup>19</sup> National Development Team for Inclusion (2014) The Cost Effectiveness of Employment Support for People with Disabilities. Full report.  
[http://www.ndti.org.uk/uploads/files/The\\_cost\\_effectiveness\\_of\\_Employment\\_Support\\_for\\_People\\_with\\_Disabilities,\\_NDTi,\\_March\\_2014\\_final\\_v2.pdf](http://www.ndti.org.uk/uploads/files/The_cost_effectiveness_of_Employment_Support_for_People_with_Disabilities,_NDTi,_March_2014_final_v2.pdf).

<sup>20</sup> Office for National Statistics Moving between Unemployment and Employment Coverage: UK Date: 07 November 2013

Parents, the investment is over the longer term and intrinsically linked to the health and upbringing of the child, and in the potential for the mother to take up to full time work during and following their child's education.

There are many things that can potentially contribute to the cost effectiveness of supported employment. These include the length of time operating; procedures adopted by the service; numbers of people in receipt of residential services; wage levels of the employees; extent that earnings affect welfare benefits payments and the amount of hours worked by the employees. There are also more qualitative aspects, such as the variety of jobs obtained, the levels of integration and inclusion into local employment settings and whether or not the beneficiaries are financially better as a result of working. Therefore, it is necessary to describe the context and procedures adopted within the service and the key service outcomes of the approach.

The aims of this analysis are to:

- 1) Identify and present the key procedures and service outcomes associated with GES to describe any implications this may have on financial costs or savings;
- 2) Identify the financial costs or savings that occur for the Taxpayer by comparing the financial costs and flow-backs of the 'out-of-work', and 'in-work' conditions and map these to a cost reduction/avoidance framework;
- 3) Establish the financial net costs: benefits that accrue to the Local Authority and map these to the cost reduction/avoidance framework;
- 4) Present a costs to benefits ratio identifying the amount of costs/savings for every £1 of spent on the service;
- 5) Identify the extent that the beneficiaries were better off as a result of entering paid work;
- 6) Allow predictions of the likely future costs: benefits
- 7) Present a representative sample of 5 individual case studies of client experiences to illustrate pathways taken into work and identify the financial cost implications of each;
- 8) Make recommendations to commissioners and strategy drivers for changing, improving and targeting service delivery to balance service quality with positive financial outcomes.

## Section 2: Method

"Working keeps me busy, not sitting on my a\*\*e all day. I do a really good job and I get job satisfaction when I see the cars I've done I think 'wow -that looks awesome'.

Stephen - 29 year old beneficiary.

The sample was restricted to those beneficiaries who were in work, or who obtained paid work through GES from, April 1<sup>st</sup> 2013 to November 30<sup>th</sup> 2014 (20 months). In order to get more detailed information about the procedures operating within GES we used a mixture of face to face and telephone interviews with key GES staff and written descriptions of the organisations concerned. Five beneficiaries were also interviewed in order to capture some of their personal experience of obtaining work via case study reporting methods.

An Excel Spreadsheet was developed to capture the key service characteristics and outcomes. This contained the following variables for the out and in-work situations for each person:

**Table 1: Identification of Key Service and Beneficiary Characteristics**

Beneficiary	Employer	Other Considerations
Reference number Age and Gender Marital Status Main disability Disability band within GCC Main Agency Date referred Residential Status Previous employment status if any Previous service(s) if any Days Attended (ideally)	Employer Name Business Sector Type of Job (e.g., Administration, Building, Retail, Cleaning) Hours worked per week Date started work End date if any	SE Model Operating (e.g., Inclusive v Social Enterprise or Factory models) Other Funded organisations involved in placement  Any services still received following paid work

This allows a description of the characteristics of the beneficiary group and the types of jobs they obtained and to explore the impact that certain characteristic have upon cost outcomes (e.g., the impact that residential status has on wages and hours worked). It also allows identification of the number of people in or entering paid work, and the numbers leaving their jobs over the 20-month duration.

### Outline of Financial Costing framework

The analysis will be based upon the framework used by the authors in previous studies specific to the financial impact of employment services.<sup>21,22</sup> The financial

---

<sup>21</sup> Beyer, S. & Kilsby, M. (1998) The costs and benefits of two supported employment agencies in Wales, Journal of Applied Research in Intellectual Disabilities.

costs and savings to the Individual, LA and the Taxpayer over the 20 months were calculated in a situation where GES exists and one where it does not. Calculation of costs and savings in a situation without GES involved using estimates of the costs of alternative services and a set of central calculations were developed representing a ‘best estimate’ of net costs. Table 2 shows the relevant costs and savings in the situation with and without the service.

**Table 2: Summary of costs and flowbacks for GES**

	<i>Situation with GES</i>		<i>Situation without GES</i>	
	A. Costs	B. Flowbacks	C. Costs	D. Flowbacks
Funding - LA	<b>1.</b> LA Costs employment service  <b>2.</b> Any in-work services provided		<b>3.</b> Cost of Local Authority Service	
- Government - Individual	<b>4.</b> In-work Welfare Benefits/ Tax Credits	<b>5.</b> Income Tax & National Insurance  <b>6.</b> Indirect tax on income	<b>7.</b> Welfare Benefits paid when unemployed	<b>8.</b> Indirect tax on income

It is assumed that, in the situation with and without GES, there are no differences in costs in other forms of services relevant to LA spending such as social work services. In addition it is assumed that there are no differences in wider government costs, such as primary or specialist health care services. It is also assumed that there is no ‘displacement’ of non-disabled people by employing people with Learning Disabilities. Displacement assumes that if the person with learning disabilities were not helped to work in these jobs then non-disabled people would do them. This would require costing-in any out-of-work benefits and allowances paid to the unemployed non-disabled person.

However, previous evaluations on supported employment and displacement have proved the effects to be less important than was previously believed, and smaller for supported employment than the general labour market.<sup>23</sup> The net cost will, therefore, be restricted to the difference between expenditure in the situation with and without GES, less the difference between the flowbacks in the situation with and without GES.

<sup>23</sup> Tuckerman, P; Smith, R; Borland J (1999). ‘The relative cost of employment for people with a significant intellectual disability: the Australian experience’. Journal of Vocational Rehabilitation, 13-2, 109-116.

For ease of referencing we converted the 20 months costs and flowbacks associated with each cell in Table 2 into ‘cost per year’ figures by deriving average monthly amounts from the 20-month totals and multiplying these by 12. For the purposes of this analyses the beneficiaries were categorised into three groups:

- I. Those with an assessment of need and still in receipt of LA services;
- II. Those with an assessment of need and not in receipt of LA services;
- III. Those without an assessment of need and not in receipt of LA services.

This allows readers to judge the strength of the assumption that these groups would be in receipt of alternative services were they not in paid work and to apply criteria to our final costings, running from the most to least conservative estimates of net outcomes.

### 1. Situation **with** GES: Employment Budget and Per Capita Costs

For the employment costs two expenditure figures were used: Funding from all sources including the Big Plan Funding Budget (BPFb) to derive total costs of the intervention, and funding from the LA only. Costs at the LA level included funding specifically allocated to GCC Employment Team, but also those associated with the Enablement Manager, Pluss Job Brokers, Forwards Work Clubs and the hiring of additional staff.

This allows a distinction between LA and Centrally derived budgets to identify a total intervention cost and to calculate yearly running costs. Three per capita costs were calculated based on: a) the total number of beneficiaries supported in a job during the analysis window; b) the total in work as of November 30<sup>th</sup> 2014 (accounting for job fall-out rate); and c) the total number of jobs obtained over the period.

### 2. Situation **with** GES: In-work Services Received

Detailed and robust information was obtained from GCC regarding the average monthly costs of LA run services for both the out-of work and in-work groups over the 20-month window. These were also costed according to ‘banding’,<sup>24</sup> allowing cost comparisons between the out-of-work and in-work groups, matched according to the extent of service usage (i.e., package costs).

37 people comprised the in-work group for whom we had confirmed service cost data over the 20 month period. This potentially gave us 37 x 20 (740) months of financial cost data entries. In the event, with some people starting jobs, and some ending jobs, part way through the period, we achieved 652 person months of cost data. To these we calculated samples means and confidence intervals using the t-distribution approach. We also established interquartile ranges to determine service cost outliers within our in-work sample. One beneficiary was in receipt of £5,755 per month, and one data entry of £7,051.94 was also observed to be outside this range and were excluded from the final analysis to avoid skewing the results. Costs could not be obtained for one person. This reduced the sample size to 36 in-work beneficiaries in receipt of LA funded day services. In-work service costs were then calculated by

---

<sup>24</sup> Here ‘banding’ represents GCC categories for level of service provision, A being highest and D being lowest input.

identifying an average cost per person per month and converting this into a cost per year figure as described above.

### 3. Situation **without** GES: Costs of LA Service

For the out-of-work group we attained an average cost per month covering the entire Learning Disability population broken according to banding (A to D) and excluding employment service costs. Given that 89% of the in-work sample were in the D category, we took this average as our comparative cost per year for the in-work group.

### Comparison of In-work and Out-of-work service costs

We compared the average service cost of those in work (Group I) and those out-of-work with a D Banding. We assumed that those people in work who also had an assessment of need, would have used alternative services without the intervention of GES (Group II). The alternative costs for this group were calculated by multiplying the number of in-work Group II beneficiaries by the alternative service costs and the sum of the months they had worked over the period.

For those in-work beneficiaries who did not have a statement of need and did not receive services (Group III) we made two calculations: One based on the conservative assumption that they would not require an alternative service if they were unemployed, the other based on the assumption they would.

### 4. Situation **with** GES Costs - In-work Welfare Benefits/Tax Credits

We were unable to gather information regarding the in-work benefits of these individuals and applied Tax Benefit Model Tables in estimating these costs.<sup>25</sup> The calculations were based on the following assumptions:

- *The beneficiaries had no other sources of income and less than £10,000 savings;*
- *Were all single with no dependent children;*
- *Those receiving I.S. were transferred to ESA or WTC's whichever best suited their income needs;*
- *Those receiving ESA were in the 'main phase' (i.e., not undergoing assessment) under the Work Related Component;*
- *All those receiving ESA did so on an income related and not contribution based basis;*
- *For those who are eligible for IS, following their uptake of a paid job, then the £20 disregard applied (e.g., those working low numbers of hours and in receipt of a disability premium) and at the £5 per week disregard rate for all others;*
- *For those eligible for permitted work on ESA, Incapacity Benefit or Severe Disability Allowance, we calculated the higher limit of £104.00 after tax and national insurance deductions for work less than 16 hours a week;*
- *For those living in the family home we assumed 2 other relative (carer) non-dependents in the household, with 1 parent working earning the middle band estimate of £245 – £325.99 per week;*

---

<sup>25</sup> 'Entitled To'. Government Approved Benefits Calculator. <http://www.entitledto.co.uk/benefits-calculator/startcalc.aspx?e2dwp=y>



- *For those in Supported Living we assumed they were in receipt of supported accommodation under a joint tenancy arrangement;*
- *Council Tax at band 'D', being the average for the County and paid weekly rent of £597 this being the average for the County;*
- *Were not liable to pay Bedroom Tax.*

##### 5. Situation **with** GES – Flowbacks - Income Tax & National Insurance

Employee PAYE and contributions to NI were estimated from people's pre-work benefit situation and wages. Detailed assumptions on this are given in the text. In general tax and NI were estimated from gross salary figures (excluding tax-free benefits) using Tax Benefit Model Tables<sup>26</sup>, assuming people were single, excluding those disabled workers working small hours and using Supported Permitted Work arrangements, where no tax or NI was chargeable. The range of weekly tax and NI yield were then totalled and multiplied by 52 weeks to provide an annual total.

##### 6. Situation with GES Flowbacks - Indirect tax on income

It was assumed that workers will generally earn more in employment than while receiving Welfare Benefits and will lead to an increase in indirect tax (VAT) paid by disabled workers based on the difference between net income when in employment and when unemployed and receiving Welfare Benefits only. We assumed all of the difference in net income due to being employed is spent on VAT eligible goods and generates a 20 per cent yield for the exchequer.

##### 7. Situation without GES: Costs Welfare Benefits paid when unemployed

We created an excel spread sheet to collect as much information as we could about the financial income of the beneficiaries when they started work and following their uptake of a paid job. Table 3 shows the information we aimed to collect for each person prior to and following their paid job:

**Table 3: Welfare Benefits, Tax Credits, Tax and National Insurance Paid**

Job Seekers Allowance, Employment Support Allowance (SG), Employment Support Allowance (WRC), Incapacity Benefit, Severe Disability Allowance (Mobility), Severe Disability Allowance (Care), Income Support, Working Tax Credits, National Insurance and Tax Contribution.
---

Consequently we received information for 42 of the in-work beneficiaries prior to them starting work, representing 46% of the in-work sample.

##### Progress to Work Financial Cost:benefit Analysis at the Individual Worker Level

For the person with a Learning Disability income before employment predominantly comes from welfare benefits (as calculated above), any Housing and Council Tax Benefits and grants. Income after employment will be from paid income, in-work welfare benefits retained (e.g., DLA, residual IS or JSA where low hours are worked), any Housing and Council Tax Benefits, Tax Credits and grants, less tax and NI. We did not calculate the difference between personal expenditure prior to, and after employment as this was not possible within the resources available for the study.

<sup>26</sup> 'Entitled To'. Government Approved Benefits Calculator. <http://www.entitledto.co.uk/benefits-calculator/startcalc.aspx?e2dwp=y>

The total amount of beneficiary income derived from welfare benefit payments, tax credits and wages were calculated for each of the 42 individuals for the in-work and out of work situations. This allowed us to compare the average weekly and monthly income totals for these beneficiaries prior to and following work. The average income in each situation was then generalised to the 81 beneficiaries still in work as of November 2014, allowing a prediction of total income for the group.<sup>27</sup>

#### 8. Situation without GES: Flowback of Indirect tax on income

Indirect tax flowbacks from employees when not employed- See 7 above.

---

<sup>27</sup> This factors in job fall-out rates.

### **Section 3: Key Service Characteristics and Outcomes**

"I really want a job, I'd be a good employee but because I have a disability everyone thinks I'm not going to be any good at working - I could just keep getting money all my life but I'd like to earn my own money - I think I could really do that".

Arthur - 21 year old beneficiary

#### **The Service Context and Key Procedures**

Gloucestershire is divided into 6 County Districts: Cheltenham, Cotswold, Forest of Dean, Gloucester, Stroud and Tewkesbury. As of 2011 the population of Gloucestershire is estimated at 602,000 and is projected to increase to 644,000 by 2021 with a gender balance of 51% females and 49% males. The average age of people in Gloucester is 38. Unemployment in Gloucestershire 1.9 per cent, compared to the national rate of 6% per cent. Seventy seven per cent of the Gloucestershire population aged 16-64 was in employment compared to 71% nationally. This suggests that GES is not negatively affected by high unemployment rates. In 2012, the proportion of people with Learning Disabilities reported to be in paid work was 6%, although this has recently reported to have doubled to 12% in 2014.<sup>28</sup> The proportion of people with Learning Disabilities living in Gloucestershire is 5.9% - using the GP statistics, compared to 4.54% nationally. Of these 245 were regular users of Local Authority Day Services, compared to an average of 347 nationally.<sup>29</sup>

Within GCC people are referred to GES once they obtain a statement of need via the local educational health and social services assessment procedures (e.g., LDAs). Once a statement of need has been identified each beneficiary receives a Personal Recognition Number (PRN). Once they have been referred to the Enablement team a FACE assessment is conducted which bands people according to their needs where: D = Low Support Needs; B = Moderate Support Needs; C = High Support Needs; and A = service users with extra high support needs. The full definitions are provided in Appendix 2. The Enablement Team currently focus on work with people in the C and D bands since they are deemed more employment ready/suitable.

GES is one of a number of delivery areas operating towards an overall employment plan that are interconnected with beneficiaries moving between the different projects to find a pathway into paid work. These initiatives are funded via different sources. The core of LA funding allocation to employment is filtered through the Gloucester Employment Team and the Pluss Job Brokers.

#### **Gloucester Employment Team**

GES sits within the Enablement Service and the Enablement Team are the front door of the assessment process. The Enablement Team (ET) employs 35 people, 4 of who are dedicated to the Employment Team (3 FT and 1 PT) along with an Apprentice who has autism and who is developing their employer database. All 35 staff are supervised by the Enablement Manager. These staff are based in 6 regional areas located in Drop-in Centres which are

---

<sup>28</sup> Understanding Gloucestershire 2013: A high level analysis of need in Gloucestershire Author: Strategic Needs Analysis Team Date: 5th December 2013

<sup>29</sup> Learning Disabilities Profile 2013 Gloucestershire Public Health England

intend to be informal and easily accessible acting as a 'front door' to services for vulnerable people.

The Employment Team work mainly with people who fall within the C and D bands prior to assessment in order to make them more independent and up-skill them. The focus is on work preparedness including travel training and work awareness. People are then progressed to 'Forwards', which works as a clearing-house. Some people may by-pass the Employment Team and go straight to the Forwards Work Clubs via the drop-in model. Forwards focuses on work experience, job tasters and some volunteering towards employment. If people are deemed not yet ready for Forwards by the Employment Team they go to 'pre Forwards' where the focus is on volunteering; this tends to be mostly people in the C band. People often move between the Employment Team and 'Forwards' topping up skills as and when it is needed.

Most people placed into paid work by the Employment Team do not require a job coach. Co-ordinators may attend the first hour or so of employment with a person in order to help break the ice and assist employers with information about the individual in order to support the situation/employer and new employee. After placement co-ordinators will make 3 monthly calls to employers to ensure all is going well. People are encouraged to continue engagement with the team by visiting to the drop-in centres post placement. The level of continued involvement is dependent on each individual and his/her relationship with the co-ordinator.

If a person loses his/her job they return to the Forwards Club. The relationship between GES and Forwards Clubs allows the Employment Team to be notified of any issues or problems faced by the employees in their jobs. This allows GES to intervene in order reduce the prospects of the person losing their job. They also assist people looking for employment by helping them to develop a CV, assistance with application forms, benefit advice, interview skills and practice and support with additional courses to help gain skills and confidence. They also arrange work tasters, work experience, voluntary work toward paid employment, newspapers and internet access to help people find jobs. Employment advice and support to obtain jobs takes place each week in all the Drop-in Centres.

#### Pluss Job Brokers

The Pluss Job Brokers are commissioned by GCC to provide assistance for people aged 18 to 25 with Learning Disabilities to look for work. The staff complement is comprised of an Area Manager who liaises between the Forwards Work Programme, Job Centre Pluss and the Bridging Employment Post (see next section). The service also provides a co-ordinator to liaise between the Forward's Clubs and the job brokers. The service conducts Vocational Profiling with the beneficiaries and helps them to find a suitable job. Most referrals come via GCC. The Pluss team also facilitate job coaching, to provide extra support once the beneficiaries have started work. This is important as it allows for the provision of additional support for those with higher support needs. The Pluss team have been able to use Access to Work funding via the DWP to pay for the job provision of 8 job coaches. The service also has a part-time job coach (18.5 hours), funding by the LA at £15,000.

People accessing this service should be able to work 16 hours a week or more and have the capacity to build up their hours to reach 16 hours a week. People accessing this help will have normally left education but help can be provided where there may be a risk of return to unemployment or a young person is NEET (Not in Education, Employment or Training). In

### Bridging Employment Post (BEP)

The BEP has been funded via the LA since April 2014 and aims to provide a link between those leaving school or college and GES. The post was commissioned specifically to help raise aspirations among young people with disabilities in education. The post focuses on early intervention by encouraging education providers, service users and their families and carers youngsters to raise their expectations about their potential to undertake paid work and to support them to think about and plan their vocational routes. This includes introducing them to the concept of Saturday jobs while they are at School or College, some of which have led to permanent paid positions. There are also a number of Fast Forward Work Clubs run in schools and colleges, encouraging the development of a more vocationally oriented school and college curricula. One of the key aims of the BEP post is to encourage the development of procedures that link the person directly to the employment services rather than Social Care provision. It has been reported that the introduction of this post has resulted in some young people leaving school and entering directly into a paid job.

### Forwards Work Clubs

These are a multi-agency initiative aimed at providing specific help for disabled people to overcome challenges to employment that are disability related. They aim to help people identify potential job goals and develop their employment skills by providing links into work experience and voluntary work as part of a progression to paid work. They are located in Drop In Centres and are administered on behalf of the partnership by Pluss who receive funding to employ a co-ordinator responsible for the delivery of programmes and maintaining the partnerships. Activities offered through 'Forwards' include assisting the beneficiaries to find and obtain jobs, confidence building and the support to improve their interview skills, which sometimes include employer participation. Original funding came from the Department of Health but in 2013/14 'Forwards' was funded via the Big Plan Development Fund and from the LA employment allocation in the current financial year.

### HFT – The '30/30 Challenge' and 'Future Clean'

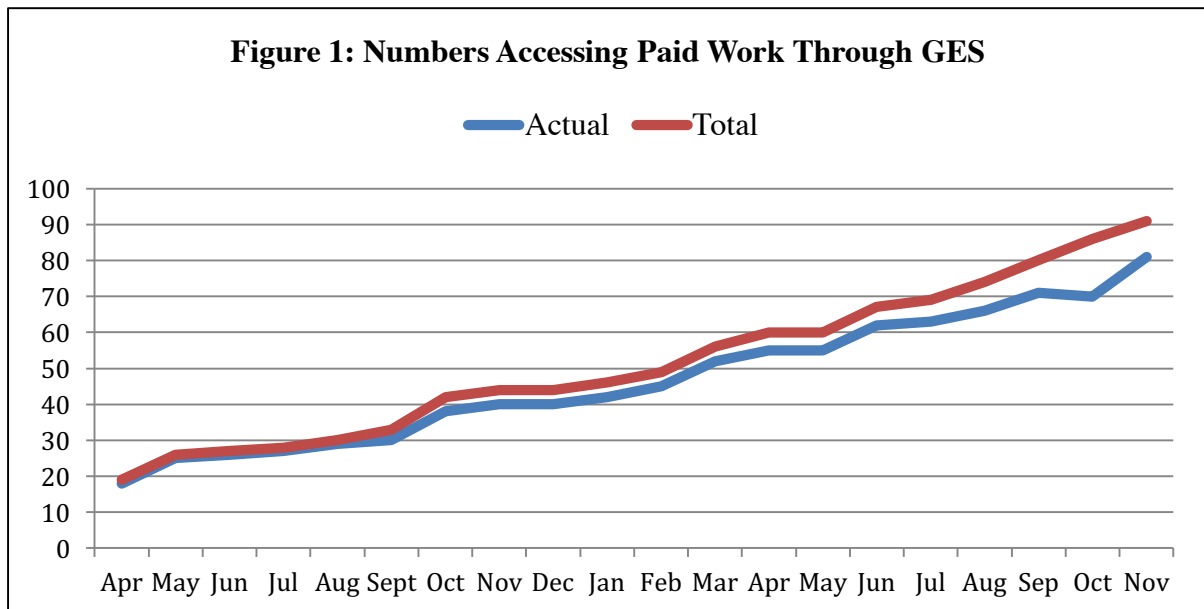
The 30/30 Challenge is an initiative set up by GCC as part of the Grow Gloucestershire campaign in collaboration with HFT. The initiative is designed to sign up employers to provide work awareness and work experience placements to young people with Learning Disabilities to encourage them and their families to start thinking about employment before they leave school. By April 2014, 30 employers had already signed up and a new target of 100 employers has now been set. 'Future clean is a social enterprise franchised via Pluss and run in Gloucestershire as a partnership between HFT and GCC. It provides beneficiaries with experience in car valeting and employs up to 20 beneficiaries at any one time. It is self-financing, via profits generated through the business.

### Numbers Entering Paid Work

Figure 1 shows a steady increase in the numbers of beneficiaries entering employment via GES from April 1<sup>st</sup> 2013 to November 30<sup>th</sup> 2015. In April 2013, 16 jobs were already in existence and by November 2014, 91 beneficiaries had accessed a paid job through the service. Results indicated that only 15% of the beneficiaries had worked prior to referral, suggesting that the majority of those applying were NEET at the time of referral and claiming out of work benefits.

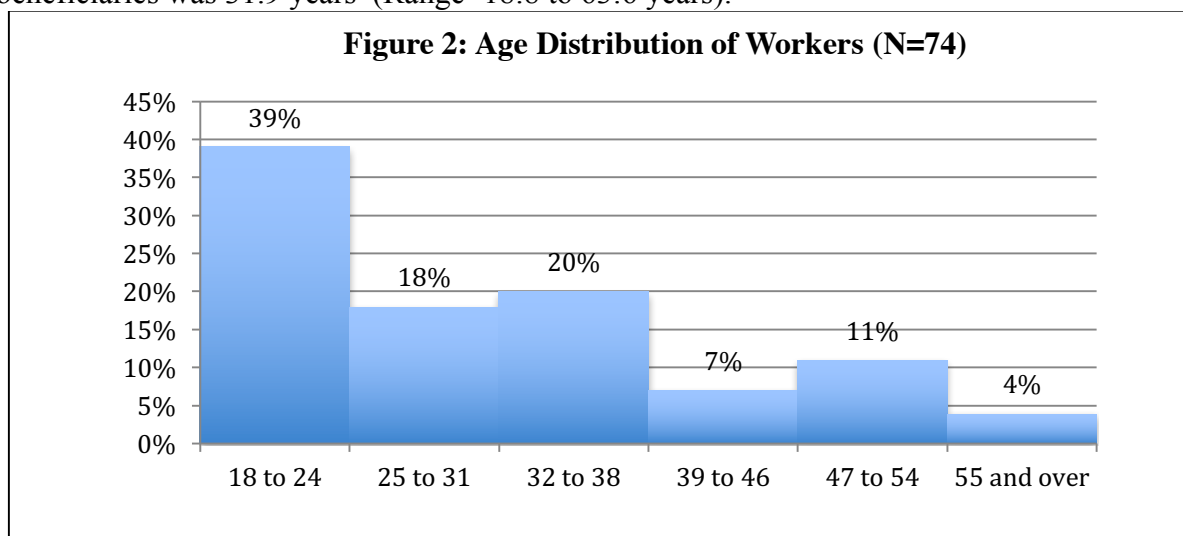
If we omit those already in paid work then 75 people obtained work through GES over the duration at a rate of 3.75 jobs per month. Figure 1 also shows that 10 people left their jobs

over the 20-month duration (11%), meaning that 81 beneficiaries were actually in paid work as of November 30<sup>th</sup> 2014. Results also indicated that 30 new jobs were added to the 16 already in existence over the first 10 months, while 45 new jobs were obtained over the remaining 10 months, indicating that the rate of job placement is increasing. Three people lost their jobs within the first 10 months, compared to 7 in the second. This suggests that the job fallout rate may also be increasing.



#### Age and Gender of Beneficiaries

Seventy per cent of those accessing paid work through GES were male, suggesting the service should prioritise targeting more female beneficiaries. Figure 2 shows the age distribution of the beneficiaries. The highest proportions were aged between 18 to 24 (38%); reflecting the focus of early intervention. Over half of the beneficiaries were aged under 30 (55%). Research has shown there are longer-term benefits in encouraging younger people to access employment as an alternative to day services at an early age. However, those over 30 are also well represented with 24% being aged 40 or over. The average age for all beneficiaries was 31.9 years (Range=18:8 to 63:6 years).



### Type and Level of Disability

All the beneficiaries gaining work had a Learning Disability. This shows the challenge that lies ahead of GCC as it attempts to broaden its service to other vulnerable groups. Seventy-two of the 91 people employed had an Assessment of Need and had undergone a FACE<sup>30</sup> assessment and had a PRN number (79%)

Figure 3 shows that of the 72 people with a FACE assessment, 95.5% were classified as being in band D with the remaining 16% being in band C. This suggests that currently, GES is working predominantly with people identified as being in the 'Low' and 'Moderate' support range. This has positive and negative aspects: these beneficiaries are often more able to work longer hours and require less support once they are in paid work compared to those with higher support needs. On the other hand, they are likely to be less reliant on the alternative services and avoidance savings would also be less.

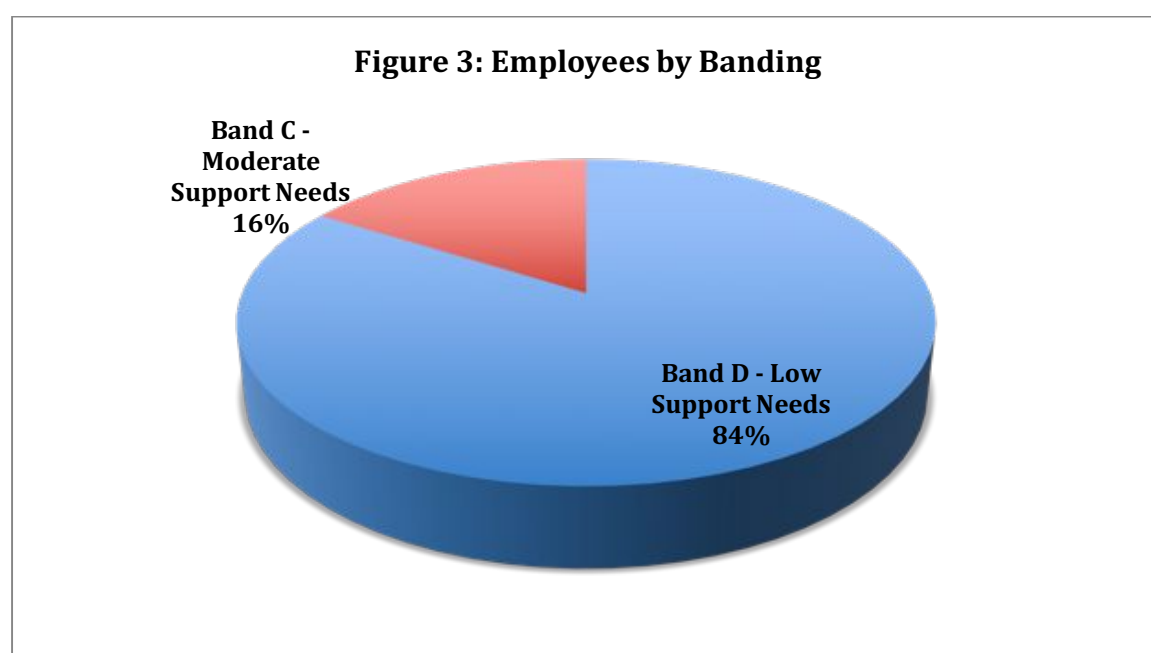
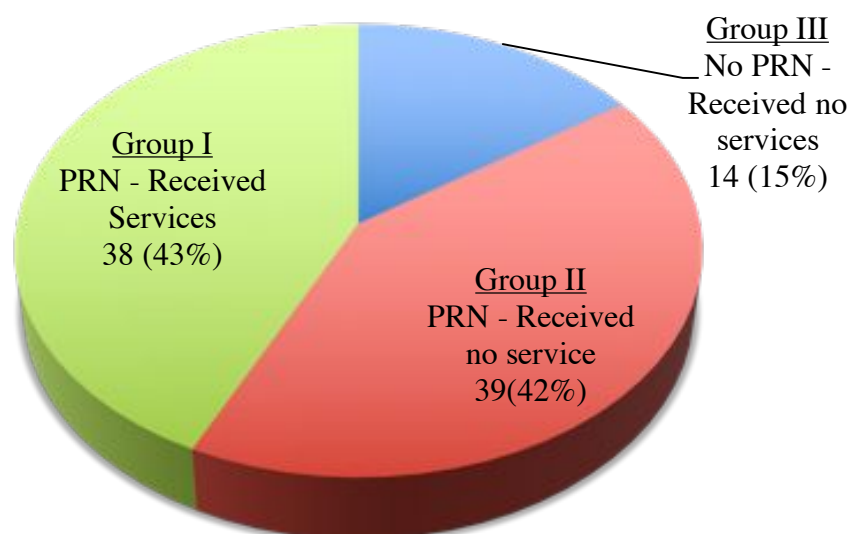


Figure 4 shows the proportion of beneficiaries according to their assessment status and service usage. It shows that 77 (85%) of the beneficiaries had an assessment of need and of these, 38 people (43%) were still in receipt of services, adding credence to the assumption that many of these beneficiaries would have been in receipt of alternative services were they not in paid work.

---

<sup>30</sup> See Appendix 2 for FACE assessment framework

**Figure 4: PRNs and Service Usage of Workers (N=91)**



Only 14 beneficiaries (15%) had no assessment of need and were also not in receipt of alternative services. This group tended to be: younger (Average age 27.3yrs) compared to those in Groups I and II (35.5yrs and 32.8yrs respectively); were more likely to live in the family home (61%) compared to the other groups (each 45%); were less likely to be in receipt of supported living services (26% compared to 45% in Groups I and II); and on average tended to work significantly longer hours, 21hrs p.w. compared to 12 and 14 hours, respectively.

These differences may reflect a trend towards diverting people into work *prior* to them engaging in services and becoming dependent on income related welfare benefit payments. Further investigation may determine more fully the needs of this group prior to them obtaining a paid job and alternative cost estimations shall be provided: one based on the assumption that this group would not be in receipt of alternative services and one assuming they would, if they were not on paid work.

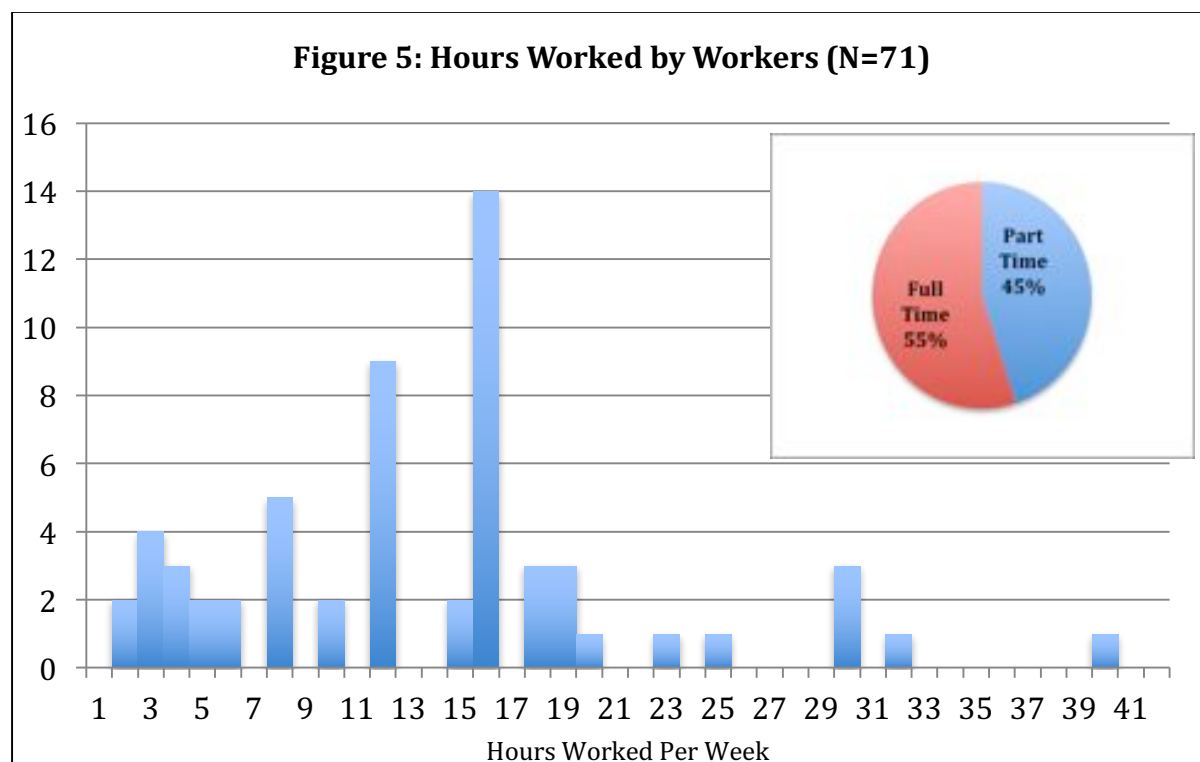
### Hours Worked and Pay Rates

The average hours worked per week was 13.34 hours. Figure 5 shows that 55% of jobs were full time, being 16 or more hours per week<sup>31</sup>, with 45% being part-time, with the majority of jobs falling between 11 to 20 hours per week (54%). Although most jobs were full time by the 16-hour criterion, the average hours worked was 13 hours and 45 minutes p.p.p.w. Eleven per cent of the jobs were over 20 hours per week with only 3% being above 30 hours. Work below 16 hours allows some people to maintain their benefits while taking advantage of the Supported Permitted Work rule allowing some to earn up to £104 without negatively affecting the benefits they receive. For those people on Income Support, Incapacity Benefit or Severe Disablement Allowance, any earnings over £20 become deductible pound for pound from IS. This explains the cluster of jobs in Figure 6 that are below 10 hours per week (35%). Figure 6 also shows that that the highest proportion of jobs were for 16 hours per week or

<sup>31</sup> DWP regard working 16 hours per week or more as being “full-time work” in relation to claiming Job Seeker’s Allowance.



more. This is the threshold upon which Working Tax Credits become available and people would transfer from IS onto ESA.



All those employed earned the National Minimum Wage (NMW). As of April 1<sup>st</sup> 2014 the NMW was for those aged under 18 years = £3.79, 18 to 20 = £5.13; 21 and over 20, £6.50 per hour. One Apprentice earned £2.73 p.h. Average earnings were £6.35 per hour and the average weekly pay was £85.19. The sum total of weekly earnings came to £7,865.31, generating a total income per year figure of £403,115.38 across all workers. These figures were adjusted for the fall-out rate by identifying the end dates of the jobs and subtracting the difference in earnings. The significant number of part-time jobs alongside minimum pay rates has a negative impact on the net costs: benefits of the service due to continued uptake of welfare benefits, use of services alongside part-time paid work, and reduced tax and insurance contributions.

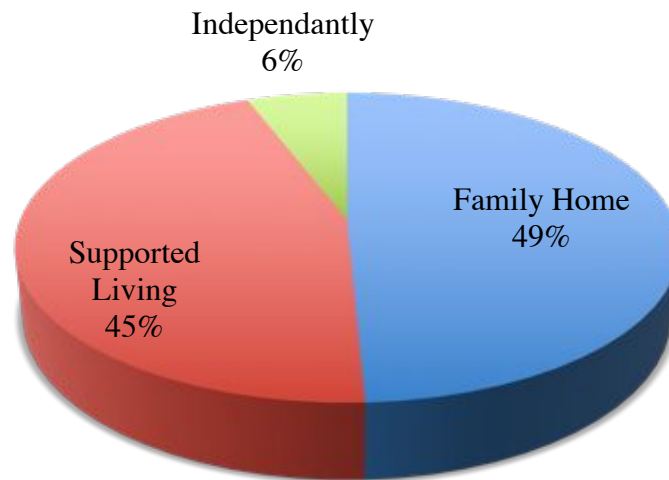
### Residential Status

Figure 6 shows that 45% of those in paid work lived in some form of supported living. This compares to 25% in North Lanarkshire<sup>32</sup> and 19% in Kent<sup>33</sup> in past studies. This can have negative implications for those entering work, as current procedures for paying for residential support costs and reliance on welfare benefits are high, making full time work for many, economically challenging. However, 49% of the beneficiaries lived with their parents or carers and unsurprisingly, this group tended to be younger (average 29.2 years). Only 6% of those in work lived independently.

<sup>32</sup> Beyer, S. (2007). *An evaluation of the Outcomes of Supported Employment in North Lanarkshire*. Welsh Centre for Learning Disabilities, Cardiff.

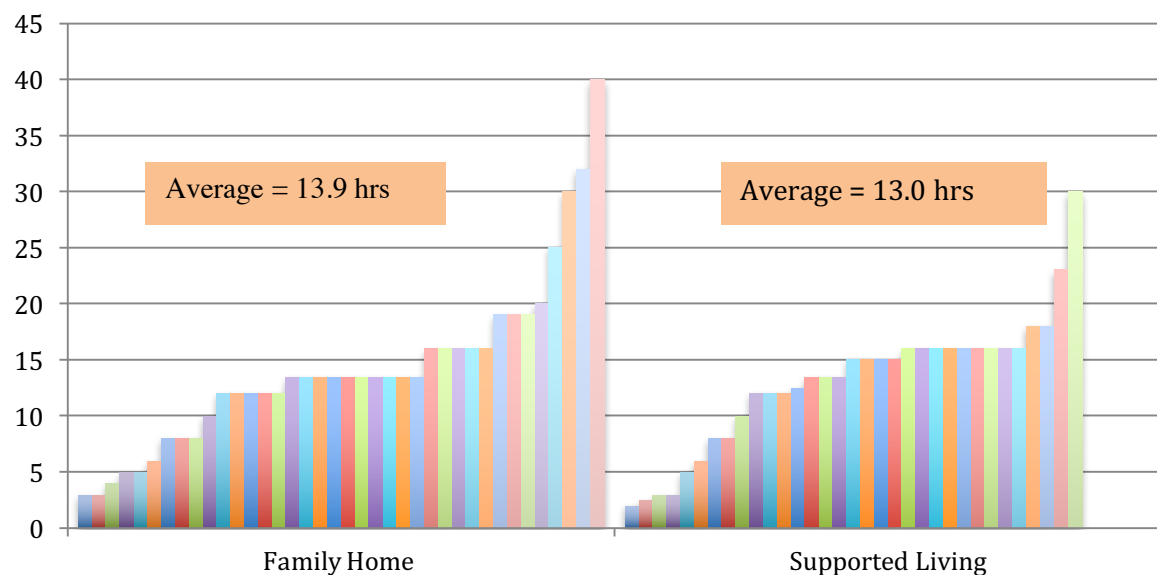
<sup>33</sup> Kilsby, M and Beyer, S (2011) *A Financial Cost:Benefit Analysis of Kent Supported Employment - Establishing a Framework for Analysis*. Kent County Council

**Figure 6: Residential Status of Workers (N=72)**



If residential status is having a significant impact on the hours that the in-work group are working then we would expect to see this reflected in the data. Figure 7 shows that there were modest differences between these two groups. Those living in the family home worked on average just under 1 hour more than those in receipt of residential services. This indicates there is scope for targeting more full-time jobs than is currently the case.

**Figure 7: Hours Worked by Residential Status**



### Job Type and Employment Sector

Figure 8 shows that the beneficiaries secured a range of employment opportunities through GES. The jobs categorised under 'other' were those where there was only 1 example. This included a travel buddy, a labourer for a local builder, a caretaker at a school and a trolley assistant in a retail store. The highest proportion of categorised jobs involved cleaning and food preparation. The high proportion of car valet jobs reflects those employed through the 'Future Clean' Social Enterprise.

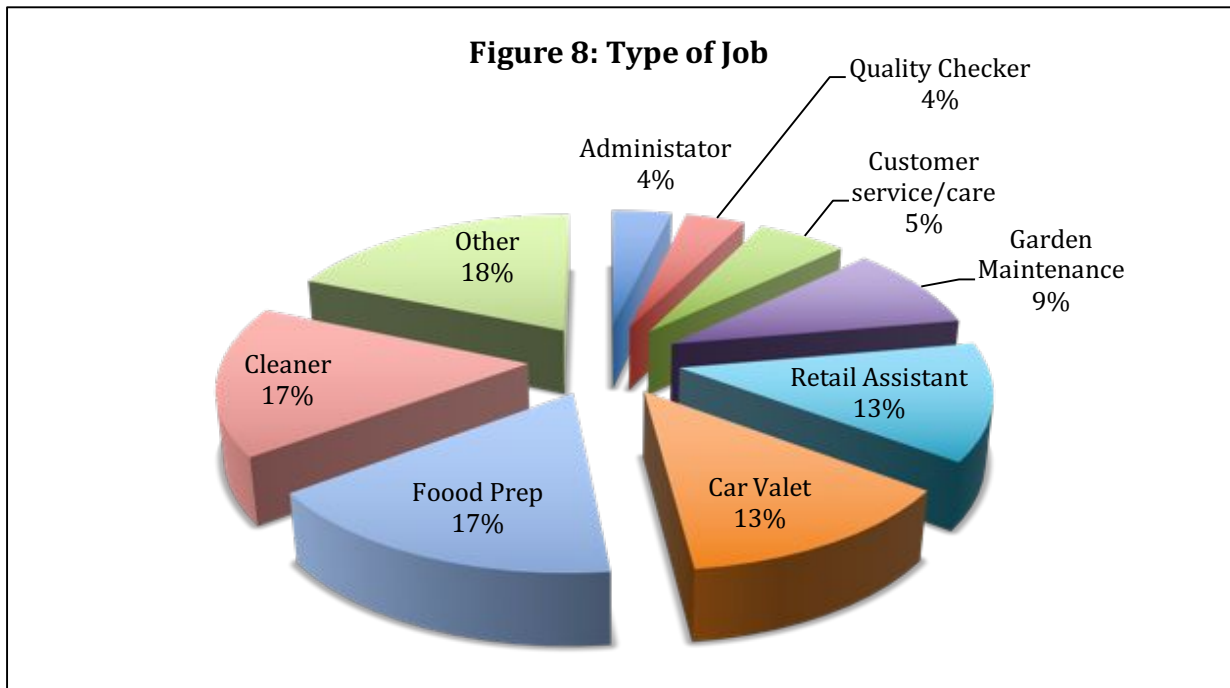
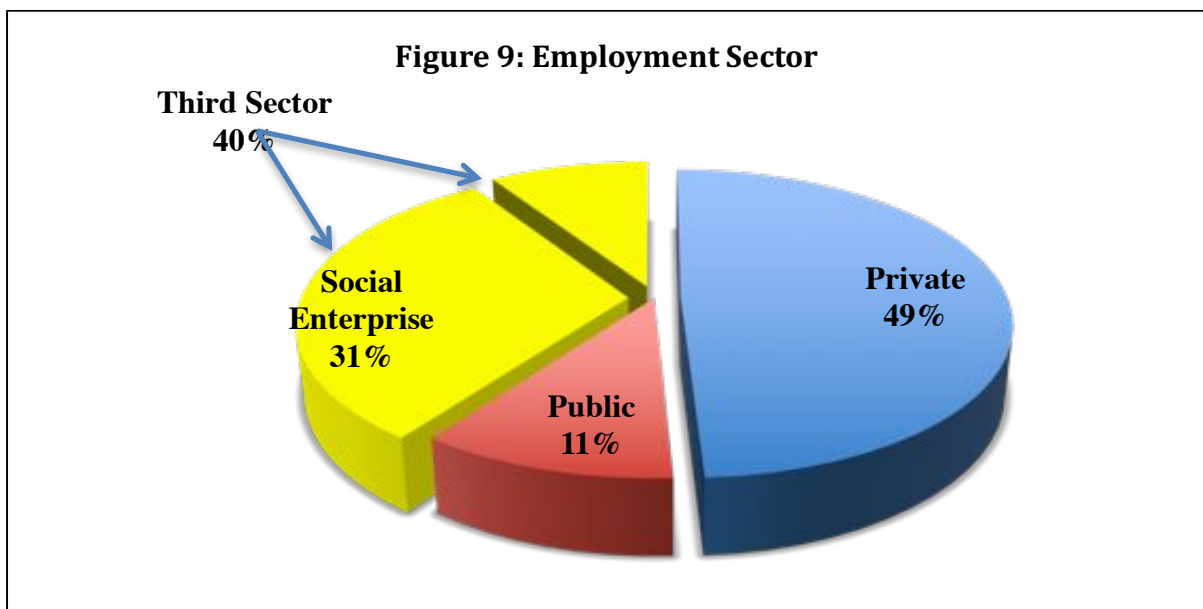


Figure 9 shows that the largest proportion of the jobs found through GES were in the Private Sector (49%) with 40% in the Third Sector. This compares to 75% and 2.7% nationally. It also shows that 77% of Third Sector jobs were in Social Enterprises, these constituting 31% of all jobs obtained. Only 11% of the jobs were in the Public Sector (25% nationally), suggesting this could be an area for future job targeting.



Overall these results are encouraging, suggesting that GES have preferentially expanded into the growing Private Sector jobs market and are utilising Third Sector and Public Sector integrated work settings. These jobs offer excellent potential for integration and full inclusion in the labour market, and are a normative outcome for the beneficiaries as well as their non-disabled peers and co-workers. The results also suggest that the numbers of Third Sector jobs obtained via GES is disproportionately overrepresented due mainly to the number of jobs

obtained within Social Enterprises. It is unclear how many of those working in the Social Enterprises progress into mainstream paid jobs.

The results indicated that the Private sector jobs obtained involved 29 different employers including McDonalds, Brewster's, a local pub, a cycling business, KFC, Morrison's, a local wine retail business, Tesco's and a local timber business. In the Public Sector employers included GCC, 2 local schools, Gloucester University and a local care home. Examples of Third Sector employers (other than Social Enterprises) included Wiggly Worm, a local community charity, and Building Circles a local voluntary organisation providing support for people with Learning Disabilities. Social Enterprises are represented mainly by 4 employers ('Strim and Trim', 'SoFab', 'Future Clean' and 'Gloucester Voices') with up to 6 people working within each enterprise at any one time.

When we analysed the hours the beneficiaries worked within each sector, we found that on average those working in Social Enterprises tended to work less hours (11.65 hrs p.p.p.w), compared those in inclusive Private, Public and Third Sector jobs (14.01, 15.22 and 16.60 hrs p.p.p.w. respectively), but that comparatively they also had a higher proportion of people in supported living (60%). These results suggest that GES should continue to obtain job opportunities in the Private and Public Sectors and look to increase the proportion of mainstream jobs undertaken, relative to Social Enterprises.

## **Section 4: Financial Costs: Benefits Results**

"I feel better about myself (when working); it's a good way to make new friends and have new experiences". I feel more a part of my community".

Jocelyn - 35 year old beneficiary.

### **1) Situation with GES: Employment Budget and Per Capita Costs**

Table 4 provides a breakdown of the expenditure associated with the delivery of the GES for the tax year 2013/14 and the spend from April 1<sup>st</sup> 2014 to 30<sup>th</sup> November 2014 (8 months). It shows that the overall total spend was £565,100. This excludes funding from the DWP for the hire of job coaches via the Pluss Job Brokers, but includes funding from The Big Plan Funding Budget (BPFB) derived from central government. This produced an average monthly spend of £28,255 over the 20-month period.

In year 1 the BPFB provided £122,000 (£102,000 to fund the Pluss Job Brokers and £20,000 of the £40,000 allocated to the Forwards Job Clubs). Table 4 shows that when this is discounted, the total LA spend on the project over the 20 months was £443,100, this being based on the actual spend up to November 30<sup>th</sup> 2014.<sup>34</sup> This produces an average of £22,155 p.m. or £265,860 p.y. This figure is close to the average spend for employment services in the NDTi report of £262,132 p.y. In year 1, there was no specific LA budget allocated to employment with resource being retargeted from within the Enablement Team to establish the Employment Team (£100,000 plus £4,300 supervisor costs) and the BPFB.

**Table 4: Funding Allocation for GES**

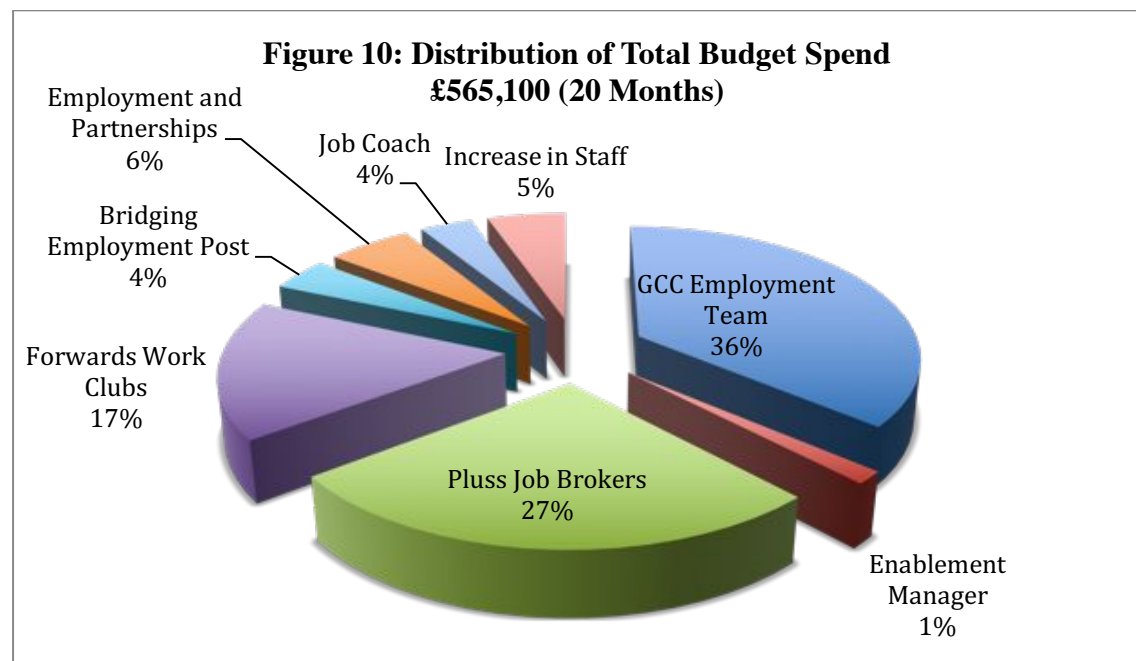
<b>Service</b>	<b>2013/14 (12 mnths)</b>	<b>2014/15 (8 mnths)</b>	<b>Totals (20 mnths)</b>
GCC Employment Team	£100,000.00	£105,000.00	£205,000.00
Enablement Manager	£4,300.00	£4,300.00	£8,600.00
Pluss Job Brokers	£102,000.00	£50,000.00	£152,000.00
Forwards Work Clubs	£40,000.00	£55,000.00	£95,000.00
Bridging Employment Post	£0.00	£22,500.00	£22,500.00
Employment and Partnerships	£2,000.00	£30,000.00	£32,000.00
Job Coach	£5,000.00	£15,000.00	£20,000.00
Increase in Staff	£0.00	£30,000.00	£30,000.00
<b>Overall Total</b>	<b>£253,300</b>	<b>£311,800</b>	<b>£565,100</b>
<b>Total LA Spend (-£122,000 BPFB)</b>	<b>£131,300</b>	<b>£311,800</b>	<b>£443,100</b>

Table 4 shows that the number and distribution of services are greater in 2015 compared to the previous year. In year 2 all funding has passed to the LA and to a dedicated employment budget (£235,000) for the year. Funding in the Pluss Job Brokers and the Work Clubs has passed from BPFB and new funding has been targeted at developing links with schools, colleges and local employers through the

<sup>34</sup> Predicted LA spend is an additional £32,500 up by end March 2015.

Bridging Employment Post and Employment and Partnerships posts (£22,500 and £30,000 respectively) along with funding to allow an increase in staffing levels (£30,000). Overall, investment from the LA has increased from year 1 to year 2 with an additional £213,000 being made available for the current year, including predicted spending.

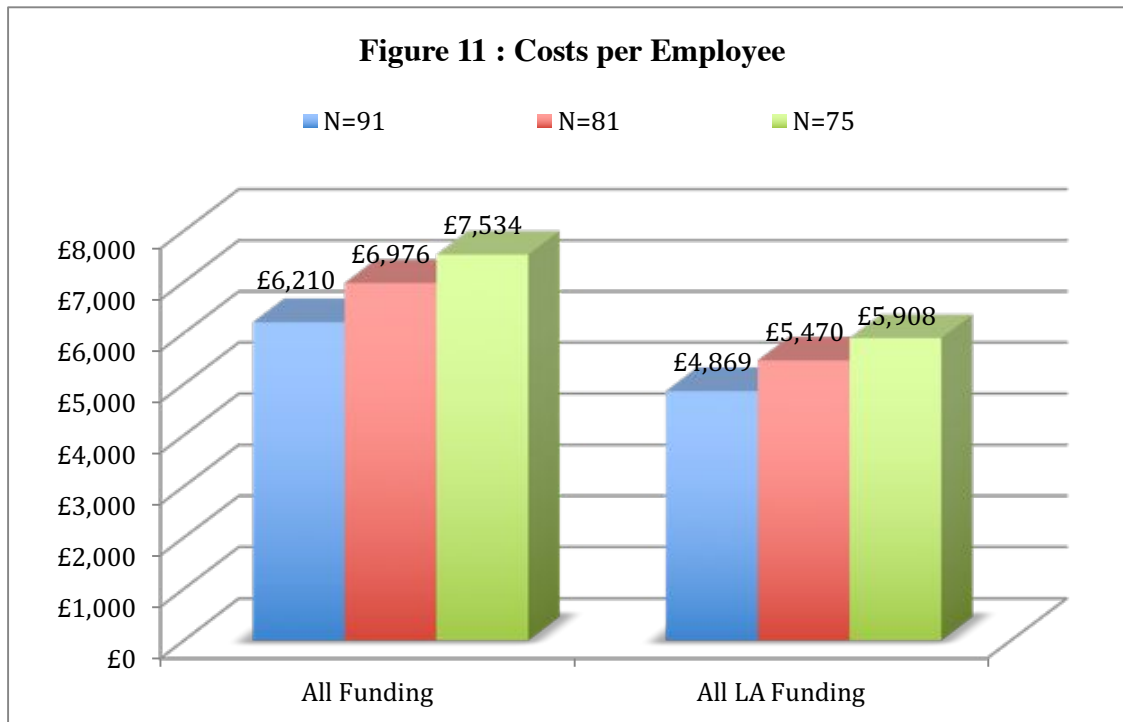
Figure 10 illustrates the way that funding has been allocated to services, including the BPDF, over the 20-month period. It shows that 36% of funding has been allocated to the GCC employment team and 27% being allocated to the Pluss Job Brokers. Only 4% of funding was allocated to hiring job coaches. This is likely to be an area that the service will have to invest in if it is to support more people into full time jobs and enable those with higher support needs to access paid work.



#### Per Capita Costs

Figure 11 shows the per capita costs according to the criteria used. When the total investment figure up to November 2015 (£565,100) is divided by the total number of beneficiaries supported in paid work over the duration (91) then the per capita cost is £6,210. If we factor in the 11% fall-out rate, leaving 81 workers in employment, then the per capita cost increases to £6,976. Taking only those people who found a job over the period (N=75) results in a per capita cost of £7,534. Figure 11 also shows that when the total cost to the LA is calculated in this way, then the per capita costs is £4,869 £5,470 and £5,908 respectively.

Results indicated that per capita costs reduced significantly between the first and second 10 months of the period under study (P1& P2). Based on when the 75 beneficiaries obtained a paid job during the period, and apportioning the total investment figure evenly, then the cost dropped from an average of £8,159 for every job obtained in P1 to £6,279 in P2 (-£1,880) and from £7,385 to £4,932 per job outcome (-£2,453) taking account only the LA funded services. This illustrates the extent that per capita costs are reducing as a result of the increase observed in the rate at which people are obtaining work through GES during P2.



## 2. Situation **with** GES: In-work Services Received

Thirty-eight of the 91 (42%) in-work beneficiaries were still in receipt of LA run services following work. We had accurate costs for these services for 36 individuals (40% of the 91 beneficiaries). Of these, only 5 beneficiaries were reported as being in band C (5.5%), the remainder being in band D, classified as requiring ‘minimal support’ (94.4%). The small sample size of the in-work people in band C meant that it was not possible to make accurate costs comparison for this group. Therefore, we incorporated the costs associated with these 5 individuals within the in work D group.<sup>35</sup>

The total service costs for the 36 in work beneficiaries over the 20 months was £494,560, (range=£58.98 - £2,614, Standard Deviation (SD)=£751, Confidence Interval (CI)=±£193.91) averaging out at £686.89 p.p.p.m. If we apply this average to the 38 individuals in receipt of services, then the in work service cost are £26,102 p.m. or £313,222 per year. When we take account of the 3 individuals from this group who left their job over the duration, then the in work service costs become £24,041 p.m. or £288,493 per annum for the 35 individuals in work from this group as of November 30<sup>th</sup> 2015.

## 3. Situation **without** GES: Costs of LA Service

The average service costs for those out of work and with a D Banding was £782.75 p.p.p.m. (range=£565 to £872, SD=£81.44, CI=±£12.43). The alternative service costs for the 38 individuals in receipt of services while in work would be £29,744 p.m. or £356,928 per year. Again, if we adjust this figure and base it on the 35 people who were in work as of 30<sup>th</sup> November 2014, then the alternative cost would be £27,396, or £328,752

<sup>35</sup> Producing an underestimate as Band C’s cost more than Ds.

Savings are also likely to be generated through those beneficiaries who have a statement of need from the LA, but who have been diverted away from services and into a paid job. This group comprised of 39 beneficiaries. If we apply the average costs for the population £782.75 for band D and we assume that without GES that these beneficiaries would have accessed out-of work services at the band D rate, then the cost to the LA would have been £30,527 p.m. or £366,324 per year.

If we allow for the 5 from within this group who left their jobs over the duration, then the alternative cost would be £26,613 p.m. and £319,356 per year. If we apply this same logic to those people in employment without an assessment and not in receipt of a service (14 beneficiaries), then total costs to the LA would have been £10,958 p.m., or, £131,496 per year. When this figure is adjusted to take account of the 2 people from this group who left their jobs over the duration, then this produces a monthly figure of £9,393 in costs, or, £112,716 p.y.

#### In-work and out of work Welfare Benefits/Tax Credits

Table 5 shows the distribution of income sources. It shows that prior to work, 38 of the 42 beneficiaries in the sample were receiving Disability Living Allowance (DLA)-Care Component (90%). In all but 3 cases those receiving this allowance also received the DLA-mobility component also comprising 38 beneficiaries (90%). It also shows that just under half of the group were in receipt of I.S. prior to work (45%), suggesting that they had not yet transferred onto ESA at the time of being assessed. Five of those on I.S. also received a disability premium (12%), accounting for £288 p.w. of total I.S. payments.

**Table 5: Distribution of Weekly Income Sources Before and In-Work (N=42)**

	<i>Before Work</i>			<i>Following Work</i>		
	<i>N (%)</i>	<i>Total £ per week</i>	<i>% of Total Income</i>	<i>N (%)</i>	<i>Total £ per week</i>	<i>% of Total Income</i>
<i>I.S.</i>	<i>19 (45%)</i>	<i>£1,415</i>	<i>21%</i>	<i>3 (7%)</i>	<i>£363</i>	<i>4%</i>
<i>E.S.A.</i>	<i>11 (26%)</i>	<i>£1,176</i>	<i>18%</i>	<i>21 (50%)</i>	<i>£1,618</i>	<i>17%</i>
<i>S.D.A</i>	<i>7 (17%)</i>	<i>£571</i>	<i>9%</i>	<i>7 (17%)</i>	<i>£521</i>	<i>5%</i>
<i>JSA</i>	<i>1 (2%)</i>	<i>£41</i>	<i>1%</i>	<i>0 (0%)</i>	<i>£0</i>	<i>0%</i>
<i>DLA (C)</i>	<i>38 (90%)</i>	<i>£1,498</i>	<i>23%</i>	<i>38 (90%)</i>	<i>£1,498</i>	<i>15%</i>
<i>DLA (M)</i>	<i>38 (90%)</i>	<i>£789</i>	<i>12%</i>	<i>38 (90%)</i>	<i>£789</i>	<i>8. %</i>
<i>I.B.</i>	<i>11 (26%)</i>	<i>£1,098</i>	<i>17%</i>	<i>0</i>	<i>£0</i>	<i>0%</i>
<i>Wages</i>	<i>0 (0%)</i>	<i>£0</i>	<i>0%</i>	<i>42 (100%)</i>	<i>£3,394</i>	<i>35%</i>
<i>W.T.C</i>	<i>0 (0%)</i>	<i>£0</i>	<i>0%</i>	<i>15 (36%)</i>	<i>£1,379</i>	<i>14 %</i>
<i>Pension Credit</i>	<i>0 (0%)</i>	<i>£0</i>	<i>0%</i>	<i>1 (2%)</i>	<i>£133.85</i>	<i>1%</i>
		<i>£6,588</i>	<i>100%</i>		<i>£9,695</i>	<i>100%</i>

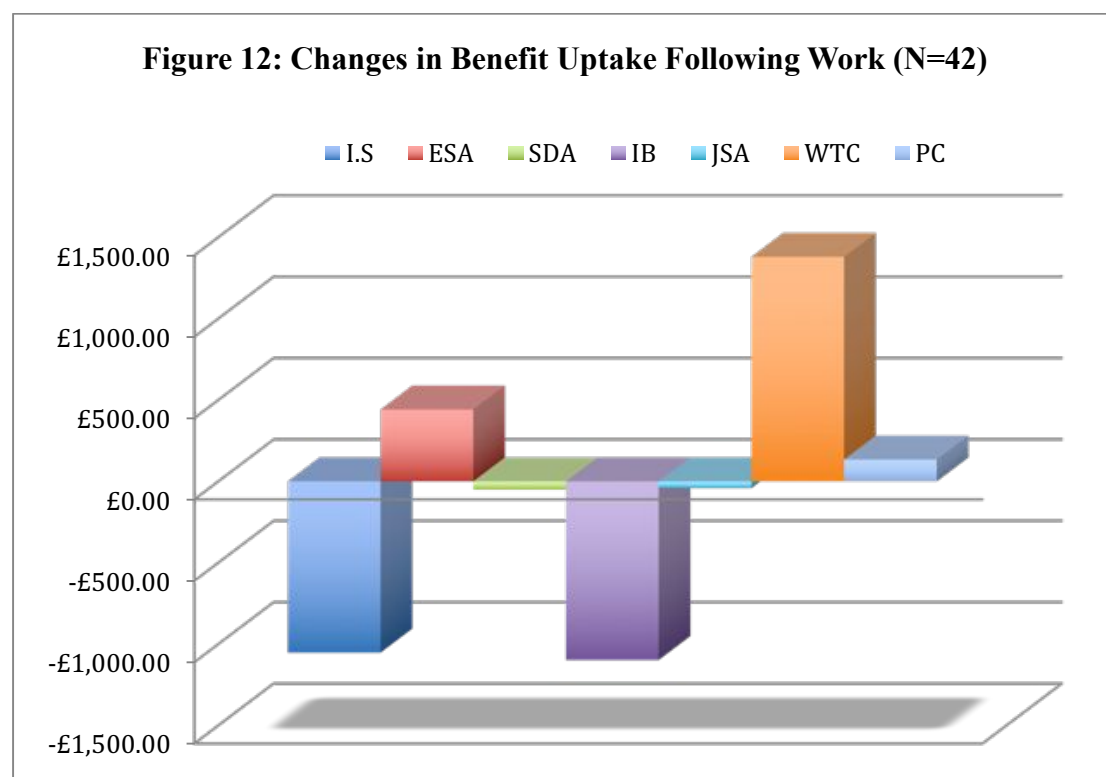
Just over a quarter of people employed were in receipt of ESA (26%) prior to work and 5 people were receiving a disability premium (12%). Interestingly, just over a quarter of the out of work group (26%) were receiving Incapacity Benefits, suggesting that historically they had been assessed as incapable of undertaking paid work. Recent



changes in government policy have made it easier for those on this benefit who get a job, but then fall out of work, to return to this benefit at the previous rate.

Following entry to work the biggest contribution made to the beneficiaries' income was from earned wages (35%), implying that they had greater financial independence and autonomy, and were less reliant on welfare benefits. Table 4 also shows that the amounts paid in DLA, Disability Premiums and SDA paid in the out of work situation were carried over to the in-work one.

The results indicate that following entry to work the pattern of income sources changed with people moving off of I.B. and I.S. and onto Income Related ESA (50%) and Working Tax Credits (36%). One person aged 64 received Pension Tax Credits. Figure 12 shows a visual representation of the balance in take-up of welfare Benefits and Tax credits following work for the 42 beneficiaries.



#### 4 and 7: Total In-work verses Out-of-work Costs: Welfare Benefits and Tax Credits

Total income from benefits and tax credits following work for the 42 individuals (i.e., excluding wages earned) totalled £6,302, or an average of £150.04 p.p.p.w. This provides a total of £13,654 p.w. When these figures are generalised to the 91 beneficiaries in paid work over the duration, this produces an in-work income from benefits of £710,008 p.y. If we apply these same calculations allowing for the 11% job fall out rate (i.e., based on 81 beneficiaries), then this income reduces to £631,884 p.y.

Table 5 shows that the 42 individuals for whom we obtained income data were collectively in receipt of £6,588 p.w. prior to starting paid work. This equates to an average of £156.86 p.p.p.w. When generalised to the number of people supported in paid work over the duration (91) then this equates to £14,274 p.w., or £742,248 p.y.,

while averaging it across the 81 beneficiaries in work at November 2014, predicts total out of work benefits of £12,706 per week, or £660,712 p.y.

#### Better off Calculations.

Although wage levels were at NMW, all the beneficiaries were financially better off as a result of working. Table 5 indicates that the beneficiaries' total income from all sources in the out-of-work situation was £6,588, per month with an average income of £156.85 p.p.p.w, compared to an income of £9,695 p.w in work, or £230.83 p.p.p.w. This is a difference of + £3,107 per week or an average of £73.97 p.p.p.w. Increases in income ranged from one person working 2 hours per week being £2.35 better off to £161.27 for a beneficiary working 30 hours (SD= £44.33).

When the average income for the out of work situation is generalised across the 91 beneficiaries, then this predicts a total income of £14,273 p.w. or £742,196 p.y. When job fall-out is factored in these figures reduce to £12,705 p.w. and £660,660 p.y. respectively. Applying the same logic to the in work group, then the 91 individuals would have generated total income of £21,005 p.w. (£1,092,228 p.y.) and £18,697 p.w. (£972,244 p.y) taking into account job fall-out rates.

#### 5. Income Tax and National Insurance Contributions

Tax and National Insurance were not in practice an issue. Few people earned over their annual personal allowance for tax, or weekly allowances for NI. The jobs found would yield only £1.47 in tax or £2.3 in NI per person per year. These figures are ignored for the purposes of this analysis.

#### 6 and 8: Indirect Taxation Before and Following Work

Total income generated from all sources by the out of work group for the 91 beneficiaries was identified at £742,196 predicting VAT revenue of £148,439 p.y. When those falling out of work are deducted from the equation, this predicts VAT revenue of £132,132 p.y. for the out of work group. For the in-work group, income from all sources was estimated at £1,092,228 p.y., predicting VAT revenue of £218,446 p.y. When this is adjusted to allow for job fall-out rates, then this revenue reduces to £194,449 p.y.

#### Summary of Costs: Benefits – Calculations and Results

Table A provides a summary of the costs: benefits calculations associated with the in-work and out-of-work situations. It is based on the cost per year outcomes presented above. This calculation assumes that the 14 individuals without an assessment of need and not in receipt of services would not have required alternative services and includes fall out rates of 11%. It therefore represents our most conservative estimate of the balance of net costs and benefits. It shows that the net balance of costs to savings at the L.A level is -£93,755 p.y. This generates ratio of £1:1.17, returning £1.17 for every £1 of expenditure. The net balance at the Taxpayer level is a modest - £28,828 p.y., returning £1.05 for every £1 of expenditure.

If we now use the same calculation, but include the 12 beneficiaries in work as of November 30<sup>th</sup> 2014 without an assessment of need, then this increases alternative out of work service costs by £112,716, increasing the net balance of savings to -205,471 p.y. This yields a ratio of costs: to benefits of £1:1.37

Table B represents a less conservative approach based on the 91 beneficiaries who were in paid work over the duration, but excluding the 14 beneficiaries without an assessment of need in the alternative service costing. This calculation generates greater savings at the LA level compared to Table A, due to increases in the numbers assumed to be using alternative services. This predicts £144,170 p.y. in savings returning £1.25 for every £1 of expenditure. Indirect tax revenue also increases, compared to Table A, yielding £1.17 for every £1 of expenditure. The result is a net balance of £1.42, returned for every £1 invested in the service.

An adjustment to the calculation in Table B, allows us to provide our most liberal interpretation of the cost data. This is based on calculating the alternative costs of all 91 beneficiaries, which amounts to £854,763 p.y. of avoidance costs. This produces a net balance of savings to the LA of -£275,681 p.y., returning £1.48 to the LA for every £1 of expenditure and a total net saving of £1.65 for £1 invested when taxpayer savings are factored in.

**Table 6: Indicative illustration of Costs and Flow-backs for Progress into Work Per Annum.**

Funding Level	<i>Situation with GES</i>		<i>Situation without GES</i>	
	Costs (A)	Flowbacks (B)	Costs (C)	Flowbacks (D)
Local Authority	<u>1. Total LA Spend on Employment Service</u> £265,860 <u>2. In work services provided</u> £288,493 <sup>36</sup>	£0	<u>3. Cost of Local Authority Service</u> £648,108 <sup>37</sup>	£0
Taxpayer Individual	<u>4. In-work Welfare Benefits/Tax Credits</u> £631,884 <sup>38</sup>	<u>5. Income Tax &amp; National Insurance</u> <u>6. Indirect tax on total Income</u> £194,449 <sup>39</sup>	<u>7. Welfare Benefits paid when unemployed</u> £660,712 <sup>40</sup>	<u>8. Indirect tax on income</u> £132,132 <sup>41</sup>
<b>LA Totals per year</b>	<b>£554,353</b> (A1+A2)	<b>£0</b>	<b>£648,108</b> (C3)	<b>£0</b>
<b>Taxpayer Totals per year</b>	<b>£631,884</b> (A4)	<b>£194,449</b> (B5+B6)	<b>£660,712</b> (C7)	<b>£132,132</b> (D8)
Net cost LA 12 months	<b>-£93,755</b> (A1+A2) - (C3)			
Net cost Taxpayer 12 Months	<b>-£28,828</b> (A4 - C7) + (B6-D8)			
Ratio of flow-backs to costs LA	<b>1:1.17<sup>42</sup></b>			
Ratio of flow-backs to costs Taxpayer	<b>1:1.05</b>			
Ratio of Benefits to Costs	<b>1:1.23</b>			

<sup>36</sup> Based on 35 individuals – allowing for 3 people who left their jobs over the duration.

<sup>37</sup> Based on 69 individuals (38+39) – (8 people leaving their jobs).

<sup>38</sup> Based on 81 individuals in work as of November 2014.

<sup>39</sup> As above.

<sup>40</sup> As above.

<sup>41</sup> As above.

<sup>42</sup> Calculated as £554,353 spent to generate £93,755 in savings

**Table 7: Based on 91 beneficiaries in work over the duration, excluding those without an assessment of need in alternative service costs**

Funding Level	Situation with GES		Situation without GES	
	Costs (A)	Flowbacks (B)	Costs (C)	Flowbacks (D)
Local Authority	<u>1. Total LA Spend on Employment Service</u> £265,860 <u>2. In work services provided</u> <u>£313,222</u> <sup>43</sup>	£0	<u>3. Cost of Local Authority Service</u> £723,252 <sup>44</sup>	£0
Taxpayer Individual	<u>4. In-work Welfare Benefits/Tax Credits</u> £710,008 <sup>45</sup>	<u>5. Income Tax &amp; National Insurance</u> <u>6. Indirect tax on total Income</u> £218,446 <sup>46</sup>	<u>7. Welfare Benefits paid when unemployed</u> £742,248 <sup>47</sup>	<u>8. Indirect tax on income</u> £148,439 <sup>48</sup>
<b>LA Totals per year</b>	<b>£579,082</b> (A1+A2)	<b>£0</b>	<b>£723,252</b> (C3)	<b>£0</b>
<b>Taxpayer Totals per year</b>	<b>£710,008</b> (A4)	<b>£218,446</b> (B5+B6)	<b>£742,248</b> (C7)	<b>£148,439</b> (D8)
Net cost LA 12 months	<b>-£144,170</b> (A1+A2) - (C3)			
Net cost Taxpayer 12 Months	<b>-£102,247</b> (A4 – C7) + (B6-D8)			
Ratio of flow-backs to costs LA	<b>1:1.25</b> <sup>49</sup>			
Ratio of flow-backs to costs Taxpayer	<b>1:1.17</b>			
Ratio of Benefits to Costs	<b>1:1.42</b>			

<sup>43</sup> Based on 38 beneficiaries in work over the duration

<sup>44</sup> Based on 77 beneficiaries, excludes 14 people without an assessment of need

<sup>45</sup> Based on 91 beneficiaries

<sup>46</sup> As above

<sup>47</sup> As above

<sup>48</sup> As above

<sup>49</sup> Calculated as £579,082 spent to generate £144,170 in savings

## Section 5: Case Studies

### Case Study 1: Peter

Peter is a very open and engaging 50 year-old man who lives at home with his father. He likes taking pictures, all things Eddie Stobart and also described looking for more work as something he likes to do in his spare time. Peter was educated in a special needs schools from age five until he left school at age 18, when he entered a Day Centre which he attended until it closed. He described being at the Day Centre for "years and years" and told us that his main activity there was woodworking. They did not talk to him about getting a job.

When Peter left the Day Centre he became involved with GES who told him they thought he could have a real job and be paid. He didn't really believe it could happen but they convinced him to try. They helped him into several work experiences for short periods of time to help him figure out what kind of work would best suit him. He had a number of work experiences but as he said "no-one wanted to pay me!". He applied for several jobs but needed support not only to make job applications but also to be successful once in the job. He had a few failures to begin with like working at a Care Centre for the elderly - a job he says he failed at because he was too shy to interact with people.

GES finally helped Peter find his current job at the school and they supported him initially to help him with his shyness and figure out the "right way and the wrong way to do my job". Peter has been employed at a local school for the past two years where he works 2.5 hours a day, five days a week as an outside Janitor. His duties include: litter picking, cleaning up after the school kids, sweeping leaves and generally keeping the school grounds clean and tidy. He loves his job and says everyone is very nice to him and that he feels much better about himself when he can tell people he has a paid job.

"My job keeps me busy and occupied - before I sat around the house and did nothing all day." "I don't ever want to leave my job - I'll work there until I am 70 or 75 if they'll let me".

Peter is determined to find another job in the mornings to augment his income and to "keep him busy for the whole day". GES continue to work with him to help him achieve this goal. Peter would certainly be a conscientious worker he described wanting to give his boss "a weeks notice if I am going to be late one day - I've never been late and I'm not about to start!"

### Case Study 2: Stephen

Stephen is a handsome 29-year-old man who attended a special school and college until 2004. While still in school his parents helped him to get a Sunday job at Tesco, which he maintained for several years into his college years.

He lived with his parents until 2004 when he moved into a group home. He now lives by himself in a flat with people from the group home supporting him from time to time. He loves being independent and having his own place where he can go home and indulge his passion for watching Formula One racing, sports and reading, especially history books or books about cars. He also loves the outdoors, walking, nature and bird watching.

In College he was enrolled in a Special Education Rural Foundation course that included gardening, farming, agriculture and horticulture. After leaving college he became involved with Home Farm Trust (HFT) in 2004 and they helped him into a number and variety of work experiences and voluntary work including at Canals Trust, Woodchester Mansion and Garden Links where he did a number of different jobs including log splitting, gardening and painting.

In 2005 HFT helped him into a gardening job for which he was paid but the hours and days were not steady or reliable and as a result the job was terminated.

In 2013 HFT secured the paid job Peter currently holds at Future Clean - a car valeting service in Stroud. He works Tuesdays, Thursdays and Saturdays for a total of 18 hours per week and very much likes his job. He gets a great deal of job satisfaction when customers react positively to the good work he has done.

Peter loves to work "Working keeps me busy, not sitting on my arse all day. I do a really good job and I get job satisfaction when I see the cars I've done I think 'wow -that looks awesome' and we get a really good reaction from customers too".

Stephen particularly likes his job when he gets "to work on really nice cars like a Jaguar or one time a Bentley Continental GT. He would like to have some more work but perhaps not full time.

### Case Study 3: Arthur

Arthur is a bright and typical 21 year old young man who lives at home with his parents. He loves x-country running, Anime, movies and 'gaming'. Arthur attended a special school and on leaving in 2010 he was enrolled in Gloucester College Special Education Life-skills programme for three years.

Arthur feels that college did not help him to look for a job or develop the skills he might need to find a job - "you're huddled in a group and you're not learning anything - I KNEW how to clean my teeth already - who goes to college to learn how to clean teeth anyhow?

He repeatedly asked for help to fill out job applications - "I asked them for three years to help me get basic application skills and they wouldn't". Arthur has had one paid job where he worked on an ad hoc basis for a family friend as a labourer during the summer holiday from school.

After leaving college in 2013 Arthur attended Nat Star College for a year where he undertook a number of work experiences including; grounds keeping at Cheltenham College, working at city farm taking care of animals, working in the gym of a retirement village helping out the residents and a two week work experience exchange in Germany.

After leaving Nat Star College Arthur began to attend Pluss. He would "absolutely love to have a job" and suggests jobs as diverse as being a game tester to being a bell-boy in a hotel, or doing technical background stuff in a theatre but says he will try anything.

Arthur feels that he needs help to increase and improve his skills and feels that he would need help in an interview situation because he can sound unenthusiastic when he feels tense. He would like to be an apprentice and learn a job on the job. He feels that having "a job would be a reason to get up in the morning: why bother getting up, why bother being alive if you've got nothing to do all day?"

He receives a living allowance and said that when he went to the job centre he felt they were not interested in helping him find a job. In Arthur's words "I really want a job, I'd be a good employee but because I have a disability everyone thinks I'm not going to be any good at working - I could just keep getting money all my life but I'd like to earn my own money - I think I could really do that".



#### Case Study 4: Jonathon

Jonathan is a friendly 57 year old who lives at home with his parents. He loves listening to music, watching movies, attending the Drop-in centre and ten-pin bowling. Jonathan attended a special and on leaving school at age 16, went straight to the Adult Learning Centre in Gloucester. Jonathan remained at the centre until it closed in 1990.

When the centre closed Jonathan's social worker at the time helped him to find a job at Tesco - where he "worked on the trollies in the rain, sun, snow and wind" for 16 years from 1990 until he was laid off in 2006. He described being very upset when he was made redundant, he felt he hadn't done anything wrong and was upset that other people had been given opportunities to retrain and learn how to do other things in the supermarket but no-one had bothered to do that with him. He loved his job and liked to earn money so that he could help out with the household bills "when I worked I used to give my Mum half for bills and food and I'd keep half, it felt fair and I felt good helping out".

Jonathan began attending the Drop-in centre in 2006 and they helped him into a number of work experiences and voluntary work including "Dig Deep" a gardening service and with the YMCA and the British Heart Foundation charity shops. In 2011 they found him a paid job with GCC working on refuse disposal lorries three days a week for 3-4 hours a day. He feels that its much better working, "you feel good about yourself, people like you more, they look at you differently when you have a job - you get a nice reputation and praise". Unfortunately Jonathan lost his job with GCC when due to funding cuts his position was terminated.

Jonathan attends the Drop-in centre regularly; he volunteers at the British heart Foundation and is determined to find another job - "I really want a job, it's good to work, meet people and make new friends - and just get along with people. I'm a good worker and a hard worker and I never complain - as soon as I get another job I'll be happy"

### Case Study 5: Jocelyn

Jocelyn is a friendly and open 35 year old woman. She currently lives independently in a cottage with a room-mate and has just secured her first part time (16 hours a week) paying job. Jocelyn loves going to bingo, attending her bible study group and volunteering at an eldercare facility - which she has done for 16 years.

Jocelyn attended special needs schools until she was 16 when she began to attend special needs college where she remained until she was 21 years old. She did some work experience at college including working in a recycling centre and cleaning for three hours a week for which she was paid therapeutic earnings of £2.50 per hour. Jocelyn has maintained this job for 15 years but now works only two hours per week for which she is paid minimum wage. However, she is required to be at work by 7am which means she is unable to utilize her free bus pass - so must pay £3.00 for bus fare each time she goes to work which significantly affects her small earnings.

After leaving college Jocelyn began attending the Day Centre and when the centre closed she began to attend 'Forwards' and the Drop-in centre. Jocelyn is regularly seen at the Drop-in centre by Sarah whom she has known since the Day Centre. Sarah has helped Jocelyn think about work, gain more work experience through volunteering, which has helped Jocelyn to increase her confidence.

Recently, Sarah found out about a job she thought Jocelyn might be interested in as a part time cleaner in a new eldercare facility. Sarah helped Jocelyn fill out an application form for a job and together, they worked on interview skills until Jocelyn felt more confident. When she was asked to go for an interview for the job Jocelyn felt that she was ready. Jocelyn was successful in securing the job and has been hired to work 16 hours a week for which she will be paid £7.00 an hour.

Jocelyn is really excited to start this new job and "be earning more money" and says she will see also keep up her other two hour a week job. Jocelyn says she'd eventually like to work more hours but is afraid how that will affect her benefits. Sarah has told her that they will work on that together.

Jocelyn will receive working tax credits and for the first few weeks at work she will get a job-coach through access to work who will help her with the computer aspects of her new job.

## Section 6: Discussion and Recommendations

"My job keeps me busy and occupied - before, I just sat around the house and did nothing all day. I don't ever want to leave my job - I'll work there until I am 70 or 75 if they'll let me".

Peter - A GES beneficiary aged 50, on obtaining his first paid job since leaving school.

GCC have made positive steps in the journey from congregate to inclusive employment approaches. LA funding and resource has been re-targeted within the County with the specific aim of developing the employment strand of work. This has enabled the beneficiaries to access mainstream inclusive paid employment opportunities alongside those offered through Social Enterprises.

There is strong evidence that GES is generating savings at the LA and Taxpayer Levels. Applying the most conservative calculation (as in Table A) we were still able to identify a net balance of savings to the LA of £93,755 p.y., in the situation with GES. The headline figures suggest that using this criterion the service returns £1.17 to the LA for every £1 it invests in the service and £1.23 for every £1 of expenditure when savings to the taxpayer are included.

Applying a less conservative approach to cost estimation (as in Table B), then savings of £144,170 are predicted for the LA, returning £1.25 for £1 invested at the LA level and £1.17, for the Taxpayer. These results indicate the sensitivity in the results according to which criteria are applied. However, the extent of savings was significant enough to conclude that the situation with GES costs less compared to the situation without the service, and that potentially these savings could be substantial. The most liberal calculation predicts overall savings to the Government of £1.65 for every £1 of expenditure.

Per capita costs suggested that the LA has spent £6,976 for every job obtained taking into account the 11% fall-out rate. As in other employment research, we found evidence that the cost per person for the in work group was reducing over time. The recent NDTi report found an average per capita figure of £8,217 but suggests that this can go as low as £2,818 per paid job obtained. This reflects the fact that a supported employment approach allows the service to withdraw support relatively quickly, due to a pool of natural supports available to the employees through their co-workers and work supervisors. Allowing employment support to be withdrawn would free up resource to support new job seekers into work. This suggests that if the current rate of investment is maintained, there is potential to increase the ratio of savings to costs over time.

***Recommendation 1: That the Local Authority continues to fund the Employment Service at a level that enables it to maintain its current support to beneficiaries and to make the service more cost effective by placing more people into paid work;***

The results indicate that the beneficiaries were more financially independent following work, being on average £73.97 p.p.w. better off. In the situation where GES exists, 35% of all income was from earned income, suggesting an increase in financial independence, autonomy and the spending power for those entering paid

work. However, the low number of hours worked, combined with low hourly rates of pay, had a significant impact on the potential of the service to generate savings at the Taxpayer level. The service returned just 5p for every £1 spent (as in Table A) for all participants or 17p for every £1 spent (as in Table B). One example of the effects that hours worked can have on cost outcomes can be seen in the costs:benefits analysis conducted at the Taxpayer level on the Kent Supported Apprenticeship Project. This showed that, with the imperative of full time hours required by Apprenticeships, the scheme returned £1.38 for every £1 invested by the Taxpayer, even with rates of pay legitimately below that of the NMW.<sup>50</sup>

The results indicated that a significant number of those in paid work through the service were also in receipt of residential services 45%. This compares to 25% in North Lanarkshire and 19% in Kent in past studies. The limitations of earnings disregarded for payment of residential care fees limits the amount people in residential care can earn and keep. This had a significant effect upon the amount of hours that some beneficiaries could work without it negatively affecting their welfare benefits. Many of these individuals' incomes are restricted to the earnings disregards limits set through Income Support and although 55% of the jobs in GES were categorized as full-time, the average hours worked per person was 13.45 hours per week. This compares with 15.2 hours in Kent, and 24.2 hours in North Lanarkshire.

However, over half of those in the sample (55%) lived independently or with their parents and the data shows that the difference in hours worked between the groups was relatively small being on average just under 1 hour more p.p.p.w. for those not in receipt of residential services. This suggests that there is greater scope to develop more full time work opportunities in accordance with the 'standard working week' of between 30 and 40 hours for those living at home.

Increasing the number of hours that some people work will not only have positive effects by increasing flow-backs to the Taxpayer, but is also likely to have the effect of reducing LA costs as those working longer hours will tend to use alternative services less.

***Recommendation 2: That the service obtains a higher proportion of full time jobs based on the hours of a standard working week of over 30 hours.***

The service has obtained 75 paid jobs over the period, and was supporting 81 beneficiaries with learning disabilities in work at November 30<sup>th</sup> 2014, accessing jobs at an average of 3.75 jobs per month. These jobs have occurred in a wide variety of workplaces and involved an array of work tasks. Job fall-out rates were 11%, but there are indications that this rate may be rising, highlighting the need to monitor fall-out rates and develop procedures to support the beneficiaries in an on-going way once they have entered a paid job.

The results suggest that overall GES is hitting its target population: Eighty five per cent of the Gloucestershire in-work sample had an assessment of need, suggesting that these people would have used alternative services without the employment

---

<sup>50</sup> Apprenticeship hourly rate averages out at £2.69 per hour at £105 p.w.

intervention. In fact 43% were still in receipt of services following paid work, receiving a combination of Employment and Day Service provision.

Results also indicated that only 15% of those in paid work had worked prior to referral, with many being NEET and claiming out of work benefits. Over a quarter of the beneficiaries were claiming Incapacity Benefit prior to working, having previously been deemed to be incapable of undertaking a paid job. This suggests that the service is challenging previously held beliefs about the lack of ability of many of these individuals. The service clearly has to target more female beneficiaries than it currently is: males outnumbered females at a ratio of 7 to 1 during the study period.

At November 30<sup>th</sup> 2014, 86% of the beneficiaries accessing paid work via the service were people with Mild Learning Disabilities, while 16% were described as requiring Medium Levels of Support. One of the key challenges for the service is to enable more people banded from C to A to access paid work. Previous research has shown that with the appropriate level and type of support, many of those with higher support needs are fully capable of obtaining and successfully undertaking paid work. In the Kent costs: benefits analysis, although the highest proportion of people in work were people with mild learning disabilities (45%), over half were described as having either 'moderate' (39%) and 'severe' (16%) levels of disability using the Inventory for Client and Agency Planning as an objective assessment tool.<sup>51</sup>

Enabling people with higher support needs to access paid work will inevitably lead to higher per capita costs compared to those for people with moderate support needs. Conversely, it also has the potential to generate greater savings to the LA because the costs of providing an alternative service are also high. Social Enterprises may represent one method for enabling the progression of some of those with higher support needs.

GES is also committed to extending its provision to other vulnerable groups. This will mean developing strategic plans that strengthen joint working between the employment service and local specialist teams who represent and provide services for these groups within Gloucestershire (e.g., Youth Offending Teams, Young Parent Services and those responsible for Care Leavers). We recommend therefore, that the service closely monitor the proportion of those obtaining work with higher support needs or from other vulnerable groups.

***Recommendation 3: That the service continues to closely monitor the proportion of those obtaining work with higher support needs and those from other vulnerable groups.***

GES has also worked with a variety of local service providers towards these employment goals. Notably working alongside PLUSS, and a number of local charities to secure jobs and Access to Work funding for job coaches via the DWP. Currently the provision of job coaches within the service has been on this ad hoc basis and although this may be appropriate for some beneficiaries, it may not be sufficient for others. Access to Work is subject to application and therefore cannot be

---

<sup>51</sup> Bruininks, B.H., Hill, K., Weatherman, R.F. & Woodcock, W. (1986). Inventory for Client and Agency Planning, Allen, Texas: DLM Teaching Resources.

guaranteed and often job coach support has to be spontaneous and immediate. It is also often time-limited and may be financially unsustainable if the support requirements of those obtaining work increase, or become more complex over time. This combined with the zero-hour nature of the contract provides little impetus for the development of a pool of highly skilled job coaches within Gloucestershire.

Our previous experience working in this field suggests that the success or failure of specialist employment provision is positively correlated to the number of skilled job coaches available within the service. As of November 30<sup>th</sup> 2014, only 4% of the total employment budget was allocated to developing job-coaching capacity and we strongly recommend that GES significantly increase this amount for the training and hiring/commissioning of full time job coaches and/or a supported employment service.

***Recommendation 4: Invest in developing a dedicated pool of job coaches trained in the methods of the supported employment to underpin the strategies mentioned above.***

Many of the beneficiaries were aged 18 to 24 (38%) reflecting a focus on early intervention and highlighting the importance of the Transition Worker role. The service intends to continue to target the 18 to 24 age group to support the transition of young people from education into paid employment. One challenge facing GES is to continue to work closely with local schools and colleges, to encourage vocationally oriented curricula. This may increase expectations among teachers, the individuals and their families about the potential for these young people to progress into paid work on leaving full time education.

In terms of savings, diverting individuals away from traditional services and into employment support services at an early age represents the optimum potential for avoidance savings, realising a less expensive form of service provision throughout the lifetime of the individual. The service should consider exploring the various options that have arisen from previous and current transition from education into work initiatives such as the Youth Supported Employment model, ‘Supported Internships’, ‘Traineeships’ and ‘Supported Apprenticeships.’ These will also provide further opportunities for the LA to develop jointly funded employment initiatives with, for example, the DWP, local Special Schools and Colleges.

However, those aged over 30 are also well represented. Older people who have been in receipt of services for longer periods can present more complex support challenges than younger people, due to their longer history of dependency on services. However, employment still represents a more financially cost effective approach for these individuals that also delivers better quality of life outcomes for people compared to day service and sheltered work alternatives.

***Recommendation 5: Continue focussing on early intervention that enables young vulnerable people to move from schools and colleges into paid employment.***

***Recommendation 6: Explore the potential for developing Internships, Apprenticeships, Traineeships and Peer Support Approaches to Transition.***

The results show that a significant proportion of the jobs were undertaken in 4 Social Enterprises (39%). This reflects the development undertaken within the County to progress employment out of congregate factory settings into workplaces with a higher community profile. It is unclear from the analysis how many of beneficiaries are progressing from these Social Enterprises into inclusive paid jobs. One of the challenges for the service is to realise Social Enterprises as a stepping-stone towards inclusive paid work and not as end results themselves and then; to develop ways of evidencing such progress. The results also suggest that there is potential for increasing the proportion of inclusive jobs undertaken in the Public and Private Sectors. Increasing the number of Social Enterprises may offer greater variety and options for the beneficiaries to experience on this journey, but alongside this one would also expect to see increases in the overall proportion of jobs in inclusive Public and (especially) Private Sector businesses.

***Recommendation 7: That the Social Enterprises be developed as a means to progressing those with higher support needs into paid jobs.***

***Recommendation 8: That the Service monitors the extent that those employed in Social Enterprises are progressing into inclusive paid work.***

***Recommendation 9: That the service continues to target Public and (especially) Private Sector inclusive (mainstream) employment opportunities to increase the proportions of jobs in these Sectors.***

#### Map Procedures to the 'Supported Employment' Approach

In our view, if the service is to fulfil its goals to: a) support growing numbers of beneficiaries to undertake more full time work in inclusive work places; b) extend the provision to include those with higher support needs; c) extend the service to include more vulnerable groups and d) protect the investment and provide sufficient on-going support over the longer term; then service development will need to be mapped closely to the delivery methods associated with best practice Supported Employment Approaches. The skills associated with the approach are now well documented and have been acknowledged through the recently published 'Supported Employment National Occupational Standards'.<sup>52</sup>

For people with higher support needs, the match between the abilities the beneficiaries possess on the one hand, and the tasks required to undertake the job on the other, becomes more important. This sometimes requires creativity on the part of service deliverers and the application of methods associated with 'Vocational Profiling', 'Job Searching', 'Job Matching' and 'Job Carving'. For those requiring additional or intensive levels of support to learn the skills of their jobs and get on socially with their work colleagues, then the methods associated with 'Systematic Instruction' and 'Accommodations to Worksite Culture' would be required. Within Supported Employment these 'on-the-job' support roles have been undertaken by 'Job Coaches'.

---

<sup>52</sup> The Learning and Skills Improvement Service (2013) [http://base-uk.org/sites/base-uk.org/files/knowledge/National%20Occupational%20Standards/full\\_suite\\_supported\\_employment\\_no\\_s\\_final.pdf](http://base-uk.org/sites/base-uk.org/files/knowledge/National%20Occupational%20Standards/full_suite_supported_employment_no_s_final.pdf)

If the current rate of finding jobs were maintained, there would potentially be 134 beneficiaries in work by April 2015 and 179 by April 2016. Over time the capacity to work with new beneficiaries will reduce, especially if the numbers of people with higher support needs increases. When this capacity is reached, the only way to work with new beneficiaries is through additional funding, or by diverting resources away from those already in work. This latter option will potentially lead to an increase in job fall-out rates among those in work that require on-going support to overcome the challenges they encounter when unexpected problems or changes occur in their jobs. This does little to safeguard the initial investment, or for the confidence of those losing their jobs.

This implies that additional funding will be required to maintain the cost effectiveness and the quality of the service once this capacity is reached. Results from the Kent Supported Apprenticeship project suggested that job fall-out rates can be significantly reduced across a number of vulnerable groups provided sufficient on-going support is available. It showed that job fall out rates among those receiving supported employment was 14%, compared to 51% for those without this provision.

***Recommendation 10: Map the employment procedures developed by GES against those of Supported Employment to ensure the service adheres to the Place-Train-Maintain approach to employment strategy.***

***Recommendation 11: Ensure mechanisms are in place to closely monitor fall out rates monitor and be prepared to provide additional support to these beneficiaries when required.***

***Recommendation 12: Ensure that there is sufficient funding to maintain support for those already in paid work over the longer term and be prepared to provide additional funding when service capacity is reached.***



## Appendix 1: Summary of Supported Employment Approach

Table 8 presents the key delivery aspects of the approach which, as discussed are encapsulated in the ‘Place-Train-Maintain’ model of Supported Employment.

**Table 8: Summary of the Place-Train-Maintain Supported Employment Approach**

Placement Phase	Training Phase	Maintenance Phase
<ul style="list-style-type: none"> <li>Engage and recruit young people and their families</li> <li>Conduct vocational profile</li> <li>Targeted Job search based on personal preferences and circumstances</li> <li>Engage and recruit employers</li> </ul>	<ul style="list-style-type: none"> <li>Conduct worksite analysis</li> <li>Develop a support plan</li> <li>Use of ‘Training in Systematic Instruction’ Techniques</li> <li>Use of Social Facilitation Methods.</li> <li>Support young person to find solutions to personal crisis</li> <li>Support to employer if required</li> <li>Travel Training</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing Career development support</li> <li>Support young person to find solutions to personal crisis</li> </ul>

The ‘Placement Phase’ is characterised by meticulous ‘Vocational Profiling’ and ‘Job Matching’ techniques to inform ‘Job Search’ and ‘Job Targeting’. The importance of gaining an understanding of the young person’s areas of interest to eventual job matches is clear enough: opportunities that match personal interests are more likely to succeed.<sup>53</sup> Unsurprisingly, where the matches between interests and the jobs obtained are strongest, there is increased potential for a positive outcome.

The ‘Training Phase’ provides hands-on support to those people who need it through the delivery methods associated with ‘Job Coaching’ and ‘Training in Systematic Instruction’.<sup>54</sup> This enables the provision of extra support (above and beyond that of employers and supervisors) if required to assist the young people to learn the social and work skills associated with their jobs. Another important aspect of the Training Phase is the capacity to provide assistance to employers when it is required. This could be advice and guidance about a person’s disability, assisting them directly with training while the person is learning the skills of the job, and working in partnership with them to develop a sense of shared planning and responsibility.

The ‘Maintenance Phase’ typically involves monitoring the placement to minimise the prospects that people will lose their jobs; to follow-up and provide support to help those losing their jobs to find new work; to support people to find new jobs if their preferences change; to assist the person and employer when problems arise. Not

<sup>53</sup> Martin, J. E., Rusch, F. R., Lagomarcino, T. & Chadsey-Rusch, J. (1986). Comparison between non-handicapped and mentally retarded workers: why they lose their Jobs. Applied Research in Mental Retardation, 7, 467-474.

<sup>54</sup> Kilsby, M. (2013) Training in Systematic Instruction: Some Personal Observations of TSI over the last two Decades. <http://base-uk.org/features/tsi-perspective>

everybody will require all aspects of this support at all times and the approach works on the principle that the 'optimum level' of support be offered, defined by the least amount of assistance required to ensure that the person succeeds. The purpose is to naturally decrease or *fade* the amount of assistance provided on the basis that the less the job coach is doing the more the trainee is doing. Underlying this is the principle that, if a person needs lots of support the trainer provides it and where they need less the trainer provides less. Knowing how, when and what type of support to provide and when it is required is key to this approach.

## **Appendix 2: Community & Adult Care Support Needs Criteria**

### **FACE Assessment Banding**

**Band A (mobility)** – Service Users with a need for Specialist Profound & Multiple Disability Service  
Service Users with multiple disabilities who are dependant in three or more of the following areas of their care.  
**Continence** – they are incontinent of urine and / or faeces throughout the day and night which requires support more than 3 times during the day or evening  
**Eating & Drinking** – requires full assistance to eat and drink for all meals (physical support)  
**Mobility** – a wheelchair user or someone who is dependent on others for their mobility in and out of home  
**Safety** – has a medical condition or behaviour issues that results in risks that need constant supervision (requires supervision at all times)

**Band A (care)** – Service Users with a need being met with a Specialist Challenging Service  
**Severe challenging behaviour** – where they present a continual and severe risk to themselves or others (this does not mean historic examples, requires worker to look at documentation around up to date data to ensure information is still relevant). Needs a high level of supervision at all times.

**Band B – Clients with high support needs**  
Service Users with multiple disabilities and are dependant in two or more of the following areas of their care.  
**Continence** – they are incontinent of urine and / or faeces on a regular basis throughout the day and night.  
**Eating & Drinking** – they require full assistance to eat or drink or need a high level of assistance to eat or drink, i.e. cutting up food, loading spoon, risk of choking etc.  
**Mobility** – someone who is dependent on others for their mobility out of the home  
**Safety** – has a medical condition or behaviour issues that results in risks that require close supervision.  
**Or**  
**Challenging behaviour** – where although there is not necessarily the continual risk of aggression, the service user presents a risk to themselves or others regularly.

**Band C – Service Users with medium support needs**  
Service Users who need support with one or more of the following areas of their care.  
**Continence** – they need prompts to use the toilet or minimal assistance on a daily basis  
**Eating** – they need assistance to access food on a daily basis  
**Mobility** – they require assistance with some aspects of their mobility out of the home  
**Safety** – has a medical condition or behaviour resulting in risks that require close supervision (can be left unsupervised for short periods of time).  
**Motivation** – they need continual prompting in order to engage in any activity (this does not include able service users making an informed choice not to take part in an activity).

**Band D – Service Users with minimal support needs**  
They are able to engage in activities unsupported or with minimal support  
They are able to safely get themselves something to eat or drink (food could be delivered or heated up in a microwave or snacks)  
They can be left unsupported in the home.  
They can access local community unsupported or with minimal support

### **Appendix 3: Plain Summary of Main Findings**

We undertook an analysis to see whether or not GCCs Employment Services were saving the Government and Gloucestershire County Council money. To do this we looked at the activity of the service between April 1<sup>st</sup> 2013 to November 30<sup>th</sup> 2014 (20 months).

During this time the number of people benefiting from the service rose substantially. We found that:

- 91 beneficiaries with learning disabilities were supported in paid work over the period;
- 75 paid jobs were obtained over the period at a rate of 3.75 jobs per month;
- 11 people left their jobs over the period;
- 81 people with learning disabilities were in work at November 30<sup>th</sup> 2014.

The service is supporting those considered to be amongst the most vulnerable in our society and is challenging previously held beliefs about the employability of these individuals. We found that:

- 85% of those in paid work were previously 'Not in Education, Employment or Training' (NEET) and were claiming out of work benefits;
- Many of the beneficiaries were claiming Incapacity Benefit prior to working, having previously been considered too disabled to get a paid work;
- 85% of the beneficiaries had an Assessment of Need via the Local Authority (LA) assessment and 43% were still in receipt of services following paid work;
- Only 15% had no statement of need and had not been in receipt of services.

The employment service is doing a good job targeting young people. We found that:

- 38% of the beneficiaries were aged 18 to 24;
- The average age of the beneficiaries supported in work was 31.9 years ranging from 18:8 to 63:6 years of age.

However we also found that:

- 86% of the beneficiaries accessing paid work via the service were people with mild learning disabilities. One of the key challenges for the service is to enable more people banded from C to A to access paid work;
- 70% of the beneficiaries were male, suggesting the need to encourage more females to take part.

We also found that:

- All the beneficiaries received National Minimum Wage (NMW) on starting work;
- 55% of the jobs accessed were categorised as full-time and the average hours worked per person was 13.45 hours per week.

The hours that some beneficiaries can work and the amount they can earn is often severely restricted because of the negative affect this would have on welfare benefits. We found that:

- 45% of those in paid work were in receipt of residential services.

However we also found that:

- Although those not in receipt of residential services tended to work longer hours, the difference was relatively small being on average just under 1 hour more per person per week;
- 55% lived independently or with their parents.

This suggests there is greater scope to develop more full time work opportunities in accordance with the ‘standard working week’ of between 30 and 40 hours for those living at home.

The jobs obtained via the service occurred in a variety of workplaces. We found that:

- The service had engaged over 50 local employers;
- 39% of the jobs were undertaken in 4 Social Enterprises;
- There is potential for increasing the proportion of inclusive jobs undertaken in the Public and Private Sectors from the current rates of 11% and 49% respectively.

The results indicate that following entry to work the pattern of financial income sources for the beneficiaries changed and that they had greater financial autonomy and independence. We found that:

- People moved off Incapacity Benefit and Income Support and onto income related Employment and Support Allowance when they progressed into work;
- After securing paid work, wages accounted for 35% of the beneficiaries' income;
- On average the beneficiaries were £73.97 per person, per week, financially better off as a result of working.

The LA has re-targeted its funding within the County with the specific aim of developing the employment strand of work. We found that:

- The LA spent an average of £265,860 per year within the analysis window. This is close to the reported average yearly spend for employment services across the UK in the NDTi report of £262,132;<sup>55</sup>
- The LA has invested £6,976 for every job obtained which is less than the £8,217 average found in the NDTi report of 2014;
- Evidence suggests that this cost is falling and will continue to do so in the short term if current funding levels are maintained.

On completing the cost benefit analysis we found that by our most conservative estimate:

- The service produced savings to the LA of £93,755 per year, returning £1.17 to the LA for every £1 it spends on the service;
- The low number of hours worked by the beneficiaries, combined with low wage levels meant that savings at the Taxpayer level were modest, returning just 5p for every £1 spent;
- When the above savings are combined, this produces a headline figure of £1.23 for every £1 of expenditure.

Applying a less conservative criteria to cost estimation we found:

- Savings to the LA of £144,170 per year, returning £1.25 to the LA for every £1 it spends on the service;
- A return of £1.17 to the Taxpayer;

---

<sup>55</sup> National Development Team for Inclusion (2014) The Cost Effectiveness of Employment Support for People with Disabilities. Full report.

- A combined return of £1.42 for every £1 spent on the service.

We made a number of recommendations on the basis of this analysis. These include:

- Mapping the infrastructure of the employment service to the delivery components associated with best practice Supported Employment approaches;
- Increasing the budget proportion (currently at 5%) for the hiring/commissioning of a pool of full time dedicated job coaches.

The results provide strong evidence that the service is generating savings at the Local Authority and Taxpayer Levels and that this is having a direct and positive impact on the quality of lives of those it supports.