

# **A framework for supported employment**

**Anne O'Bryan, Ken Simons, Steve Beyer and Bob Grove for  
The Policy Consortium for Supported Employment**

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# Executive summary

## Introducing the framework for supported employment

This framework was produced by the Policy Consortium for Supported Employment, which was established following discussions with Margaret Hodge, Equal Opportunities Minister. We set out to produce a coherent policy framework, building on the experience and concerns of those connected with supported employment.

We define what we mean by supported employment, and supported employment agencies, and contrast this with other approaches to the employment of disabled people. In essence, we define supported employment as a way of enabling people who need additional assistance to obtain and develop their careers in real jobs, so that they can enjoy the social and economic benefits of employment. Support is provided on an individual basis to both employer and employee for as long as it is required. The basic concept of supported employment is relevant, with appropriate modifications, to a wide range of disabled people and also people facing other problems.

There is a need for a national framework because supported employment exists in the context of a complex range of policies and practices. The government has recently announced plans to modernise its Supported Employment Programme, providing an unrivalled opportunity to develop the framework. Studies suggest that there is considerable scope for society to benefit financially, as well as in other ways, by enabling more disabled people to work.

The framework pulls together key components of the existing system of supported employment and identifies policies, structures and skills that need to be in place. It is based on wide consultation with relevant organisations and individuals from the UK and abroad.

## The current system of supported employment

We were told of some significant problems in accessing and funding supported employment, difficulties in ensuring consistent quality, and major issues relating to the benefit system. However, we also heard of positive experiences to draw on.

It is particularly difficult for many people, especially those with substantial support needs, to access supported employment. There are marked geographical variations in the level of provision. There are particular problems for disabled young people leaving school being able to access this form of support.

Supported employment agencies receive funding from diverse sources. However, accessing funds can be complex and time consuming, with much funding of a short-term nature. Supported employment is an emerging sector with no consistent approach to the quality of services provided.

The UK benefit system is particularly complex and provides a number of serious disincentives to disabled people who wish to enter paid work. We give a brief commentary on the main issues relating to benefits, and provide more detail in a separate document, 'Economic security and supported employment', by the same authors, available on the National Development Team's web site, <http://www.ndt.org.uk/>.

The document 'Economic security and supported employment' can be accessed on the NDT website at [www.ndt.org.uk](http://www.ndt.org.uk). For those without access to the web, a paper copy can be obtained (priced £5.00) from NDT at National Development Team, Albion Wharf, Albion Street, Manchester M1 5LN, UK.

## Lessons from abroad

We drew on the experience of supported employment in Ireland, Norway, New Zealand and the USA. This points to some general lessons for the UK. Experience abroad suggests that the specialist supported employment sector needs to engage with more generic 'one stop' centre approaches, so that people with significant impairments get access to the skilled and specialist support they require.

We can draw on experience in providing advice and information, training strategies and in developing quality assurance systems. There are a range of approaches to funding, both for individuals and for agencies. Although many countries have benefit systems which are just as complex as ours, there are pointers to ways of combining wages with some income maintenance benefits.

## Proposals for a new system of supported employment

We set out our ideas for a positive policy framework, so that a wide range of people are able to benefit from supported employment across the UK. There is a need to ensure that supported employment is much more widely available, with services of consistent quality.

Social services departments in England are required to develop Joint Investment Plans for Welfare to Work services. This provides an incentive for local authorities to work in partnership with other agencies to develop and invest in supported employment. The modernisation of the Supported Employment Programme provides significant opportunities to

move further towards individualised support for job applicants and employers.

We suggest ways in which the various sources of funding for supported employment can be combined flexibly to provide the full support individuals require. We look at ways in which the commissioning and contracting process can be used to sustain and develop specialist supported employment. We also make suggestions for change in the funding of the Supported Employment Programme.

We suggest steps which can be taken to ensure that young disabled people are encouraged and supported to move from school into employment. We outline ways to ensure that supported employment develops as a coherent, high quality form of support. This requires leadership from government, but we also spell out implications for employees, employers, providers and commissioners.

We outline strategies for getting more out of the existing benefit system, but also suggest ways that it can be improved. These include options for easing the transition from benefits into paid employment and bridging the gap between incapacity benefits and the Disabled Person's Tax Credit. We look at the implications for the way Housing and Council Tax Benefits are applied to people who start work, and ways of ensuring that people are not penalised through charges for community care.

We argue the need for a debate about more radical reform of the benefit system and present some ideas for consideration. Finally we argue strongly for demonstration projects which explore new ways of linking benefits to the availability of support.



# 1 Introducing the framework for supported employment

This section:

- introduces the Policy Consortium for Supported Employment
- describes how we worked
- defines supported employment
- sets out the rationale and aims of the framework
- signposts the rest of the document.

## 1.1 The Policy Consortium for Supported Employment

The Policy Consortium for Supported Employment is a group of professionals, researchers and people who use supported employment services,<sup>1</sup> who are working to support more disabled people into jobs and decent careers. We believe in creating opportunities for individualised supported employment. The Consortium was established following discussions with Margaret Hodge, Equal Opportunities Minister, who is responsible for Government policy on employment and disabled people. Having listened to the concerns of people working in supported employment, the Minister challenged members of the Consortium to develop a more coherent policy framework, which both recognises government concerns, and which supports attempts to assist people with significant impairments to find and keep paid employment.

This report is our answer to that challenge.

Throughout, every attempt has been made to ensure that the process of developing the framework was as inclusive as possible; it not only reflects the views of the Consortium members, but draws on the distilled experience and knowledge of many individuals and organisations involved in the field. Particular efforts were made to include at least some of the concerns of actual and potential supported employees.

## 1.2 How we worked

The Policy Consortium carried out a rapid and broadly-based consultation exercise. We sent 181 questionnaires to a wide range of organisations and individuals with an interest in or experience of supported employment. These were supplemented by telephone contacts or face-to-face visits. We also met with a number of self-advocacy groups, all of whom have an interest in the issue of employment, and people with learning disabilities.

We received 139 responses from across the UK from people representing supported employment agencies, supported employees, Employment Service personnel, careers advisers, employers, senior managers in social services/social work departments, and researchers.

We also received detailed responses from experts in the United States, New Zealand, Norway and the Republic of Ireland.

A cross-departmental working group was set up to support the Consortium in developing a realistic framework. This included officials from the Department for Education and Employment, the Employment Service, the Department of Health and Social Security and the Benefits Agency.

Five hundred copies of an initial draft of this document were circulated for comment and followed up with a further round of consultation. We have attempted to incorporate the responses to the draft in this final version of the framework.

## 1.3 What is supported employment?

Throughout this report we use the term *supported employment* in a very specific sense. We define it as a way of enabling people who need additional assistance to succeed in work, with the following results.

- *They are hired and paid by an employer.*  
Supported employment is about 'real jobs',

not makeshift work designed simply to keep the person occupied.

- *They receive full employee entitlements.* Supported employees are regarded as full employees. Wages should be the going rate for the job. Safe working conditions are critical.
- *The job meets the employee's aspirations for employment.* Supported employment responds to each individual's interests, talents and skills (existing and potential). It helps people explore their careers. It also takes account of the wider social context of work, including all sorts of social interactions with co-workers and customers.
- *The work meets the employer's requirements.* The key to success is to enable disabled people to become good employees. This means responding to the needs of employers as well as workers.
- *The employer and employee receive just enough help from a support organisation to ensure success.* Assistance is provided for just those aspects where employer or employee needs support. There is a long-term commitment to support for as long as necessary, but for no longer.

Our notion of supported employment is based on the values of social and economic inclusion, promoting self-determination, choice and independence. We believe that people should be full participants in their communities, welcomed and valued for the contributions they make, rather than excluded because of their labels.

This approach is based squarely on a social model of disability. It attempts to address some of the systematic barriers that result in discrimination and exclusion. In particular, the difficulties that individuals face are dealt with in terms of support, not individual 'pathology'. As a matter of principle

we start from the assumption that all disabled people may wish to access work, and that no individual or group should be assumed to be 'unemployable'.

Supported employment transcends the traditional divides between 'vocational training' and employment-related supports; there is no assumption that potential workers have to be 'work-ready' before they can access supported employment. Embedded in our approach is the assumption that the best place to learn about work is in the workplace.

We readily acknowledge that what is described here represents an ideal, and one which is rarely fully realised. This is partly because we are only beginning to develop the range of skills needed to fully include people with the full range of support needs. For some people with complex needs, finding ways to achieve successful outcomes will be hard.

Nevertheless, there is substantial evidence, drawn from both the UK and elsewhere, that supported employment is a 'technology' that works.<sup>2</sup>

### Supported employment agencies

Supported employment agencies vary considerably in size and in the way they are organised. They all work with people on an individual basis, planning a career path with each person. The majority of those identifying themselves as supported employment agencies are likely to offer a series of phased interventions which include most or all of the following:

- finding out about the person's skills and preferences through a *vocational profile*
- *job development* to find the person's preferred job through contact with employers
- *job analysis* to find out about the workplace, co-workers and supports the person might need



- help in applying for jobs and *career advancement*
- *job support* to ensure the employer and employee receive just enough assistance, information, back-up and creativity for success.

Within this broad framework, practice amongst supported employment agencies varies. For example, many people with mental health problems find the idea of having on-site job support potentially stigmatising, and mainly require help out of hours or at the end of a phone. While there are significant structural barriers to achieving the aims of supported employment, organisational competence and capacity are also important factors. As Beyer *et al.* (1996) point out, there is clear evidence that it takes time for most agencies to acquire the skills and experience needed. Given that many supported employment agencies are relatively new, it seems appropriate to talk in terms of an ‘emerging’ specialist supported employment sector.

### Who benefits from supported employment?

Much of the experience within supported employment in the UK to date has been around the employment of people with learning disabilities. However, many agencies are beginning to work on a more generic basis, supporting people with a much wider range of impairments and conditions, including people with more severe impairments, mental health problems and/or complex support needs. The basic concept of supported employment is relevant, with appropriate modifications, to people with a wide range of impairments and other problems. For example, the National Service Framework for Mental Health includes the requirement that people with complex needs receiving the Care Programme Approach should have ‘action for employment, education and other occupation’ included in their care plans.

Indeed, we would argue that these principles

and practices are generally applicable to any person who needs support to get and hold down a job and progress in their career.

### Supported employment is not ...

Judging from the responses to our initial consultation, it is equally important to be clear what we are *not* saying, which is as follows.

- *Everyone wants to work ...* There will be many people who decide sensibly that paid work is not for them. Our main concern is to tackle the barriers that exclude people. As far as we are concerned, finding ways to respond to people who want to work will more than absorb our energies for the foreseeable future. We see no role for policies that coerce people into working. However, many disabled people are telling us that work is important to them and policies must remove the barriers to employment for them.
- *Work is the only way of achieving inclusion and equality ...* Life is about a lot more than work, and strategies for promoting inclusion must reflect the full range of opportunities that exist. Indeed, as advocates of paid work we would not wish to imply that other life choices are not equally valid.
- *Success is only defined in terms of people who no longer need any support, or no longer use benefits ...* Some people have used supported employment to get a full-time job, which has enabled them to be financially independent and require no further assistance. While those will be perfectly feasible ambitions for some, others will want or need to work part-time, will still need to rely at least in part on benefits, and will need assistance to maintain their job on a more or less permanent basis. All may be equally valid outcomes.

This last point is critical to the way we are using the term *supported employment*. Many readers will

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be as, if not more, familiar with its use in relation to the Supported Employment Programme (see box below). Here, supported employment is often distinguished from 'open' employment. From our perspective the critical outcome is that the individual is successfully holding down a decent job. However, there is a very ingrained assumption that equates 'success' to individuals managing without any form of support. Our concern with this assumption is that it risks excluding the very people who need the most assistance; it potentially devalues the contributions that many people could make, simply because they do not match up to overly rigid notions of independence.

In the context of this document it is worth clarifying that, by supported employment, we do *not* mean the following.

- *Sheltered workshops.* Historically, the main employment-related option for many disabled people who want to work has been the sheltered workshop. They have certainly provided occupation and some earnings for significant numbers of people. However, their 'sheltered' nature excludes them from being inclusive or progressive.
- *Employers' subsidies.* A core component of the government's Supported Employment Programme (which is a key strategy for achieving successful job outcomes for disabled people) has been subsidies for employers, used as an incentive to employ disabled people.
- *Unpaid 'work experience'.* As surveys (see Beyer *et al.*, 1996; Schneider *et al.*, in press) of people using supported employment show, there is often a significant number of 'workers' who are employed, but not paid.

Many supported employment agencies use some of these options as part of their strategies. Indeed there is a case for using work experience in the form of very time limited 'tasters' for people

who have few vocational experiences to build on. Similarly, as we suggest later in this document, the targeted use of employers' subsidies may be appropriate for people who find it difficult performing at a sufficient level in jobs where productivity is critical. However, such options are only means to ends; they are not a core part of our vision of real jobs and careers.

### Other approaches to employment

Supported employment agencies are not the only ways in which people are assisted to get work. Disability Employment Advisers and New Deal Personal Advisers help people to find jobs. The government's Supported Employment Programme was initially set up to help disabled servicemen back to work, but now has a much broader focus.

### The Supported Employment Programme

The Supported Employment Programme provides job support to over 22,000 disabled people who face complex barriers to getting or keeping a job, but who can work effectively with the right support. It provides opportunities for disabled people to work in a supportive environment and where possible to progress in mainstream employment.

The programme is managed by the Employment Service, which contracts with 200 local authorities and voluntary organisations and Remploy Ltd. Supported employees work in mainstream employment with a range of organisations. Some are employed in supported factories and businesses run as part of the programme.

Currently potential supported employees must be assessed as disabled, but capable of between 30 and 80 per cent of the productivity of a non-disabled person doing

*continued*

the same or similar work. However this productivity element will no longer form a part of future eligibility criteria.

As we note later, the Supported Employment Programme has been the subject of a recent major review.

### *Other Employment Service supports*

In addition the Employment Service provides support to disabled people through Jobcentres, employment programmes and the specialist service offered by its Disability Service Teams. Disability Employment Advisers offer support to both employers and employees.

There is a further important funding stream known as Access to Work. This provides practical assistance to help disabled people enter or stay in employment by contributing to their costs, including (in some instances) funding for in-work support.

Over the last couple of years these existing structures have been supplemented in some parts of the UK with the New Deal for Disabled People (NDDP), and the ONE pilots. The NDDP offered short-term funding for a series of 'innovative projects' along with piloting a system of Personal Advisers. The ONE pilots took this idea a step further by combining the idea of Personal Advisers with a 'one stop shop' approach to employment issues, combining the resources of the Employment Services with input from the Benefits Agency.

We explore the relationship between the specialist supported employment sector and the range of supports offered by the Employment Service in much more detail in the next section. Here it is sufficient to recognise that, while there is some overlap between the specialist supported employment sector and the Supported Employment Programme, the latter has generally operated on rather different principles. For example, leaving aside the sheltered employment

element, most effort and resources have focused on those who were either 'work ready', and who in particular were likely to work for more than 16 hours a week.

### *Social firms and social enterprises*

The *social firm* is an ordinary business structured to provide goods or services under normal terms and conditions. It has a fundamental difference however from other firms in that a significant number of its employees are disabled people who need a carefully planned working environment. Social firms pay their workers the rate for the job and adopt employment policies which give disabled employees the same rights and promotion opportunities as other workers. Some social firms – particularly those in Italy (but also some in the UK) – are registered as co-operatives (businesses which are owned and democratically controlled by their members). There are currently 40–50 social firms operating in the UK employing around 500 people. A further 150–200 businesses describe themselves as 'emerging' social firms (information from Social Firms UK).

The *social enterprise* concept is more general. It embraces both paid and voluntary work and it covers a range of rehabilitation or training organisations. The objectives of a social enterprise are primarily training, work experience or sheltered work; but there may also be production of goods and services which is not necessarily market led nor intended to generate the levels of income necessary to sustain a business which pays its workforce.

Finally, there are other equally valid approaches to promoting employment opportunities, including vocational training, some college courses and self-employment.

We do not want to suggest that supported employment is the *only* way to achieve our ends. People will find many ways to fulfil their individual job potential. However, supported employment is distinctive because it focuses on

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progression to full employment and career development. We see supported employment agencies and other approaches as complementary, rather than competing strategies. Many of the skills and experiences required in supported employment will be equally useful in these other contexts.

### 1.4 Why create a national framework?

There are a number of reasons why we felt it particularly timely to attempt to develop a more appropriate policy framework for supported employment.

#### **There is currently little infrastructure support for the emerging specialist supported employment sector**

The sector has developed significantly over the last decade, yet despite the best efforts of national organisations championing supported employment, many developments remain fragile. If the sector is to continue expanding and developing, then some kind of appropriate infrastructure needs to be put in place.

#### **The best efforts of many agencies are constrained by the complex range of policies and practices, often designed with quite different values in mind**

A substantial proportion of this report is focused on the barriers that constrain the development of supported employment, in particular on problems with funding and access, along with the impact of a benefit system that at times can appear perverse. As a result we are not getting nearly as much out of supported employment as might otherwise be the case. One measure of the extent to which the specialist sector has not yet realised its full potential is the relatively low cost-benefit ratios in the UK, compared to the USA (see box opposite).

### **The Review of the Supported Employment Programme**

Following public consultation, the government announced plans to modernise the programme from 1 April 2001. Key changes will include new eligibility criteria and priority for people on incapacity benefits, targets for progression to mainstream employment, funding arrangements that support progression and quality standards for the programme's delivery. An individual's potential productivity will no longer form part of eligibility criteria. The aim is to move to a more flexible model of delivery that moves away from the typical wage subsidy model of previous years, with a greater focus on individual development, use of job coaches/job trainers, individual advice, mentoring and support to employers. These changes will bring the Supported Employment Programme much closer to the approach of the specialist supported employment sector, representing an unrivalled opportunity for positive change and development.

#### **Cost-benefit comparisons**

Based on a sample of over 200 UK supported employment agencies, the Welsh Centre for Learning Disabilities Applied Research Unit (Beyer *et al.*, 1996) carried out a major review of the costs and benefits of supported employment in the UK. Their data (collected during 1995) took into account not just the costs of the support provided, but also included estimates for a whole range of other factors, from the increased tax and national insurance contributions flowing from people working, through to the rates of job displacement (people who might otherwise have got the jobs occupied by supported workers). On the basis of their data the researchers estimate that for every £1 invested

*continued*

in supported employment, the taxpayer receives back around 43p from savings elsewhere in the system. As agencies become more experienced, so the cost–benefit ratio improves. Beyer and his colleagues estimate that for agencies operating over five years the taxpayer recoups 54p in the £1.

To provide a point of comparison, the researchers also reviewed a range of American studies which had explored cost–benefit outcomes for supported employment. Returns to the taxpayer tended to start higher (for example, \$0.66 for every \$ invested) and rise steadily, to the point that some studies were showing a net gain for the taxpayer from some well established programmes. In one instance this was as high as \$2.95 for every \$1 invested.

Given that many of the developments in the UK were modelled on their US counterparts, how is it that essentially the same approach is delivering such different results? The immediate reasons for the differences are clear. In the USA people were working longer hours and getting more pay than their UK counterparts. To some extent we can only speculate why this might be the case. It may be that, in the USA, supported employment agencies are more experienced, and use the approach more effectively. It might even reflect differences in wider economic performance. However, Beyer and his colleagues argued that, as far as the UK was concerned, the uncertain funding structures, coupled with the impact of the UK benefit system, were likely to be major contributing factors in this country's relative under-performance.

### The aims of the framework

We set out to develop a framework, based on evidence and experience that:

- pulls together the key components of the existing system of supported employment in the UK and elsewhere
- identifies the policies and structures which need to be in place locally and nationally for supported employment to be more real for more people.

The long-term goal is that *anyone* who wants a job and needs support anywhere in the country will be able to get it; and that any employer wanting a supported employee will be able to find the right person.

### 1.5 Guide to the rest of the framework

Section 2 reviews the current system of supported employment in the UK. It outlines current approaches and comments on their effectiveness. We discuss the ways that supported employment is accessed and funded and look at the implications of the UK benefit system. Section 3 summarises key lessons from abroad which will be of value in developing the framework. Section 4 presents our proposals for a new system of supported employment in the UK.

### Notes

- 1 Members of the consortium, including the authors of this report together with other contributors, are listed in the Appendix.
- 2 See, for example, Crowther *et al.* (2000), Pozner *et al.* (1993), Beyer *et al.* (1996), Bass and Drewett (1997), Kiernen and Schalock (1997), Revell *et al.* (1999), and Neufeld *et al.* (1999).

## 2 The current system of supported employment

In this section we outline current policies and approaches to supported employment and comment on their effectiveness.

In particular we look at the ways in which people access supported employment, how schemes are funded, the quality of supported employment and the impact of the benefit system. We conclude that significant changes are required if there is to be a coherent and effective system of supported employment in the UK.

### 2.1 Access to supported employment

There are two key starting points to bear in mind when considering the issue of access to supported employment. These are as follows.

- *There is a considerable shortfall in provision.* Various studies show that significant proportions of disabled people, people with mental health problems, and people with learning disabilities would like to work but are unable to do so. For example, even amongst people with learning disabilities (to date the main users of the specialist sector), only a small minority actually get any access to this form of support. In a recent survey of 24 local authorities carried out by the Department of Health (DoH, 1999), just 7 per cent of social services or NHS day services took the form of supported employment. Amongst people in any form of residential services, the proportion in any form of employment is even lower; as little as 4 per cent according to a recent study (Emerson *et al.*, 1999). Surveys of people with mental health problems<sup>1</sup> show that, while over half would like to work, less than 10 per cent are actually in employment. The lack of access to

supported employment is particularly acute for people with greater support needs.

- *There are also marked local, regional and national variations in the levels of provision.* Even allowing for the general shortfall in provision, there is wide geographical variation in the availability of supported employment. This was clearly apparent from the Department of Health study which compared English local authorities. Some English regions (the North West, and London and the South East are two obvious examples) seem to do better than others (possibly reflecting some kind of strategic support), while in Wales, the additional resources which followed the All Wales Learning Disability Strategy seem to have had the effect of encouraging developments. However, conversely, some parts of the UK appear to have little or no specialist supported employment. For some people it simply is not yet an option.

#### Problems with access

Given this context it is perhaps not surprising that our respondents highlighted a whole range of difficulties in relation to accessing the specialist supported employment sector. These included the following.

- Many people do not know about supported employment and all the possibilities it offers. These include disabled people, families, care managers, Disability Employment Advisers, schools.
- Supported employment is often not seen as a possibility for people with high support needs (for example, people with multiple impairments or severe learning disabilities).

- For the past 30 years mental health services have implicitly assumed that people using secondary mental health services are likely to be unemployed and unemployable. Hence employment aspirations have rarely featured in care plans and it is often assumed that, once people get work, they no longer need the support of mental health services.
- Supported employment is not equally available to people in different regions of the country. In only a few places is it available to people with high support needs.
- Different agencies focus on different client groups, offering different staffing ratios and approaches, and achieve different outcomes.
- Little is being done to assist disabled school leavers to access supported employment (see below).
- Social services care managers do not generally consider employment as an option for adults receiving social care.
- Where social services fund supported employment schemes, access is often restricted to those with assessed needs receiving other social services support. In other words, a group of people who might otherwise gain much from supported employment may find they are deemed 'not disabled enough' to access this form of support.
- Families are sometimes reticent in referring their relatives for employment support, often because of concerns about the impact of losing welfare benefits.
- Disability Employment Advisers were seen as having too wide a range of responsibilities to deal adequately with employers who provide supported employment.
- Traditions of assessing people as 'capable' or 'incapable' of work may result in a focus by Disability Employment Advisers on identifying those who are not 'work ready' and therefore ineligible for support through their schemes.
- There were even reports that in some areas the implementation of New Deal/Personal Adviser pilot schemes may have reduced referrals to supported employment agencies. There is concern that the increasing need to access specialist supported employment through generic or mainstream programmes could be counter-productive for those who need the most assistance.

### Transition from school to adult life

Support for young disabled people's transition from school into adult life is vitally important but often complex and inadequate. The situation is often compounded by the (often unmet) need for effective inter-agency working, the fact that not all young disabled people access reviews for transition planning, and the often low expectations of professionals, families and young people about options for independent living and employment.

Legislation requires local education authorities to arrange reviews of people who have Statements of Special Educational Needs from 14 years of age until they leave school. These reviews provide a basis for transition planning. The reviews involve the young person and their family and may include social services, the careers service and local health services. It might reasonably be expected that transition planning would include an attempt to explore the possibility of employment (the national guidance on the subject is relatively explicit on the matter). Strategically, this would give an opportunity to divert a new generation of users away from traditional options (i.e. day care and sheltered work) into employment before additional barriers for those individuals develop. However,

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relatively few people have progressed to supported employment from any form of education. For example, Beyer *et al.* (1996) found that less than 3 per cent of people using the specialist employment sector had come from special schools, and only just over 8 per cent from further education colleges. This situation does not appear to have changed much. There was genuine bafflement amongst our many respondents that more was not being achieved in progressing young disabled people from school into some form of employment.

### Problems with transition planning

A number of problems have been identified with the current system of transition planning.

- Few participants in the transition process appeared to have any expectation that young disabled people could work (in some cases this includes the Careers Service).
- Low expectations on the part of teachers, families and careers advisers might particularly impact on specific groups, e.g. young black disabled people (Bignall and Butt, 2000).
- There is very little involvement of supported employment agencies with schools, and little knowledge in schools about what might be possible.
- Information on crucial issues such as welfare benefits and housing is rarely available in forms that young people and their families can use.
- Most planning does not extend beyond the immediate move out of school. At this stage further education is typically seen as the preferred 'default' option by both professionals and families (the latter tend to see this as more 'secure').

- Where people are perceived to be 'too disabled' for college, then traditional 'day services' are the automatic choice.
- While many colleges are increasingly providing vocational courses for disabled people, and may well work hard to support their disabled students into work placements, the funding systems do not promote long-term support; nor are there well established links between colleges and supported employment agencies in many areas.
- The planning process may focus on the allocation of resources, rather than looking at the support the person needs to access an ordinary life.
- The education system does not generally link with supported employment models.
- The National Curriculum can be a barrier to people with moderate or severe learning disabilities. This group in particular will need access to work based experience from early on, yet at school this does not appear to be on the agenda.
- An already complex situation can be complicated by the sheer range of agencies involved in transition planning, many of whom do not see employment as within their remit.

The government is introducing a new initiative, the Connexions Strategy and the Connexions Service, which will provide a comprehensive approach to transition to adulthood for all young people on the basis of an individual, 'whole person' approach. Pilot projects are already under way. The strategy will extend the options for 14–16 year olds to opt out of Key Stage 4 study to spend time in work-related learning. Connexions heralds a new Key Skills Qualification, based on communications, information technology and the use of numbers,



linked to NVQ. It introduces new forms of grant for those wishing to stay in school beyond the age of 16. It also introduces a comprehensive Personal Adviser scheme that can help young people tackle practical and social issues to ensure they can access training and gain employment after leaving school. The new service will be available to young disabled people, and people who face multiple problems are to be regarded as a priority group (DfEE, 2000a).

Connexions has the potential to make a major impact on these problems facing young disabled people in transition. However, it has a very wide remit, covering all young people. Because of its generic remit, the Connexions Service still has a focus on helping people access education and training, and in keeping people in this system long enough to increase their chances of success. The test of the Connexions Service in this area will be if it can use its brokerage role with other services, and its large-scale and flexible resources, to deliver the particular forms of practical and learning support that young disabled people – including young black disabled people, and young disabled people with high support needs – require over and above normal education and careers advice.

### Positive examples of access

In contrast to these difficulties, there were some positive examples where access to supported employment had improved. These typically involved situations where supported employment agencies had managed to develop positive relationships with other agencies, in particular the Employment Service. So, for example, we were cited situations where:

- good strategic planning exists between some supported employment agencies and Personal Adviser pilot schemes
- some Personal Advisers have been able to help individuals to obtain funding for supported employment

- some Supported Employment Programme sponsors offer job coach support to individuals.

Similarly, there were areas where progress had been made in embedding supported employment as part of the transition planning process. Indeed, in some places a sea-change is taking place, with employment being seen as the *first* option for young disabled people. For example:

- Some Disability Employment Advisers are involved in school transition and refer young people to supported employment agencies.
- Some supported employment agencies are taking an active part in the transition process. Some work with colleges to assist further education graduates to get jobs.
- In Northern Ireland, MENCAP has produced learning and awareness materials to promote employment as an option for young people.
- There are examples of supported employment being an option for young people labelled as disaffected or in need of secure accommodation. One careers service creatively involves disaffected young people in creating a vision for their future and a practical plan for getting there.
- The Child and Youth Partnership Programme has helped fund supported employment for some school leavers.

These examples are sources of optimism and provide a basis for building better access to supported employment on a wider basis.

## 2.2 Funding supported employment

At first glance the sheer range of funding sources suggests there should be little problem funding the specialist supported employment sector. Our respondents reported positive responses from all of

the following.

- The government's Supported Employment Programme.
- Social services or (in Scotland) social work departments.
- Access to Work.
- Work Preparation funds through Disability Service Teams.
- Training and Enterprise Councils and Local Enterprise Councils.
- Work Based Learning for Adults.
- Social Inclusion Partnership Area funding in Scotland.
- Single Regeneration Budget funding in England.
- Mental Illness Grant.
- Health Improvement Programme.
- Northern Ireland Special Support Programme for Peace and Reconciliation.
- Pilot project funding under New Deal for Disabled People.
- European Social Fund Objective 3.
- Horizon and other special funding through the European Union.
- Charitable funding sources.
- Direct funding from employers.

However, as far as funding is concerned, diversity is not always helpful and is no guarantee of the long-term commitment needed to develop effective provision. Indeed, many of the access problems described earlier may well have their roots in the inadequate levels of resources going into supported employment.

### **Social services/social work department funding**

In the past, social services / social work departments have been the key funders of the specialist supported employment sector. In their 1995 survey, Beyer *et al.* (1996) found well over half (58 per cent) of the total funding for the sector came from this source. A number of agencies responding to our survey receive either core funding from, or are managed directly by, social services / social work departments. Many have social services / social work staff on secondment, or receive contracts from social services / social work departments amounting to a substantial element of their running costs. For many, this is their main form of funding, whilst others supplement this from a range of other funding sources. However, not all social services / social work departments fund supported employment.

In contrast, at the time, the funding originating from the Department for Education and Employment made up just under 3 per cent of the total, with Training and Enterprise Councils doing little better at 4 per cent.

### **Issues with the current funding mechanisms**

Respondents to our survey highlighted a number of problems.

- Funding is complex, with many of the different funding sources only willing or able to fund certain components within supported employment. For example, Work Based Learning for Adults will help with an initial placement, but not long-term support. Access to Work monies can be used for in-work support, but not the initial planning or job-finding. Typically only core funding for staff from social services / social work departments will pay for supported employment in its entirety.
- Identifying and applying for funding from all the different sources is time consuming and presents a very considerable administrative burden. The multiple sources

of funding use different measures of outcome, have different approaches to accountability, and work to different cycles. There are also often long chains between the funder and the recipient agency, adding further time and complexity for applicants.

- Much funding is short-term, so agencies have to continually apply for new grants.
- Eligibility for some funding streams is interpreted differently in different geographical areas.
- The Supported Employment Programme was criticised by some respondents for failing to respond to individual employees' needs for personal development and career progression.
- The potential for disabled people to use Direct Payments to purchase support within the workplace has not yet been realised.
- Ways of getting funding for special equipment change as people move between programmes and life stages. It is difficult to transfer the cost of existing equipment between agencies. Sometimes there is an unhelpful distinction between the use of equipment for community care and for employment.
- The NHS does not widely fund supported employment, even though this can be a crucial aspect of rehabilitation.
- Training and Enterprise Councils see their main funding priority as training and are often unwilling to use their own development funds for supported employment. Where they have put money into the sector, this has often been on a short-term basis.
- Funding from the European Union varies between geographical areas and usually requires matched funding. There are often

significant delays in payment which cause cash flow problems. There is a requirement in the UK for schemes to be innovative, so that long-term funding can be a problem.

- Many of the agencies commissioning supported employment do not appear to either understand it, or have clear measures of quality or value for money.
- There is some concern that pressure on budgets is leading some hitherto committed social services/social work departments to freeze or even cut their funding for supported employment.

### Examples of successful funding and helpful policy initiatives

Nevertheless, some of our respondents did identify areas of success, where supported employment agencies had been able to establish a secure funding base. The factors that were said to have been helpful included the following.

- *A strong continuing commitment from social services/social work departments.* There are examples where supported employment is part of a systematic approach of moving away from local authority day centre provision for people with learning disabilities. Modernising Social Services requires social services/social work departments to take responsibility for the employment needs of their clients.
- *Partnership arrangements.* There are examples of social services/social work departments, the Employment Service, Health and Training and Enterprise Councils planning strategically to develop employment opportunities for disabled people in their area. This may involve combining funding from a number of sources to provide a generic service for a wide range of disabled people.

- *Flexible funding schemes in the Employment Service.* Work Preparation funding has been used to provide vocational profiling, job finding and job coaching within a supported employment model. The Supported Employment Programme has been used flexibly by some sponsors to provide a range of support in addition to a wage subsidy. There have been examples of successful collaboration between Personal Advisers and supported employment agencies, with payments by the Personal Adviser Service from flexible budgets.
- *Core funding from the NHS.* The Mental Illness Specific Grant was reported as a relatively unbureaucratic form of funding for supported employment for people with mental health difficulties. Core funding from Health has been used to provide longer-term input, such as help with retaining a job after the onset of ill health or disability.
- *Joint funding.* Some NHS Trusts and social services / social work departments do provide core funding for supported employment for people with mental health needs through joint funding.
- *Flexible mainstream funding by Training and Enterprise Councils.* There were examples of Work Based Learning for Adults funding for supported employment. This type of funding has been used successfully to supplement core resources by a number of agencies, funding initial on-the-job training within a supported employment framework.
- *Good relationships with employers.* Many supported employment agencies reported that employers were able to take a lead role in supporting their disabled employees.
- *The National Minimum Wage,* which makes it illegal for employers to underpay disabled people.

### 2.3 The quality of supported employment

Supported employment has developed through committed individuals starting local initiatives. This has led to great creativity and diversity in the delivery of supported employment services, but it has also meant that it has remained an emerging sector with minimal infrastructure. Confusion remains between funders and providers. Currently, providers look to funders to define quality, yet funders are confused and contradictory in what they require. Neither is there a coherent approach to measuring and assuring quality. Currently there are no clear quality guidelines which are universally applied. Yet response to our questionnaire suggested that everyone has an opinion about, and should have a role in, ensuring quality.

There is no consistent approach to quality assurance by supported employment agencies. Two specific approaches are in use by some agencies, Supported Employment Quality Assurance (SEQA) and Continuous Quality Improvement (CQI), but neither is widely used. Some agencies use other generic approaches.

Present funding and review mechanisms create barriers to improving the quality of supported employment, including:

- limited short-term funding which provides no resources for quality review
- lack of expertise in defining good quality supported employment and best practice
- inappropriate or narrowly defined measures of quality, for example number of jobs found or hours spent with an individual.

A primary area of need identified by practitioners is their own development of standards and codes of good practice. National associations such as the Scottish Union of Supported Employment and the Northern Irish Union of Supported Employment suggested that their membership should develop minimum

standards for the delivery of good support. Individual members of national supported employment associations also have specific training and mentoring expertise in areas such as disability awareness and the elements of good supported employment practice. Indeed, some practitioners, consultants and researchers have already provided training to Personal Advisers in pilot areas such as Dundee and Bristol. Many have been involved in developing useful courses such as the Master's degree course offered at the Welsh Centre for Learning Disabilities. This use of knowledgeable people to teach, evaluate and support others builds a growing body of experienced people willing to share, support and continue to develop good practice.

In Section 4 we present our ideas for developing a consistent approach to quality within supported employment services.

### 2.4 The benefit system

The sheer complexity of the UK benefit system posed us a considerable problem in developing this document. Keeping the text brief and to the point inevitably meant assuming considerable background knowledge on the part of the reader. However, presenting the benefit system in its full, convoluted glory, risks overwhelming the reader with detail. In the end we compromised. In this main part of the document we have kept our commentary on the benefit system to a brief outline of the issues. However, in the separate document, 'Economic security and supported employment', mentioned on page iv, we have included a much more detailed account, which not only provides some important background, but serves to help clarify what we say here. This arrangement has also allowed us to use the document to explore in more depth some areas where we feel there is considerable confusion or misunderstanding. As an example of this we would point to the widespread (and potentially dangerous) belief amongst many

people working in social care organisations that people can earn up to £15 (the level of the Income Support 'disregard') without undergoing any formalities.

Despite the fundamental problems with the benefit system, it was possible for *some* of the individuals and organisations we consulted to identify positive features in the current system. These included the following.

- *The Disabled Person's Tax Credit.* There was support for the structure of this particular benefit, although the numbers of people in a position to take advantage of it appear relatively small. However, the lack of a link to help with housing costs (and in particular the lack of any equivalent to Income Support payments to cover the interest on mortgages) is a significant limiting factor.
- *Improved capacity to mobilise good welfare rights advice.* The adoption of new technology, along with the development of good working relationships with other agencies (including in some instances the Benefits Agency) has enabled some supported employment agencies to deliver reliable information about the impact of different options, ensuring potential workers are able to make informed decisions.

Indeed, there was evidence that some organisations were much better than others at supporting workers to get more out of the benefit system. While some organisations appear to have adjusted their strategies around the specifics of particular benefits (rather than the aspirations of the supported employees), others appeared to view the benefit system as a considerable irritant, but one that could be managed or worked around. However, even amongst experienced professionals, there is still a lot of confusion about what is, and what is not, possible. There are important issues about which it remains hard to get a definitive answer.

As a result, even allowing for the more positive amongst our correspondents, there were few (if any) who did not have major concerns about the way the system works. Many of our correspondents had very strong feelings about the subject, particularly some of the disabled people with whom we had contact. Particular problems included the following.

- *Concerns that any form of work may threaten benefit status.* The inherent tension between being seen as ‘incapable’ of work and any subsequent steps towards employment (which inevitably demonstrate some capacities) is at the heart of many of the problems faced by potential disabled workers. As a result there is a risk of losing critical benefit status because of even quite limited forays into paid employment, training, study or even unpaid voluntary work. We were cited examples where simply applying for the Therapeutic Earnings Concession triggered an automatic review of an individual’s eligibility for incapacity benefits.
- *Concerns about the bureaucratic and stigmatising requirements for access to the Therapeutic Earnings Concession.* In theory, people on incapacity benefits are permitted to undertake some limited work if a doctor indicates that the work is of ‘therapeutic’ value to the individual,<sup>2</sup> and if the Benefits Agency adds its approval. The process of applying is slow, cumbersome and uncertain (some people are excluded), and is resented by many of those who been forced to use it. The process adds to an already marked ‘pro-institutional bias’ in decision making, which risks undermining the wider policy aims of promoting employment in more inclusive settings.
- *The unreformed Income Support regulations.* The

combination of a devalued disregard, and a 100 per cent taper, make Income Support a particularly problematic benefit. And yet this is a benefit that most people who have never previously worked will have to rely on to at least some degree.

- *The rigidities that follow the distinction between ‘therapeutic’ and ‘remunerative’ work.* The divide (at 16 hours) between the Tax Credit system acts to limit choice, and effectively devalues the contribution made by people for whom part-time work is the most appropriate arrangement.
- *The uncertain links back onto incapacity benefits.* Although there are links back onto incapacity benefits when paid employment does not work out, these are limited in scope, uncertain and poorly advertised. The lack of protection is of particular concern for people with more variable conditions (like mental ill health), where individuals may need to move in and out of work on a cycle that does not fit the existing linking rules.
- *Administrative confusion and inconsistency.* The limitations of the current system are frequently compounded by inconsistent and arbitrary decision making by the Benefits Agency and other critical players. This is further aggravated by the lack of accessible information about key areas of the benefit system. Further, decision making in the benefit system lacks a clear link to wider welfare to work policies.
- *Consequential uncertainty.* Although the system is in some measure designed to protect vulnerable people, its impact is either limited, or blunted by other aspects of the system. The lack of security acts to ensure that many potential workers, their families, and the professionals who guide them, are understandably reluctant to take any risks

(even if there are positive reasons for accepting some change in benefit status).

These generalised fears about the system are probably more important in shaping behaviour than any single aspect. They are correspondingly more difficult to dispel.

The problems are not limited to income maintenance benefits. Once income goes above a minimal level, workers are likely to find themselves facing reductions in other forms of financial assistance, often overlapping with, and compounding, the problems within the benefit system. These include the following.

- *Housing and Council Tax Benefit.* The steep taper on Housing Benefit is a particular problem. Coupled with Council Tax Benefit, it can leave some individuals with a marginal tax rate of well over 90 per cent.
- *Charging for community care services.* Policies on charging for community care services vary from area to area, but in some instances can create a very acute 'personal assistance' trap.

These overlapping 'withdrawal' rates can leave some individuals little better off, no matter how much they earn. This is particularly the case for most people in residential care where the charging system effectively ensures any gains through earnings are limited to £15, no matter how many hours they work. Local authorities have the discretion to give individuals under 65 who work a higher 'personal allowance', yet few exercise it.

The problems are compounded by innovations that might otherwise be very helpful. For example, although the National Minimum Wage has led to a pay rise for some supported employees, the lack of accommodation for people with low levels of productivity,<sup>3</sup> plus its interaction with Income

Support, have minimised its impact. Indeed there is some evidence that it is not being fully implemented.

### 2.5 Conclusion

This section has highlighted some of the features of the current system of supported employment, and in particular a range of problems faced by supported employment agencies and people seeking this form of support. There are also positive aspects to build on. There is a need for a substantial development of the supported employment sector, which will require changes in access, funding and quality safeguards. The benefits and other related systems will have to be reformed in ways that provide both greater security, and better incentives for people moving into work.

The next section looks at some of the lessons from experience abroad. In Section 4 we set out our proposals for a new system of supported employment.

### Notes

- 1 Unpublished surveys conducted in Sheffield and Sutton among people on the top tiers of Care Programme Approach. Research by the Employment Research Unit, Institute for Applied Health and Social Policy, King's College, London.
- 2 See the separate document 'Economic security and supported employment', mentioned on page iv, for a more formal definition of what counts as 'therapeutic'.
- 3 By definition this is a group not currently able to access the employers' subsidies available through the Supported Employment Programme.

### 3 Lessons from abroad

In this section we summarise key lessons on supported employment from experience in other countries.<sup>1</sup>

International comparisons on any issue are fraught with danger. Rarely, if ever, do models easily transfer from one country (each with its own very specific social policy context) to another. However, we still felt it worth drawing on the experiences from other countries where supported employment is well established, not least because there is a lot of interest in how things work elsewhere amongst both practitioners, and decision makers.

Inevitably, despite the unstinting helpfulness of our colleagues from (amongst others) Ireland, Norway, New Zealand, and (in particular) the USA, we are only able to touch briefly on what are often complex issues. However, there were a number of points that struck us, and these we describe briefly below.

#### **The importance of engaging with 'generic' employment structures**

Most of the overseas experts with whom we had contact indicated that, as in the UK, there was some form of specialist supported employment sector. Indeed, again echoing the UK, a critical issue is how the specialist sector relates to the generic employment structures and policies used in each country. In some countries (for example, Norway) there is now a national system of supported employment, delivered through their Employment Service. Effectively supported employment is a clearly defined option that has attracted both recognition and support at a national level. However, in other countries, the issues are not so clear cut.

So for example, in both the USA and Ireland, governments have opted to develop universal 'one-stop' centre approaches for access to all forms of employment-related supports (there are clear parallels to the ONE pilots in the UK). In the USA

in particular, this situation has led to a debate about whether the interests of people with significant support needs will be best served by agencies retaining their current specialist focus, or by reflecting the wider trend to greater genericism. While 'universal access' sounds appealing, there are particular concerns that in the past the generic services have not served the constituencies that currently use supported employment at all well. Staff in these systems have traditionally lacked the knowledge, experience or interest to respond in ways that met the needs of people with significant impairments.

However, it is clear that the bulk of government funding will be delivered through the 'one-stop' centres. Therefore a clear consensus appears to have developed about the need for those connected with supported employment to engage with the generic systems and try and shape their development (see box below).

#### **A strategy for shaping generic employment access structures**

Given the obvious parallels with ONE developments in the UK, it is worth briefly considering the strategies that Callahan (1999a) proposed for influencing the development of these generic structures. He argued that the best approach is to look for, and build on positive examples. This was made easier by findings from an early demonstration project designed to test the feasibility of supporting people with significant physical impairments to make use of an early form of the 'one-stop' centres. The pilot explored the idea of using a combination of a person-centred planning approach, the development of personal budgets drawn from a range of funding sources, and individual control over the choice of support provider.

*continued*



The initial findings were sufficiently positive for Callahan to argue that those connected with supported employment (interestingly, his briefing was targeted as much at families and other supporters as well as professionals) should seek to influence local developments to move in the same direction. His suggestions for doing this included the following.

- Ensuring that people are fully briefed about the developments through accessing technical advice web sites.
- Lobbying State officials responsible for the development of 'one-stop' centres.
- Seeking representation on local 'one-stop' centre management boards.
- Lobbying specialist services to ensure they too engage with these new structures, to ensure the 'one-stop' centres are responding to all disabled people. (This is equivalent to getting social services/social work in the UK to try and influence the local implementation of the ONE programme.)
- Encouraging local supported employment agencies to offer skills, training and services to the 'one-stop' centres.
- Promoting positive 'precedent-setting' by encouraging applications to the 'one-stop' centres from well-supported individuals with significant impairments who are clear about their aims.
- Arguing for local demonstration projects building on the earlier experiences.

This 'bottom-up' approach to influencing the implementation of major policy initiatives – effectively trying to equip individuals and organisations with the tools they need to get involved at debates at the local level –

appears common in the USA. It is in marked contrast to the more traditional attempts to shape such structures through debates about 'top-down' policies.

### Providing resources for the development of a supportive infrastructure

As supported employment has gained acceptance in the various countries, so there has been increasing commitment from the respective governments (at various levels) to develop a more supportive infrastructure. The various alternative approaches to this have included the following.

- *Access to technical advice and information.* In Ireland, as part of a programme for developing the sector as a whole, a specific budget has been set aside for technical advice. In the USA, university research centres<sup>2</sup> have provided technical advice on the development of specialist services (with several focusing specifically on supported employment) using Federal Government resources.
- *The funding of training courses for new staff.* Norway provides a year-long training programme for people working in supported employment.
- *The development of quality assurance systems.* Several countries have seen the development of quality assurance or accreditation systems designed either to support the development of better practice, or to provide commissioners of supported employment with some measures of quality.

We were given an example of the way quality is monitored in Washington State in the USA. This demonstrates a richness of approach which provides valuable feedback and learning.

Quality assurance mechanisms are built into contracts with supported employment organisations. The required reporting includes:

- number of persons who are currently working
- average monthly wage
- retention
- number of replacements
- job type
- return on public dollars invested.

This information is made public at least once a year on a statewide basis, and more frequently on a countywide basis. Also, supported employment programmes are evaluated by their respective counties on an annual basis. Counties typically look at quality indicators such as:

- how well an agency is achieving its outcomes
- consumer handbooks that outline both the service's and an individual's rights, should the person choose that specific organisation
- how the supported employment agency determines whom they will serve
- job promotions over time
- variety of job opportunities that a supported employment agency offers
- methods by which the consumer's job preferences are taken into consideration in the job development process
- number of persons served from ethnic minority communities

- number of persons with severe impairments or conditions who are employed as a result of the agency's efforts
- make-up of Board of Directors.

While some issues were common to all countries we approached, other lessons were specific to the USA. Given some of the parallels between developments in the UK and the USA, it seemed worth pointing these out (although they would not necessarily apply elsewhere). These included the following.

### *The use of 'individualised' funding to promote choice*

A key development in the USA has been the development of ideas about 'self-determination' and providing people who use specialist services with control over decisions about who provides such services. It is also argued that such approaches force service providers to become much more 'customer focused'.

There have been a number of pilots to explore how these ideas might work out in the context of employment,<sup>3</sup> with some success (see for example, the earlier references to the 'one-stop' centres). Given the aspirations of many disabled people for a paid job that is not in a segregated setting, the expectation is that disabled people will take their business to the more effective supported employment agencies (rather than some traditional providers) to get the type of service that most closely reflects these aspirations.

Although not directly equivalent, these systems have some parallels with the use of Direct Payments for community care services in the UK. Direct Payments have yet to be used for supported employment on anything other than the most minimal scale.

***The use of different funding approaches to promote positive outcomes***

Traditionally most supported employment agencies were resourced either through ‘input funding’ (effectively core funding for staff and overheads) or on some ‘output funding’ basis (for example numbers of hours of staff time, or numbers of individuals using the service). However, neither of these funding approaches bear any relation to the *outcomes* for the people using the service. As a consequence there has been increasing interest in promoting funding approaches which reflect what actually happens to people. This might be both in terms of rewarding agencies for achieving intermediate outcomes (vocational profiles completed, action plans agreed, finding a job which matches jointly determined preferences), right through to the so called ‘terminal’ outcomes (wages achieved, the length of time the job is retained, employer and employee satisfaction). For example, some outcome funding methods have taken the form of a negotiated unit cost for each individual, with a percentage of the total paid on achievement of the specified outcomes (including the key intermediate stages). Others have tried to relate the levels of payment to some kind of outcome-related formula; for example, agencies get a higher level of payment the more closely the jobs they find match the wages rates and hours worked for that particular industry.

Two issues seem to be particularly crucial in output related funding systems. Firstly, it is vital that an allowance is built in for a realistic ‘failure rate’ in achieving the various key outcomes; inevitably not everyone goes right the way through the whole process. Secondly, there need to be premiums built into the system for assisting people who have greater support needs. They are both more costly to provide a service for, and it is likely to be harder to achieve positive outcomes from them. It is crucial that there are no ‘perverse incentives’ in the funding system that cause providers to avoid taking on people who need

the most support.

In practice, many of the more innovative approaches appear to involve some kind of ‘blended’ funding system which retains a combination of outcome related funding, along with either core funding or output funding. The combination helps promote good quality outcomes, whilst also providing a degree of organisational stability and predictability.

***The value of ‘natural’ supports***

While in-work support remains key to the concept of supported employment, there is increasing recognition that delivering all of such support through some kind of ‘outsider’ is not always effective in promoting inclusion in the workplace. There has therefore been increasing interest in finding ways to draw on the full range of existing or potential supports that already exist *within* many workplaces. For example, Rogan *et al.* (1993) suggest a number of strategies for promoting the development of natural supports, including:

- ensure there is a match between the job applicant’s preferences and the work site culture
- work with other employees when developing adaptations or modification to a job
- help to establish personal connections between the supported employee and their co-workers
- facilitate the ongoing involvement of, and support from, co-workers.

However, for some people, a network of support can be particularly helpful, for example during evenings and weekends, which many find more stressful and depressing than work.

There is increasing evidence<sup>4</sup> that the careful use of natural supports, linked to job matching, results in a range of improved outcomes for individuals.

### *Welfare systems and supported employment*

None of the countries whose benefit systems were explored were ideal. Indeed, in many there were similar problems to the UK, with either inherent tensions between claiming some kind of ‘incapacity’ benefit and working, or weak incentives for people to move off benefits in to work.

However, the US system provided a partial exception to this rule. In the first place the access to the income maintenance system is determined by a test of disability, not incapacity. Secondly, up to a point there are reasonably consistent incentives for people to work (and it is generally accepted as a desirable aim). As a result the system is generally more flexible and supportive of disabled people who need to *combine* wages and some income maintenance benefits. This is probably one of the reasons supported employees tend to work longer hours than their UK equivalents, and have higher rates of take-home pay.

Despite this, we would not be keen to see ideas about welfare imported uncritically from the USA. In the first place, the disability benefit system is acutely means tested above a certain level, when

significant disincentives emerge (like the loss of Medicaid funding for health insurance and personal assistance services). Some efforts are being made to address these issues, but they are unlikely to remove all concerns. Secondly, for people who are not considered to be disabled, the provision of welfare benefits is very uncertain, and in some states may be time-limited.

Nevertheless, the US system points to the potential advantages of a disability-related income maintenance system that does not hinge around ‘incapacity’, and which supports disabled people in exploring paid employment.

### Notes

- 1 Notes about the benefit systems in other countries are available free of charge from the Norah Fry Research Centre web site at <http://www.bristol.ac.uk/Depts/NorahFry/>
- 2 For more details see the web site <http://www.aauap.org/>, which provides details of participating centres.
- 3 See, for example, Callahan (1999a).
- 4 See Mank *et al.* (1998, 1999).

## 4 Proposals for a new system of supported employment

This section sets out our proposals for the development of supported employment in the UK.

When we started this exercise, we were clear that it would not be enough to simply say what is wrong with the current system; we would have to come forward with some positive suggestions for alternatives. In this section we set out our ideas for a much more positive policy framework for supported employment. In many instances these were prompted by ideas from respondents, or collective concern about areas of policy that *had* to change (the benefit system is an example).

### 4.1 Outcomes

It is worth beginning by being explicit about the kind of positive outcomes that we were aiming for when developing this framework. These included:

- more people successfully using supported employment to access decent paid work in all parts of the UK
- more people with high support needs getting work
- increases in the disposable income of people in supported employment
- more people getting better jobs, moving up the career ladder
- more people enjoying the social benefits of paid employment.

### 4.2 The key points

In order to achieve these outcomes, supported employment will clearly have to be much more widely available than it is now. In a nutshell, if this is to happen:

- *The potential of the supported employment model must be recognised for many disabled people currently served by social services, health services, Disability Services Teams, Personal Adviser Schemes and in the Supported Employment Programme. The model provides a means for such people to progress to less sheltered arrangements.*
- *The links between the specialist supported employment sector and the modernised Supported Employment Programme and Disability Services Team provision has to be consolidated and expanded, with the government playing a much greater role in funding the former.*
- *Sufficient additional funding must be deployed to secure the involvement of the existing specialist supported employment sector and expand its availability.*
- *The links between supported employment agencies and the emerging Personal Adviser schemes need to be enhanced, ensuring that the supported employment model of service is readily accessed through whichever form emerges as the main 'gateway' to employment-related supports.*
- *The benefits and other related systems (for managing housing and personal assistance costs) will have to be reformed in ways that provide both greater security, and better incentives for people moving into work (and certainly fewer disincentives).*

At the same time:

- *The integrity of the model will have to be maintained and developed (services will have to become more skilled and reliable).*
- *The capacity of the specialist sector will have to increase dramatically over a relatively short space of time.*

## A framework for supported employment

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- *Existing investment will have to be further developed and expanded* (or certainly maintained). There is a risk that local authority social services/social work departments will disinvest in supported employment if greater financial support comes from central government.

Below we explore some of the ways in which these key points could be addressed.

### Develop joint investment plans for welfare to work services

By April 2001 all social services departments in England will have been required to develop Joint Investment Plans (JIPs) on their 'welfare to work services'. These will help to implement policies included in relevant guidance, such as the White Paper, *Modernising Social Services* (DoH, 1998), and employment policy aspirations in other areas such as Health Action Zones. These JIPs provide a vital short-term focus for addressing at least some of the aims outlined earlier. They give social services departments an important lead role, but they also require them to:

- work in partnership with all the key agencies, including health, the Employment Service and the Benefits Agency, as well as the emerging Learning and Skills Councils and Connexions Service
- indicate how agencies plan to use their joint resources to develop and invest in services over the next three years.

The government recognises that the creation of JIPs will be a developmental and evolutionary process. As such JIPs represent an excellent opportunity to kick-start the process of change and development at a local level. It would seem sensible for the Department of Health to work with the Department for Education and Employment and the Department of Social Security in giving explicit guidance and technical support. Some of

our suggestions for this process would include the following.

- Require JIPs to indicate *how social services will create (or expand) the specialist supported employment sector* (on the basis of evidence which shows that it is likely to be the most effective model of supporting people with a range of needs).
- Require JIPs to indicate how *Employment Services will begin to play a more significant role in funding the specialist supported employment sector*.
- Require JIPs to indicate how *access to supported employment will be developed* as a key component of school transition planning.
- Require JIPs to indicate how social services developments will ensure that future *community care assessments will take greater account of work-related needs*, underlining the requirements within *Modernising Social Services*.
- Ensure that *artificial barriers between employment and social care services are removed*. Personal assistance should be provided at work as well as at home and support that is available at home should be available at work (and vice versa).
- *Promote the role of joint referral mechanisms*.
- Ensure that *specialist training on disability equality is available* for all potential gatekeepers for the new system, including Personal Advisers, Learning and Skills Councils and Connexions Personal Advisers.
- Ensure there is *joint training for staff in all the partnership agencies* about the aims of the JIPs, and the way that plans will be implemented.
- Explore the *use of Direct Payments* as a way of extending control and choice over support in

the workplace. This will probably require some dissemination about good practice.

- Require JIPs to identify existing providers of training in supported employment and develop a joint strategy for an *expansion in training capacity*.

It will be important to keep the development of JIPs under review, and to use other measures, such as Social Services Inspectorate monitoring criteria for welfare to work implementation, to ensure the effective promotion and use of supported employment services.

### **Ensure that funding relates to key principles**

There are a variety of stakeholders whose views will need to be taken into consideration when choosing an approach to funding. These include people who want to work and their supporters, employers, the Employment Service, social services/ social work departments, NHS Trusts and supported employment provider agencies.

Funding may come from a variety of sources: the modernised Supported Employment Programme, Disability Services Teams, Personal Advisers, or joint funding with social services or other commissioners. Whatever the source, funding should ensure that the following are achieved:

- *valued outcomes* that make a positive difference in people's lives
- *creativity* in job finding and matching
- *variations in cost catered for*, both in terms of natural variation in the costs of services and in the level of support needed by individuals
- *follow-on support* available for career development
- *successful inclusion for people with high support needs or severe impairments*
- *appropriate support for employers*.

The funding model should pay for all critical elements of supported employment (specific aims: profiling, matching, support, follow-on). It should invest in new provision which starts with an assumption that no one is unemployable or ineligible. Funding should be based on an expectation that people will develop their work skills and advance in their careers.

### **Build on existing Supported Employment Programme work**

There are already examples where Supported Employment Programme providers are offering a range of individualised support to job applicants and providers. This positive experience needs to be built on, and the good practice which already exists shared with others.

An important cultural change involves moving away from an assessment process which focuses on eligibility for fixed programmes, and replacing it with individualised action planning, designed to establish what support each individual needs. Thus people should be regarded as 'employable' when they want to work and require support. We were told that the notion that people on incapacity benefits will never hold down a job is being challenged. New Deal for Disabled People pilots have demonstrated that, with appropriate support, some people on incapacity benefits who want to work can be helped back to work. The new Supported Employment Programme will focus on people who are on incapacity benefits, thereby giving this group of people the opportunity to move back to work.

There are some specific ways in which the work of some Supported Employment Programme providers can be built on to encourage a range of individualised support to job applicants and employers.

- *Redefine the concept of 'employability'* to include people who want to work and need support.

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- *Remove the productivity assessment* (this is to happen, following the recent review of the Supported Employment Programme) and include people with greater support needs.
- *Encourage full employment status* by the host organisation becoming an employer, giving the employee full entitlements and opportunities for advancement. Organisations may need help to develop their competence in supporting individuals appropriately.
- *Combine with other funding sources* (such as health and social services) to provide long-term support to those people who need it.
- *Redefine 'progression'* to include increases in responsibility, job status, hours and wages, as well as independence. This will encourage providers to support individuals' career development.
- *Increase available funding and look for new providers* who deliver the model of supported employment described here.

### Re-examine the funding of the Supported Employment Programme

We were told that at present all money for the Supported Employment Programme is tied up in supported businesses and individual employer subsidies. Freeing up some of this funding will enable the service to expand to new providers. There are a number of ways in which the funding of the Supported Employment Programme could be changed to encourage a move towards supported employment.

- Supported Employment Programme contractors should be able to *retain surpluses and recycle these* to pay for additional forms of support other than Wage Subsidy.
- *Bridging funds should be provided*, if required, for additional support (including job

coaches) to encourage progress towards open employment. Recycling of monies within the Supported Employment Programme will only occur if investment in new forms of support is provided at the beginning of the modernisation process.

- Such developments should be *based on individual action plans and support contracts*, which encourage career development and social inclusion, not just reductions in Wage Subsidy.
- *Wage Subsidy should be retained* as part of the support tool kit, but *linked to people's actual job performance*. Wage Subsidy may progressively be used with people who have higher levels of disability, if needed.
- *New entrants* to the Supported Employment Programme should be *contracted on the basis of individual action plans and support contracts*, linked to clear quality outcomes in terms of wage rates, hours worked and social inclusion, including progression to open employment, and not on the basis of perceived productivity.

If expansion of the valuable Supported Employment Programme resource becomes available, some of this could be directed towards a higher subsidy to cover coaching, mentoring, support and Wage Subsidies for people with high support needs.

### Build on existing Disability Services Team and Personal Adviser partnerships

There are examples where Disability Employment Advisers and Personal Advisers are working with specialist supported employment agencies to provide individualised support to job applicants who are more difficult to place and not eligible for the Supported Employment Programme. Here, they are using Work Experience and Access to Work funding to pay for some parts of the supported employment



model, building on agency core funding from social services and other funders.

However, these Advisers are not able to fund all aspects of supported employment. So, if their clients are not also clients of the social services/ social work department, they are ineligible for the core funded supported employment service. To ensure a full and effective service is available to all their clients, Disability Services Teams should:

- have *resources to contract* with specialist supported employment providers for their clients
- *contract in relation to an individual action plan* linked to clear quality outcomes
- be able to *commission* all aspects of the supported employment process, including vocational profiling, workplace training and support, ongoing support, job retention and career advancement
- be *available to all disabled people* regardless of impairment or condition, or severity of impairment.

As the Personal Adviser system develops, it seems likely that increasing this role of individualised action planning will fall to them. However, person-centred planning for people who have greater support needs can be time intensive, and it is unlikely that Personal Advisers with large case loads will be able to undertake this kind of activity on any scale. This suggests that it will be important for Personal Advisers also to:

- be able to *contract out the task of 'vocational profiling' and other individualised support* to specialist agencies who have the appropriate skills
- have *resources* to pay for this service
- be able to *commission services flexibly* in ways that realise the outcomes of this planning process.

### **Find ways to change the culture of the Employment Service**

The recently announced changes to the Supported Employment Programme (briefly outlined in Section 1) are clearly to be welcomed. However, it will take time for these changes to work through the system.

Personal Advisers, those implementing ONE and Disability Services Teams need to be positive in identifying what work tasks people could do, what work environments would best suit them, what it would take to support them in the short and longer term, and what approaches will help in transition from school and college. They will then need to work creatively to achieve these. Increased flexibility in funding will help, but a shift will also be needed from assessing what people *cannot do*, to what they *could do with help*.

This implies a considerable programme of training, geared to equipping the key personnel with not only the appropriate skills, but also some kind of *vision of what is possible*, not simply what is available. There is scope for collaboration between the Employment Service, the specialist supported employment sector, other key government departments (the Department of Health and the Department of Social Security), and Connexions, as well as with other critical players (for example, the social firms movement), in the large-scale development of training materials designed to achieve this end. The development of a Personal Adviser training and qualification structure proposed in relation to Connexions provides a real opportunity to develop awareness of supported employment and the potential of the model for assisting a wide range of disabled workers.

### **Ensure that the full range of funding streams can be combined flexibly to support individuals**

A wide range of funding streams are currently used to pay for supported employment. However, the system is confused and fragmented. There were strong demands for some kind of rationalisation,

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which would allow funding from different sources to be combined flexibly in ways which are specifically designed to deliver supported employment.

There may well be a case in the longer term for consolidating some currently distinct funding streams into a single flexible strand, so that there is one coherent source of contract funding for disabled people to access supported employment. The obvious candidates here would be a merger of the Access to Work and other Disability Services Team funding programmes with a modernised Supported Employment Programme, to provide one expanded fund, based on individual contracting. This could provide individualised support including job tryouts, job coach support, employer based mentoring, aids and adaptations, transport, training, post-placement support and short- or long-term wage subsidy, if required. There is also a real need to learn about the use, and potential for wider use, of Direct Payments in this area.

### **Develop commissioning and contracting processes that will sustain and develop the specialist supported employment sector**

A variety of contract models will be required to promote better quality employment-related supports, and also allow some security for newly emerging providers in areas that currently have little provision. These contract models should be available whether people are within the Supported Employment Programme, or placed through Disability Services Teams or the relevant Personal Adviser schemes. They would include the following.

- *Core funding* to fund job coaches, management, administration, training and development, to secure fragile existing services and to enable the setting up of new services in areas that are poorly served. Without the ability to core fund, the current level under-provision will not be addressed.

- *Outcome-related funding* for the achievement of key stages (completion of vocational profile, job found, etc.) and ultimate outcomes (job retention etc.). These should build on the experience developed in the USA and should include some component designed to accommodate a level of failure at a rate that reflects local experience under 'best practice' conditions. These will provide incentives for efficient and effective working among stable supported employment agencies.
- *Time-limited contracts* to enable funding of shorter-term job tryouts and exploration of choice.
- *Fee-for-service funding*, providing tranches of hours, could be used to enable long-term monitoring and career development to take place. The ability to intervene after a person has been stable in a job for some time is especially important for people with mental health problems who may suffer recurrent crises that threaten their job, but for whom timely, intensive intervention can be critical in sustaining their career.
- *Supplements* should also be available to reimburse providers of supported employment for additional work with clients who are harder to place.
- *Quality specification, monitoring and quality improvement methods* which focus on outcomes for employees and the impact on the local community (see 4.3 below).

### **Improve transition from school to adult life**

There is a need to ensure that young disabled people are encouraged and supported to move into employment when they move from school or college into adult life. The following steps will help ensure that supported employment is available as a real option to those who may require it.

- Local authority social services/ social work departments should ensure that their *Community Care Plans include supported employment* as a serious alternative to day centre provision.
- While, for many young disabled people, effective education and qualification is the route to successful transition from school, others require direct help into well matched employment, possibly without the benefit of many qualifications. *Connexions will need to be flexible enough to provide personal support for work-based learning, job tryouts, and transport, often while people are still at school or college, and to provide a Key Skills Qualification framework that reflects the positive entry level skills that can be achieved by some people with more significant learning disabilities.*
- The new *Connexions Service should be aware of the role supported employment can play* and work with Learning and Skills Councils and existing commissioners of supported employment to *fund opportunities for pupils to explore employment* while they are still at school.
- Supported employment agencies should be encouraged to work in schools, *encouraging pupils to explore employment* as an option and *generating the support they will require* when they leave school.
- Personal Advisers within Connexions have a crucial role in assessment, case work and brokering the involvement of other services. A new training and qualification structure is being introduced to support their work. It will be crucial that this *training adequately prepares Connexions Personal Advisers for supporting transition* of young disabled people, including young disabled people from black and minority ethnic communities.

- Changes are to be introduced to the National Curriculum shortly. The Department for Education and Employment should ensure that there is *no conflict between the National Curriculum and encouraging disabled young people to explore employment opportunities* whilst at school.

### 4.3 Quality

The government recognises the need for improving the quality of the existing Supported Employment Programme to ensure that individuals are supported in the best way to achieve real jobs. We need clear, strong government leadership now for all forms of supported employment.

This section presents our proposals for ensuring that supported employment develops in a way which promotes quality support for the people who access it.

Promoting quality is everyone's job. Supported employees, employers, supported employment agencies, central and local government all have a role to play and need to work together. Leadership from employers and their organisations needs to be encouraged. Supported employees and employers can provide valuable feedback on what is working and what needs to change. Central and local government should state clearly what they want from supported employment and give feedback accordingly. Supported employment agencies should be continuously learning how to be more effective from their own experience and that of the people they support.

#### Ideas for change

A recent ministerial statement about the Supported Employment Programme set out some ambitions which could usefully apply to all supported employment endeavours.

### Ministerial statement on modernising the supported employment programme

*Supported employment has always been about helping disabled people to take their place in working life. We need to modernise the programme to reflect the ambitions of disabled people; to increase the number of disabled people in work and to respond to the changes in today's labour market. In particular we want employers to play a greater role in offering new opportunities for people with disabilities, so that they can develop the skills and personal qualities valued in mainstream employment. In doing this we intend to safeguard the position of people currently employed in the Supported Employment Programme, although they will be able to take advantage of the new opportunities the Programme will offer.*

(Margaret Hodge, Equal Opportunities Minister, May 2000)

The basis of quality in supported employment is that there should be a co-ordinated approach in which everyone has responsibility for quality improvement. This means:

- adopting a *customer-led perspective*, where the views, experiences and satisfaction of employees and employers are the main determinants of quality
- taking *employee and employer satisfaction* seriously, reflecting their key roles as supported employment customers
- the *government taking a lead* through establishing standards, procedures for approving programmes and agreeing contracts
- *providers of supported employment taking a responsibility* for setting their own standards and codes of good practice, organisational development, self and peer review and continuous quality improvement methods.

### Implications for supported employees

People who are supported in employment can be very clear about the personal outcomes they wish to achieve. This paints a helpful picture of what we are trying to achieve and the direction in which we should be heading. Feedback from employees also provides a clear focus to check progress in developing supported employment as an increasingly successful means of support. Disabled people need to be supported to take leadership in making clear what help they require to develop their working careers.

### Implications for employers

Employers are essential partners in supported employment. Not only do they provide the jobs, it is vital that they benefit from their involvement in the sector. Their feedback is essential so they play a key role in the definition and review of successful supported employment.

### Implications for providers of supported employment

Providers can take a number of steps to promote high quality supported employment:

- develop standards and codes of practice
- share training, effective support, ideas, knowledge and development
- use outcome-based review tools such as Supported Employment Quality Assurance (SEQA), as well as reviews which focus on processes, such as Investors in People or ISO 9000.

### Implications for commissioners of supported employment

We recognise that there are a variety of commissioners of supported employment and that they are in a good position to 'manage' the local supported employment 'market' and build local capacity by contracting for schemes with clear

quality specifications, based on the principles we have outlined. In particular, social services Care Managers need to become aware of the potential advantages of supported employment and encourage their clients to pursue this option.

**Developing of standards**

The government’s modernisation of the Supported Employment Programme indicates that standards for their programme will be developed, so our interest here is more about their content than the need for them. When used with a customer perspective and provider-led improvement strategies, minimum standards can be very helpful to focus provider effort to best gain and deliver their basic expertise. Callahan (2000) suggests the characteristics of quality services and quality providers listed in Table 1, which could be used as

a basis for developing standards.

Contracts can be used to specify outcomes, both for individual employees and in terms of the impact of supported employment on the local community. This can be used to inform local strategies, for example for Welfare to Work Joint Investment Plans. Contract monitoring can demonstrate annual increases in the number and variety of jobs, hours worked, wages and career advancement. It can also show how services are increasingly successful in including people who have historically been considered ‘unemployable’. Other useful aspects to be monitored are job loss and support costs per pound earned, and projected welfare benefit savings as a quality measure (although not as a prime target).

**Table 1 Characteristics of quality services and quality providers**

Characteristics of quality services	Characteristics of quality providers
The service outcome is consistent with what the individual wants	The provider has experience, skills and/or educational credentials in the area of service delivery
Services are delivered to the individual with respect and concern for the impact on the person’s life	The service provider does not have any legal restrictions or history which might compromise the services offered
A fair price is charged for the service	The provider is able to provide the services in a timely manner
Agreed work is performed in a reasonable time or within the time specified	The provider has enough financial resources and stability to perform the agreed service outcomes before being paid
The service is delivered in a safe and responsible manner and results in a safe outcome	The provider treats the service user with respect, as an individual rather than as a service recipient
The individual gets a copy of the plan that shows the delivery of the outcome as well as any information gathered about the person	The provider offers a reasonable guarantee to the individual to redo services or products that are not acceptable or successful
The individual is treated as a partner in the service delivery relationship	The provider offers individualised outcomes rather than stock options
Services and outcomes are accessible to the individual and their family	

Source: Callahan (2000)

### Implications for government

We have already pointed out the need for *government leadership* in developing access and funding mechanisms, in ensuring continuing commitment from other current commissioning bodies, and in reviewing the benefit system. The government also has a role in promoting the quality of supported employment, through policy statements which stress the belief that real jobs and careers are possible for all people, and that employment offers major benefits in terms of social and economic inclusion.

In addition, the sector will require help with *workforce planning and training*: How many support personnel will be needed? Who will train them? Training is not only required for staff in supported employment agencies; staff in other relevant departments (health, social services/social work, Employment Service, etc.) need to be familiar with the principles and practice of supported employment. Training should be carefully specified in terms of the information and skills required. There needs to be investment in skilled staff with excellent communications skills. There should be co-ordination with new training lead bodies and those concerned with professional qualifications and standards in social services to ensure adequate attention is given to providing for this new skill base.

Government must also promote and support the development of *quality assurance practices* in supported employment agencies. There must be a clear understanding of what is required to ensure high quality service delivery. Such a quality assurance approach might look for:

- the components of a good supported employment service (vocational profiling, individual job development, etc.)
- flexibility in applying these methods to match individuals' requirements
- key staff skills and competencies

- staff training and support
- regularly consulting employees and employers and acting on their feedback
- organisational development in the light of experience.

*Development initiatives* should ensure that supported employment practice can always reflect new thinking and learning. Government leadership in research and development will be necessary to ensure the sector keeps advancing. Research should include supported employees' and employers' views and experiences, best practice examples of outcome improvement and trends showing the impact on local communities over time.

There is already a wealth of learning from pilot studies and other innovative work, including support of people with complex and significant impairments. There is a need to ensure that effective *dissemination* takes place so that lessons are widely known and acted upon.

Finally, government should take a lead on ensuring *technical advice and consultancy* is available to the sector. Support should centre on the implications of policy initiatives such as Best Value, modernising the Supported Employment Programme, Connexions, and Joint Investment Plans. Better advice is required on welfare benefits, funding, access and achievements for people who use services, building on local learning from developments such as the formation of new partnerships and the introduction of continuous quality improvement reviews.

Government should invest in information, training and support for all local customers, purchasers and providers of supported employment. Accessible advice on welfare benefits, funding and access to local services should be made available. These initiatives could first be tried out in strategic locations, building on local expertise and existing partnerships in combination with other proposals made in this paper.

#### 4.4 Benefits

There are a number of benefit reforms in the pipeline. These include restrictions on eligibility for Incapacity Benefit, the abolition of Severe Disablement Allowance, a new minimum income guarantee for severely disabled people, a Job Grant for people moving from incapacity benefits to work and a simplification of the rules for Housing Benefit. However, it is not clear that these changes will necessarily encourage more disabled people to find and maintain paid employment. Strategies for changing this situation are summarised in the sections below.

##### Get more out of the existing system

Although the case for reform is strong, so is the case for making sure that the existing system is used more effectively, possibly through the following.

- Require the Benefits Agency to provide *more accessible information*, including material on issues like the 52 week linking rules.
- Use the framework of *Joint Investment Plans* to engage with the Benefits Agency at a local level.
- Develop an independent source of *technical advice* for people working in supported employment, using the internet to ensure ready access to information about basic strategies for getting the most out of the system.

##### Extend transitional protection

There are a range of options for easing the transition. These could include the following.

- Either *restore Income Disregard* to something close to its original value (say £30) or set it to be equal to the Therapeutic Earnings Concession Limit (therefore providing equity between different groups).

- *Allow the disregard to be 'rolled-up' for a longer period.* This could be used by people who have irregular earnings, or it could provide an Incapacity Benefit run-on.
- *Ensure that qualification for the protection of linking rules is automatic.*
- *Extend Housing Benefit run on, both in extent (perhaps to six months) and scope (not just to Income Support claimants).*
- *Explore the possibility of guaranteed benefit status for people using the Therapeutic Earnings Concession (people would not have their benefits reviewed simply because of taking 'therapeutic work').*
- *Abandon the requirement that applicants for the Therapeutic Earnings Concession have to demonstrate that the work they undertake would 'improve or maintain their condition'.*

##### Explore a more flexible approach to bridging the gap between incapacity benefits and the Disabled Person's Tax Credit

There were considerable demands for something that would address the 100 per cent taper in Income Support. At the same time, the inflexibility of the 16 hours per week boundary between Incapacity Benefit and the tax credit has also been the focus of much concern. Fundamental reform would be required to deal with these directly (see later). However, in the meantime, one possibility would be to extend the lower hours limit of the Disabled Person's Tax Credit downwards, and allow individuals to *opt into* it at different stages. It would effectively become a hybrid benefit (an 'incapacity tax credit') for people working less than 16 hours, and an in-work credit for people working more than 16 hours.

There would need to be some thought to the restructuring required to ensure the new options provide progressive incentives over the full range of hours. There would also be the need for

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additional protection for people who are using it as an incapacity benefit (for example, permanent linking rules back to previous incapacity benefits where people stop work altogether).

However, these problems do not seem insuperable, and the new arrangements would have the advantage of offering more choice, and of easing progression backwards and forwards over the currently inflexible 16 hour divide.

### Introduce mechanisms to accommodate low productivity

Obvious first steps in dealing with the anomalies created by the National Minimum Wage would be to sort out the unhelpful Income Support regulations, along with the provision of more effective support for people with low levels of productivity. However, to ensure that people with more complex needs are not excluded from the workplace, further steps may be needed. Options include:

- *re-target the existing Wage Subsidies* on people with the lowest levels of productivity
- *use individual certificates of exemption* for people at risk of exclusion.

The latter has proved to be controversial, with considerable opposition to *any* form of exemption on the basis that this undermines people's status as equal citizens and could constitute an infringement of their human rights.

### Address 'overlapping withdrawal' rates

Solutions will have to extend beyond social security benefits and include significant changes to both Housing Benefit and community care charging regimes. For example, we would suggest that some of the following be explored.

- *Increase disregards in Housing and Council Tax Benefits* in line with changes to the Income Support Disregard suggested earlier.

- *Reduce Housing Benefit tapers.*
- *Discount the Disabled Person's Tax Credit* in assessing income for Housing Benefit.
- *Discount charges for community care services* in Housing Benefit Assessments.
- *Require local authority charging policies to conform to minimum standards* and to support the object of promoting independence through work.
- *Require local authorities to provide an enhanced personal allowance* for people in residential care who work.

### Begin a debate about more radical reform

Many of the options outlined above represent an attempt to identify pragmatic options for improving the situation within the constraints of the current system. However, we argue that there is a need to begin a debate about more radical reform. Ideas to explore further include the following.

- *Abandon 'incapacity'* as an organising principle and replace it with compensation for disadvantage in the labour market. There would now no longer be an inherent contradiction between any form of move to work, and receiving protection offered by special benefit status. Young people wishing to claim the new non-contributory form of Incapacity Benefit are an obvious group to begin exploring this approach, since they will have to declare themselves 'incapable of work' before they have had a chance to explore what work means.
- *Integrate the tax credits and incapacity benefits* into a single structure which both values all work, and provides a guaranteed minimum income (should people not be in work) along with continuous and progressive incentives for individuals to work longer hours. The proposed further reform of the tax credit



system provides an opportunity to explore this approach. Combined with a shift away from using incapacity as an organising principle, the arrangement would do away with the need for the Therapeutic Earnings Concession.

- Provide greater financial security through *permanent links back to previous levels of financial assistance* for people who continue to be at a disadvantage in the labour market. There are already some emerging precedents for ‘permanent’ linking rules which should be further developed.

### Establish demonstration projects

Developing better access and more coherent funding for supported employment without reform of the benefit system is likely to limit any returns from the original investment. At the same time, developing new approaches to benefits without linking them to the availability of appropriate support is also unlikely to have much impact. What is needed is a strategy which combines both. Inevitably, many of our proposals have to remain tentative; without further testing we have little way of telling how they would work in practice. For this reason we argue that there is a strong case for developing a series of demonstration projects to explore the impact of these ideas. Ideally, these would:

- be based in areas where there are some well established and effective supported employment agencies
- focus on ways of linking supported employment to the emerging Personal Adviser system and ONE (e.g. linking the

new Benefit Agency ‘Keeping in Touch’ scheme to supported employees through New Deal Personal Advisers)

- involve the modernised Supported Employment Programme
- include efforts to explore the idea of consolidated individualised budgets and more coherent approach to contracting
- influence the development and refinement of quality assurance systems
- provide linked opportunities to pilot changes to the benefit system.

Other possibilities include exploring offering potential users of employment-related support control over choice of provider.

### 4.5 Conclusions

This section has set out our proposals for the development of supported employment in the UK. Ensuring that access to high quality support is consistently available across the UK has implications for customers and providers of supported employment, commissioners and a wide range of health and social care agencies. We have also identified important action which can be taken at government level to stimulate the extent to which people are enabled to get jobs, advance their careers and enjoy the financial and social benefits of work. We hope that this framework will be widely disseminated and used as a basis for development. We recognise that this document is only a start; and look forward to taking part in further efforts to develop supported employment in the UK.

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# Appendix: Contributors to this report

This report is based on the efforts of many people. We express our thanks to all those who took the time and trouble to send us their views and comments. We are also grateful to the Joseph Rowntree Foundation who funded the work.

## The Policy Consortium for Supported Employment

Members of the Policy Consortium for Supported Employment are listed below. Authors of the framework document are marked with an asterisk.

Steve Beyer*	Welsh Centre for Learning Disabilities
Mark Brookes	Self Advocate – Values Into Action
Anne Corden	University of York
Bob Grove*	Institute for Applied Health and Social Policy, King's College, London
Steve Leach	Scope
Gary Nield	Direct Payments Consultant NDT
Anne O'Bryan*	Consultant NDT
Steve Parr	Sabre Employment
Ken Simons*	Norah Fry Research Centre
Simon Whitehead	Consultant NDT and employer

## Contributors of information

A total of 181 questionnaires were sent to supported employment agencies and others with an interest in the area asking for details of their experience. In addition we made extensive contacts with people by telephone and through visits. A total of 139 replies were received; those responding included:

- individual supported employment agencies from all over the UK
- people with learning and other disabilities using supported employment

- employers
- Employment Service staff, including Disability Employment Advisers
- Social services and social work managers
- Careers Advisers
- representatives of disabled people
- a range of agencies serving people with disabilities.

We also received detailed responses from experts in the United States, New Zealand, Norway and the Republic of Ireland.

## Comments on a draft

Approximately 500 copies of a draft of this report were sent to interested individuals and organisations, including those who completed the questionnaire. We received detailed comments from many individuals and organisations. Whilst we have endeavoured to take on board the views expressed, we alone must take responsibility for the contents of this document, which will not necessarily reflect the views of the individuals or organisations listed. We express our particular thanks to the following:

Jonathan Allan	Enable Shropshire
Peter Bates	National Development Team
Mark Brookes	Values into Action
Mike Callahan	Mark Gold & Associates
Anne Corden	University of York
Huw Davies	Bury EST
Alyson Dunn	Praxis
Gerry Higgins	Social Firms UK
Marilyn Howard	Independent Consultant
Richard Kramer	MENCAP
Steve Leach	Scope Employment Service
Janet Lewis	Joseph Rowntree Foundation
Christy Lynch	KARE Central Services
Kathy Melling	Kent Supported Employment

## A framework for supported employment

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Gill Rhodes	Calderdale Social Services
Alan Roulstone	University of Sunderland
Justine Schneider	University of Durham
Judy Scott	Service Development Consultant, responding for Social Firms UK
Tony Sheill	Royal Association in Aid of Deaf People
Emma Stone	Joseph Rowntree Foundation
Sally Titchener	Royal Association in Aid of Deaf People
Dave Willingham	Employment Link Service
Monica Wilson	Disability Action

We received helpful interest and advice from officials in a number of government departments, including:

Benefits Agency  
Department for Education and Employment  
Department of Health  
Department of Social Security  
Department of Trade and Industry  
Employment Service

A number of groups organised workshops to discuss the draft from a variety of perspectives. A total of 282 people attended workshops organised by:

Community Care Development Centre Learning  
Disability Annual Congress  
Department for Education and Employment  
Northern Ireland Union of Supported Employment  
Personal Adviser Service Managers  
Social Firms UK  
Staffordshire Partners in Policymaking  
Scottish Union of Supported Employment  
Welsh Association of Supported Employment  
Agencies  
ASEA Wales/SCOVO conference 'Supported  
Employment in your Best Interests'

The Joseph Rowntree Foundation organised a workshop which included participants from Remploy, RNIB, the Employment Service, the Department of Health and the Quality Network.

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