

foundations

A policy framework for supported employment

The last decade and a half has seen the emergence of a 'specialist supported employment sector'. Despite some successes, supported employment is not yet delivering its full potential in the UK, at least in part due to a wider social policy framework that fails to accommodate this approach. The Policy Consortium on Supported Employment set out to consult a range of stakeholders, both about the challenges facing the specialist supported employment sector and in a search for possible policy solutions.

Barriers

- Access to supported employment remains difficult for large numbers of disabled people who might benefit.
- Funding for supported employment is fragile and fragmented.
- The benefit system and other related systems continue to cause major problems both for individuals and the development of supported employment.
- There is as yet little infrastructure to support the development of the sector across the UK.

Possible solutions

- Ensuring that funding (from all sources) reflects key principles, and can be flexibly and creatively combined to support individuals.
- Instigating debate about more radical reform of the benefit system.
- Addressing the concerns about overlapping withdrawal of housing subsidies and the imposition of additional charges for community care.
- Building a broad-based approach to developing quality which recognises a role for all the key stakeholders.
- Ensuring that the strengths of supported employment are fully understood by the developing 'Personal Advisors' system.
- Establishing demonstration projects that bring together different elements and suggested changes.

Promoting immediate and/or local change

- Exploring pragmatic options for alleviating some of the problems with the current benefit system.
- Using the Joint Investment Plan process to ensure that existing commitment from social services departments is enhanced and bolstered by strong local partnerships with other agencies.
- Building, or building on, links with the modernised Supported Employment Programme, Disability Service Team and Personal Advisor partnerships.
- Identifying supported employment as a key component of better services and support for local disabled people who would benefit from such an approach, including people with more significant impairments.
- Developing commissioning and contracting processes which support the growth of the local supported employment sector.
- Changing the culture of the Employment Services.
- Establishing effective welfare rights advice for disabled people, families and professionals.
- Exploring greater use of direct payments for in-work support.
- Promoting supported employment as a core option for young disabled adults.

The context

The Government sees paid work as one of the key pathways to independence. Yet many of the policies and structures designed to support disabled people into work have bypassed those with significant impairments.

In the meantime, the last decade and a half has seen the steady development of a 'specialised supported employment' sector (see box), often drawing heavily on skills, experience and evidence from North America and elsewhere. Initially this form of supported employment focused primarily on people with learning difficulties. In recent years, however, many agencies have become more generic, working with a much wider range of people, including those with long-term mental health needs.

Over the years a number of JRF projects have explored the potential of this form of support. However, despite some significant success, many of those involved in the sector have continued to find their best efforts frustrated by a wider policy framework that has neither recognised nor valued this approach. Indeed, there is evidence that the returns from supported employment in the UK fall well short of those achieved elsewhere because of that framework.

Barriers

The Policy Consortium on Supported Employment (a small coalition of professionals, researchers and people who use supported employment) carried out a brief consultation exercise amongst key stakeholders, exploring their views about both the current barriers and possible reforms.

Access to supported employment remains very limited for most of those who might benefit from it. For example, a recent Department of Health report found only 7 per cent of day service placements for people with learning difficulties took the form of supported employment. As well as an overall shortage, there was marked geographic variation in the availability of this form of assistance. Not surprisingly, therefore, many of those responding to the consultation exercise reported problems with access:

- although originally developed for people with significant impairments, many such individuals are

Specialist supported employment: a definition

A key assumption underlying the specialist sector's approach to supported employment is that the workplace is the best place to learn a job. As a matter of principle, it starts from the assumption that all disabled people may wish to access paid work, and that no individual or group should be seen as 'unemployable'. It is concerned with addressing some of the social, attitudinal, policy and practice barriers that exclude groups from paid work.

The approach also attempts to set paid work in its wider social context. It is concerned with inclusion, in terms of both economic and social participation; it is meant to be about 'real' jobs in ordinary (unsegregated) workplaces.

Supported employment agencies inevitably vary in their approach (and in the extent to which they are able to put the ideal of supported employment into practice) but typically offer a *combination* of:

- helping people identify their skills and preferences through the development of a **vocational profile**;
- **job development** to find the person's preferred job through contact with employers;
- **job analysis** to find out more about the workplace, co-workers, and the support the individual might need in that environment;
- **job support** to ensure that both the employee and employer receive 'just enough' creative assistance, information and back-up to achieve success, with this support continuing as long as it is needed;
- **career support** to help people think in the longer term about career progression.

excluded by policies which assume they are 'unemployable' or prioritise those who are seen as 'work ready';

- equally, a reliance on social care funding has excluded some groups on the grounds they are 'not disabled enough';
- access is particularly poor for young disabled people making the transition into adulthood and use of adult services.

Historically, the specialist supported employment sector has relied largely on **funding** from social services

departments (social work departments in Scotland).

This source of support continues to dominate, although many agencies have also managed to pull in resources from other organisations. Yet funding from more employment-oriented sources (like Employment Services or Training and Enterprise Councils) remains relatively marginal. Respondents noted many problems with funding:

- many funders will only resource particular components of supported employment; few pay for the full range of activities;
- most funding is very short-term, with an expectation that agencies will continually demonstrate 'innovation'; yet evidence shows it takes time to establish the skills, experience and networks to maximise the benefits of supported employment;
- reliance on a range of funders imposes considerable bureaucratic and administrative burdens on supported employment agencies; this is compounded by inconsistent approaches to eligibility criteria, funding cycles, outcome measures and accountability;
- few funders appear to understand supported employment or to have clear measures that promote quality or value;
- some previously committed social services/social work departments appear to be withdrawing their support under budgetary pressures.

The development of the specialist supported employment sector has largely been a 'bottom-up' process. As a result, relatively little infrastructure exists to support the further development of the sector.

Respondents reported:

- there is no consistent approach across the sector to defining quality or improving performance;
- inappropriate or narrowly defined measures of quality can constrain development. For example, equating success with moving off all benefits risks excluding people for whom *combining* work with some benefits is likely to be a more feasible outcome.

The **UK benefit system** was also the subject of considerable criticism. Specific problems raised included:

- widespread concerns that any form of work may threaten benefit status;

- the inherent tension between claiming benefits on the grounds of 'incapacity' for work and then moving towards paid work underlies many of the problems faced by individuals;
- bureaucratic and stigmatising requirements for access to the Therapeutic Earnings Concession;
- unreformed Income Support regulations, in particular the combination of a relatively low level of 'earnings disregard' with a 100 per cent taper on any earnings over that amount;
- rigidities that follow from the arbitrary divide at 16 hours between 'therapeutic' and 'remunerative' work;
- uncertain links back onto 'incapacity' benefits for those for whom employment does not work out;
- administrative confusion and inconsistency on the part of Benefits Agency and other critical players, aggravated by a lack of accessible information about critical areas within the system.

These concerns, and the resulting uncertainty endemic within the system, lead many disabled employees, their families and the professionals advising them, to be very reluctant to take any risk.

Problems within the benefit system are compounded by the overlapping withdrawal of other forms of financial support as people move into work. These include:

- reductions in Housing and Council Tax Benefits: for example, an individual using the Disabled Person's Tax Credit could face the equivalent of a marginal tax rate in excess of 90 per cent;
- charges for community care services: the variation in local authority policies puts many people in an acute 'personal assistance trap' - especially people of working age who live in residential care.

Lastly, the introduction of the National Minimum Wage (NMW - an otherwise helpful policy development) has interacted with the unreformed Income Support regulations in ways that have disadvantaged some individuals. Indeed, there is some evidence that the NMW is not being fully implemented in some areas.

Whilst the concerns far outnumbered the positive comments, many agencies could also point to helpful developments, although these tended to be very localised and specific to individuals. For example, some agencies:

- had established positive partnerships with the key players locally, including employers, social services, Employment Services, Training and Enterprise Councils and the Benefits Agency;
- had been able to use funding from the Government's Supported Employment Programme more flexibly to offer a range of support, as well as employers' subsidies;
- had been involved in developing effective transition support for young people from schools and colleges into supported employment;
- had mobilised effective welfare rights advice, enabling disabled people to make the most of opportunities within the benefit system.

These positive developments provide some important pointers for reform.

Possible solutions

Many of the problems identified reflect complex structural difficulties that will not be easily changed. Nevertheless, respondents and members of the consortium were able to point to a range of practical measures that would be helpful, along with pointers to possible strategies for more long-term reform.

The results (presented below) represent a strategy that aims to:

- ensure the strengths of the approach are more widely understood;
- build links between the specialist sector and all the key players, but in particular the modernised Supported Employment Programme, Disability Services Team provision, the emerging Personal Advisor system (linked to New Deal for Disabled People, ONE and Connexions);
- secure more equitable access and funding through these relationships;
- consolidate and expand existing investment in the sector;
- develop the capacity of the specialist sector (both in scale and competence);
- present a case for a more supportive approach to welfare benefits and related systems.

Joint Investment Plans (JIPs)

In the very short term, the requirement for local authorities to develop JIPs for Welfare-to-Work services by April 2001 provides an ideal opportunity to develop

crucial partnerships. It would seem sensible for the Department of Health and the Department for Education and Employment to work jointly in an effort to maximise the impact of the JIPs, through the provision of both further guidance and technical support. These could include explicit expectations that JIPs should indicate how the key partners intend to:

- ensure the development of the specialist supported employment sector (alongside other complementary strategies like the use of 'social firms' and self-employment);
- open up access to Employment Services and other employment-related funding streams for all disabled people;
- ensure that community care assessments take account of work-related needs;
- ensure that artificial barriers between employment and social care services are removed;
- explore and support the use of direct payments as a way of extending control and choice over support in the workplace;
- provide training on disability and also race equality for all key 'gatekeepers';
- ensure there is joint training for all staff in the key agencies on the aims of the JIP.

Funding

Whatever the source of funding, it is vital that it should be organised around key principles, including:

- achieving a positive impact on individuals' lives and not simply meeting narrowly defined or programmatic goals;
- promoting creativity with flexibility;
- including all disabled people who wish to work;
- allowing for variations in costs, including differences in the level of support needed by individuals;
- building in follow-on support for career development;
- recognising employers' needs for support.

At the moment, the funding system is very fragmented. Many respondents requested some kind of rationalisation, which would allow money from different sources to be combined more flexibly. In the longer term, there may even be a case for merging some currently distinct strands (e.g. Supported Employment Programme, Access to Work and other Disability Services Team programmes).

The existing Supported Employment Programme (SEP)

There are already good examples of what can be achieved through the SEP (current modernising plans may incorporate some or all of these suggestions).

These could be enhanced by a range of reforms including:

- redefining employability to include all people who want to work and need some support;
- abandoning the productivity assessment, and including people with greater support needs;
- encouraging full employment status for workers using the programme;
- allowing the combination of SEP funds with resources from elsewhere;
- redefining 'progression' to include increases in responsibility, job status, hours or wages, and not simply in terms of moving off all forms of subsidy or support.

At the same time, there is a case for revisiting the way the funding for the SEP is organised. As well as increasing the funding available within the programme (and thereby drawing in new providers), it may be possible to promote greater recycling of existing resources by:

- retaining the current wage subsidies, but ensuring they form part of a wider range of support options, and that the use of such subsidies is progressively focused on individuals who need greater support;
- providing bridging funds, if required, to promote greater progression;
- allowing SEP contractors to retain surpluses and recycle these to pay for additional support;
- promoting the use of individualised action planning and support contracts, particularly for new entrants into the Programme.

Disability Service Teams and the emerging Personal Advisor system (e.g. ONE, New Deal for Disabled People, Connexions)

There have been some good examples where Disability Service Teams and Personal Advisors (from the New Deal and ONE pilots) have worked with specialist supported employment agencies to open up opportunities for individuals who have been excluded from other programmes. These partnership arrangements have typically used Work Experience and Access to Work monies to complement core funding

from social services and other funding bodies. To ensure these sorts of opportunities are more widely available, Disability Service Teams and Personal Advisors should:

- have access to resources to contract with the specialist supported employment sector on behalf of potential job applicants;
- ensure such contracts reflect an individualised action plan, linked to clear outcomes for each person;
- be able to flexibly commission all the elements of supported employment, including longer term support and assistance with subsequent career development;
- ensure these opportunities are open to all disabled people, regardless of the level of support they need, impairment or ethnicity.

Developing individualised action plans with people with greater support needs can be a time-consuming task. Allowing for the likely pressures on the emerging Personal Advisor system, it is important that the latter are able to contract out to specialist agencies the task of developing detailed vocational profiles and other individualised support.

Changing the culture of the Employment Service

The recently announced changes to the SEP are to be welcomed. However, it will take time for the changes to work their way through the system. As well as the fine-tuning of the Programme, there will have to be a substantial shift in the culture of the Employment Services, moving away from assessing what people *cannot* do, towards discovering what they *could* do *with help*.

This implies a substantial programme of retraining, geared to helping the Service develop a collective vision of what is *possible*, not simply what is available. There is scope for collaboration between all the different stakeholders (including the specialist supported employment sector and other key government departments like the Department of Social Security and the Department of Health) in developing suitable training material. The development of the Personal Advisor training and qualification structure proposed in relation to the new Connexions service provides a further opportunity to increase awareness of the possibilities offered by the supported employment sector.

A more effective commissioning and contracting process

A variety of contracting models will be required to promote better quality employment-related support. These are likely to include:

- core funding, particularly for securing fragile existing services or establishing new services in areas that are poorly served;
- outcome-related funding, reflecting both key stages achieved (completion of vocational profile, job found, etc), as well as 'ultimate outcomes' (job retained): this needs to reflect realistic levels of failure given local experience and conditions;
- some time-limited contracts to provide for shorter-term 'job tryout' or other forms of exploration;
- fee-for-service funding for activities like longer-term monitoring and career development;
- supplements to reflect additional work with individuals who are harder to place.

Transition from school to adult life

Supported employment needs to be available as an option for young disabled people leaving education. Steps to making this possible might include ensuring that:

- local authorities include supported employment in all community care plans, as a core component of day services;
- the Connexions service is sufficiently flexible to accommodate young people for whom traditional routes to employment (acquiring qualifications) may be difficult: alternatives might include support for work-based learning, job tryout and assistance with transport, often while still at school or college, along with a Key Skills Qualification framework that reflects the positive entry level skills that people with more significant learning difficulties can achieve;
- supported employment agencies are able to develop links with schools;
- the key players (new Learning and Skills Councils, Connexions Service, and existing Commissioners of supported employment) will fund opportunities for young disabled people to use supported employment to explore work while still at school;
- there is no conflict between the National Curriculum and encouraging young disabled people to explore employment.

Promoting quality and capacity

If the potential of a specialist supported employment sector is to be fully realised, then all the key stakeholders need to be engaged in defining, promoting and monitoring the quality of services. This will mean:

- taking a customer-led perspective, where the views of employees are central in defining quality;
- taking employer satisfaction seriously;
- ensuring that supported employment agencies take a responsibility for developing standards and codes of practice, organisational development, and outcome-based self and peer review;
- leadership from the government, particularly in the development of effective and responsive programmes through investment in raising awareness, expectations and skills, and through clear and well-informed contracting.

At the same time, steps need to be taken to develop the capacity of the sector, again with government playing a central role. These would include:

- workforce planning and training;
- research and development initiatives;
- ensuring technical advice and consultancy is available to the sector as a whole.

Options for reforming benefits and related systems

Although there are changes to the benefit system in the pipeline, it is not clear that these will necessarily help more disabled people to seek and maintain paid employment. The consultation exercise revealed a lot of support for further change. Options for action include:

1. Get more out of the current system

- greater provision of accessible information particularly in relation to issues like the 52-week 'linking rule' (no current leaflet is available on the subject);
- the use of the Joint Investment Plan framework to encourage engagement with the Benefits Agency and ONE at a local level;
- the development of an independent source of technical advice on benefits for the specialist supported employment sector, using the Internet.

2. Extend the different forms of 'transitional protection'

- either restore the Income Support disregard to something close to its original value, or set it equal to the Therapeutic Earnings Concession Limit (thereby providing equity between groups);
- allow the disregard to be 'rolled-up' over a longer period: effectively this could provide people with an incapacity benefit 'run-on' in some circumstances;
- ensure that qualification for the protection offered by the linking rules is automatic;
- extend the Housing Benefit run-on both in extent (for more than four weeks) and scope (not just Income Support claimants);
- explore the possibility of a guaranteed benefit status for people using the Therapeutic Earnings Concession;
- abandon the requirement that work has to 'improve or maintain the condition' of applicants for the Therapeutic Earnings Concession.

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

The 100 per cent taper on Income Support was a particular focus of concern. Coupled with the

Beginning a debate about more radical reform

Many of the options outlined here represent a compromise between the pragmatic need for change and the constraints of a fundamentally unhelpful system. The foundations of the current benefit system were laid in very different circumstances, and represent a 'medical model' approach to disability writ large. As a result there is a case for trying to stimulate a debate about much more fundamental reform. Ideas to explore include:

- abandoning 'incapacity' as an organising principle, and replacing it with compensation and protection reflecting 'disadvantage in the labour market';
- integrating the tax credits and incapacity benefits into a single structure which values all work, and which provides a decent guaranteed minimum income for all disabled people;
- providing greater security for people exploring work through 'permanent' linking rules back to previous levels of financial assistance for those who continue to be at a disadvantage in the labour market.

generally inflexible 16-hour boundary between incapacity benefits and the Disabled Person's Tax Credit, the effect is to discourage many people from undertaking more than a minimal amount of work. Arguably there is a case for fundamental reform (see box below). However, a pragmatic approach to both problems might be to allow individuals to opt onto the Disabled Person's Tax Credit below 16 hours. Some restructuring would be required, and people using the tax credit as a form of incapacity benefit would need additional protection (perhaps in the form of a permanent 'linking rule') but none of the problems seem insuperable.

4. Develop mechanisms to accommodate low productivity

Many of the anomalies created by the introduction of the National Minimum Wage could be dealt with by tackling the unreformed Income Support regulations. However, people with high support needs and low levels of productivity might still be at risk of exclusion from paid work. Options for accommodating this situation include:

- retargeting wage subsidies on people with the lowest levels of productivity;
- the use of individual certificates of exemption, modelled on experience in the US.

The latter option is highly controversial: there is strong opposition to any exemption on principle since this would effectively undermine the individual's status as a citizen and arguably constitute an infringement of their human rights.

5. Address 'overlapping withdrawal rates'

- increase the current disregards in Housing and Council Tax Benefits in line with the changes to the Income Support disregards proposed earlier;
- reduce the taper on Housing Benefit;
- 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 authorities' charging policies to both conform to minimum standards and support the objectives of promoting independence;
- require local authorities to provide an enhanced 'personal allowance' for people in residential care who are working.

Establish strategic demonstration projects

Developing better access and a more coherent funding system without reform of the benefit system is likely to limit the scope for development. At the same time, trying out benefit reforms without also providing effective support to individuals is unlikely to have much impact. For this reason, there is a strong case for developing a series of demonstration projects which explore the impact of these proposals in combination.

About this study

The Policy Consortium conducted a rapid but broadly-based consultation exercise. One hundred and eighty-one questionnaires were distributed to a range of key

individuals and organisations (supplemented with face-to-face visits and telephone follow-ups). A range of experts in the UK and elsewhere were contacted directly. Members of the Consortium also met with a number of self-advocacy groups.

The consortium received 139 responses from a range of stakeholders including supported employees, supported employment agencies, employers, Employment Service Personnel, Careers Advisors, senior managers in social services/social work departments, managers, and researchers.

How to get further information

The full report, **A framework for supported employment** by Anne O'Bryan, Ken Simons, Steve Beyer and Bob Grove for the Policy Consortium for Supported Employment, is published for the Foundation by YPS (ISBN 1 84263 009 1, price £9.95).