

**The Department for Work and Pensions
Public Consultation Document:**

**‘Helping people achieve their full potential:
Improving Specialist Disability
Employment Services’**

**A Response from the
British Association for
Supported Employment**

Contents

Executive Summary

Section 1: Background

The British Association for Supported Employment
Background to Supported Employment

Section 2: The Case Made for Change

The Evidence Base
Supported Employment as an Investment in People

Section 3: Integrated Flexible Support

The Workstep Eligibility Criteria
Referral to the Programme
The Work Entry Element
The Transitional Element
The Long-Term Support Element
Sustainability
Re-entry to the Programme

Section 4: Extended Roles of the DEAs

DEA Availability and Turnover
Knowledge and Skills
Line Management Arrangements
Conflict Resolution
Financial Issues

Section 5: Supported Factories/Businesses

Proposed Protection of Places
Modernisation Routes
The Factory Support Grant

Section 6: Access to work

Section 7: Commissioning and Contracting Arrangements

The Threat to Local Provision
Maximising Profit through Customer Selection
Customer Choice
The Effectiveness of DWP Contract Management
Contract Procedures and Market Stewardship

Acknowledgements

Consultation Methods and Contributors

Appendices

Executive Summary

This paper is a direct response to the DWP's consultation paper 'Improving Specialist Disability Employment Services' and is a representation of the views of over 400 BASE members and contributors. BASE generally welcomes the tone and content of the report, "Improving Specialist Disability Employment Services". It offers a strong vision for the future of service delivery so that supporting organisations can focus on developing each individual's vocational skills and aspirations.

BASE welcomes the proposal for a new unified, modular programme. However, there are serious concerns about the capacity of Disability Employment Advisors to undertake the range of tasks envisaged and the BASE membership have made clear suggestions as to how this can be addressed. Access to Work has the potential to be an excellent programme but issues remain about eligibility and consistency in decision-making.

BASE notes the intention to continue discussions around the future of factory-based provision. Modernisation is a priority and some temporary protection would allow for managed changes as long as providers produce robust change plans.

No matter how well the programme is designed, it will be vital that it is delivered by providers who have the ability to focus on supporting those furthest from the labour market and who are at most risk of social exclusion.

BASE has serious concerns about the DWP commissioning strategy and the potentially negative impact it may have, however unintentionally, on locally funded initiatives and specialist providers. BASE is calling for reasonable adjustments to commissioning and procurement so that this expertise is retained for the benefit of customers.

BASE's recommendations are listed below:

Recommendation 1: That the case made for change considers a wider evidence base that a) shows consideration of other national and local initiatives and b) considers how any proposed new programme may impact upon, and link into these strategies at a local level.

Recommendation 2: DWP should abolish the distinction between means tested and contributory entitlement to undertake supported permitted work so that there is no difference to the financial conditions.

Recommendation 3: The permitted work lower limit (PWLL) should be abolished. If this is not possible then it should be linked to the national minimum wage with a lower limit equivalent to a full day's work (i.e. 8 hours per week).

Recommendation 4: That the DWP adopts a longer-term view on job sustainability and recognises that individuals may well require long-term support, often at minimal levels, to maintain their employment and encourage career development.

Recommendation 5: That the DWP combines the Job Introduction, Work Preparation and WORKSTEP schemes into a single programme as proposed.

Recommendation 6: That the eligibility criteria for accessing the new programme be reduced from 16 hours to a minimum of 8 hours per week.

Recommendation 7: That a clear set of rules and criteria are put in place to assist the DEAs in making eligibility decisions for new referrals to the programme.

Recommendation 8: DEAs should continue to approve eligibility for the majority of new referrals. However, a percentage of referrals should be available for direct referral through local health and social care pathways.

Recommendation 9: Formal procedures should be in place to ensure that all relevant information, including from local service providers, about newly referred job seekers is available to DEAs at the referral stage.

Recommendation 10: The Work Entry element of the programme should generally have a 12 month time limit but allow for an extension with the agreement of the Disability Employment Advisor should the customer continue to be making progress.

Recommendation 11: That DEAs monitor progression of the customer through the programme preferably every 3 to 4 months, but at a minimum every 6 months.

Recommendation 12: The decision to allocate support through the Transitional or Long-term Support elements should be collaborative and made after the job start. It should be possible to move from one element to another depending on an assessment of the customer's individual needs.

Recommendation 13: That DWP gives full consideration to the potential that long-term supported employment has for reaching capacity. The DWP should consider, within its funding plan, the likely requirement for future additional investment to maintain the capacity of the programme.

Recommendation 14: That progression onto the Long-term Support element is agreed collaboratively with the DEA, provider and customer.

Recommendation 15: DWP should avoid use of the term 'unsupported employment' and provide reassurances that it will provide the financial investment necessary, possibly through a 'crisis pot', to provide specialist intervention to help those who have progressed off the programme to keep their jobs over the longer term.

Recommendation 16: That DWP develops a clear set of procedures to enable job seekers and employees to re-access elements of the programme following job fallout according to their needs.

Recommendation 17: That DWP develops a national qualification framework for supported employment personnel, possibly linked to the proposed 'Institute for Rehabilitation'.

Recommendation 18: DWP should develop a clear strategy for ensuring that DEAs have the necessary capacity to meet the programme needs.

Recommendation 19: DWP must tackle DEA job turnover rates by effectively supporting staff, reviewing the setting of individual targets and demonstrating that their roles are valued.

Recommendation 20: DWP should employ more DEAs with direct experience of disability issues.

Recommendation 21: Additional training will be required for DEAs around the following topics:

- Eligibility criteria and protocols on the new programme;
- Knowledge about the range of disabilities and communication methods;
- The range of support approaches available through supported employment;
- Current trends in national policies and strategies across the various Government Departments, including key values and position papers;
- Local joint planning approaches across public, private and third sector organisations (e.g. local area agreements);
- Developing and implementing individual action plans.

Recommendation 22: DEAs should be line managed in sub-regional specialist teams.

Recommendation 23: DWP should offer providers access to comments made by DEAs and customers about the quality of service provision so that they have the opportunity to respond.

Recommendation 24: DWP should provide time limited contractual protection for the 3,000 supported business placements currently using the WORKSTEP provision. Further discussions should take place on the practicalities of offering this protection

Recommendation 25: Any protection offered for factory placements must be accompanied by robust plans that show how providers will achieve modernisation.

Recommendation 26: There should be a review to ascertain how businesses can be better supported to market their services through the Article 19 regulations.

Recommendation 27: That the Factory Support Grant be discontinued and funds instead be invested in developing a provider support unit to raise and maintain high quality standards.

Recommendation 28: Access to Work funding should be extended to cover supported permitted work and equipment for voluntary work and work experience placements and job trials.

Recommendation 29: DWP should specify clearly what is eligible for funding through Access to Work and encourage regional consistency in decision-making.

Recommendation 30: Employer contributions and entitlement to Access to Work should remain unchanged. The public sector should continue to be able to use Access to Work funds.

Recommendation 31: DWP must make it a necessity that prime contractors are required to demonstrate that they have a track record of working at a local level and that they can, and will, engage with providers and planners at a local level as a contractual obligation.

Recommendation 32: That the prime contractors be obliged to target high support needs groups and demonstrate a track record of working with significantly disabled jobseekers, as an integral part of their contractual agreements.

Recommendation 33: That the time limits and level of investment for higher support needs groups reflect the reality of slower progression through the programme.

Recommendation 34: The DWP Commissioning Strategy should a) be subject to a full Equality Impact Assessment to ensure that the range of disabilities continues to be served appropriately and b) have an objective measure, developed via an external evaluator, to further ensure that there is a proportional representation of all groups within the programme.

Recommendation 35: DWP should seek to contract on a sub-regional basis. DWP should consider the awarding of more than one contract per sub-region in the first tendering round.

Recommendation 36: DWP should take immediate steps to support more effective regional contract management.

Recommendation 37: DWP should actively foster partnership bids from specialist providers by making provider support available, devising specimen partnership agreements and allowing the rotation of the lead provider within the partnership.

Recommendation 38: DWP should establish robust procedures for the removal of contracts from poorly performing providers.

Recommendation 39: DWP should specify a maximum management fee that prime providers can take from sub-contractors.

Recommendation 40: DWP should specify a range of acceptable prices for subcontract outputs.

Recommendation 41: That DWP provides a "complaints line" for providers to seek resolution of conflicts between prime and sub-contractors.

Recommendation 42: The PQQ and Invitation to tender processes should be user friendly and designed to encourage wide participation.

Recommendation 43: Tenders should be scrutinised locally by stakeholders to ensure they demonstrate sufficient local knowledge and link with local initiatives.

Recommendation 44: DWP should consult with subcontractors on the adequacy of the Code of Conduct, revise it accordingly, and ensure that it is enforced through contractual obligations.

Section 1: Background

The British Association for Supported Employment

BASE is the national trade association for organisations that provide supported employment services. BASE was formed in 2006 by the merger of the National Association of Supported Employment (NASE) and the Association for Supported Employment (AfSE).

BASE currently represents over 200 agencies throughout the country and is committed both to supporting these and to encouraging new ones to develop. As an independent member organisation, BASE is open to any agency delivering supported employment services in the UK. Affiliated membership is open to any individual or organisation who is interested but not delivering supported employment services.

BASE is concerned with establishing collective action on national issues that cannot be addressed by individual agencies and members. As a priority, the Association developed a nationally accepted definition of Supported Employment. This still offers a guideline to good practice, with its basic requirement that employment should mean integration into a regular work setting.

The Association is registered in England and Wales as a company limited by guarantee (Reg. No: 05794990) and has formal memoranda and articles. It has charitable aims.

BASE has a National Executive Committee, elected by the regions, to lead the Association's development work in areas of concern to the membership. BASE supports regional activity through networks of agency members. These regions largely correspond to regional government areas.

Supported Employment

Supported employment was developed in the USA and Canada in the 1970's and 1980's. Whilst it's original purpose was to help people with intellectual disabilities to get an ordinary job, supported employment has in later years proved also to be of significant help to other target groups who have traditionally found it difficult to gain and maintain employment.

The background to the rise of supported employment is to be found in the fact that vocational rehabilitation and training was dominated by organisations and public institutions providing sheltered work and activity centres. The assumption behind this system of rehabilitation was that the client had to be trained and empowered to be able to participate in normal working life, and people with disabilities were only considered for employment after prolonged training and vocational preparation – the “train and place” model.

Towards the end of the 1970's, it was increasingly recognised that the traditional “train and place” methods of vocational rehabilitation and training contributed little to the integration of people with disability in ordinary working life. It became clear that

good working skills alone were in themselves not enough for a person with disability to find and retain a job.

For this reason the idea of a 'job coach' was introduced. A 'job coach' had the task of offering well-structured support to a person with a disability performing ordinary work. This support could include on-the-job training, social skills training, assistance with travel to and from work, and other support necessary to make the employment successful, both for the disabled person and the employer. The 'job coach' model constituted something else other than ordinary rehabilitation practice, as the job coaches are present at work to assist in adaptation, integration, training and education.

The idea was to first place participants in a job and then train in-situ in task performance – the “place and train” model. The earliest assignments in non-sheltered environments often followed a ‘place and pray’ strategy, and for this reason the “place-train-maintain” strategy was developed. When the necessary stability had been achieved, the job coach withdrew (faded), and left the employee with their new colleagues (natural supports/co-workers).

During the 1990's supported employment was increasingly characterised by the idea of people with disabilities having ownership of their own job requirements and increased user participation. Moreover the concepts of promoting natural supports and partnership working with key stakeholders were emphasised. The principles of inclusion and obtaining jobs in the ordinary labour market continue to remain central to the concept of supported employment.

Section 2: The Case Made for Change

BASE members felt that the DWP has generally made a strong case for change. They support the Government's aim to improve employment rates for disabled jobseekers whilst achieving value for money and maintaining high quality standards.

Members generally agreed with the conclusions drawn from the National Audit Office (NAO) findings¹ and the underlying key concepts put forward to improve consistency, flexibility, support and progression in the new programme. These themes reoccurred frequently within the DWP and BASE consultations.

BASE recognises the importance of creating seamless and coherent pathways into employment but has some concerns that previous reports such as the NAO report have not taken a sufficiently holistic view of the framework of provision across the UK. BASE estimates that local authorities and the health and voluntary sector contribute a level of funding equal to that devoted by DWP to the Workstep and work preparation schemes. Department of Health initiatives such as Valuing People and the mental health and social exclusion initiatives are also increasing demand for part-time employment through permitted work. A review of DWP provision should carefully judge how it interfaces and impacts on other parts of the employment pathway as well as with Pathways to Work.

Members endorsed the aims to more fully link into specialised transition and education projects. The DWP states:

*"Making these proposed changes a success will depend on our ability to make better links through other organisations so that, for example, we are better able to help people as they make the transition from education to employment or from elements of social service provision to employment."*²

Members strongly agreed with this statement and felt that previous failures to take into account other national and local initiatives had created gaps in service provision, sometimes undermining the financial viability of many local schemes and disregarding the potential added value created when DWP programmes link into local initiatives funded through a diversity of sources e.g. local authorities, voluntary and private sector projects, local education, ESF, and children's services initiatives.

¹ National Audit Office (2005) 'Gaining and retaining a job: the Department for Work and Pensions' support for disabled people' Report by the Comptroller and Auditor General, HC 455 Session 2005-6, 13 October 2005.

² Page 27

A Broader Evidence Base

Members felt that one positive way for the DWP to establish greater linkage into these initiatives is to base their case for change on a wider pool of evidence which takes into account social and health service trends, the latest education to work initiatives e.g. 14-19 Pathways³, and Learning for Living and Work⁴. The DWP could also set their programmes in the contexts of important documents that set out a common vision for services of people with disabilities and ethical guidance, such as the 'Valuing People'⁵ document in England, and the 'Fulfilling the Promises'⁶ and 'The Same As You'⁷ papers in Wales and Scotland respectively.

Recommendation 1: That the case made for change considers a wider evidence base that a) shows consideration of other national and local initiatives and b) considers how any proposed new programme may impact upon, and link into these strategies at a local level.

BASE members considered the positioning of the new programme in relation to Pathways to Work and supported permitted work. There was agreement that the new programme should target those furthest from the labour market and that many disabled jobseekers should be able to access appropriate support through Pathways to Work.

The interface with permitted work is more complex. Many people are only able to work a limited number of hours and are unlikely to progress off incapacity benefits. For others, it is a valuable stepping-stone into employment. The incentive to engage through permitted work has been eroded over the years. Under the Employment Support Allowance rules, customers will continue to be limited to earning up to £20 after 12 months if they are on means tested ESA despite a higher earnings limit for the initial 12 months.

It is increasingly difficult to secure employment of only a few hours per week and BASE would like to see either the abolition of the permitted work lower limit (PWLL) or a linkage to working a full day per week at the national minimum wage. BASE members believe that the new programme should be accessible for people working above 8 hours per week. This would create a seamless pathway from permitted work.

It will be important that clear guidelines are in place to ensure that the right people are accessing the new programme and BASE has views about how this might best be achieved. Whilst agreeing in principle that Disability Employment Advisors should approve individual eligibility for support, members feel that there is a strong case for

³ White Paper – 14-19 Education and Skills (2004) Department for Education and Skills. HMSO, St Clements House, 2-16 Colegate, Norwich, NR3 1BQ.

⁴ Learning and Skills Council (2006) - Learning for Living and Work. In Wales, Education and Learning Wales (ELWa).

⁵ Department of Health (2001). Valuing People – A New Strategy for Learning Disability for the 21st Century, London: HMSO

⁶ Learning Disability Advisory Group (2001) Fulfilling the Promises: Proposals for a Framework for Services for People with Learning Disabilities. Cardiff: Welsh assembly Government.

⁷ The same as you? A review of services for people with learning disabilities (2006) <http://www.scotland.gov.uk/ldsr/docs/tsay-00.asp>

accepting a percentage of referrals directly from health and social care provision. This would encourage better access from City Region strategies⁸ and work to support social inclusion through the Valuing People and mental health strategies.

Recommendation 2: DWP should abolish the distinction between means tested and contributory entitlement to undertake supported permitted work so that there is no difference to the financial conditions.

Recommendation 3: The permitted work lower limit (PWLL) should be abolished. If this is not possible, then it should be linked to the national minimum wage with a lower limit equivalent to a full day's work (i.e. 8 hours per week).

Most BASE member organisations receive funding from a variety of sources including local authorities, the health service and ESF co-financing. There are direct linkages with local planning and delivery forums such as Learning Disability Partnership Boards. BASE supports the aim to retain high quality specialist provision but is concerned that the direction of travel towards regional contracting will not fit well with the local planning within health and education. If the new programme is to support people to become more independent and engage with the labour market then a more holistic view of provision must be taken.

Most members felt that the case made for using large prime contractors did not fit well with the aim of developing localised provision. Some members reported problems in the subcontracting arrangements. Often, large contractors did not have knowledge of localised employment initiatives and were unaware of the range of specialist provision within the localities.

As one member stated:

“Historically this form of commissioning has failed to take into account existing local provision, even where it is working under contract to or in partnership with JCP. Contract managers for newly commissioned services are often regional or district based and local agreements tend to be local.”

While it is acknowledged that a ‘vibrant subcontracting’ market to target local needs may be a desirable goal, there is little evidence from previous tendering exercises to suggest that this will inevitably happen within the proposed programme. Members with experience of subcontracting to large contractors reported that often contracts were not negotiated with smaller providers; they tended to subcontract to other large organisations (sometimes due to built in management costs); and there were sometimes inconsistencies in the distribution of services in some regions. Some people had to cross local authority boundaries to access specialist services while others had an option of two providers within a single authority. There was unanimous

⁸ Roulstone, A (2000) *Disability, Dependency and the New Deal for Disabled People*. *Disability & Society*, **15**, 3 427 - 443

agreement that larger contractors tend to ignore those services aimed at people with higher support needs, by 'cherry picking' to ensure that they meet their financial and placement targets.

Case Study 1: Comments of a New Deal for Disabled People provider seeking to contract with prime providers for Pathways to Work

We are a NDDP provider that is very successful at getting jobs for people with severe mental illness. When it came to having to talk to larger main providers, we found that the majority had no real understanding of mental health issues and the majority did not even know what a care plan was. We had to do a PQQ for up to seven providers in each district.

The PQQ had a serious impact on our charity. We are a small organisation and it took a serious amount of time for us to have to fill in the PQQ and visit these organisations. We had to visit the majority, as we wanted to subcontract when Pathways was introduced and we could not afford to gamble on who would win. The fee they were willing to pay us ranged from £800 to £1,500.

When the successful tender was announced, the first notification we got from them was to tell us that they were not honouring TUPE, even though we were not seeking it for our staff.

We congratulated them on winning the contract told them of the NDDP work that we had done in Lambeth, our links to the health service in employment, and our willingness to work in partnership. I had an e-mail back saying that they were doing everything themselves and would only consider spot-contracting. I responded saying we would possibly be interested but we got no reply. I have heard from other sources that the health service was also having problems negotiating.

Our experience has been that this policy is deliberately designed to help main contractors deal with high volumes but has not had the flexibility that NDDP had to allow smaller more specialist providers to offer services to customers with greater needs. It has meant that our charity is having to seek money from trust funds to carry on the work with customers who should be offered services through mainstream funding.

Supported Employment as an Investment in People

BASE members acknowledge the need to develop a programme that provides value for money and recognise that there is no place for poor quality provision. However, they also feel that the case made for change was too cost driven. It is understood that the use of larger contractors tends to reduce unit costs, but often this is at the expense of those who genuinely require supported employment services. BASE has evidence that some prime providers have not subcontracted or done so on the basis of cost rather than quality. Many specialist providers see this as a major threat; not only to their ongoing existence, but also as a reduction in the choices and

opportunities available to job seekers with higher support requirements. Members feel strongly that they would not compromise specialist provision for the sake of a cost saving exercise. The DWP is urged to give full consideration to the impact that the prime contractor approach will have on local initiatives. Any case made for change that establishes cost as a main driver inevitably poses a threat to localised planning and the quality of provision to the customers.

Members feel that in order to more fully realise the potential of supported employment, the case made for change should be based upon an 'investment in people', where the fixed costs gradually decrease in line with the ever decreasing levels of support required to enable people with disabilities to hold onto their jobs. They also have concerns about the use of the term "unsupported work". Participants on the programme are likely to require ongoing support in order to retain their jobs over the longer term. The evidence is that people tend to drop out of work if there is a crisis and they don't have access to support.⁹ A small investment in ongoing support, even after progression off the programme, is easily justifiable within the context of Freud's judgement on cost savings. Viewed this way, unit costs will decrease to the minimum amount of investment required to sustain each person in supported employment according to their specific needs at any one time.

It is clear that DWP will make cost savings by passing on some of the contract management costs to prime providers. BASE wants to ensure that a new programme is not just about cost savings but about ensuring that customers receive the appropriate levels and quality of support when they require it.

There is a strong cost argument supporting this case. It makes sense financially to enable job seekers to regain access to the support they require, rather than allow them to fall out of the programme and back onto welfare benefits.¹⁰ Freud showed that significant savings accrued when people are supported into work and there is now a convincing body of evidence in the UK¹¹, USA and Australia¹² to demonstrate the cost effectiveness (both human and fiscal) of the supported employment approach in enabling people with higher support needs to obtain and hold down paid jobs.

Case Study 2: Long term Sustainability

The Southern Counties Employment Coordinator visited a service-user who has a franchise with a leading florist. Mr H has macular degeneration, and over the past 9 months, since diagnoses, has gradually become less able to do his job,

⁹Burchard. T,(2005) The Education and Employment of Disabled Young People: frustrated ambition (2000 The Policy Press and available from Marston Book Services, PO Box 269, Abingdon, Oxon.

¹⁰ Freud. D, (2007) Reducing dependency, increasing opportunity :options for the future welfare to work DWP, HMSO, St Clements House, 2-16 Colegate, Norwich NR3 1BQ.

¹¹ Beyer, S., Goodere, L., & Kilsby, M. (1996). Costs and benefits of supported employment in Britain. London: The Stationery Office.

¹² Lewis.G, (2003) A comparison of Supported Employment in the USA and Australia. Key note presentation – 8th European Conference of Supported Employment - Helsinki

and consequently become very depressed. Mr H has had to rely on his wife to do, not only all the deliveries as he can no longer drive, but all the computer ordering and paperwork as well. His sight was not strong enough to use the florist's detailed computer programme and could not access orders or invoices by computer, or by hand; even with a hand-magnifier.

The Coordinator arranged for an Assistive Technology Coordinator to accompany her on an assistive technology assessment, taking with them a task light, a desk magnifier, an Amigo-Enhanced Vision Magnifier, an Optelec Compact Plus Magnifier, and a 19" computer monitor.

After discussion with the florist's computer software service-provider, the Assistive Technology Coordinator managed to increase the font on the program as much as was possible, and installed the monitor. The magnifiers were demonstrated and Mr H felt that the 'Amigo' magnifier was the most useful. He found that using this, in conjunction with a task light made a tremendous difference to reading brochures, invoices and paperwork. This equipment has now been loaned to the client.

Mr H was thrilled at, in his words, "having been given back his vision" and was complimentary of the "caring way" he had been dealt with, stating he wished he had contacted Action earlier. When spoken with today, all the equipment was being used, and Mr H is "back to work". He did not realise "all this equipment was available".

The Employment Coordinator is now implementing an Access to Work application to see if we can get the appropriate equipment for the service user.

BASE members made the following recommendation:

Recommendation 4: That the DWP adopts a longer-term view on job sustainability and recognises that individuals may well require long-term support, often at minimal levels, to maintain their employment and encourage career development.

Section 3: Integrated Flexible Support

The DWP proposes to replace the current Job Introduction Scheme, Work Preparation and Workstep programmes by creating what it describes as “an integrated programme with 3 main elements to improve the flexibility, continuity and consistency of the approach and to encourage greater progression towards unsupported employment”.¹³ The BASE membership strongly endorsed this proposition.

Most members felt that the DWP should not continue to provide the incentive currently offered under the job introduction scheme. For many this goes against the principles of supported employment and increases the risk of ‘subsidy’ and ‘disability’ becoming synonymous. Members argued that an ability on the part of agencies to develop efficient job matching procedures and provide appropriate support to each customer overcomes the need for such incentives. Most felt that employers did not want these incentives and they urged a reinvestment of this money back into the programme.

There was agreement that the current programmes are often disjointed, and that progression through the elements can be hindered by red tape, poor overlap and funding stream boundaries. Bringing these elements under one programme should improve continuity and consistency. They also agreed that the ‘work entry’, ‘transitional’ and ‘long-term’ supported employment elements as described in the document contain many of the essential components associated with high quality supported employment provision. There is recognition in Element 2 that some supported employees will require transitional support in coping with the demands of their new jobs, and members agreed with the overall aims of encouraging agencies to support employees to become increasingly more independent in their jobs.

Recommendation 5: That the DWP combines the Job Introduction, Work Preparation and WORKSTEP schemes into a single programme as proposed.

Eligibility Criteria for the New Programme

Members made some suggestions about increasing the flexibility of the programme to include those working less than 16 hours per week. It was felt that the current criteria discriminates against those who can only work shorter hours, discounts those who may start off working less than 16 hours a week but can progress towards that aim, and pays no regard to the disincentives resulting from the ‘welfare benefits trap’. Some argued that the criteria should be as low as an hour per week; others argued that it should remain at 16, but most felt that 8 hours was a more realistic and practical level of entry onto the programme.

BASE proposes changes to the supported work lower limit so that individuals can do a full day’s work over the course of each week. It makes sense to have the new programme kick in at 8 hours per week to compliment progression from permitted work.

¹³ Page 39.

Recommendation 6: That the eligibility criteria for accessing the Workstep programme be reduced from 16 hours to a minimum of 8 hours per week.

Referral to the Programme

If the new programme is to target those customers furthest from work then clarity will be needed about the eligibility criteria. BASE members agree with the proposal that DEAs continue to approve eligibility in the majority of cases.

A range of prevocational activity is funded through local authorities, the NHS and voluntary sector. There is an increasing emphasis on local and multi area agreements to tackle underemployment. BASE believes that there should be linkages between this activity and the new programme. A sub-regional approach to contracting would help to reinforce this link and we suggest that a proportion of referrals be drawn directly from local health and social care pathways.

BASE had concerns that DEAs may inappropriately refer some customers from social care provision on to Pathways to Work. If a provider has supported an individual through prevocational activity then it is probable that they have sufficient knowledge of the customer to inform a collaborative decision as to the best provision for that individual. Referral back from Pathways to Work to the more specialist service in this instance would be an unnecessary step and cause disruption to what should otherwise be a smooth and coherent employment journey.

DEAs, therefore, need adequate local knowledge of providers and referral routes. DEAs will need to draw on information from a variety of sources on which to make a judgement as to whether someone should access the new programme or be referred to Pathways to Work.

Recommendation 7: That a clear set of rules and criteria are put in place to assist the DEAs in making eligibility decisions for new referrals to the programme.

Recommendation 8: DEAs should continue to approve eligibility for the majority of new referrals. However, a percentage of referrals should be available for direct referral through local health and social care pathways.

Recommendation 9: Formal procedures should be in place to ensure that all relevant information, including from local service providers, regarding newly referred job seekers is available to DEAs at the referral stage.

The Work Entry Element

BASE members supported the notion of funding prevocational support through the work entry element and it is clear that some customers will take longer to progress into work. Members felt strongly that there was a need to distinguish those who genuinely could not progress from those who were making progress, albeit gradual.

Some suggested that the assessment of distance travelled and use of 'soft outcomes'¹⁴ be part of the programme's monitoring procedures. These can be useful to measure a job seeker's progress *towards* getting a job, rather than relying purely on the outcome of obtaining it.

It was felt by many that a time limit should be imposed on the work entry element and suggestions ranged from 6 months to two years depending on individual circumstances. BASE suggests that individual customer progress through the work entry element be collaboratively reviewed on a regular basis.

The programme envisages that the DEAs will play a central role in monitoring the progress of job seekers through the programme, in re-assessing their needs over time and in making recommendations for progression. Supported employment has a history of using individual development plans. These could be generated with DEAs to set goals and monitor the customers' progress through the programme.

Members felt that DEA checks needed to occur at regular intervals with views ranging from every 3 to 6 months. Members preferred more frequent checks, especially where progression is rapid. Four monthly reviews are suggested.

BASE suggests that customers should typically expect to enter employment within a 12-month period but recognises that flexibility will be needed. In individual cases, the work entry element should be able to be extended with the agreement of the DEA.

Recommendation 10: The Work Entry element of the programme should generally have a 12 month time limit but allow for an extension with the agreement of the DEA should the customer continue to be making progress.

Recommendation 11: That DEAs monitor progression of the customer through the programme preferably every 3 to 4 months, but at a minimum every 6 months.

¹⁴ Lloyd, R, and OSullivan, F, (2003), *Measuring Soft Outcomes and Distance Travelled: A Methodology for Developing a Guidance Document*, London: Department of Work and Pensions.

The Transitional Element

BASE members recognise that a transitional support element of up to two years will help to keep a focus on customer progression. It is very difficult to anticipate before a job start whether a customer is likely to require longer than two years support. BASE recommends that flexibility is retained so that customers can be allocated transitional or long term support after they start work and that an assessment of their likely support needs is undertaken within the employment context. A customer may be initially assessed to need long term support but it may become apparent after a job start that they require only transitional support and vice versa. Decisions on which element is most appropriate should be made collaboratively between the DEA, provider and customer.

Recommendation 12: The decision to allocate support through the transitional or long-term support elements should be collaborative and made after the job start. It should be possible to move from one element to another depending on an assessment of the customer's individual needs.

The Long-Term Support Element

Although members generally agreed with the proposed content of the long-term element, they had concerns over its potential to reduce capacity within the programme. Over time, more people will be allocated long-term support and this will have the effect of tying up resources. This is unavoidable if we are to maintain people with ongoing support needs within the workplace. It will however reduce the number of places for new entries unless additional resources are put in place in the future.

BASE members seek assurance that the DWP acknowledges this as a potential outcome and urges the department to provide levels of funding that help not only to sustain those in long term supported employment, but also to recognise the need for further investment, so as not to reduce agency capacity and flexibility to work with those entering or progressing through the other stages of the programme.

There was a broad agreement among members that customer access to long-term support should be agreed through a collaborative assessment between the DEA, provider and customer.

Recommendation 13: That DWP gives full consideration to the potential that long-term supported employment has for reaching capacity. The DWP should consider, within its funding plan, the likely requirement for future additional investment to maintain the capacity of the programme.

Recommendation 14: That progression onto the Long-term Support element is agreed collaboratively with the DEA, provider and customer.

Sustainability

Members felt that the term 'unsupported employment' may be misleading and can be interpreted as people moving off the programme without any need for further support. Previous use of the term "supported employment" by DWP for employment

programmes has not been appreciated by the sector and the use of the term “unsupported employment” was seen as less than helpful. While working without support may be a realistic aspiration for some, others progressing to this stage will require episodic support to help them keep their jobs over the longer term. This is particularly relevant for employees who have deteriorating or fluctuating conditions due to the unpredictability of their disabilities, the onset of age related disabilities or, simply, that some may find it difficult to adapt to changes in the workplace or in their personal circumstances. Clearly, it is unethical and uneconomical to let people lose their jobs for the want of relatively small investments over this longer term. Many members recommended the development of a ‘crisis pot’ of money, derived from savings from the programme to fund these interventions.

Case Study 3: Long-Term Crisis Intervention

Matthew is a 42 years old Mental Health Support Worker of The City & County of Swansea Social Services Department. Matthew suffers from chronic back pain and paranoid schizophrenia. Matthew currently manages both conditions reasonably well. He uses a specialist chair for his back and receives medication to manage his schizophrenia.

Matthew had been unemployed for some time and had lost a previous job due to deterioration in his mental health. In Oct 2005 Matthew decided to seek employment related help and undertook a period of work preparation with The City & County of Swansea Work Preparation Team. Matthew engaged in a number of positive work preparation activities and undertook a placement within the local authority. Matthew worked to a high standard whilst on placement and at that stage managed his condition effectively allowing him to make good progress whilst on the placement. Resources to manage the service and recruit staff were limited. However the department recognised Matthews’s skills and were impressed with his ability to empathise with clients and subsequently offered him paid employment.

Matthew suffered rapid deterioration in his mental health shortly after securing employment as a Support Worker despite working in a supportive local authority environment. The employer immediately went about making reasonable adjustments. Colleagues were delegated to assist with work tasks and Matthew was offered encouragement and flexibility. The initial supports set in place by the employer were all reasonable adjustments and appeared to help although due to limited resources could not remain indefinitely. The situation was clearly spiralling out of control. Matthew’s job was now at serious risk and his condition was worsening.

Workstep then became involved and immediately a process of assessment began. Client/Employer meetings were set in place and following Workstep induction a Development Plan was agreed. The agreed measures had a significant impact in allowing Matthew to retain his job. One of the key factors in this case was personal support and the Workstep package clearly addressed this issue. Matthew is a client whose condition will always have to be managed; it will never ‘go away’.

It is the management of the condition in conjunction with long term Workstep support that allows Matthew to remain in his job. Colleagues continue to offer support. They continue to address productivity shortfalls and understand Matthews's condition. Without Workstep support the process would fail. This is clearly a case where long term funding is crucial to work success and gradual long-term development and job maintenance. However it must also be remembered that it is Matthew and his determination to succeed that has also allowed the process to work.

Recommendation 15: DWP should avoid use of the term 'unsupported employment' and provide reassurances that it will provide the financial investment necessary, possibly through a 'crisis pot', to provide specialist intervention to help those who have progressed off the programme to keep their jobs over the longer term.

Re-entry to the Programme

Members questioned the clarity of the programme regarding those who fall out of work following a sustained progression. It remains unclear how re-entry will be gained and at which level in the programme. For example, if someone falls out of work while they are accessing long-term supported employment provision, it is unclear if they are eligible to access support provided through work entry and transitional elements of the programme. Again, this is a role envisaged for the DEAs and there needs to be clear rules and procedures in place to help them make these decisions to maximise the potential for quick follow up and re-access to the programme.

The new programme should allow for entry on a job retention basis as Workstep currently does.

Recommendation 16: That the DWP develops a clear set of procedures to enable job seekers and employees to re-access elements of the programme following job fallout according to their needs.

Base members identified the wide range of skills required to successfully provide supported employment to the diverse customer base. This includes not only job matching and ongoing support for the employers and customers, but knowledge of welfare benefits, health related issues, and the ability to market supported employment and link into other local initiatives. BASE felt that there is a need to develop a national qualifications framework to better ensure that those being contracted to provide provision have the necessary skills and knowledge to do so. This could be addressed alongside the implementation of the proposed Institute for Rehabilitation.

Recommendation 17: That the DWP develops a national qualification framework for supported employment personnel, possibly linked to the proposed 'Institute for Rehabilitation'.

Section 4: Extended Roles of the DEAs

The DWP proposes to greatly extend the role and responsibilities of the DEA. They will be expected to refer the right people onto the programme; ensure that the customers' needs are being met appropriately during each element; ensure that those ready to progress off the programme are encouraged to do so; and report back on the quality of service delivery.

Members generally agreed with these aims and it was acknowledged that the ongoing role proposed for DEAs to monitor customers moving through the programme should create continuity and consistency. It was also generally agreed that DEAs were in a prime position to judge the totality of the programme and were "vital to the effective delivery of the Department's Employment Programmes."¹⁵

Members raised serious concerns about the quantity and capabilities of DEAs. Most agreed that if you can get access to a 'good' DEA, then they are indeed a very valuable and useful resource. However, as the DWP acknowledges, the quality of DEA support is inconsistent and varies across regions. Members had concerns across four main areas: availability and turnover; knowledge and skills; line management arrangements; and potential conflict.

DEA Availability and Turnover

Members reported that in some areas DEAs are hard to contact, and even when contacted it could be weeks before an appointment to meet could be arranged. Other members reported that there had been no sick cover when their local DEA was off ill, in one instance for 8 weeks.

BASE members reported extensive delays to referrals to Workstep due to a lack of DEAs. In some instances these delays had cost customers their jobs, as many employers find it unviable to have long delays in recruitment.¹⁶ This lack of access has previously led to delays in DEAs referring people onto the programme, creating a bottleneck and making it difficult for providers to meet their occupancy targets. This clearly had a big influence on the views of many members in relation to the proposal to make DEAs the sole conduit onto the new programme.

Members reported a high turnover of DEAs. Many experienced staff leave to join providers; others leave the profession altogether because of frustration or feeling undervalued. BASE would like to see better recognition within Jobcentre Plus of the role of DEAs and a review of how individual targets are set.

Although members agreed that "the options for enhancing the DEA role does not necessarily require a significant shift in their overall role"¹⁷, many felt that this underplays the important shift in DEA time allocation and resource that will be required to meet the new programme's demands. The DWP also need to consider

¹⁵ Page 51

¹⁶ Arksey, H., Thornton, P. and Williams, J. (2002) Mapping employment focused services for disabled people, Department for Work and Pensions In-house Report 93, Social Research Branch, Department for Work and Pensions: London

¹⁷ Page 54

that if DEAs are to play an 'ongoing' role with customers, then the capacity for DEAs to fulfil other roles will be diminished.

Although some of this may be gained through tackling the issues highlighted above, including high DEA turnover rates, members were sceptical that this alone would ensure that the appropriate level of resource becomes available.

This scepticism increased in the knowledge that there is to be no extra resource available for funding DEA activities, and that these extra roles must not "be at the expense of other core (DEA) roles".¹⁸ Some members felt that even with the appropriate number of DEAs, these additional duties may over extend their capacity to fulfil these roles properly. In short, many members had serious doubts that the DEA roles would be resourced and managed properly, and if this turns out to be the case, then the programme would be seriously undermined.

It is clear that the range of DEA tasks envisaged in the report will require a considerable increase in resources to improve availability and capability.

Recommendation 18: The DWP should develop a clear strategy for ensuring that DEAs have the necessary capacity to meet the programme needs.

Recommendation 19: The DWP must tackle DEA job turnover rates by effectively supporting staff, reviewing the setting of individual targets and demonstrating that their roles are valued.

Knowledge and Skills

Members acknowledged that the DWP has provided extra training to DEAs on disability-specific issues but there remain widespread concerns that many DEAs do not have the skills or disability awareness needed to support particular customer groups such as deaf customers. One particular suggestion was that DWP should employ peripatetic deaf DEAs who might offer support across a JCP district.

Furthermore, some members reported that DEAs had low expectations of some customer groups with higher support needs, such as people with learning disabilities, many of who can excel in employment if provided with the appropriate support.

DEAs also need to be able to take into account the potential impact of cultural traditions on employment choices. For example, a customer may have an interest in a catering career but be unable to handle pork products.

Recommendation 20: The DWP should employ more DEAs with direct experience of disability issues.

Members suggested that in their extended roles, DEAs need to become more acquainted with national and local issues pertaining to the field of supported employment. Members felt that it will be imperative for DEAs to:

¹⁸ Page 55

- understand the value-base and historical context of supported employment;
- have a wider understanding of how support is tailored around specific disability groups;
- have a greater understanding of how joint working operates locally, across the private, public and third sectors;
- have a good knowledge of the local labour market and of employer needs; and
- have a good knowledge of the varying cultural needs of customers and how this might impact on employment.

Specialist disability employment programmes tend to have a low profile within local jobcentres. While this suggests the need to develop consistency in marketing the programme, it is also important to ensure that there is consistency in delivering high quality DEA training across the regions.

Recommendation 21: Additional training will be required for DEAs around the following topics:

- ***Eligibility criteria and protocols on the new programme***
- ***Knowledge about the range of disabilities and communication methods***
- ***The range of support approaches available through supported employment***
- ***Current trends in national policies and strategies across the various Government Departments, including key values and position papers***
- ***Local joint planning approaches across Public, Private and Third Sector organisations eg local area agreements***
- ***Developing and implementing individual action plans***

Line Management Arrangements

BASE members consistently expressed their view that DEAs are isolated within the current line management arrangement. Many jobcentre managers have little knowledge or interest in disability issues. Individual DEAs have little opportunity to exchange best practice and knowledge and provide peer support. The new programme will add to DEA responsibilities and increase the need for support and supervision. BASE feels that it is imperative that District or sub-regional disability teams be re-established and that DEAs operate as part of a specialist team.

Recommendation 22: DEAs should be line managed in sub-regional specialist teams.

Conflict Resolution

BASE members expressed some concerns about the role of DEAs in reporting on the quality of provider services. Whilst recognising that they have a role to comment on quality issues, there was some concern that relations between some providers and individual DEAs may potentially lead to conflict. Providers will want some

recourse to challenge what they believe to be unsubstantiated or unfounded claims regarding issues of quality.

Recommendation 23: DWP should offer providers access to comments made by DEAs and customers about the quality of service provision so that they have the opportunity to respond.

Section 5: Supported Factories/Businesses

When BASE was formed it was an amalgamation of factory-based provision and services specialising in providing integrated support in 'open' employment settings. Unsurprisingly, the member's views were broadly based around these perspectives. Factory staff tended to maintain that that they were a legitimate and valuable service in their own right, while the others argued for factory modernisation to be based on the progression of their customers into integrated paid work. For some topics this made it difficult to base recommendations on a consensus of member views.

Proposed Protection of Places

This said, there was a consensus among members that due to "historical legacy" and the "timeframes" involved in turnaround, the DWP should go ahead with its proposal to provide some contractual protection for 3,000 supported factory and workshop placements currently using the WORKSTEP Provision.

Case Study 4: An Historical Legacy

Stan was born in February 1943 in Exeter and had a normal childhood until the age of 9 when his eyesight started to deteriorate dramatically as a result of macular degeneration.

When he became of working age, in 1962, he signed on with the labour exchange as a person with a disability seeking employment. He was offered a position with Exeter City Council in a 'workshop' they were setting up for persons with a disability. Stan points out that things were not the same for disabled people looking for work in 1962 – employers were not interested in taking on disabled people. Stan has worked in a supported workshop apart from a short period in "open" employment until his retirement in February 2008. In Stan's view this has given him a career (Stan having progressed to Charge hand), the financial stability to purchase his own home and support a family as well as a decent pension to retire on.

In his twenties, Stan's tried out "open" employment for four years but, when needed, the system did not provide the back up or external support for people with disabilities and in-house support was not what it is today.

Stan freely admits that he would not have had the working life he has had without the support and assistance of workshops such as Plus and believes that the latest initiatives in supported employment gives people with disabilities far more opportunities and support than was available when he started work.

Views varied around the length of protection with some members suggesting three years while others suggested for the lifetime of the contract round. Most were in favour of a definitive time span for the protection period. This is an important issue. In cases where factories fail to adapt, then there will be high levels of redundancy and people who have become reliant on the protective environments over a long

term of employment will lose their jobs and require significant support to enable them to develop the confidence to readjust to open employment situations. Indeed many argued that protection for those who had been at the factories for periods of 20 years or more may require indefinite protection.

Recommendation 24: The DWP should provide time limited contractual protection for the 3,000 supported business placements currently using the WORKSTEP provision. Further discussions should take place on the practicalities of offering this protection.

Many members from supported businesses argued that they already deliver good quality employment options. There are clear progression routes both within the businesses and through support into open employment. There were also established inspection routines including OFSTED, Investors in People and ISO9000, and they were already working in partnership through joint investment with many local stakeholders. Many members were displeased that Remploy is not being subject to the same tendering exercise as the supported businesses. Some felt that the report should have provided an explanation for making this distinction.

Modernisation Routes

Most members agreed that we do not want to be facing the same situation with supported businesses in 5 or 7 years time and that “no change” was not an option. Members agreed upon the need to work together to find creative solutions to the problem of factory modernisation and this needed to happen within the available timescale. Members proposed a number of modernisation routes including increasing the financial viability of the businesses.

BASE believes that factory-based provision has a role within the overall framework of supported employment. They are able to offer the equivalent of an intermediate labour market and can act as a link between social care and open placement. Many have to reconsider their product lines and aim for financial self-sufficiency, particularly within tight local government financial constraints.

Case Study 5: Intermediate Labour Market

Malcolm, a client with a learning disability, was referred to GIS in November 2004 and the placement team started to work with him. They encountered some communication difficulties and it was decided to carry out a work experience assessment in one of the supported factories. After 5 weeks it was obvious that Malcolm was prepared to carry out any duties he was asked to do and was very competent.

Malcolm attended an interview with a local window making company and was supported by one of the placement team and it was agreed that they would give Malcolm a work trial. After the trial they offered Malcolm a permanent position in March 2005.

Malcolm has continued to flourish at the company and has found a niche within the organisation. His interaction with other members of staff has improved and he survived a redundancy situation in the organisation due to his work ethic.

Malcolm will be progressed into open employment at the end of March 2008. He believes that he would never have had the confidence to enter open employment without the work preparation provided in the sheltered work environment of the factory.

Some businesses will not be viable without additional subsidies. BASE questions the issue of parity between subsidies offered to Remploy factory placements and the true cost of local authority provision.

Businesses can improve their productivity over time by reducing the percentage of staff with disabilities. Experienced staff may be able to progress off the programme and remain within the same employment setting. From this perspective the issue is not whether we should close the factories, but who should be in them. Many businesses have an opportunity to become social enterprises by becoming independent and this is a route for further exploration.

Many saw the modernisation of businesses as requiring a mixture of approaches: combining increased profit through shrewd management and marketing techniques; the diversification of funding routes by offering and developing new services with local partners; and the incorporation of Workstep as a means both of progressing employees within the factories, so driving up profitability, or offering direct placement into integrated supported employment through a placement service.

BASE has engaged with the DWP in discussions around the options for the protection of factory-based placements and provides three main options: to offer no protection; to offer time limited protection for factory placements where a prime provider holds the overall contract; and to offer time limited protection for factory placements by linking factories into specific ring-fenced contracts.

BASE believes that offering no protection would see widespread factory closures, resulting in mass redundancies and negative publicity. BASE felt that they cannot support this.

Including factory placements in tendered contracts might help supported businesses to link into the open placement provision of contract partners but factories may be pressured or coerced into inappropriate progressions by an unsympathetic prime provider. Some protection built into contract specifications might mitigate this.

Another option could be to maintain individual factory contracts or link factory-based providers together into specific contracts. They could then develop links with external partners or receive an additional 10-20% allocation of open placements to improve progression rates. There is a risk that there is little incentive for change under this option.

Whichever option is chosen, there must be changes within the supported business sector to deliver tailored provision and ensure an appropriate level of progression rates.

BASE would also like to see renewed efforts to support the provision of services through Regulation 7 of the Article 19 Directive. More effective use of reserved contracts could lead to businesses becoming less reliant on grants and income from programmes. The website¹⁹ developed to support businesses needs further investment and the committed support of DWP and other Government departments.

Recommendation 25: Any protection offered for factory placements must be accompanied by robust plans that show how providers will achieve modernisation.

Recommendation 26: There should be a review to ascertain how businesses can be better supported to market their services through the Article 19 regulations.

The Factory Support Grant

The Factory Support Grant has been used for modernising services or the purchase of machinery and equipment in the past and the report suggests that this be integrated into the funding of the new programme so as to assist more customers. BASE agrees that the Factory Support Grant be discontinued in its present form within the new programme but disagrees with the proposal to merge it with general funding.

BASE would like to see a significant proportion of the funding released by the Factory Support Grant being invested in raising standards by funding a provider support unit along the lines of the unit managed by the Adult Learning Inspectorate. That unit was widely appreciated by members of BASE and had a direct impact on raising standards on the Workstep programme. BASE believes that this will be even more important if partnership tenders are to be encouraged and it will help to address the needs of new provider organisations who tender successfully.

Recommendation 27: That the Factory Support Grant be discontinued and funds instead be invested in developing a provider support unit to raise and maintain high quality standards.

¹⁹ <http://www.supportedbusiness.org.uk>

Section 6: Access to work

Members were generally pleased with the way that the Access to Work programme runs. Members argued that the service could be marketed more effectively to employers and employees. There is a recognition that resources are limited but the programme should be extended to cover supported permitted work and equipment on work placements. Some said that they thought it should also be available for people undertaking volunteering.

BASE has some concerns about the lack of regional consistency in what is approved for funding and would like to see more clarity on what is eligible and what is not.

Responsiveness was identified as an issue. Employers often want new employees to start straight away. Adaptations can only be sought when the person starts work – this obviously has an impact on their job start and can cause unnecessary difficulties. BASE believes that decisions could be made earlier; perhaps after employment has been secured or whilst on a job trial.

Equipment is often still slow to come through and this can cause great frustration. The ownership of equipment is an issue and, depending on the price and nature of the adaptation, BASE believes that it should generally be transferable with the employee across jobs.

There is the potential for Access to Work money to be used for travel training and DWP should discuss this issue with the Learning and Skills Council. BASE also received comments suggesting the need for greater flexibility regarding customers who drive.

Members generally argued that employer contributions should remain unchanged. They felt that any increase would act as disincentive to employers. Similarly they argued that the public sector should retain access to the programme.

There was some discussion about how Access to Work funding is managed. Generally, members felt that the private sector should not be involved in order to “keep the money in the system”.

Recommendation 28: Access to Work funding should be extended to cover supported permitted work and equipment for voluntary work and work experience placements and job trials.

Recommendation 29: DWP should specify clearly what is eligible for funding through Access to Work and encourage regional consistency in decision-making.

Recommendation 30: Employer contributions and entitlement to Access to Work should remain unchanged. The public sector should continue to be able to use Access to Work funds.

Section 7: Commissioning and Contracting Arrangements

The Threat to Local Provision

BASE has previously contributed input toward the development of the Commissioning Strategy and the proposed Code of Conduct. During our consultation with members they felt that the case made for change did not provide evidence in favour of the use of large prime contractors, other than as a cost saving perspective. Our concerns revolve around:

- The potential negative impact on specialist local provision and reduced links to local prevocational activity and referral routes
- A reduction in customer choice
- The pressure for maximising profit through customer selection
- The effectiveness of DWP contract management
- The timescales and complexity of tendering process
- Financial issues such as the vulnerability of core funding

BASE members challenged the assumption that larger national providers are necessarily better placed to bring innovation and investment to the market. Following the introduction of Pathways to Work, some members have experience of prime providers refusing to subcontract; offering only spot contracts; contracting to other large organisations rather than local specialists; demanding large management fees and offering outrageous payment terms.

While they understand the need to reduce the number of contracts offered, BASE has serious doubts that the same commissioning model can be used for specialist programmes as for the mass volume programmes such as Pathways to Work. BASE is therefore calling for reasonable adjustments to be made to the DWP procurement procedures.

The members' experiences indicated that a supply chain arrangement is fraught with difficulties and that profit-making prime providers tend to remove funding from end delivery making it non viable for local specialist providers to get involved as subcontractors. BASE understands that DWP is seeking value for money but there is a real risk that prime providers will either not subcontract, or will do so on the basis of cost rather than quality.

BASE members recognise the potential that the programme has to save on management costs, but urge the DWP to put in place safeguards to protect localised planning initiatives. It was felt that large contracting agencies pose a serious threat to these localised strategies and were often unaware of the range of specialised provision, joint working initiatives and the diversity of funding streams involved e.g., local authorities, European Social Funding, 14-25 pathways. They also differ according to local service needs and priorities involving joint planning across private, public and third sector organisations.

If the prime contractors in the new programme fail to take these strategies into account, then this reduces the potential for the programme to be flexible according to local needs and priorities, and reduces the potential for added value derived through jointly planned and funded local initiatives.

In some instances, this can have a negative impact on the viability of a number of local providers offering DWP contracted provision as part of jointly funded local initiatives. If these contracts are not renewed, then there is a danger that some of these services will become untenable and local funding exposed to cutbacks. BASE believes that there will certainly be some services that disappear as local authorities seek to divest themselves of the burden of funding an activity that is seen as non-statutory and could be delivered through DWP contracted provision instead.

This reduces choice for the customers and may in some cases threaten the range of specialist provision available.

As one member put it:

“The logical options for retaining specialist services are sub-contracting of specialised work, pooled budgeting locally to cover all provision, or development funding for new specialist services of mutual benefit to providers and their customers.

Retaining local expertise will not be easily achieved if there is a shift to a mono-culture, a small set of very large providers, and a reduced unit cost as disinvestments from existing providers will knock out many agencies and staff with specialist experience.”

Members feel that if the DWP wishes to follow up the intention of linking up with local initiatives, then it may want to make a commitment to get involved in developing local forums within the contract areas. These bring together local initiatives for joint working and investment and have previously been led mostly by the local authorities. This could potentially be a role for the new prime contractors. At the very least, members felt that it should be part of a contractual obligation that prime providers can demonstrate a knowledge of local initiatives and produce a realistic plan for engaging them in dialogue.

Case Study 7: Added Value through Joint Working and Local Initiatives

United Response

United Response is the sub-contracted partner for a Council's Workstep programme. They also have a contract with Social Services to support people with a learning disability (known to the Council) into employment. United Response runs several social firms that employ people with learning disabilities in addition to a learning disability consultancy firm. There is a natural link or progression route onto the Workstep programme for customers who are able to work over 16 hours per week. In addition the Council has paid United Response's consultancy firm to develop questionnaires in a format suitable for people with a learning disability. They are able to work in partnership; to share costs and resources.

blueSCI

blueSCI is a mental health socially inclusive organisation based upon the social model of disability. They employ service users and are able to provide advice and guidance specifically on mental health issues. The Council has referred one Workstep client who achieved sustained progression for support. They have been enabled to “turn their life around” and have been very grateful of being referred to blueSCI. A DEA is based at blueSCI once a week to provide advice and support people looking for employment.

The Big Life Group

The Big Life Group is a new organisation that the Council has made links with and they will be exploring further opportunities for working together. Big Life runs a Jobshop within Old Trafford, which could provide a useful resource for new customers and for supporting people through job searching.

Breakthrough UK

Breakthrough UK is an organisation run by disabled people for disabled people. They have ESF funding to provide an advocacy advice to disabled people in work or who are unemployed within Greater Manchester. The Council has used Breakthrough to support one Workstep employee who was having difficulty with their electricity supply to resolve the situation.

Recommendation 31: DWP must make it a necessity that prime contractors are required to demonstrate that they have a track record of working at a local level and that they can, and will, engage with providers and planners at a local level as a contractual obligation.

The Pressure for Maximising Profit through Customer Selection

Clearly, one of the threats to specialised provision is the possibility that prime contractors do not subcontract with a representative range of specialist providers. The implication of this is that many specialist providers will be left out of the service. This reduces choice for the customer and, at worst, will lead to no provision at all for particular groups. While BASE members understood that the number of providers might be reduced as a result of a healthy subcontractors market, the result of this must not be that the ‘range’ of service provision is reduced.

Members clearly felt that their experience with larger contractors was driven by the need to keep unit costs down, and that this is often to the point at which subcontracting becomes difficult. One consequence of this is that those job seekers requiring higher levels of support are not included in the programme.

These job seekers requiring higher levels of support include people with severe physical disabilities, those with severe mental health problems and adults currently attending adult day services who have a learning disability or a dual diagnosis. These are groups that tend to have the highest unemployment rates and are more likely to be in receipt of social and health service provision. They are also precisely the customer groups that supported employment was originally set up to support.

As the proposal recognises these groups often require additional specialist support prior to job entry to develop their vocational profiles in order to target suitable jobs. Similarly, progression through the transitional phase of the programme may take more time for these groups, often requiring the preparation of a training plan to support the new employee to fit into the workplace culture and to learn the new skills of their jobs without the need for continuous support. Given these factors, members feel that it is important that the targets and financial incentives set for progression are realistic and reflect the fact that not everybody will progress through the programme at the same rates.

Members also felt that there is a need to develop criteria that obligates all prime contractors to work with a range of disabled job seekers, including those with higher support needs. If contracts are too generic, there is the very real danger that prime contractors can meet their progression targets without recourse to any form of specialised provision at all and at the expense of those with higher support needs. Members felt that the Commissioning Strategy should be subject of a full Equality Impact Assessment and there should be monitoring of the types of disabilities being served to ensure that no groups are being overlooked or omitted from new programmes.

The potential longer term effect of this is that specialised services will have to seek funding from elsewhere to survive and those customers with higher support needs will effectively be excluded from the programme. These fears are not without empirical foundations – Research in USA and Canada and recent trends within the UK have shown that where a more generic approach is taken to provisioning, those with higher support needs lose out, and the number of agencies specialising in this area is reduced.

Recommendation 32: That the prime contractors be obliged to target high support needs groups and demonstrate a track record of working with significantly disabled jobseekers, as an integral part of their contractual agreements.

Recommendation 33: That the time limits and level of investment for higher support needs groups reflect the reality of slower progression through the programme.

Recommendation 34: The DWP Commissioning Strategy should a) be subject to a full Equality Impact Assessment to ensure that the range of disabilities continues to be served appropriately and b) have an objective measure, developed via an external evaluator, to further ensure that there is a proportional representation of all groups within the programme.

Customer Choice

BASE is calling for a choice of providers in each contract area. If there is no choice of provider for customers, and if a customer has difficulties with the provider, any complaints mechanism is pointless as there is no alternative. Under NDDP or Workstep there have been several providers in most areas. If the methods or attitude

of one provider does not suit a customer they can go to another. This competition naturally drives up standards.

Members debated the size and geographical spread of contracts. They felt that the 14,000 places should be distributed to reflect population density and geographical boundaries. Many felt that contracts should be based on local authority boundaries, of which there are 442 in England, Wales and Scotland.²⁰ BASE understands that this is not a realistic option however. At the very least, most members felt that regional distribution needs to be sensitive to local authority boundaries and that contracts should be tendered on a district or sub-regional basis.

Some members suggested that the contract areas should be aligned with City Region and sub-regional boundaries, meaning that if we had 50 sub-regions, each contract would cover about 280 people and could potentially range from 200 to 400 place contracts.

Customer choice could be achieved by awarding contracts to a minimum of two prime contractors per area and publishing details of existing providers. BASE believes that an additional benefit of having contractor competition would be a more vibrant subcontracting market. There are grave doubts about the ability of Government to regulate the subcontracting process by being an active business partner. As one member stated:

“We believe that prime contractors are in the business of creating profit and will maximise this by subcontracting only where they have to and by subcontracting on the basis of price rather than quality or appropriateness. A choice of prime providers would help to address this.”

Recommendation 35: DWP should seek to contract on a sub-regional basis. DWP should consider the awarding of more than one contract per sub-region in the first tendering round.

The Effectiveness of DWP Contract Management

BASE is aware that some contracted provision is of poor quality. Whilst external scrutiny and inspection can address under performance, it is vital that DWP improves its contract management capabilities.

BASE members had no desire to see DWP duplicate the inspection and quality assurance systems required by Ofsted and Estyn. They do, however, believe that DWP should be able to remove contracts from poorly performing providers after issuing reasonable notice to improve. Simply redesigning a programme will not guarantee improved occupancy and progression rates. DWP contract managers must manage more effectively.

²⁰Economic and Social Research Council) Polaris House, North Star Avenue, Swindon SN2 1UJ <http://www.esrcsocietytoday.ac.uk/ESRCInfoCentre/facts/index59.aspx?ComponentId=13156&SourcePageId=19546>

BASE argues that the awarding of sub-regional contracts offers a real opportunity for specialist providers to come together as partnership consortia to bid for contracts. This could be achieved by the formation of a new company though there are timescale implications as local authorities will require their legal advisors to scrutinise any arrangements.

An alternative would be for DWP to recognise partnerships in their own right. BASE feels that the leadership and management capacity of organisations could be enhanced by allowing a rotation of the lead contractor across the partnership. That way, DWP would still only have to engage with one provider who would hold responsibility for the performance of the contract but it would change the dynamics of the partnership arrangement by establishing a more equal relationship between the partners.

DWP could assist in this process by working with the Local Government Association to devise template contracts.

Recommendation 36: DWP should take immediate steps to support more effective regional contract management.

Recommendation 37: DWP should actively foster partnership bids from specialist providers by making provider support available, devising specimen partnership agreements and allowing the rotation of the lead provider within the partnership.

Recommendation 38: The DWP should establish robust procedures for the removal of contracts from poorly performing providers.

Financial Issues

BASE members also had specific issues around the extent of autonomy that prime contractors have for imposing management fees upon subcontractors. There is nothing to stop the prime contractor from taking a large proportion of the subcontractors funding to pay for management costs. Strict criteria need to be in place to ensure that the management fees taken by the prime contractor are proportional and equal to the management commitments associated with each subcontracting agency.

BASE is aware that some providers have been very reluctant to subcontract on Pathways to Work. They have instead proposed occasional spot-contracting arrangements. One of our members was invited to subcontract Pathways to Work places at a fraction of the cost that was received under a previously held contract for New Deal for Disabled People.

Recommendation 39: DWP should specify a maximum management fee that prime providers can take from sub-contractors.

Recommendation 40: DWP should specify a range of acceptable prices for subcontract outputs.

Contract Procedures and Market Stewardship

One of the difficulties of using a supply chain delivery system is that a subcontractor has to bid to several potential prime providers in an attempt to gain a subcontract. This significantly increases the administrative burden on specialist providers. Members have reported instances where 'stakeholder events' for ESF co-financing have seen several potential prime providers explain their aims and request subcontracting bids within 24 hours. This is unacceptable and there are serious concerns over how a procurement round will be managed by DWP.

Any procurement process should be conducted in a way that does not exclude smaller organisations from taking part. Recent PQQ processes have required a high degree of IT skills and have not encouraged the participation of smaller providers.

Prime providers are able to make bids without any examination of their past track record or their ability and willingness to engage effectively with local organisations. There is a strong case for allowing local scrutiny of bids by stakeholders including Jobcentre Plus and local authority partnerships.

BASE also has concerns about the application of TUPE. Members have reported that some prime providers have argued that TUPE has not applied in the introduction of Pathways to Work. BASE regards the new programme as a replacement of existing provision and would argue that it has the same aim. As a consequence, TUPE should apply. This is particularly important to existing customers who have long standing relationships with support staff as any change in provider could cause them distress.

The proposed Code of Conduct, contained in the DWP Commissioning Strategy is written entirely from a prime provider perspective and involved little, if any, opportunity for views to be taken from the subcontractor market. This gives BASE little confidence in its relevance and enforceability. Subcontractors will want DWP to be proactive in regulating the market and offer a forum for resolving any disputes or malpractice.

Recommendation 41: DWP provides a "complaints line" for providers to seek resolution of conflicts between prime and sub-contractors.

Recommendation 42: The PQQ and Invitation to tender processes should be user friendly and designed to encourage wide participation.

Recommendation 43: Tenders should be scrutinised locally by stakeholders to ensure they demonstrate sufficient local knowledge and link with local initiatives.

Recommendation 44: The DWP should consult with subcontractors on the adequacy of the Code of Conduct, revise it accordingly, and ensure that it is enforced through contractual obligations.

Acknowledgements

The Author would like to thank all those users and providers who contributed to this response through the various consultation events around the UK. Thanks also to the BASE Executive members, who facilitated many of these events and provided case studies to add clarity and realism to the response. Special thanks go to Huw Davies, Dave Honeybill, Christopher Wise and Martin Davies, from the BASE Executive, who provided advice on the themes and substance of the response and helped in drafting. Thanks also to Stephen Beyer and Julie Allan who contributed their support, time and experience in helping me with the response.

Consultation Methods and Contributors

The views of over 400 BASE members and contributors representing 227 organisations were collated for this response. The DWP in collaboration with BASE ran five consultation events (Edinburgh, Manchester, London, Cardiff and Birmingham) and BASE ran a further 6 regional events (Bolton, Gloucestershire, Darlington, Coventry, Perth and London). A questionnaire was also sent via e-mail to all BASE members to canvass the views of those who could not attend the events. Responses from a number of organisations who set up and ran their own events were also fed into the response. A list of contributing organisations is provided in Appendix 1.

Appendix 1: List of Contributors

Aberdeen City Council	Coventry City Council
Acceque Ltd	Cragside Consultants
Access Supported Employment	Create Solutions
Access4u2 Limited	CSIP
Action for Blind People	D4 Supported Employment
Action for the Blind	Darlington Borough Council
Angus Council, Social Work & Health	Deaf Com. Service, Fife CC
Aspects and Milestones	Deaf Connect
Autism Plus	Deaf Cultural Centre
Autism West Midlands	Deafness Support Network
Azure Charitable Enterprises	Denbighshire County Council
Back2Base	Derbyshire Adult Social Services
Beacon Employment	Dering Employment Services
Bedfordshire Co Council	Downs Syndrome
BID	Dundee City Council
Birmingham City Council	Durham County Council
	EmployAbility & Surrey Supported
Birmingham Rathbone	Employment
	Employment Opportunities for People
Bournemouth Borough Council	with Disabilities
Brandon Trust	Employment Support Service, Coventry
Breakaway Supported Employment	
Service	Enable Scotland
Breakthrough UK Ltd	Enable, Shropshire County Council
Bridge Employment Service	Enham
Brighton & Hove City Council	Enterprise Works, Swindon
Bromley Advocacy Centre	ESRA
Bromley PCT & Oxleas NHS	Ethnic Deaf UK Ltd
Bury EST	Fife Council
Capability Scotland	Fife Council (Matrix Fife)
Cardiff and Vale Coalition of Disabled	Forth Valley Healthcare Primary
People (CVCDP)	Operating Division
Carmarthenshire County Council	Gateshead Council
Cherry Road Resource Centre	Glencraft
Cheshire County Council	Gloucestershire Industrial Services
Chesterfield College	Grampian Society for the Blind
City & County of Swansea Workshop	Hackney Recruitment Partnership
City of Edinburgh Council	Hansel Alliance
Clackmannanshire Council	Haringey Council
Clarity - Employment for Blind People	Haven Products
Community Wellbeing	Highland Blindcraft
Cornerstone Employment Service	Hillside Clubhouse
County Enterprise Foods	Horizon House
County Horticulture	IAS Job-Shop
County Print Finishers	Innovate Trust

Inspire-partnership through Life	Nuneaton Signs WCC
Iscal	NW Community Services Ltd
ISG Bradford Council	Oldham MBC
Islington Deaf Campaign	OSEL
Intowork	Papworth Trust
Jobs Action Group	Partners for Inclusion
Kent Supported Employment Service	PCMI
Kilsby and Allan Consultants	Pembrokeshire County Council
Knowsley MBC	Peterborough PCT
Lady Haig Poppy Factory	PLUSS
Lancashire CC	Porth Penrhyn
	Portsmouth Craft and Manufacturing Industries
Lancashire County Council	Power Employment
Landau PLC	Queen Alexandra College
Leaders Employment Resource	
Learning Support Service, Newcastle College	Quest
Leeds City Council	Redcar & Cleveland
Leicestershire County Council	Rehab Officer, Staffordshire CC
Leonard Cheshire Disability	REHAB UK
Linkage Community Trust	Remploy
Liverpool Gov	Right Employment
London Borough of Newham	Ripon Community Link
MAGill	RNIB
Mclaren Learning Centre	RNIB Scotland
Mencap	RNID
Mencap/Caerphilly Council	RNID South West
Meridian East	Rochdale MBC
Metrolite	Routes to Work
Middlesborough Council	Royal British Legion Industries
MIND (Kensington & Chelsea)	RSBC Glasgow
Momentum, Scotland	RSBi - City Building LLB
Mona industries	Salford City Council
Monwel Hankinson -Newport City Council	SAMH
Morrison Trust	Sandwell Council
MTIB	SCOPE
National Autistic Society	Scottish Borders Council
Newcastle City Council	Shaw Trust
Newcastle College	Shelforce
Newco Employment & Training	Sherwood Industries
NoLESS	Sign Posts
North Ayrshire Council	SignTranslate
North Yorkshire Council	Social Firms Scotland
Northamptonshire County Council	Social Firms UK
Nottingham City Council	Solutions4Data

Nottinghamshire County Council	South Gloucestershire Council
Southdown Housing association	South Tyneside Council
Speedwell Enterprises	United Response
St Loye's Foundation	Vale People First
Staffordshire County Council	Vision 21 (Cyfle Cymru)
Status Employment	Vision Products RCT CBC
Stirling Council	Walsall PCT
Sunderland Council	Warrington Disability Partnership
Support Training Ltd	Warwickshire County Council
Supported Employment and Catering Service	
Surrey Supported Employment	Watford Sheltered Workshop Ltd
	Ways & Means Trust Ltd
SUSE	Welsh Centre for Learning Disabilities, Cardiff University
Swindon Borough Council	West Berks SET
TAG NHS Highland	Westcombe Employment Service
The Action Group	Whitehouse Enterprises
The Engine Shed Garvald Community Enterprises Ltd	
Thistle Foundation	WISE
Tower Project	Worcestershire County Council
Trafford Council	Work Solutions - Herts County Council
South London Mail Centre	WorkFirst, Newcastle City Council
	Yately Industries For the Disabled