

Employment support for disabled people: investigating the relationship between investment and outcomes

KEY POINTS FROM THE RESEARCH

- There is good evidence Individual Placement and Support (IPS) (in mental health services) and supported employment (in learning disability services) are the most effective ways of supporting people to achieve paid work outcomes (henceforth “evidence-based models”). There is little or no evidence to support other service models currently being used by commissioners. Only around one third of current employment-related spend is being committed to these evidence-based models.
- Overall levels of spend on employment support appear to have levelled off, and are beginning to decline after a period of growth in recent years.
- Commissioners and providers have little systematic data or knowledge about how best to target funding to generate positive job outcomes (i.e. jobs gained or jobs retained). Basic information to calculate cost-effectiveness exists locally, but is generally not being used to determine local value for money or

This study aims to improve the commissioning and delivery of employment support for disabled people by reviewing the evidence on the cost-effectiveness of different service models and commissioning approaches. Given the focus on local authority/NHS funded services (explicitly EXCLUDING studying DWP-related employment supports such as Work Choice or Access to Work), the research focused on people with learning disabilities and people with mental health problems.

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compare costs to available information on best practice.

- Cost per job outcome¹ in individual services ranged from £208 to £57,640 and averaged £8,217. The average proportion of people supported who secured a job outcome was 38%.
- Sites working to evidence-based models of employment support typically delivered the most cost-effective outcomes, with an average cost per job outcome of £2,818² and a job outcome rate of 43%.
- There was no relationship between a proxy measure for the complexity of

1. Defined by the numbers gaining or actively retaining a job or becoming self employed. The findings of this research have to be seen in context. For example, when comparing job outcomes data was not available about the number of hours/wages paid between different services.

2. Analysis indicates that learning disability services are at the top end of our range of costs and we believe that, as they are local authority in-house services, they are not full-cost recovery. Therefore the guide figure for cost per job outcomes for learning disability services is likely to be higher than this figure suggests.

3. Please note that given the concerns regarding this measure for mental health services, this finding relates solely to learning disability employment support services.

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disability³ of those supported and either the cost per person supported or the cost per job outcome. Services were being equally successful in helping those with greater levels of disability to gain or retain a job as those with lesser needs.

- Sites achieving greater levels of job outcomes generally did so by supporting a larger proportion of people to retain a job rather than to gain one. In sites working to evidence-based models, the balance between jobs gained and jobs retained was more evenly split.
- The following organisational features were most likely to be found in successful and cost-effective services – particularly in sites working to evidence-based models:
 - Shifting the culture and prioritising employment;
 - Defining what is meant by employment;
 - Agreeing a strategic plan to deliver employment for people with disabilities;
 - Using knowledge of best practice to develop the market;
 - Establishing systems for measuring performance.

BACKGROUND

Increasing the numbers of people in paid work who have mental health problems and/or a learning disability has been a policy priority for successive Governments. As a result, both local authorities and the NHS are expected to ensure that people can access the support they need to obtain and retain employment. An initial scoping review by NDTi (*Economic*

Evidence Around Employment Support 2011) described the existing evidence base around which approaches to employment support are most likely to lead to people obtaining and retaining work. It also identified a lack of financial and economic evidence around cost-effectiveness of different approaches. NDTi received competitive funding from SSCR in order to obtain new evidence on the cost-effectiveness of the commissioning of employment supports (excluding DWP programmes) and thus inform future commissioning practice.

FINDINGS

National data

Overall levels of spend on employment support have levelled off and are beginning to decline after a period of growth in recent years. Commissioners acknowledged that continuing financial pressures make it even more important that limited funds are spent in the most cost-effective way. The vast majority of commissioners have basic financial information about overall spend on employment support, but limited knowledge on what those budgets are used for. In addition, commissioners generally did not have data on key outcomes achieved such as the number of hours worked per week, types of jobs achieved, levels of pay, length of job retention or impact of someone obtaining a job on use of other health/social care services. Our analysis found that only a third of supported employment budgets were being spent on evidence-based models.

In addition, analysis of detailed data from 70 sites in Table 1 shows average costs and

Table 1: Comparison between costs and outcomes of learning disability and mental health services.

| | Average no of people receiving support | Average cost of service | Average cost per person supported | Average cost per paid job outcome | % who secured a job outcome | New job | Retained job | Self-employed |
|---------------------|--|-------------------------|-----------------------------------|-----------------------------------|-----------------------------|---------|--------------|---------------|
| All services (n=70) | 198 | £263,132 | £1,730 | £8,217 | 38% | 61% | 36% | 3% |
| LD services (n=32) | 137 | £217,047 | £1,948 | £8,218 | 43% | 53% | 45% | 1% |
| MH services (n=31) | 279 | £316,148 | £1,485 | £8,024 | 34% | 68% | 26% | 6% |

Table 2: Evidence based and all sites – comparison between costs and outcomes

| | | Range | Average |
|---------------------------|-----------------------|------------------------------|---------------------|
| Cost per person supported | Evidenced-based sites | £366 to £2,281 | £1,170 |
| | All sites | £165 to £10,000 | £1,730 |
| Costs per job outcome | Evidenced-based sites | £870 to £4,908 | £2,818 ^a |
| | All sites | £208 to £57,640 ^b | £8,217 |
| Job outcome rate | Evidenced-based sites | 22% to 62% | 43% |
| | All sites | 0% to 100% ^c | 38% |

a. See footnote 3 about learning disability costs possibly being higher.

b. Additionally two services achieved no job outcomes and thus had an infinitely high average cost outcome.

c. The extreme high figures relate to atypical services (i.e small, only for people with learning disabilities and appearing to be focused solely on job retention).

outcomes for the different client groups. One critical caveat is that the data does not identify the type of job outcome secured so we may not be comparing like jobs between ‘sectors’.

Costs per job outcome

We analysed the relationship between spend on employment support services and the number of people securing new jobs, actively retaining jobs or moving into self-employment – summarised as “cost per job outcome”. We compared these for all sites and then for those sites that were specifically working to evidence-based models and found significant differences (Table 2).

We also explored other variables that might influence costs. Firstly, there was no evidence of benefit from economies of scale, with small services having similar costs and success in achieving a job outcome as large services⁴. Secondly, there appears to be no relationship between the complexity of disability⁵ of those supported by the employment service and either cost or outcomes achieved. Using an appropriate proxy measure, we found no

relationship between this and either the cost per person supported or the cost per job outcome. Finally we found no strong indication that it costs more to secure a new job than retain an existing job. While evidenced-based sites achieved good outcomes by focusing equally on retention and new jobs, non-evidence based sites that are achieving higher numbers are generally doing so by focusing more on retention.

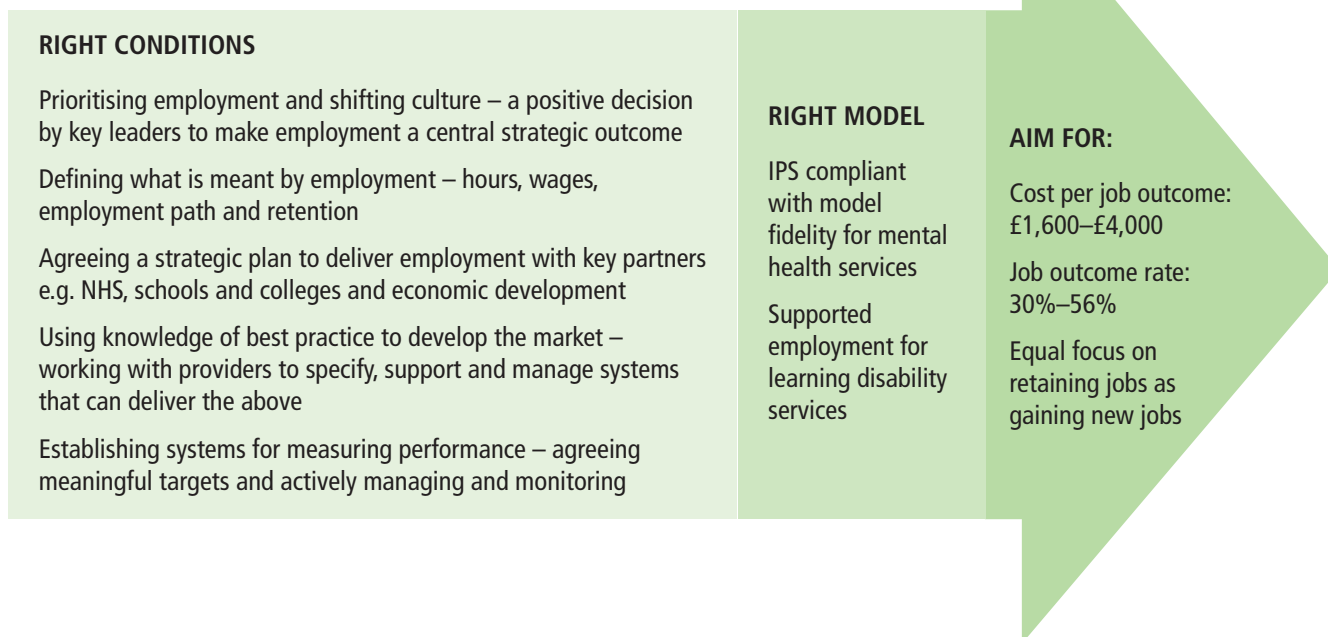
Approaches to implementation of local employment strategies

We identified five clear organisational/system ‘conditions’ that need to be in place to achieve good outcomes which, when set alongside the use of evidence-based models, should enable the achievement of job outcomes at a reasonable cost. The qualitative element of the study considered how local areas had approached implementing employment strategies and achieving positive outcomes. This clearly demonstrated differences in the approaches taken between areas that had, or had not, made significant progress. These factors are summarised in Figure 1.

4. This relates to the cost/size of the local service and not necessarily overall organisational size.

5. Please note that given difficulty in obtaining this measure for mental health services, this finding relates solely to learning disability employment support services.

Figure 1: Organisational/system conditions to achieve good outcomes



IMPLICATIONS FOR PRACTICE

This study has identified a significant variability in the cost of employment support services and costs per job outcome achieved that cannot be explained by factors such as complexity of people’s disability or size of service. The study therefore concludes that variable cost and outcomes is primarily explained by one or both of: (1) service model being used (right model); and (2) organisational/strategic actions taken (right conditions).

The capacity of local authority and NHS commissioners to apply the right model in the right conditions is significantly being undermined by commissioners not having and/or using the necessary data and by a lack of understanding of the evidence about what works in employment support.

In a time of tight public finances, this study shows existing investment in employment support could be used to deliver much higher numbers of new or retained jobs for disabled people at significantly lower average costs than is presently being achieved. This could be done by working to evidence-based models as described by this study.

Detailed information on both the phase 1 data and the full research is available at www.ndti.org.uk.

ABOUT THE STUDY

This national study was conducted between October 2011 and November 2013 by researchers at the National Development Team for Inclusion (NDTi). Using a mix of methods to investigate the relationship between health and social services investment in employment support for disabled people and the resulting outcomes (i.e. people getting or retaining paid work), the study entailed:

- Collecting national data on investment in employment support and breakdown of type of support purchased and outcomes generated via electronic questionnaire from 99 services in 83 local authority (LA) areas between January and November 2012;
- Collecting further local in-depth data from 70 services in 43 LA areas between November 2012 and July 2013. Sites were contacted via those completing national data returns, fieldwork sites, NDTi contacts and the External Advisory Group;
- Fieldwork visits to six sites to understand strategy implementation and outcomes for people between January and March 2013.
- Learning Networks (in conjunction with ADASS) for commissioners of employment support in three parts of the country to share the learning from this research, between May and October 2013.

Approval for the fieldwork component was granted by the Social Care Research Ethics Committee.