

## Summary

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### **A Study of Providers New to WORKSTEP**

WORKSTEP supports disabled people facing the most significant or complex barriers to getting and keeping a job, through supported placements in the open labour market and businesses established to employ disabled people. As demand for supported placements had been estimated to outstrip demand in certain areas, and as Jobcentre Plus saw a need for greater diversity of providers, the first ever competitive tendering exercise was held in 2001-02. Fifteen of the 25 successful providers, including some from the private sector, were new to providing supported employment for Jobcentre Plus. The Disability Research Partnership carried out research into the contribution and experience of these 'new providers'.

The study comprised semi-structured interviews with 13 new providers; a postal survey of Disability Employment Advisers (DEAs) covering their new contract areas; and in-depth telephone interviews with 14 of the 68 DEAs completing the questionnaire.

#### **Key research findings**

- The study revealed some examples of innovative practices in the delivery of WORKSTEP. For example, one provider held a weekly evening drop-in session allowing WORKSTEP employees to share problems and receive support from other disabled workers. Organisations already using job coaches and vocational profiling brought these approaches to WORKSTEP.
- Recruitment was generally slow during the first 12 months of the contracts, and the prevailing view was that the contract size was unrealistically high. Most providers had assumed that most of their clients would come via DEAs but referral rates had been disappointing. DEAs welcomed proactive new providers, and particular aspects their service - experienced staff, workplace support, more tailored and flexible support, meeting higher levels of support needs, providing feedback to DEAs and a good track record - also encouraged DEAs to refer clients to new providers.
- Clients frequently remained at the pre-employment stage for many months. Some providers devoted significant time to helping clients produce CVs and preparing them for interviews. One provider was particularly successful in finding employers willing to offer jobs to WORKSTEP clients but their effort was undermined by a lack of referrals.
- Providers wanting greater continuity for their clients were frustrated by the ban on movement from Work Preparation to WORKSTEP. This emerged as a key consideration for future development.
- The introduction of Development Plans was largely seen as a positive step, encouraging a sense of ownership amongst clients, although the lack of a proforma meant that there was some uncertainty amongst those providers new to development planning. The new quality standards were also welcomed.
- There was significant concern about the outcome-related focus of the funding regime. Given the slow rate of referrals and level of support required by clients, providers' priorities tended not to focus on progression into unsupported employment, and it was suggested that more emphasis should be placed on funding the 'front end' of the programme.
- Most providers found the procurement process unproblematic although it could be time-consuming. Jobcentre Plus contract managers were largely reported as helpful and supportive.

# Executive Summary

In 2001-02 voluntary, public and private organisations were invited to tender to provide supported placements under the modernised Supported Employment programme, WORKSTEP, in areas with an estimated gap between demand and supply. Contracts were agreed with 25 organisations to provide an additional 1,621 supported placements. Fifteen of these, including two consortia, were new to providing supported employment for Jobcentre Plus. The Disability Research Partnership was commissioned by DWP to investigate the contribution and experiences of these 'new providers'.

Findings are based on semi-structured interviews with 13 new providers, including the lead organisations of the two consortia; responses to a postal survey by 68 Disability Employment Advisers (DEAs) covering the contract areas; and in-depth telephone interviews with 14 DEAs who had completed the postal questionnaire.

## **The new providers**

Four of the 13 organisations were private companies, seven were not-for-profit organisations, and two were local authority service organisations. Six already provided some form of supported employment, five using the job coach model. Three majored in disability employment services but had no prior supported employment experience. Three specialised in programmes for other labour market groups and had added disability services to their portfolios, and one organisation had no prior experience of delivering disability programmes.

For the few organisations with little or no experience of disability programmes, WORKSTEP was an opportunity to develop their operations in a growth area. Small specialist organisations had seen opportunities to expand geographical or client group coverage, as well as to benefit disabled people and educate employers. Those providers already providing supported employment or Work Preparation saw WORKSTEP as a natural extension of what they were already doing. There were expectations that WORKSTEP would provide a funding stream for work already being undertaken and hopes that the new contract would give clients continuity from one contract to another within the organisation.

## **Staffing and investments**

In most organisations, existing staff expanded their remit to include WORKSTEP, many working flexibly across programmes. New staff were appointed in smaller organisations; elsewhere in response to demand. Strategic recruitment was evident, such as appointing people with Jobcentre Plus experience to run WORKSTEP. WORKSTEP tended to be run from within existing premises, causing some overcrowding.

## **Recruitment of clients**

Interviews with providers took place when new providers' contracts were less than a year old. Progress with recruitment had generally been slow and most providers had recruited below their contracted targets. The prevailing view was that the contract size was unrealistically high.

Three providers had opted to try to recruit clients directly, as was permitted with Jobcentre Plus approval. Altogether few were actively marketing the service. Most were reliant upon DEAs for referrals. Indeed, there had initially been strong expectations among new providers that DEAs would refer sufficient numbers to fill places and plans had been built around this. Providers reported that there could be considerable variation among the level of referrals by DEAs in an area. One provider reported a substantial financial loss as a result of a low referral rate. A number of providers reported having relied upon the intervention of Jobcentre Plus managers to increase referrals.

Among factors felt by providers to contribute to disappointing referral rates were high turnover of DEAs and Jobcentre Plus restructuring, which they felt could lead to limited understanding of the programme, and limited awareness among DEAs of what the providers did. There was a suspicion amongst some providers that DEAs preferred to refer clients to established WORKSTEP providers or

to those with whom they had an established relationship. Consequently, providers generally felt they had to be proactive in building up relations with DEAs. This was often viewed favourably by DEAs, and particular aspects of new providers' service - such as experienced staff, workplace support, more tailored and flexible support, meeting higher levels of support needs, providing feedback to DEAs and a good track record - also encouraged DEAs to refer clients to new providers.

Many new providers perceived clients referred by DEAs to be not work ready and sometimes unemployable, while DEAs variously said the people they referred were work ready and hard to place. While new providers were initially concerned with building their caseloads, selectivity on the part of the providers was also reported and some were beginning to refer clients back to DEAs. Some providers felt that clients were unsuitable if they needed extensive pre-employment support. Several had apparently not understood that WORKSTEP is aimed at people who need support on the job.

### **Delivering WORKSTEP**

New providers expressed strong views that most clients needed considerable and prolonged input before they were ready to take up paid employment. Clients frequently remained at the pre-employment stage for many months. This was of particular concern given that there is no milestone payment between the initial development plan and job entry, and no monthly payments until the client has taken up a job. Several respondents had been unaware that the Invitation to Tender specified that the period between development plan and job start should be no more than eight weeks.

As a result of the financial constraints, a small minority of providers were offering minimal pre-employment support. The range of support offered by other providers varied. Those with a supported employment background carried out detailed assessments using established vocational profiling methods. Though time consuming, this exercise formed part of a confidence-building process, often supplemented with basic skills training. In most organisations that lacked supported employment experience, activities focused on developing skills specific to job search – compiling CVs, writing job applications, mock interviews, taking people to interviews and debriefing. A number of respondents spoke of the importance of structured support, particularly where it was felt that clients were less committed to the programme.

Finding employers proved to be problematic for most, but not all, providers. Success was believed to lie in good employer networks, understanding what employers want, skill in marketing a client to the employer. Clarity about in-work support and ensuring that it is provided, and good staff who see ability and not disability, were also identified as important to success.

One provider reported considerable success in finding employers willing to offer jobs to WORKSTEP clients – 60 over a four-month period. However, this success was thwarted by a lack of referrals. This provider had no previous experience of working with DEAs. Other providers preferred not to establish a 'bank' of employers, explaining that they would not necessarily offer jobs that clients wanted. One provider sent cover letters with clients' application forms, while another marketed its activities as a free recruitment service, meeting with human resources departments and looking specifically at what the employer wanted. Among those providers who were struggling to find employers, a number recruited staff with specialist job search skills.

Although wage subsidies had been a feature of the previous Supported Employment Programme, Jobcentre Plus wants to see financial support being replaced with support in kind, such as job coaches to teach the person the job and ensure productivity. However, a little over half of the providers interviewed either had or were planning to offer wage subsidies. Competition from established providers was cited as problematic, particularly by those large enough to offer wage subsidies to employers. There were also examples of new providers who wanted to work collaboratively with other providers.

Differing emphasis was placed on delivering in-work support, with those organisations with a background in supported employment and job coaching being the most committed. The support provided ranged from full-time support on the job, and the promotion of workplace 'buddies', to job coaching in the early stages. An innovative example came from one provider who held a drop-in

session one evening a week that allowed WORKSTEP employees to share problems and receive support from other disabled workers.

While progression to open employment is a principal outcome of the programme, concerns about meeting contract numbers meant that new providers did not prioritise this. Indeed, job starts tended to be considered the measure of success and progressions were seldom mentioned as an outcome. The funding regime could act as a perverse incentive; that is, claiming monthly payments was more profitable than claiming a progression payment, at least until contracted places had been filled.

### **Working with Jobcentre Plus**

WORKSTEP introduced a requirement that providers draw up development plans for clients entering the new programme. Some respondents welcomed the development plan as a valuable process, encouraging a sense of ownership amongst clients and their active engagement in the process. Others, however, found that they duplicated information and the extent to which the plan was a living document varied.

Providers generally welcomed the introduction of quality standards, although Adult Learning Inspectorate visits to inspect WORKSTEP were viewed with trepidation by some organisations. Others, however, welcomed the advent of a tighter inspection regime.

Comments about the new funding regime varied. Some respondents criticised the lack of weighting at the 'front end' of the programme, particularly as progression was a distant aim for many providers.

Most organisations had found the tendering and contract negotiation process unproblematic but some small organisations found it required a large time investment. Exceptionally the tendering process was considered it to be complicated and long winded. One organisation felt pressured into accepting Jobcentre Plus expectations that people should be moved through the programme unrealistically quickly, while another felt pressured into accepting a larger contract than it had tendered for. Generally, Jobcentre Plus contract managers were described as helpful and supportive. The move toward more local contract management was welcomed.

### **Suggestions for the development of WORKSTEP**

Greater continuity from one programme to another featured most consistently amongst suggestions for development. Of particular interest was either making Work Preparation a prerequisite for WORKSTEP, or incorporating it as part of the programme. Some providers expressed the opinion that clients should be required to undertake work preparation first. Another suggestion was that trial work placements should be funded within WORKSTEP.