

The Cost Effectiveness of Employment Support for People with Disabilities¹

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1. Purpose of This Paper

- 1.1 This paper outline the interim findings from research into the cost effectiveness of employment supports for disabled people, specifically those commissioned by local authorities and the NHS, primarily for people with learning disabilities and people with mental health problems. The research is being undertaken by the National Development Team for Inclusion (NDTi) and funded by the School for Social Care Research – part of the National Institute for Health Research². This paper summarises the work up to around half-way through the study, highlights some initial findings, and also re-reports on an earlier scoping study on the evidence of effectiveness of employment supports undertaken by NDTi for the same funding body.
- 1.2 This is not a full research report describing the methodology and the detailed evidence and data obtained. That will be contained in a full report that it is expected will be available in the summer of 2013. Neither has this report been subject to the full peer review process that will be associated with the final research report. Rather, in the spirit that research and evidence should contribute to effective decision making by those responsible for public resources, this paper has been written to alert people, in particular commissioners of employment supports, of the early findings in order to assist them in their commissioning decisions over the coming months.

2. Background

- 2.1 Increasing the numbers of people in paid work who have mental health problems and/or who have a learning disability, has been a policy priority for successive Governments³. As a result, it is part of the policy brief to

¹ The study explicitly looked at employment supports funded by local authorities and by the NHS – it did not look at Department for Work and Pensions funded employment supports such as the Work Programme (which are changing and the impact of these changes have affect both the nature and experiences of local authority NHS funded work programmes). Thus, the people in receipt of employment supports are those that fall under the remit of those service commissioners and, in particular, meet those authorities' eligibility criteria. This means that, whilst a proportion of the study and the evidence has related to people with physical and sensory disabilities and people with autism, the overwhelming majority of the study, and thus this report, is concerned with employment supports to people with learning disabilities and people with mental health problems.

² The content of this report does not necessarily reflect the views and opinions of the School for Social Care Research, National Institute for Health or the Department of Health.

³ For example: Department of Health (2001) Valuing People: A New Strategy for Learning Disability for the 21st Century, and HM Government (2009) and Work, Recovery & Inclusion: Employment support for people in contact with secondary mental health services Best practice guidance published by HM Government.

both local Government and the NHS to ensure that people can access the support they need to obtain and retain employment. Whilst there is some acknowledged evidence about which particular forms of employment support are more likely to lead to people obtaining and retaining work⁴, there is widespread (substantially anecdotal) concern that:

- Many commissioners and those responsible for decision making about the delivery of employment supports are not using the evidence base to inform their decisions as to what services to commission
- There is little evidence available and/or being used by commissioners about the cost-effectiveness of the employment supports that are being put in place, and
- As a result, public money is potentially being spent, including in difficult economic times, in ways that are not the most likely routes to the achievement of the policy priority of supporting more people into paid employment.

- 2.2 In order to help develop evidence around these issues, NDTi submitted successful proposals to SSCR for two inter-connected studies that would:
1. Scope the current evidence in relation to the cost effectiveness of employment support for disabled people
 2. Undertake a detailed study into current commissioning practice by local authorities and their NHS partners in order to understand what information they had on the cost effectiveness of employment supports and then seek to obtain new data and knowledge about cost effectiveness to inform future commissioning.

- 2.3 The scoping study was undertaken over the summer of 2011 and was published by SSCR in 2012⁵. The study into cost-effectiveness was started in the autumn of 2011 and will be completed in the autumn of 2013. Details about the study can be obtained from the NDTi website⁶. The work consists of three main stages:
- A survey of every local authority in England in order to obtain data on spend, activity and, where possible, outcomes achieved. This work is largely complete and the initial analysis of data on spend and activity forms part of this report. Work to further understand data on outcomes is still being collated.
 - A follow up study of a sub-set of eleven authorities to obtain more in-depth information on spend and outcomes, and further qualitative data collection with six of those authorities to understand how they developed and implemented employment support strategies.
 - Using the learning from the previous two stages, materials will be developed in the Spring of 2013 and made freely available to the field.

⁴ http://www.ndti.org.uk/uploads/files/SSCR_Scoping_Review_3_web_from_LSE_July12.pdf

⁵ http://www.ndti.org.uk/uploads/files/SSCR_Scoping_Review_3_web_from_LSE_July12.pdf also this and other SSCR scoping reviews can be found at <http://sscr.nihr.ac.uk/scopingreviews.php>

⁶ http://www.ndti.org.uk/uploads/files/Employment_support_-_research_summary.pdf

A programme of action learning will be instigated to support people to use the materials. This programme, in itself, will be studied in order to gather learning about how authorities and their partners utilise the learning materials, with a view to (i) refining them for future use and (ii) providing additional evidence about effective implementation strategies.

3. The Existing Evidence Base

- 3.1 The scoping review focused on two client groups (people with learning disability and those with mental health problems). We defined 'paid employment' as being a retainable, paid role within an open, competitive employment market (including the option of self employment), and which provided a significant number of hours of employment (often defined as 16 hours per week or more). Some employment support approaches may not share this definition; however in the review we included anything that could be seen as a 'potential step' towards the end goal as defined.
- 3.2 The field of employment support in the UK is currently characterised by a complex, interrelated array of approaches, pilots and schemes, which frame the issue in a variety of ways. In order to present evidence relating to these different approaches, we grouped models of employment support (and evidence relating to those) into six main categories:
1. Models targeting job retention / career advancement
 2. Models that begin with finding a particular paid role, then provide support to do/stay in that role
 3. Models that provide training/job preparation in the setting of a mainstream work place (but not necessarily the one in which they will go on to work)
 4. Models that provide training / job preparation in a sheltered and/or unpaid environment, as a route into open employment
 5. Models & approaches that focus on specific life stages & client groups
 6. Approaches that focus on mechanisms - how support might be accessed and/or funded.

Conclusions and key messages

- 3.3 The scoping review produced the following main conclusions:
- There is acknowledged evidence that Supported Employment (within the learning disability field) and Individual Placement and Support (IPS) (within mental health) are the most effective solutions to supporting people into paid jobs, and there is more economic evidence in support of these approaches than for others.
 - The type of economic analysis that has predominated in those studies reviewed is comparative Cost Benefit Analysis i.e. is it more or less cost effective to the public purse as a whole to support disabled people into work rather than support them through activities such as day centres. Relatively little in the way of overall Cost Effectiveness analysis seems to have been published, i.e. considering the relatively

simple relationship between the total amounts that have been invested in a scheme, and how many people have successfully gained jobs as a result. The lack of this makes it difficult for commissioners to understand whether they are commissioning effective and successful services or not.

- This problem is compounded by evidence of variability and liberal interpretation of how to deliver 'Supported Employment' and IPS (sometimes called model fidelity). This means that a service using the label of an evidence based approach may be doing different things to that which underpinned the evidence of successful outcomes – thus making it still more difficult for commissioners to know what is / isn't a cost effective employment support service.
- There also remain gaps and inconsistencies in the existing evidence, for example in relation to 'real' savings to the taxpayer if the majority of work gained is part time, and people remain on benefits.
- Recent research into newer approaches beyond Supported Employment and IPS has been more limited. Few of these alternative approaches appear to have been spread or sustained at a national level - which has limited the capacity to develop robust evidence.
- From a cross client group perspective, there is common ground between the employment support models that have developed within the mental health and learning disability fields, but with limited cross-over between the two, in terms of either evidence or delivery. However the review also highlighted ways in which models might need to be tailored in order to respond to individuals who have different issues and needs.

The full detail of the scoping review can be found on the NDTi website⁷.

4. The New Research Study

- 4.1 Building upon this evidence, the second grant from SSCR is being used to try and build evidence about Cost Effectiveness in employment supports and understand more about how commissioners go about commissioning different types of employment support and implementing employment strategies.
- 4.2 Questionnaires were sent to every local authority in England and to every PCT. (Broadly speaking, employment support for people with learning disabilities are commissioned by local authorities, whilst those for people with mental health problems are commissioned both by local authorities and by the NHS). Data was sought about the commissioning of both mental health and learning disability employment related services – together with any data on wider aspects of disability employment.
- 4.3 Ninety nine responses were received, covering a total of 83 local authority areas – a response that exceeded initial expectations. Whilst the

⁷ http://www.ndti.org.uk/uploads/files/SSCR_Scoping_Review_3_web_from_LSE_July12.pdf

depth and quality of the data varied, the research team followed up information where possible to clarify and validate the information. As previously noted, full details of the methodology and the data received will be published as part of the full research reporting process in due course. However the following points are worth making at this stage:

- A good level of response was received in relation to both NHS and social care budgets – though with more information about social care than about the NHS
- The responses were from a broadly representative sample of authorities in terms of geography (though with a slight proportionate under-representation from London and over-representation from the north east) and from types of local authority (though again with a slight under-representation on London Boroughs and over-representation of County and Metropolitan authorities).
- Authorities were asked to describe the degree to which the figures they returned were rough estimates or calculated, accurate figures. The majority of authorities stated they were supplying more calculated, accurate figures, and further follow-up data analysis work is being focused upon those authorities (this being used by the research team as a measure of data confidence).

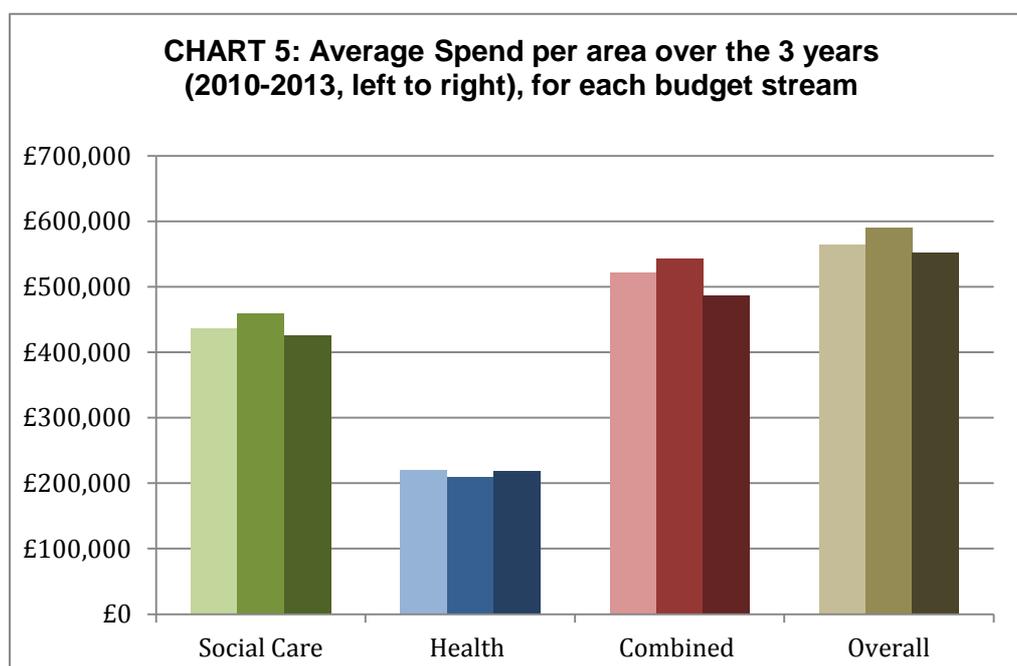
Initial Findings

- 4.4 There are three initial findings that NDTi wish to share with the field at this stage – prior to the detailed analysis that will be made available over the coming year.

Changes in Spending Levels

- 4.5 This issue is obviously of interest at a time of general financial pressures. We asked specific questions about actual spend in 2010/11, 2011/12 and budgeted spend for 2012/13. We also asked two ‘impressionistic’ questions, without asking for the detailed figures, namely whether:
- Spending had increased or decreased over the last five years, and
 - Whether it was anticipated that spending on employment support would change in the near future.
- 4.6 The responses to all these questions not unsurprisingly showed a variety of different trends - including authorities where spend on employment support was increasing significantly (e.g. as a consequence of a decision to move investment from more traditional day services into more employment focused supports) and authorities where spend on employment support was decreasing or even stopping totally.
- 4.7 Taken across the piece, three notable provisional observations can be drawn from the analysis:
- 4.8 Change over Three years. The three-year period where we sought detailed figures showed a general pattern of increases from 2010/11 to

2011/12, but then a decrease from 2011/12 to 2012/13 to a level just below that of the first year. In other words, following increased spend, those increases appear to be being reduced to at or below previous levels.

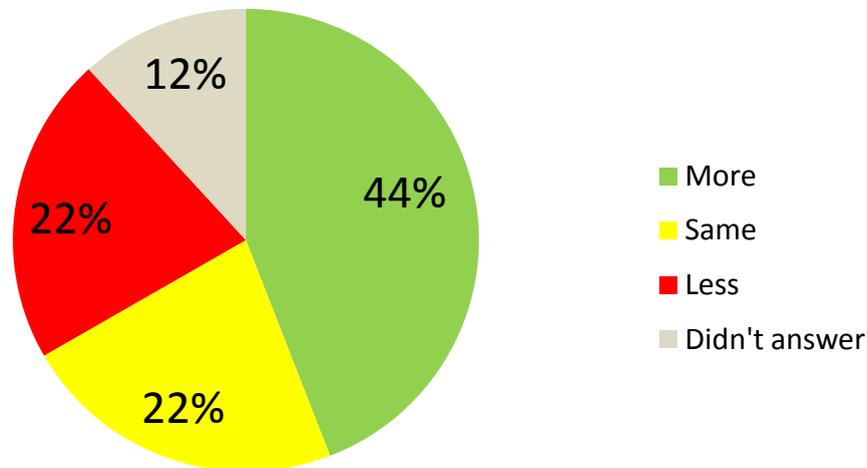


4.9 One interesting factor is that there appears to be a greater degree of budget protection being applied to NHS budgets than to social care budgets. Integrated budgets appear to have been the most protected – although the number of budgets that this applies to is small. Further analysis is being undertaken to determine if these differences between budgets are statistically significant or not. (There is some doubt about the accuracy of some of the ‘cut completely’ returns which is being followed up).

TABLE 6: Changes in budgets 2011/12 to 2012/13	↑ Increase	= Equal	↓ Decrease	X Cut completely
Social Care Budgets (n 69)	30%	26%	41%	3%
Health Budgets (n 35)	29%	34%	26%	11%
Combined budgets (n 17)	47%	12%	41%	0%

4.10 Change over Five Years. Although specific data on a five year period was not sought, the answers to this question indicated clearly that spend levels had increased over this period – with only 22% of respondents stating they were spending less than they were five years previously, with 22% spending the same and 44% spending more. Again, this trend is more noticeable in NHS budgets – i.e. NHS spending has been generally increasing over this period whilst social care spending remaining static or is even reducing.

CHART 3: Responses to "How would you say the overall annual spend in 2011-12 compares with 5 years ago?"



- 4.11 Taking the three and five year figures together, two issues emerge that will be further explored in the next stage of the research:
- Why has there been an increase from five years ago but the apparent start of a decrease now? We can hypothesise that this may have been connected to national policy priority from around 2002 to around the end of the decade – including the PSA 16 indicator on people in paid work – and the resultant knock-on effect on local spending priorities – with the current economic climate then leading to reductions this year.
 - Does the preliminary finding that NHS budgets appear to have been more protected over the last year or so reflect changes in spend and priority between client groups? Generally, the NHS budgets will be mental health focused as almost all (if not all) learning disability employment support is nowadays commissioned by local authorities.

4.12 Projected changes in the future. Respondents were invited to comment on the changes they expected to take place in spend and commissioning practice over the next few years. These returns were analysed to identify prevailing expectations. Notwithstanding the previous comment on spend levels reducing in 2012/13, the most commonly described changes tended to be around expansion and/or review of services, rather than reduction.

Data Available to Inform Commissioning Decisions

- 4.13 As previously noted, a good response was received to the questionnaire – particularly considering that commissioning staff are currently under significant pressure. From the information we received, four provisional conclusions can be drawn that need to be considered as a whole:
- a. The vast majority of commissioners have basic financial information about overall spend levels on employment support.

- b. However, 44% of respondents were not able to provide us with a breakdown of what the total employment support budget is spent on i.e. how much they are spending on different types of employment related support. Whilst in a few cases this was stated as a function of current pressures within the authority making it impossible to return the data to us, the overwhelming reason given was that such disaggregated data was not held or available internally.
- c. 66% of respondents stated that they collected data on the numbers of people that are supported into employment as a result of their investments – 15% stated they did not and the remainder did not answer the question.
- d. When asked about outcomes data, an initial analysis of returns indicates a focus on factors such as numbers of people gaining and retaining jobs, with fewer authorities (around 50-60%) gathering data on types of jobs or complexity of disabilities of people gaining employment and still fewer (up to 25%) collating data on wider service impact such as whether getting a job affected people's demand for other types of social or healthcare services.

4.14 These preliminary findings raise two fundamental questions for the research team. Firstly we know from the earlier scoping study that some types of employment support are more 'evidence based' than others. If a substantial proportion of commissioners do not have access to information about how much they are spending on different types of employment support that they are commissioning, how do they know if they are commissioning evidence based services or not? Secondly, even if there is data obtained on total number of people gaining work (point c above) or some of the more detailed outcomes information indicated in point d above, if this cannot be compared against a breakdown of spend on the type of employment support being commissioned, how do commissioners know and understand which employment support services are being effective and thus which approaches they wish to commission in the future?

Personal Budgets

- 4.15 The questionnaire asked a specific question about personal budgets, i.e. whether people are allowed to spend their personal budgets on employment support and, if so, what information the commissioners had about that.
- 76% of respondents stated that people are allowed to use personal budgets for employment support. 12% responded that they were not and 11% did not respond.
 - Only 28% of respondents however actually knew that people were using their personal budgets for employment support. 17% knew that they were not and 35% did not know either way. The remainder did not respond.

- Only 12% of respondents had any information about how much of people's personal budgets were being used for employment support. 44% did not have this information. The remainder did not respond.

4.16 Again, this raises an important question for the research team. Given that gaining and retaining employment has regularly been stated by people with learning disabilities and people with mental health problems as a priority for them, and personal budgets are the key 'building block' of how services are to be delivered in the future, this initial data indicates that:

- A small minority of authorities are not permitting people to use personal budgets to acquire employment support
- A majority of authorities where people are allowed to use personal budgets for this purpose either do not know whether people are using them for employment support, or know that they are not
- Only a very small minority of authorities have any data on the extent to which personal budgets are being used for this policy priority.

4.17 Taken together, this initial analysis starts to pose questions about whether the way in which personal budgets are being implemented across much of the country is 'fit for purpose' in terms of delivering the policy priority of supporting more disabled people into paid work.

5. Next Steps

5.1 We must emphasise again that these are interim conclusions and further work is being undertaken to understand the data we have received to date, including exploring issues in further detail through the in-depth work with a smaller number of local authorities and their NHS and provider partners.

5.2 In relation to the data from the questionnaire reported in here, the next step is to produce a report that focuses on outcomes and cost effectiveness. Within that, we plan to build on the above analysis by:

- Carrying out statistical significance testing around some of the key findings (e.g. change in overall spend)
- Carrying out further analysis of a sub set of responses, namely those who provided spend breakdown data and indicated that these were accurate / calculated figures (rather than rough estimates).
- Making (and reporting on) follow up contact with the questionnaire respondents who said that they collect outcome data, to request further information about the outcomes of their investment in terms of numbers of people gaining / retaining employment.

5.3 The next report will also present the outcome data gathered from the 11 sites with whom we have been working as part of the next phase of the study. All these data sources will be brought together in order to explore and calculate cost effectiveness for the various employment support models commissioned. We aim to report publicly on this by mid 2013.