

**REPORT TO: HEALTH AND SOCIAL CARE SERVICES COMMITTEE ON
5 JUNE 2013**

SUBJECT: MORAY EMPLOYMENT SUPPORT AND TRAINING

BY: CORPORATE DIRECTOR (EDUCATION AND SOCIAL CARE)

1. REASON FOR REPORT

- 1.1 This report will present the performance figures in respect of clients supported and outcomes achieved for Moray Employment Support and Training which comprises two sections, Moray Training and the Employment Support Service, over the financial years 2011/2012 and 2012/2013.
- 1.2 The report will also outline the cost effectiveness of the service provided and the income generated over the financial years 2011/2012 and 2012/2013.
- 1.3 This report is submitted to Committee in terms of Section III (E) (9) of the Council's Administrative Scheme relating to contributing to public performance reporting.

2. RECOMMENDATION

- 2.1 **It is recommended that Committee scrutinises the performance figures presented in relation to the outcomes achieved and clients supported in line with the income generated by the service and the cost effectiveness of the service.**

3. BACKGROUND

- 3.1 This report updates the Committee and details the progress made since the report to this Committee on 7 December 2011 (para 9 of the minute refers) where the transfer of the administration of Moray Training from Environmental Services to Education and Social Care under the management of the Employment Support Service was approved.
- 3.2 In recent years there has been a growing body of evidence to support the fact that work is a key social determinant of good health, not least the Marmot review of health inequalities: "Fair Society, Healthy Lives" and Waddell and Burton's review "Is Work Good for Your Health and Well-being"? (NHS Health Scotland – Health inequalities Briefing 5 – Employment).
- 3.3 Employability & Employment skills are priority 5 of the Moray Community Planning Partnership Single Outcome agreement 2013-2016. "We realise our full economic potential with more and better employment opportunities for our people".
- 3.4 The Impact of Welfare reforms is an issue for the Moray Council that is being directed by the Welfare Reforms Group led by the Corporate Director (Corporate Services). As people are encouraged to move off benefits through the welfare reforms there is likely to be an increase in demand for entry level

employment and the need for employment related support. There will also be a need to focus on workforce development and progression routes.

- 3.5 The introduction of Universal Credit will have a negative impact financially on people who are underemployed, those people who are working fewer hours than they want to, or taking on jobs which do not use all their skills. There is evidence suggesting that young people, women and particularly disabled people may be disproportionately affected by underemployment.
- 3.6 Moray Employment Support and Training has two main elements; the Support section that promotes employability for people with additional support needs supporting them to gain employment and the Training section that provides short course training to enhance an individual's employability and in work support for SVQ's and modern apprenticeships. Therefore the team are ideally placed to promote social inclusion and meet the growing needs created by the welfare reforms.
- 3.7 **The Support Provided:** The Employment Support Service is staffed by five full-time and two part-time Employment Development Workers who are providing support to approximately two hundred and fifty clients at any one time. All the clients have additional support needs with the service being able to support clients from across the following Council care services:
- Learning Disability,
 - Mental Health,
 - Physical Disability,
 - Sensory Disability,
 - Autistic Spectrum Conditions,
 - Criminal Justice,
 - Drug and Alcohol,
 - Through Care to Aftercare.
- 3.8 **The performance figures** below cover all aspects of the service, the outcomes achieved, the financial implications, and the potential impact on Moray Council services.
- 3.9 **Employment Outcomes Achieved 2011/12** Forty seven people were supported into and sustained paid employment of whom :

21 Female 26 Male

Autistic Spectrum Conditions	4
Learning Disabilities	8
Mental health conditions	16

Physical disabilities	5
Epilepsy	2
Criminal Justice	3
Drug and Alcohol	1
Head injuries	1
Others condition not defined	7
Total	47

3.10 **Employment Outcomes Achieved 2012/13** Sixty two people were supported into and sustained paid employment of whom:

21 Female 41 Male

Autistic Spectrum Conditions	6
Learning Disabilities	13
Mental health conditions	18
Physical disabilities	8
Epilepsy	1
Criminal Justice	4
Drug and Alcohol	2
Head injuries	1
Sensory Disability	2
Others condition not defined	7
Total	62

3.11 **Better off benefits** Each person's financial situation is fully analysed to ensure that every client entering employment is better off in employment than on benefits and becomes a net contributor to the local economy.

3.12 Current basic Benefit rates 2013/2014

Jobseeker's Allowance	
Under 25	£56.80 per week
25+	£71.70 per week

• Employment and Support Allowance	
Basic allowance(a)	£71.70
Work-related activity component	£28.45
Total	£100.15 per week

3.13 Currently minimum wage as of the 1st October 2012
(The increase is expected 1st October 2013):

	21 and over	18 to 20	Under 18
2012 (current rate)	£6.19	£4.98	£3.68
Working 35 hrs	£216.65	£174.30	£128.80

	21 and over	18 to 20	Under 18
per week			

3.14 **Welfare reforms:** Every person with an additional support need entering paid employment represents a net gain to the economy of Moray, a reduction in the overall local reliance on welfare benefits, and a reduction in the need for services provided by the Moray Council and NHS Grampian.

3.15 **Potential Savings:** The vast majority of the clients who come through our service are on Incapacity Benefit/Employment and Support Allowance.

The average cost per claimant per year on Incapacity Benefit/Employment and Support Allowance	£5,207
Research suggests the loss to the Treasury in potential income tax is on average per claimant	£7,703
The total costs to the taxpayer per year	£12,910
Taking the number of clients entered employment in 2011/12 as 47 an estimated total saving to the tax payer	£606,770
Taking the number of clients entered employment in 2012/13 as 62 an estimated total saving to the tax payer	£800,420

3.16 The attached **Appendices 1 to 3 Personal success stories** illustrate with real life stories the clients journeys the support provided by their Employment Development Worker and the resulting financial outcomes.

3.17 **Modern Apprenticeships:** Moray Training is staffed by three Training Officers and a Training & Development Officer who support the training of Apprentices across Moray.

During the financial year 2011/12	
25	Young people between 16 and 19 supported in modern apprenticeships
53	Young people aged 20 + supported in modern apprenticeships
78	Total number of Modern apprentices supported 2011/2012

During the financial year 2012/13	
25	Young people between 16 and 19 supported in modern apprenticeships
84	Young people aged 20 + supported in modern apprenticeships
109	Total number of Modern apprentices supported 2012/2013

3.18 **Training for work:** Moray Training also support Training for Work (TfW) which provides vocational training support to people aged 18 and over who have been unemployed for some time and are actively looking for work. TfW participants are encouraged to undertake vocational training targeted at filling

gaps in the local labour market, giving individuals the best chance of securing permanent employment

During the financial year 2011/12	
30	People were supported under training for work
During the financial year 2012/13	
27	People were supported under training for work

- 3.19 **Voluntary Work:** Voluntary work is the giving of time and energy which can bring measurable benefits to the volunteer, individual beneficiaries, groups and organisations, communities, environment and society at large. It is a choice undertaken of person's own free will that promotes social inclusion helping a person to feel part of their community and a valued citizen in their community.
- 3.20 **Positive health benefits of Volunteering :** A review of research has shown that volunteering can have a positive impact on self esteem and sense of purpose, quality of life, social support and interaction, ability to carry out activities associated with daily living and the ability to cope with their own ill-health. Volunteering has also been shown to reduce the incidences of: depression, stress, hospitalisation, pain and psychological distress. (Volunteering and Health –what impact does it really have –Volunteering England).
- 3.21 **Voluntary Work 2011/12** sixty eight people were supported to sustain voluntary and work experience placements of whom :

Autistic Spectrum Conditions	8
Learning Disabilities	28
Mental health conditions	23
Physical disabilities	2
Epilepsy	3
Head injuries	3
Sensory Disabilities	1
Total	68

- 3.22 **Voluntary Work 2012/13** a further fifty people were supported to sustain voluntary and work experience placements of whom:

Autistic Spectrum Conditions	11
Learning Disabilities	13
Mental health conditions	18
Physical disabilities	3
Epilepsy	1
Head injuries	2
Others condition not defined	2
Total	50

- 3.23 **Potential Savings:** Each person who is supported to find voluntary work is in receipt of Council/NHS services and recorded on Care First. For ease of calculation if we equate carrying out voluntary work with the cost of one day per week of a day service at approximately £50 per day the net savings to the Council over the past two financial years

Year	Cost of Day service	Number of people supported	One day per week for number of weeks per year	Estimated savings
2011/12	£50 per day	68 people	45 weeks per year	£153,000
2012/13	£50 per day	50 people	45 weeks per year	£112,500
Estimated saving over two years				£265,500

- 3.24 **16 + Activity agreements:** The team also supports young people on activity agreements which were introduced during 2011/12 by the Scottish Government and are aimed at those young people who may not, without additional support, make a successful transition to work, further education or training. Many will be experiencing a combination of barriers to work, such as homelessness and drug or alcohol issues.
- 3.25 The team work closely with the all the Moray Schools and Skills Development Scotland to ensure that all pupils including those who are non-attenders have the opportunity to take part in a programme of learning and activity, which helps them to become ready for formal learning or employment. Common to all activity agreements is the one to one support provided by the trusted member of the team who acts as their main contact providing support, advice and encouragement to help the young person to make progress in their personal development.
- 3.26 **School Work Experience:** The team supports on average 100 pupils all with additional support needs per year to access work experience placements and support the pupils to ensure the placements are meaningful and of benefit to the individual's long term employability.
- 3.27 **Work Clubs:** The service currently runs a very successful work club for the Criminal Justice service and the team will soon provide a work club for service users in Through Care to After Care.

3.28 **Cost of the Service to the Moray Council:** Moray Employment Support and Training consists of a total of 11 FTE staff and comprises three distinct budgets:

1. A 'Work Choice' budget that is income from DWP through a subcontracted arrangement with Momentum Scotland.
2. A Moray Training budget that is made up of income from Skills Development Scotland, SQA and private training income.
3. The Employment Support Service budget is funded by the Moray Council and is not income generating

Actual 2011/12	Income	Expenditure
Work Choice	£209,194	£146,149
Moray Training	£289,586	£219,055
MEST	£25,689	£241,415
Total	£524,469	£606,619
Considering all three budgets as one the cost to the Moray Council for the service and the staff team of 11 FTE during 2011/2012 was £82,150		

Actual 2012/13 Forecast	Income	Expenditure
Work Choice	£138,321	£111,000
Moray Training	£238,300	£171,500
MEST	£17,218	£223,578
Total	£393,839.00	£506,078.00
Considering all three budgets as one the cost to the Moray Council for the service and the staff team of 11 FTE during 2012/2013 is forecast to be £112,239		

3.29 **Full cost recovery:** for the service will always remain an ultimate ambition and the service continues to seek sources of funding whenever it can. The contracts so far secure for 2013/14 are:

Contracts secured from Skills Development Scotland for 2013/14	Income
Employability fund 2013/14	£ 89,355
Residual training for work contract 2013/14	£16,100
Modern Apprenticeship provider contract 2013/14	£128,728
Momentum contract 2013/14	Income
Work Choice 2013/14	£55,522
Total	£289,705

- 3.30 Other income streams have been considered including raising income from clients however three issues need to be considered in respect of generating income from clients:
1. With the roll out of the welfare reforms clients have very little disposable income available to them.
 2. Although not as specialised as the service offered by the Moray Council employability support is offered free by other agencies including the Work programme and the Jobcentre.
 3. A fine balance exists between supporting people who cannot work and the creation of disincentives to returning to work for those who can and a charging policy is likely to create a disincentive for people who may be considering moving off benefits and into employment or voluntary work.

4. SUMMARY OF IMPLICATIONS

(a) Council / Community Planning Priorities

Employability & Employment skills are priority 5 of the Moray Community Planning partnership Single Outcome agreement 2013-2016. We realise our full economic potential with more and better employment opportunities for our people.

The Impact of Welfare reforms is an issue for the Moray Council that is being directed by the Welfare Reforms Group.

(b) Policy and Legal

A growing body of evidence to support the fact that work is a key social determinant of good health, not least the Marmot review of health inequalities: "Fair Society, Healthy Lives" and Waddell and Burton's review "Is Work Good for Your Health and Well-being"? (NHS Health Scotland – Health inequalities Briefing 5 – Employment).

(c) Financial implications

There are no financial implications arising directly from this report. As detailed in para 3.28 above, funding has been agreed from Skills Development Scotland and Momentum Scotland for the financial year 2013/14 of £289,705.

(d) Risk Implications

A reduction in the level of support will have a direct impact on staffing levels which would impact on the ability to fulfil contracts which would then directly impact on the income generated and ultimately the cost effectiveness of the service

(e) Staffing Implications

None.

(f) Property

None

(g) Equalities

An Equality Impact Assessment is not needed because no changes to the service are indicated.

(h) Consultations

The following have been consulted and are in agreement with the content of this report relating to their service:

Head of Community Care

Provider Service Manager

Service Manager (Assessment & Care)

Deborah O'Shea, Principal Accountant

Senior Performance Officer

5. CONCLUSION

- 5.1** Moray Employment Support and Training provides a service across client groups and for a wide range of frontline services. On average the service costs the Moray Council a little over £100,000 per year for 11 members of staff supporting over 400 people a year and generates a net return to the Moray Council, through a reduction of individual's reliance on local welfare benefits and support services.

Author of Report: Alan Weaver

Background Papers: Appendices 1 to 3 Personal success stories

Ref:

Appendix 1

Gender

Female

Disability

Mental Health Condition

Barriers overcome

Anxiety (on long term Incapacity Benefit transferred to ESA)

Progress

August 2010 - first meeting with Employment Development Worker (EDW)

January 2011 – voluntary work at local care home day care assistant

May 2011 – paid permitted work - relief work at care home

June 2012 – additional relief work at another care home

June to Sept 2012 – confidence to apply for other employment out with care home

Sept 2012 – employment secured on a relief basis with Momentum, Direct Payments and Cornerstone.

Jan 2012 – came off ESA now in open employment

Achievements

She overcame anxiety at every level of her progression from attending Moray Employment Support and Training (MEST) to securing open employment. Any new situation triggered her anxieties. At the same time she has caring responsibilities for her son and assists her father in running the family farm.

Her confidence was built up gradually at a pace she could cope with to enable progression. When she first attended MEST she was very anxious which was shown by her being very emotional, tearful and struggling to talk about her situation. She was supported to identify her skills and experience, her ambitions and to plan how to reach her goals.

With support she tried work which she did not know if she would be able to do which was a challenge. She coped with this and flourished within this role as a day care assistant and she established herself as a valuable member of the team. The manager at the time said early on in her voluntary work that if she got the opportunity she would employ her.

Social Inclusion

She became part of a team of staff when she volunteered at the care home and enjoyed the social aspect of supporting the residents.

She then became part of the team in another care home thus widening her social circle and having a feeling of contributing to the local community. This also raised her self esteem.

This formed the basis for increasing her confidence to apply for and secure other work within the local area. With her new employment she has gained new skills and taken part in training.

Potential savings for the council

Although I cannot know for certain there is the real possibility that she may have required formal mental health intervention if MEST had not supported her. She had identified that her anxieties were detrimental to her quality of life and she may have deteriorated resulting in the need for NHS mental health intervention and council mental health social work intervention.

Potential for contributing to the community

She contributes financially to the community as she now does not claim any benefits as she earns her own income. She also contributes in the community because the nature of her job involves her supporting others therefore reducing their social isolation and supporting them to remain in their own homes rather than or delaying the need for them to enter residential care.

She had not been in open employment since 2003. Since being supported by MEST she has flourished and has gone from initially being very anxious about any meetings or the thought of doing anything new, into employment. With support she has challenged herself, regained her self esteem, increased in confidence greatly and has been able to identify this. She feels proud of her achievements and that she is contributing to society and being a positive role model for her son.

Appendix 2**Gender**

Male

Disability:

Mild Learning disability

Barriers:

Reading and writing skills – He was very self conscious in this area. He felt that people would not take him seriously if he did not have these skills and it would hold him back from reaching his goal. His Employment Development Worker reassured him this was not the case and encouraged him to go to the Big Plus and build up his skills. He attended the Big Plus and has increased his skills. He is more confident within himself knowing that he can read a newspaper by himself. He still needs support with letters from the DWP but even people who have no reading difficulties struggle with them.

Low confidence – He had low confidence in himself. He had not been encouraged to explore his full potential in the past. MEST had to develop this area through work preparation and making him realise that he did have skills to sell and that he was an able person.

Changing staffs' perception – He wanted to lead as independent a life as possible and did not want to be under the umbrella of day services anymore. He had to convince Day Services and Community Support staff that he was able to leave day services and look for part time employment. His Employment Development Worker already knew that he had transferrable skills as she had worked with him previously at the can recycling project.

A few years later he and his Employment Development Worker then had to convince Community Support that he was ready to take the leap from part time work to full time. Community Support had reservations but decided to go with it when MEST assured them that they would be fully supporting him with this transition.

Progress:

2003	Moved from day services
2006	Went into part-time permitted work
2011	Went into full-time open employment

Social inclusion:

He is a full-time worker who has come off his benefits and living an independent life. His social network has grown. When he first moved to this area he only mixed with other people who also had a learning disability he even shared a flat with another young man who had similar difficulties. He moved into his own flat with support from the Council.

Potential savings for council:

He still receives some support from Community Services to help with his budgeting and shopping but he is fully independent in all other areas. He does not require day services anymore which means other more relevant people can tap into those services. He has saved the council money as he now pays full rent has met the targets of the DWP.

Potential for now contributing to the community:

He now has a small daughter. He is proud that he is able to sustain employment and provide for his daughter without financial help from Social Services.

He had the drive to push for employment and change his life. His Employment Development Worker has every confidence in him that he will continue to sustain his current employment and stay off the benefit system.

He is now on full pay and working tax credits and he pays for the support he receives from Community Support.

Appendix 3**Gender Male****Disability:** Physical Disability / Mild Learning Disability**Barriers to overcome:**

Employers perceptions of physical ability, (He has a form of hemiplegia affecting one side of his body which is visually obvious), low self esteem, confidence and aspiration due to years of unemployment and struggling to be given the opportunity to prove himself.

Progress:

A journey beginning at a point (on referral) where he hadn't worked for 8 years, he was supported and encouraged regarding his aspirations and eventually progressed into a trial Voluntary Work Experience (VWE) which was very successful and became ongoing at the end of the trial as a Voluntary Work Placement (VWP). Being in work and showing that he was capable physically of completing a job that is a physically demanding job boosted his confidence and self esteem to the point where he knew he was ready to apply for paid work again. The VWP also gave him an up to date reference when applying for future work. With support he was successful in obtaining paid work in a similar working environment as his VWP but in a busy commercial setting. He started by being offered a 16 hour contract which he accepted and came off his benefits, after a very short period of showing how capable he was he has been offered full time hours every week since and in the words of his manager "has become one of my best workers, I know I can rely on him," He continues to work as hard as ever and in accordance with his wishes and with his employers agreement the support provided by us is due to cease after his next scheduled routine review.

Achievements:

Renewed confidence, self esteem and aspirations. Proving physical ability to employers in both VWP and in his paid work. Eventually obtaining and sustaining paid work and being able to come off his benefits and contribute to society. Less socially isolated and with more colleagues and friends as a result of his paid work. More self sufficiency with the removal of the requirement for support from a service such as ourselves regarding employment and the satisfaction of earning the money he has and not having to rely on out of work benefits.

Social inclusion:

He lives in a rural situation where he has no peer group and could be fairly socially isolated. His social isolation improved steadily during the process of the VWP and during his paid work to a point where he would agree that he no longer feels isolated socially. He has become a valued member of a busy work team and his colleagues include him socially as well as at work.

Potential savings for the council:

He was attending a Day Centre and receiving support there one day a week; this may not have been enough and may well have increased in order to address the isolation alone. He no longer attends as he now works full time.

Potential for now contributing to the community:

He is no longer on out of work benefits and is paying National Insurance and Income Tax on his earnings. He works in a very public environment where the general public see him at work; he is an ambassador for other disabled people showing that they are able and can contribute by holding down paid work and more importantly doing it well and being appreciated for it. He received a recommendation of how high the standard of his customer service skills were within the first few weeks of his paid work starting by someone who was paid to check the standard in the work environment anonymously, unknown and unannounced.

Anything you feel is important:

The important part of this story is that sustainable paid employment is achievable, progress can be made. There are too many people who become frustrated and demoralised by whatever barriers they encounter during their journey towards paid employment. This story shows, to them, to employers, and to us providing the support that there are some happy endings to stories.