



National Audit Office

DEPARTMENT FOR WORK AND PENSIONS

Gaining and retaining a job: the Department for
Work and Pensions' support for disabled people

LONDON: The Stationery Office
£11.25

Ordered by the
House of Commons
to be printed on 10 October 2005

EXECUTIVE SUMMARY



1 There are 9.8 million disabled people in Great Britain¹ – around one in six of the population. In 2004, of the 6.7 million disabled people of working age, 50 per cent were in employment compared to 75 per cent of the working age population as a whole. The Government has committed itself to increasing the employment rate of disabled people and to reducing the difference between their employment rate and the overall rate by 2006 and further by 2008.

2 This report provides an overview of the specialist employment programmes and schemes to help disabled people find and retain work and shows how they have evolved (Part 1). It also examines whether these are effective at getting disabled people into work and helping them sustain and retain employment (Part 2); whether they are accessible and of suitable quality (Part 3); and, considers whether the employment programmes and schemes are cost effective (Part 4).



Disabled people face a range of barriers to finding and retaining work

3 Being in work can have many positive consequences for disabled people such as developing confidence and new skills, earning money, improving health, meeting people and generally being more integrated into society. Many disabled people face barriers to finding and retaining employment including negative employer attitudes. Employers often have concerns about the costs associated with employing a disabled person – which they often perceive to be higher than they actually are – and the need to make adaptations to premises, even though there is support available with such costs. Addressing employers’ concerns will be essential if the Government is to achieve its aims in this area.

4 Lack of awareness of the programmes and schemes available to help find work is a barrier for many disabled people. A person’s disability or health condition can also present an obstacle to retaining work, especially if the condition fluctuates, as it is not always possible to find work that can adapt to this situation. In addition, disabled people experience the same barriers to work as others, such as lack of qualifications and scarcity of jobs in their local labour market, although these can be accentuated if the disability or medical condition restricts access to certain jobs.

¹ The latest Department for Work and Pensions estimate, based on data from the Family Resources Survey, using the Disability Discrimination Act (DDA) definition of disability to define a disabled person.

The Department offers a range of support for disabled people

5 The Department for Work and Pensions (the Department) funds a broad portfolio of programmes and schemes to help disabled people find and retain work (**Figure 1**).² These are managed by Jobcentre Plus – an executive agency of the Department – and contracted out to approximately 500 providers³ in the public, private and voluntary sectors. Disability Employment Advisers are crucial in guiding disabled people to the appropriate support, which includes Work Preparation, Workstep and the New Deal for Disabled People, or schemes such as Access to Work and the Job Introduction Scheme. Jobcentre Plus also manages the Disability Symbol.

6 Work Preparation and Workstep have evolved over the past 60 years in response to changing expectations about the place in society of disabled people. The New Deal for Disabled People was introduced in 2001. All now focus on helping disabled people to enter and progress within the labour market where possible. This is a departure from previous programmes such as the Supported Employment Programme (replaced by Workstep in 2001) which offered very few development opportunities. This new ethos is also reflected in the Department's Pathways to Work pilots, part of the Government's wider reforms of incapacity benefits, currently looking at ways of helping recipients into work.

7 Jobcentre Plus manages the programmes at a regional level to enable it to respond to varied needs across the country. There are also many government departments, agencies and voluntary sector organisations involved in employment-related support to disabled people, including the Department of Health, Department for Education and Skills and the Adult Learning Inspectorate.

8 The number of people receiving incapacity benefits has risen steadily since the mid-1970s but has recently stabilised. The number nearly quadrupled from 700,000 in 1979 to 2.5 million in 1997, and related benefit expenditure grew correspondingly. The growth in the caseload slowed significantly from around this time so that there are currently more than 2.6 million working age people⁴ receiving incapacity benefits⁵ at a cost of £12 billion. This is part of an overall sum of £20 billion paid on all disability-related benefits, including those not of working age, and those not associated with out of work

benefits. While some of this additional expenditure is matched by a reduction in the number of people receiving other working age benefits and allowances, there remain strong financial and social incentives to ensure there are opportunities for disabled people to work if they can.

Assessing the value for money of provision is difficult, but the long-term benefits appear to outweigh the costs of provision for many people

9 The programmes and schemes summarised in Figure 1 deliver important opportunities to disabled people but such support has a substantial cost. Estimating the value for money of the programmes and schemes is hard because progress against some of the objectives cannot be easily measured, for example, the ongoing emphasis on reducing social exclusion, or the impact on individual health.

10 Assessing the success of provision is made harder because data for some programmes and schemes is either incomplete or unreliable. Not all Jobcentre Plus regions know how much they have spent on some schemes, nor the exact number of participants, and departmental internal audit reports suggest that value for money may be compromised through marked variations in price or inexplicably high levels of use. For example, costs for support workers provided through Access to Work range from £6 to £46 per hour, and payments can be for up to 90 hours of support per week (where support is provided for working hours only).

11 An estimate of the average unit costs of providing the various programmes and schemes is at Figure 1. A simple comparison of these costs does not give an accurate picture of comparative value for money, partially because of the poor information held about some programmes but also because of the different nature of the programmes and the clients they serve. This ranges from those closest to being ready to work, in the case of the New Deal for Disabled People, to those further away from the labour market, in the case of Work Preparation and Workstep. The difference in costs also reflects the different nature, scale or intensity of assistance provided. There is also variation between programmes in the emphasis placed on sustaining employment over the longer term.

² Disabled people also participate in mainstream provision such as Work Based Learning and New Deal for Young People.

³ A range of organisations that offer disabled people services funded by the Department for Work and Pensions under one or more of the specialist programmes including assessment, preparing for work, finding work and in-work support.

⁴ *Pathways to Work: Helping People into Employment*. The Government's response and action plan. June 2003. CM 5830. (This report refers to 2.7 million people of working age receiving an incapacity benefit. The Department confirms the actual figure is 2.63 million).

⁵ Incapacity benefits refer to Incapacity Benefit, Income Support on grounds of incapacity, and Severe Disablement Allowance.

1 The Department's specialist employment programmes and schemes for disabled people

Name	Description	Number Participating ¹	Programme Cost ² (£m)	Average Unit Cost ³ (£)
Work Preparation	Helps people with health conditions or a disability prepare to return to work by building their confidence, identifying suitable types of work for them, offering work experience and providing support. Often used as a stepping stone into Workstep.	7,400	10.0	1,400
Work step (including Employ)	Provides tailored support to find and retain work for disabled people with complex barriers to finding and keeping work. Offers ongoing support to enable permanent employment in the open job market.	23,000	189.2	8,200
New Deal for Disabled People	Offers access to a network of job brokers who provide support and advice to help disabled people and people with health conditions find work. Often for disabled people who need minimal levels of support to find work.	57,800	37.5	1,100
Access to Work	Provides financial assistance towards the extra costs of employing someone with a disability, such as contributing towards the cost of specialist IT equipment, work adaptations to the workplace, some travel costs and the cost of having a support worker.	34,800	55.8	1,600
Job Introduction Scheme	Supports disabled people looking for work or about to start a job and provides an initial weekly grant for employers to cover any additional costs.	2,000	0.9	500
Disability Symbol	Used by employers who want to demonstrate their commitment to good practice around employing and retaining disabled people. The symbol is displayed on job advertisements.	5,000	–	–

Source: National Audit Office analysis of information from the Department for Work and Pensions

NOTES

1 Figures are for 2003-04, rounded to the nearest 100. Number participating for Work Preparation and Job Introduction Scheme refers to those who have been on the programme or scheme during 2003-04. Figures given for Workstep and New Deal for Disabled People refer to the number of current participants as at 31 March 2004. Access to Work figure refers to the number of new and existing beneficiaries during 2003-04. Figure given for the Disability Symbol refer to number of employers.

2 Figures are for 2003-04 and exclude administration costs. It should be noted that the figure given for New Deal for Disabled People includes approximately £9 million for in-house job broker costs. Overall figure for expenditure on Workstep (£189.2 million) reflects Modernisation funding payments made of approximately £7 million. Programme costs for the Disability Symbol are not available.

3 Unit costs are based on participant numbers only, as provided in the table above, except for New Deal for Disabled People. The unit cost for New Deal for Disabled People is based on the number of new registrations (34,500) in 2003-04. Please note that the unit cost for an Access to Work beneficiary does not reflect the wide variation in the level of support a beneficiary may receive, which ranges from one off support for a piece of equipment to continuous support in employing a support worker.

12 There are considerable differences in the actual unit price paid to individual providers of Work Preparation and New Deal for Disabled People. These vary widely because they are negotiated during the tendering of contracts. Workstep is more clearly defined and most providers have

a contract for a pre-determined number of clients. They receive set payments for key stages from registration of new clients to progression into unsupported employment. Remploy Ltd – the largest provider of Workstep – is funded differently and receives a block grant.

13 The full administrative costs of contracting with over 500 service providers are not known, but the Department estimates that the New Deal for Disabled People alone has administrative costs in the region of £6 million per annum. In light of the Government's drive towards increased efficiency, a careful appraisal of the way in which tendering, contracting, ongoing administration and quality inspection are carried out is essential. We have highlighted a number of areas where the Department can reduce costs, increase efficiency and deliver higher quality services and better value for money (**Figure 2**).

14 Remploy Ltd is funded by a block grant from the Government. It is the largest provider of Workstep and has an average unit cost in the factory businesses of £18,000. Given the decline of manufacturing across the UK it is unsurprising that older factories in particular find it difficult to compete effectively. Many Remploy businesses are not really sustainable in purely economic terms, although they offer a very supportive environment to their employees. Remploy Interwork, which places people primarily in outside employment with suitable support, appears to offer a more cost effective service at around £3,400 per person and accounts for three quarters of all progressions to unsupported employment.⁶ Although we accept that this model is not suitable for all Workstep participants, there remains substantial advantage in expanding this area of provision further, both in terms of reduced costs and the number of individuals who can be helped.

15 Calculations of the net benefit of the programmes are very complex and limitations in data, and the difficulty of estimating what would have happened to participants in the absence of the programmes, can make it impossible to quantify all impacts of a programme. However, we worked with the Department to develop an estimate of the programmes' net benefits. From this, we estimate that a disabled person who moves from benefits into work will be somewhere between 18 per cent and 60 per cent better off financially. This depends upon their individual circumstances such as whether they have dependants and the number of hours they work. A disabled person moving into work is usually eligible to receive a range of support such as working tax credits and child tax credits making them better off in work. A single disabled person with no dependants who takes up a typical job⁷ as a result of one of these programmes could see their annual income rise from approximately £7,000 on benefits to around £11,000 in work.

2 Actions aimed at driving down costs and increasing efficiency

- Reduce the administrative burden associated with managing too many small value contracts with providers who do not perform well.
- Adopt a more modular approach to all of the disability and employment-related provision by only providing the elements of support that are relevant to the individual client, although the Department will need to manage the risk that such an approach could incur increased administrative costs.
- Use the power of the bulk customer to develop supplier frameworks for goods and services and reduce unwarranted price variations.
- Review the nature of provision by Remploy to reduce the emphasis on the less cost effective factory based businesses and concentrate more on the commercially viable businesses and Remploy Interwork.

16 Each person who participates in a programme or scheme costs the Exchequer money from the cost of delivering and administering the programme. When moving into a job they save the Exchequer money through reduced benefits and generate money through payment of taxes and national insurance. Their work also makes a contribution to the wealth of their employers and the country as a whole. For example, for the New Deal for Disabled People the estimated net benefit to the economy is in the region of £400 per job entry in the first year. The longer a person remains in work the more the economy benefits. We have not been able to estimate additional costs and benefits such as improved social inclusion, alterations in health and use of NHS resources and travel costs but these are all additional factors in understanding the total impact of the Department's programmes and schemes.

What is working well with delivery of the programmes and schemes

17 The Department reports that it is on course to meet its target for increasing the employment rate of disabled people.⁸ In its 2004 Autumn Performance Report, the reported rate rose from 48.9 per cent to 50.1 per cent, and the gap between the rate for disabled people and the overall rate fell from 25.6 per cent to 24.6 per cent. A further one million employers were brought within the scope of the Disability Discrimination Act during the year.

6 These costs refer to direct costs to the Department for Work and Pensions. There is funding available from other sources.

7 An individual working 38 hours per week, £5.44 per hour. Ashworth et al (2003) *New Deal for Disabled People National Extension: First Wave of the First Cohort of the Survey of Registrants*. No.180 Department for Work and Pensions.

8 People with a Disability Discrimination Act defined disability and/or a work-limiting disability as defined on the Labour Force Survey.

18 The Department is well informed about the barriers to employment experienced by disabled people. The Department has commissioned extensive research and literature reviews looking at the barriers disabled people face. In each Jobcentre Plus office we visited we met experienced Disability Employment Advisers who had a detailed understanding of the barriers clients faced. A sound understanding of the problems is essential as there is no such thing as a typical client.

19 There is a wide range of support and options available across the programmes and schemes. The programmes offer support for a broad spectrum of needs – from clients who need a high degree of assistance with building self confidence and learning key skills (available from Work Preparation) through to those who need minimal support to find work (via New Deal for Disabled People). There is some overlap between the programmes, as shown in **Figure 3 overleaf**, which can cause some confusion for clients and providers alike. However, under its 2004 proposals in *Building on the New Deal*, the Department wants to move towards offering a flexible menu of provision across the programmes, offering a more tailored approach to clients.

20 Jobcentre Plus has committed and experienced staff to advise disabled people about the programmes that best suit their needs. Advisers in local Jobcentre Plus offices play a crucial role in assessing the level of assistance a disabled person needs and are responsible for guiding them to the most suitable support. Depending upon the significance of the barriers to work faced and level of help needed to find a job, either an Incapacity Benefit Personal Adviser or Disability Employment Adviser is available. Incapacity Benefit Personal Advisers work with Incapacity Benefit clients to help them progress into employment. They can also refer people who may have significant barriers to work, and require more long-term personalised support, to a Disability Employment Adviser. We found that Disability Employment Advisers endeavoured to carve out suitable packages of support for clients from the programmes available. Many had strong ties with local employers, as well as voluntary and community sector organisations.

21 Many of the clients participating in the programmes are positive about their impact. The clients interviewed for this report on the whole were positive about their experience of the programmes in which they were involved – either Work Preparation, Workstep or New Deal for Disabled People. In 2003-04, these programmes helped around 24,000 people into mainstream employment and provided supported employment for 27,000 people.

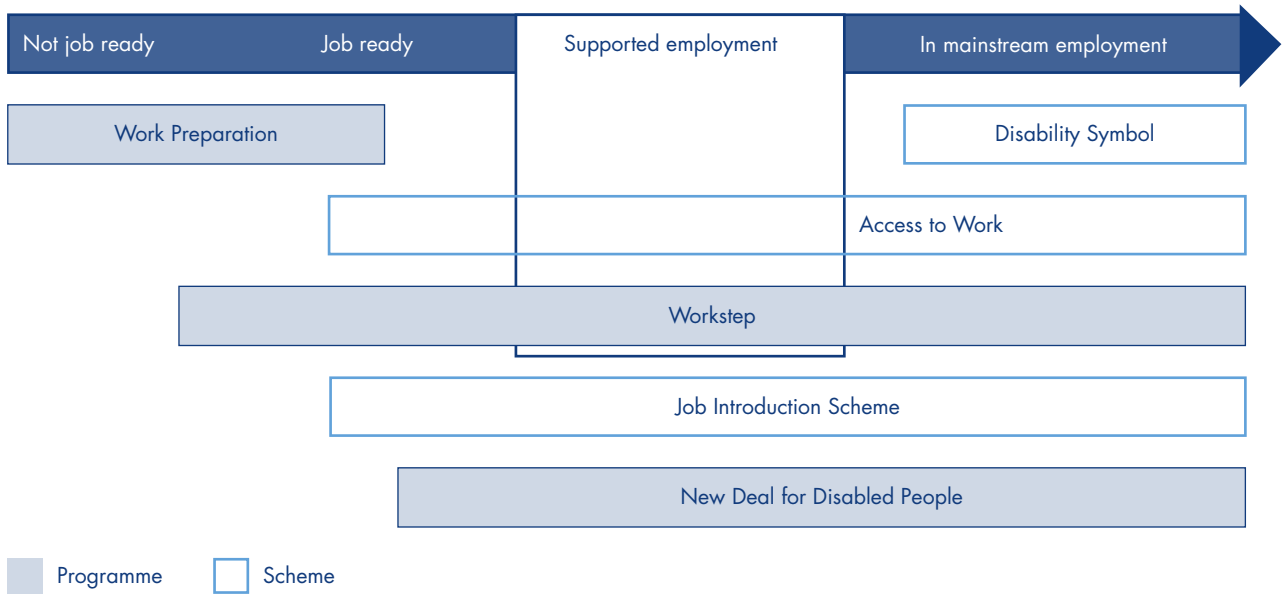
Client 1: "It (Workstep) was a light at the end of the tunnel, a way forward, a way to get back to full-time employment in spite of my sight problems".
Male, aged 51, visually impaired, on Workstep

Client 2: "I would definitely recommend the programme to others. You regain confidence and feel you are contributing something to society".
Male, aged 22, with mobility problems, New Deal for Disabled People

Client 3: "(Work) has give me self-confidence, pride in myself... (I) can hold my head up...not be called a 'scrounger'".
Male, aged 50, with asthma, on Workstep (Remploy)

Client 4: "It's the first time in my life that I am focussed and now have goals...It's all down to the help and enthusiasm of the staff".
Male, aged 34, with mobility problems, on Work Preparation

3 A guide to the overlap of the key programmes and schemes



Source: National Audit Office analysis

NOTES

Not job ready – have significant, perhaps multiple, barriers to overcome before being ready to move into work. Individual needs support to develop confidence and general skills, which may include basic literacy and numeracy.

Job ready – ready to move into employment, but may need help and assistance with interview techniques and skill development.

Supported employment – provides the opportunities to develop skills in a work environment and to find out about different types of jobs. Support is there to ensure the employer and employee receive assistance and is ongoing as long as it is needed.

Support in mainstream employment – the terms and conditions of employment should be the same as for people without disabilities including pay at the going rate, equal employee benefits, safe working conditions and opportunities for career development and promotion.

22 Providers had many positive things to say about current provision. We consulted widely with interested parties from the Department, provider groups and the voluntary and community sector who informed us of what, in their experience, are the particularly effective elements of current support and what areas need improvement (Figure 4). Good points included the client focused nature of Workstep, the flexibility of programme delivery for the New Deal for Disabled People and the opportunities for work experience provided by Work Preparation.

Where more progress is needed

23 The programmes only support a small number of people who could potentially benefit. In 2003-04, there were more than 2.6 million people of working age on incapacity benefits. In comparison, around 125,000 were involved in one or more of the Department’s programmes. Whilst not everyone in receipt of incapacity benefits will be able to work, many with the right support would like and be able to. Reasons for low levels of participation

could include lack of awareness of the support available, fear of approaching the Jobcentre Plus in case benefits are reduced and lack of confidence to take up the help available. There are also budgetary constraints that limit the number of places and support available.

24 The number of progressions from Workstep into unsupported employment is low. Some 1,900 people progress into unsupported employment each year - an average rate of eight per cent. We found that in the three years since April 2001, a third of Workstep providers with clients in supported placements did not progress a single person into employment, and that 25 Workstep providers had registered no new clients since April 2001. There is also insufficient attention paid to client development. Our review of recent Adult Learning Inspectorate inspection reports found only 22 per cent of Workstep providers had satisfactory individual development plans in place for their clients.

25 The Department needs better management information for Work Preparation and Workstep in order to evaluate their effectiveness. At present there is very limited data about clients, making it difficult to establish whether the programmes are meeting the needs of different groups. The Department also holds little information about the type of support providers offer and therefore struggles to manage their performance. The management information available for New Deal for Disabled People is much stronger and the programme has been the subject of ongoing evaluation. The Department has undertaken some analysis of New Deal for Disabled People but the analysis for the other programmes is at a very early stage.

26 Many Remploy factory businesses are currently not providing value for money. In 2003-04, Remploy received £115 million, of which £95 million was spent on business activity. Many of its businesses are in the traditional manufacturing industries which are generally in decline. They struggle to be competitive, which means funding per head in some businesses (average £18,000) is disproportionate to the average salary (£11,000). To maintain productivity, some factories may be reluctant to lose their most efficient employees, which contradicts the objectives of Workstep, the programme under which they are funded. In 1998, Remploy established its own recruitment services - Remploy Interwork – which has proved to be much more successful at progressing disabled people into unsupported employment. It accounts for 73 per cent of all progressions from Workstep.

27 Jobcentre Plus has quality monitoring arrangements in place but limited resources mean inspections of providers are not always undertaken to plan. Small teams at Jobcentre Plus regional level monitor the quality of Work Preparation and Workstep provision. However, due to limited time and resources, providers are not visited as regularly as they should be. Teams also reported having little power to require providers to meet their contractual obligations or improve the quality of provision because contracts are rarely withdrawn. Shortages of programme providers in some areas can also limit this option. Since 2002, the Adult Learning Inspectorate has inspected Workstep providers, which has added more weight to the process of quality assuring provision, but latest figures suggest 53 per cent of providers are classified ‘unsatisfactory’.⁹

28 The programmes focus mainly on finding work due to limited resources and difficulties targeting disabled people already in work. Not enough is currently done to help disabled people stay in employment, although there are pilots looking at retention activities. Few of the programmes and schemes – with the exception of Access to Work – are geared towards helping disabled people retain work.¹⁰ The New Deal for Disabled People is designed to provide active support to participants who find work and can help them retain work for at least the first six months. Workstep can also be used to help with retention, but we found little evidence of this happening. Disability Employment Advisers and Incapacity Benefit Advisers both stressed the importance of supporting disabled people worried about being able to maintain their jobs, but said they receive little recognition, if any, in the Jobcentre Plus performance regime for this work, which can be time consuming. The Departments for Work and Pensions and Health have launched pilots, such as the Job Retention and Rehabilitation pilot in 2003, to look at the effectiveness of different types of support at helping sick and disabled people remain in work.


29 Jobcentre Plus has a national employer engagement strategy, but not all Jobcentre Plus areas are active in developing contact with employers. We found patchy evidence of its effective implementation at the frontline. Relations between Jobcentre Plus, programme providers and employers are vital to successfully supporting disabled people into employment. Approaches varied considerably in the Jobcentre Plus offices we visited, with some very actively involved in engaging with employers by running special events to draw them in but others having limited contact.

30 Disability Employment Advisers have a crucial role to play, yet their training is ad hoc. There are between 500 and 700 Disability Employment Advisers, although Jobcentre Plus does not know exactly how many or how they are being used due to regional autonomy and rationalisation. There is currently no integrated training strategy for Disability Employment Advisers although the Department informs us that a new, more structured learning and development routeway will be introduced in autumn 2005. We found some Advisers experienced delays in accessing the training that it is available and had to take on caseloads of clients with limited preparation for the role. However, Jobcentre Plus only recruits internally to the post and newly appointed Disability Employment Advisers usually have an experienced Disability Employment Adviser on hand as a mentor.

⁹ 53 per cent refers to the period June 2002 to May 2005. The Adult Learning Inspectorate have carried out over 100 inspections. 98 inspection reports were published by the end of May 2005.

¹⁰ Retention refers to keeping someone in pre-existing work, whereas sustainment refers to keeping someone in a job found during a programme.

4 Feedback from stakeholders about what does and does not work with the programmes

	What Works	What Does Not Work
Workstep	<p>Client Focus: Workstep is client centred and offers individual, ongoing support. </p>	<p>Lack of Awareness: There is a lack of awareness of Workstep availability among the client group and also Jobcentre Plus staff. </p>
	<p>Programme Delivery: Workstep is flexible and allows for various modes of delivery. </p>	<p>Funding methodology: The design of Workstep is flawed as it will only progress so many people per year which makes continuous funding difficult. </p>
	<p>Supporting employers: Workstep gives employers the opportunity to take on candidates that they do not feel 100 per cent sure about. It assists employers and employees if problems occur. </p>	<p>Meeting client needs: Workstep is a last resort but does not address the needs of those who are further away from the job market. </p>
	<p>Finding work: Workstep provides the sometimes essential first introduction of the individual into the working environment. It gives the person the chance to develop into the job without meeting 100 per cent of the person specification. </p>	<p>Provider Assessment: The Adult Learning Inspectorate has no understanding of the concept of Workstep. </p>
	<p>Developing Skills: Workstep provides skills for life. </p>	<p>Expectations of providers: The Jobcentre Plus requirements for Workstep are not consistent and so the programme does not provide work as well as it should. </p>
	<p>Lack of flexibility: Workstep cannot accommodate people with fluctuating health problems. </p>	
Access to Work	<p>Client Focus: Access to Work is client led, provides specific, individual support and has the flexibility to tailor itself to an individual's needs. </p>	<p>Lack of Awareness: There is not enough awareness of Access to Work among both employers and potential clients. Marketing is restricted due to the limited funding available. </p>
	<p>Removing barriers: Access to Work recognises the need for specialist input and assessments. It can provide aids and adaptations where there are barriers to work and also help with the cost of travelling to work. </p>	<p>Delays: There are delays where the client does not get the equipment needed in time. </p>
	<p>Support: Access to Work can provide a range of specialist support. The support is flexible and is available from start to finish instead of only 13 weeks. Training and support is available for both the employer and the employee. </p>	<p>Lack of consistency: The administration of Access to Work is very different as areas have their own budgets. There is also a lack of consistency in decision making, determining eligibility and day-to-day administration. </p>
	<p>Recruitment and Retention: Access to Work is effective in helping disabled workers enter into, and retain, employment. </p>	<p>Delivery: Employers may need to contribute 20 per cent towards the cost of specialist equipment. It can also be difficult to get the support approved for a long period of time. The move towards using call centres for Access to Work means the key relationship between the adviser and client is lost. </p>
	<p>Joined-up approach: Access to Work interacts well with other programmes. </p>	<p>Eligibility: Access to Work support is only available for people in work. Other clients would need to come off benefits first before receiving this support. </p>

	What Works	What Does Not Work
New Deal for Disabled People	<p>Programme Delivery: An innovative, flexible programme which engages with employers and is not time constrained nor subject to Jobcentre Plus demands. </p>	<p>Short-term support: New Deal for Disabled People does not provide support beyond 6 months. It is not therefore appropriate for people with learning disabilities and mental health issues who may require longer term support. </p>
	<p>Focus of Programme: New Deal for Disabled People focuses on confidence building and job searching skills. Clients benefit from being in mixed groups. Job Brokers can be good and focus on people. </p>	<p>Cherry picking: New Deal for Disabled People is output related and therefore encourages providers to focus on the more job-ready and neglect the difficult clients. New Deal for Disabled People helps some people who would have got into work anyway. </p>
	<p>Client Group: New Deal for Disabled People is successful for people with physical, mild to moderate disabilities. </p>	<p>Lack of clarity: The New Deal for Disabled People programme lacks clarity. </p>
	<p>Short-term approach: New Deal for Disabled People allows a 'quick fix'. </p>	<p>Funding: New Deal for Disabled People is not economic. There are issues around contracting arrangements and disparity in the funding received. </p>
Work Preparation	<p>Work experience: Work Preparation provides a taste of work without the commitment. Placements have led to some permanent jobs. They also enable clients to form job goals as well as being aware of their future workplace support needs. </p>	<p>Lack of interface with Access to Work: Clients on Work Preparation cannot receive help from Access to Work. </p>
	<p>Joined-up approach: Work Preparation feeds well into Workstep and other programmes. It is successful as a pre-entry programme. </p>	<p>Inappropriate Use: Work Preparation is used a lot even though it is not always the right programme. Different people require different modules. </p>
	<p>Client Focus: Work Preparation can be tailored to meet the needs of the specific disability and provides support from start to finish. </p>	<p>Lack of Comprehension: There is limited understanding of the Work Preparation programme. </p>
	<p>Engaging with employers: Work Preparation enables both the employer and the employee to recognise a client's abilities. </p>	<p>Targets: Small providers find it more difficult to meet Jobcentre Plus targets of minimum hours worked per person. Further, the client may need a more gradual introduction to work. </p>

Source: National Audit Office analysis of workshops with key stakeholders

NOTES

Colours have been used for each type of programme to denote the strength of feeling among the various workshop groups on 'What Works' or 'What Does Not Work'.

A darker shade signifies an issue that was raised more often while a lighter shade relates to a topic that was less important to stakeholders.

This feedback reflects the views of the workshop participants on the day. It may therefore contain contradictory statements and does not necessarily reflect the views of the National Audit Office.



RECOMMENDATIONS

31 The Department's broad portfolio of specialist employment programmes and schemes for disabled people is designed to support a wide range of needs within the resources which the Department is able to devote to these activities. It supports only a small number of people who could potentially benefit. Too little is understood about the effectiveness of much of the provision. Success in helping disabled people obtain work can have enormous impact for individuals and, given the costs of incapacity benefits – some £12 billion in 2003-04 – could save substantial amounts of public money in the long term. On the basis of our work, we consider the Department and programme providers should work together to implement the following recommendations:

- a** **The Department should rationalise the programmes to provide a more flexible modular approach.** Some of the Department's current programmes have evolved over the past 60 years and could benefit from rationalisation, which would make them easier to explain to potential clients. For example, it is not clear that there is a need for the three different programmes – each managed and costed differently. In its report *Building on the New Deal* the Department proposed to move towards a flexible, modular approach based on client needs and our work suggests there is strong support for this approach for this client group.
- b** **The Department should improve substantially its data collection and verification systems to allow it to monitor services and assess whether they are meeting the broad range of needs of disabled people.** The Department's knowledge and understanding of what providers deliver is poor, largely because management information, especially for Work Preparation and Workstep, is of insufficient quality and some is held only at the regional level. Improving the information held would help the Department better track the needs of this disparate client group as well as identify if the support needed is reaching them and whether there are any gaps in provision. The Department should ensure that existing channels – such as provider forums – are fully used for sharing and disseminating good practice across Jobcentre Plus offices and between programme providers.
- c** **The Department should achieve enhanced efficiency through better contracting.** The Department can improve the quality and price of the services it purchases through proper benchmarking, open competition and appropriate use of its power as a bulk purchaser. The Department should, wherever possible, reduce unwarranted variations in price and minimise its own contracting and administration burden while securing higher quality products for reasonable prices.



- d** The Department should consider placing greater emphasis on longer term sustainability of employment for Workstep and the New Deal for Disabled People. This might include revising the payment and outcome measures and offering better incentives for providers who deliver quality provision and progress clients effectively. Some clients need higher levels of support and this could be factored into payment mechanisms for Workstep - possibly creating an expectation that levels of support and the payment for them will tail off over time. We also recommend that the Department should review the duration of contracting arrangements to allow for more certainty for higher performing providers and termination of those performing poorly.
- e** Jobcentre Plus should look at how to better resource its quality management arrangements for all of the programmes in order to drive up the standards of provision. Jobcentre Plus' quality and performance management teams now adopt a risk-based approach to monitoring providers of both Work Preparation and Workstep, but limited resources mean some are not visited as regularly as expected. Other than inspections of Workstep providers by the Adult Learning Inspectorate, little is currently done to encourage healthy competition and raise standards amongst providers because Jobcentre Plus set their standard as contract compliance, which fails to promote and drive up provider performance. A more open discussion of quality indicators, including publication of progression figures expressed as a percentage of the contract value, may help to drive up performance. Such an approach may also encourage the spread of good practice.
- f** Jobcentre Plus should provide greater support and training for Disability Employment Advisers. The role of the Disability Employment Adviser is crucial to the success of the programmes. They play a key role in assessing the client's needs and subsequently routing them to the programme that best meets their requirements. However, training for Disability Employment Advisers is currently undertaken on an ad hoc basis and is not always available at the right time. Jobcentre Plus recognises the current approach to training creates a problem for consistency and will be introducing a new learning programme for Disability Employment Advisers in autumn 2005.
- g** The Department should focus more resources on helping people stay in work and build upon the findings from current pilots. There is insufficient support available – except Access to Work – to help to retain in work those disabled people who are concerned about losing their jobs due to their disability. Workstep is designed to help with retention, but we found little evidence of this happening. The job description for Disability Employment Advisers has recently been revised to include responsibility for helping clients remain in employment by working together with the client and employer. If it decided to apply its resource in this way, by providing more support to help disabled people remain in work, the Department could reduce future demand on the existing programmes and keep down the expenditure on disability benefits. More support for disabled people already in work could also offset the perceived extra costs under the Disability Discrimination Act of employing a person with disabilities and make employers more likely to employ more disabled people.



RECOMMENDATIONS CONTINUED

- h** The Department should develop a better understanding of the needs of disabled people and analyse further how the programmes and schemes address these needs. Whilst the Department has commissioned extensive evaluation of the New Deal for Disabled People, it should continue to evaluate the effectiveness of the other programmes and schemes at meeting the needs of disabled people and preparing them for long term sustained employment. This should cover the costs and benefits of the programmes to help quantify their impacts.
- i** The Department should review the costs of support under the Access to Work scheme and also examine whether such high levels of public sector use is appropriate. It should consider developing a framework arrangement or approved list of suppliers so as to make use of its large user buying power and reduce the huge variation in costs for similar services and resources. We also support the Prime Minister's Strategy Unit recommendation that the Department evaluate the impact of restricting or removing access to the Access to Work scheme by central government departments given its widespread use by the public sector.
- j** The Department should re-engineer the profile of Remploy businesses to improve overall value for money and should ensure support is in place from Remploy Interwork or Jobcentre Plus to help those individuals affected find alternative employment if necessary. Many of the Remploy businesses are not currently sustainable and are unlikely to be so in the future. The average cost per person in a Remploy business is disproportionate to the average salary and there is little scope for improvement in the traditional manufacturing businesses. There have been few progressions from Remploy businesses into unsupported employment, which is not in keeping with the current aims and objectives of the Department's programmes to progress all those people for whom it is appropriate.
- k** The Department, in consultation with programme providers, needs to develop a clearer strategy for engaging with employers at a local level. Engaging effectively with employers is important to the success of the programmes and schemes and more generally to ensuring disabled people are well integrated into the workplace. Although we found different approaches, such as active marketing of individual clients to specific employers and broader awareness-raising of employers' legal responsibilities, constraints on time and resources mean not all Jobcentre Plus offices are able to work with employers as much as they would like.



- I The Department's programmes are not the only source of support for disabled people wanting to find work. The Department should work with local authorities and voluntary and community organisations to gather information about the range of support available. Due to lack of co-ordination there are risks that services are duplicated and gaps occur in provision. We support the Strategy Unit's recommendation that a comprehensive on-line directory of services should be developed covering provision from all sectors, not just Jobcentre Plus.