An Overview of the Findings of New Research into the Cost Effectiveness of Employment Supports for Disabled People

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Chief Executive – NDTi

Disclaimer ….. This presentation represents the views of NDTi, not necessarily those of SSCR, NIHR, DH or others
This Presentation Will......

- Outline the Research
- Summarise the Key Findings
- Give headlines of cost effectiveness from the data (go to Rich’s workshop for the detail)
- Give headlines of the findings about effective commissioning/delivery (go to Philippa’s workshop for the detail)
- Suggest some key points of learning and key challenges
The Issue

- A concern that much employment support for disabled people did not appear able to evidence cost and outcomes.
- A concern that in difficult financial times, the lack of evidence might encourage services to return to warehousing people rather than supporting people into the workplace.....
- .... Despite the evidence that disabled people being in work saves public money (to say nothing of the benefits to their self-esteem, relationships, personal finances etc.)
Examples of Evidence of Financial Benefit to the Public Purse

- Cost-benefit analysis of supported employment in North Lanarkshire and Kent found net savings of £6,894 and £3,564 per person per annum to the taxpayer (DH 2011a; Beyer 2008; Kilsby and Beyer 2010).
- Cost-effectiveness analysis in North Lanarkshire showed an overall cost per job gained of just over £7,000 pa, compared to around £15,000 for alternative day services (Beyer 2008).
- Social Return on Investment analysis of supported employment in Edinburgh showed £4.86 return on each £1 invested and in Northern Ireland 08/09 figures showed £13.46 return on each £1 invested (Coutts and Durie 2011; NOW 2009).
- Economic impact report of Working for Wellness Employment Support Service (which integrates psychological therapy and employment support pathways) found that every £1 spent generates £2.79 of benefits: £0.84 for the individual and £1.95 for the state (Office of Public Management 2011).
What The Research Aimed To Find Out

- What is the ‘value for money’ of current employment supports, in terms of people consequently achieving paid work? (If we invest x amount, how many people will get / keep jobs as a result?)

- How does that ‘value for money’ impact vary between different models of employment support? Do they result in different outcomes?

- How is the ‘value for money’ impact affected by different approaches to implementing local employment strategies?
Practicalities of the Research (1)

- Funding by the School for Social Care Research (SSCR) – part of the National Institute for Health Research
- As a DH funded entity, the study was restricted to social care and related healthcare activities and was not allowed to study DWP funded employment supports
- Therefore, a focus on mental health and learning disability employment support services
- Likewise, therefore covered England only.
- A Team effort
Five main components:

- A scoping review to identify existing evidence about employment support and, in particular, their cost effectiveness
- National data collection from every local authority and PCT (as was) in England (data received from 83 authority areas)
- In depth data collection and study in a sample of local areas and services to understand data in detail
- Qualitative study of a small number of local areas to understand what did and did not help deliver strategies
- Action learning with commissioners in three parts of England – to gather additional data and share learning
Existing Evidence About What Works

- Clear evidence that ‘place and train’ models help people into work better than other approaches – i.e. ‘individual placement and support’ (mental health services) and ‘supported employment’ (learning disability services)
- Little or no evidence any other approaches (train & place, volunteering etc.) have good outcomes – some new approaches not evaluated
- Some evidence around cost benefit analysis (see earlier) – very little on cost effectiveness
- Concerns about ‘model fidelity’
A lack of understanding about the evidence

Most investment is in non-evidence based approaches

Most commissioners do not collect the data they need to make informed spending decisions

Huge variability in outcomes achieved and cost effectiveness – without ‘good’ reason

Evidence based services achieve better outcomes for less money

There are clear things commissioners need to do to get better outcomes and value for money
Clear evidence of non-use for PB’s for employment support

A small follow on study being undertaken by NDTi to find out more

Confirmed a real lack of use of PB’s for employment support – especially through supported employment agencies and similar

Emerging conclusions suggest some significant systemic reasons as to why this is so – including a lack of priority/belief in work as an outcome from care managers & LAs
What The Research Data Tells Us
About Cost Effectiveness and Value for Money of Employment Supports

Rich Watts
Programme Lead: Mental Health
NDTi
Some headline data findings

- National trends
- Quality of the data
- What does average look like?
- What job outcome rate to expect
- How evidence-based approaches make a difference
- A glimpse at other findings…
Changing spend patterns

Average Spend per area between (2010-2013), left to right, for each budget stream

- Social Care
- Health
- Combined
- Overall

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So…

- More for more?
- More for the same?
- More for less?
The data we have

- Received 70 returns in total for the detailed data analysis

Caveats:
- Self-reported
- No common definition of an employment outcome
- Monitoring data very varied (e.g. gender, age, levels of impairment)

Things not included / collected:
- Hours worked
- Payment received
- Sector work is in
What an ‘average’ service looks like

£263,132

Supports 198 people

£1,730 per person
Average hides the range...

Costs per person supported

£- £1,000 £2,000 £3,000 £4,000 £5,000 £6,000 £7,000 £8,000 £9,000 £10,000 £11,000
Job outcome rate
Job outcome rate
Job outcome rate

38%
Costs / job outcome: all sites

£5,000
£10,000
£15,000
£20,000
£25,000
£30,000
£35,000
£40,000
£45,000
£50,000
£55,000
£60,000
Costs / job outcome: good practice
Other findings include...

- Does the size of a service matter?
- How does changing focus on gaining jobs or retaining jobs affect things?
- Does the complexity of someone’s impairment make a difference?
- How big is the difference between all sites and the evidence-based sites?
What We Have Found Out About the Organisational ‘Conditions’ for Commissioning Effective Employment Support

Philippa Chapman
Associate - NDTi
Fieldwork and Data collection

- Visits to 11 initial sites & initial data gathering
- Two day visits to 6 of these sites
- Refinement of data collection
- Evaluation workshop for participating sites
- Learning Networks for commissioners
A positive decision by key decision makers to make employment a central strategic outcome and contextualise that to local circumstances so it becomes part of the culture of service behaviour.
A clear understanding of what is meant by employment – based on ‘real’ work including proven steps towards it.
A comprehensive strategy, owned by key players, based on evidence linked to wider strategies that is used to guide action/delivery.
Knowledgeable leadership (if not commissioners then commissioners listening to it) that works with all stakeholders, but especially providers, to specify, support and manage the development of systems and market that can deliver 1, 2 and 3.
A failure to gather information to inform achievement of 1, 2, and 3 enables cost ineffectiveness of services to continue.
Workshop: Providing the most effective employment outcomes and support

- Find out more about the Theories of Change in greater detail

- Hear about the supporting evidence and examples from our fieldwork

- Discuss how these theories can be used to develop employment support locally.
In Conclusion

The huge variability in cost effectiveness of employment support services is NOT explained by things like complexity of disability of the person being supported, economies of scale or similar.

It does appear to be explained by:

- The type of employment support being provided (RIGHT MODEL)
- The strategic approach to implementation and commissioning (RIGHT APPROACH)
Some Questions for you to consider

- Should there be more specific policy requirements around using evidence based approaches?
- Should the regulatory framework be amended to help promote evidence based services?
- Why is spending on employment apparently dropping when the evidence is it saves money?
- What action is needed to ‘encourage’ LAs and the NHS to understand and implement effective employment support services?
- Why are some providers delivering services they know won’t work?
- How do we change the belief system around disabled people and work?
Thank you!

www.ndti.org.uk
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