
Cabinet Member for Business, Enterprise and Employment
Business, Economy and Enterprise Scrutiny Board (3)

7 September 2015
16 September 2015

Name of Cabinet Member:

Cabinet Member for Business, Enterprise and Employment - Councillor K Maton

Director Approving Submission of the report:

Executive Director of Place

Ward(s) affected:

City-wide

Title:

The Employment Support Service (TESS)

Is this a key decision?

No

Executive Summary:

This report deals with Coventry City Council's award winning TESS service, which provides a supported employment service for people with learning disabilities, autism, physical/sensory impairments and people with severe and enduring mental ill health. The service successfully helps people secure permanent employment.

The report provides an analysis of the options to continue delivering supported employment provision, following the reduction in Council resources in this area. The options are:

1. In partnership with others develop a sustainable model for supported employment delivery in Coventry
2. Externalise the service through a form of Social Enterprise.
3. Merge the service with another local authority delivering supported employment provision
4. Close the service on 31st December 2015

It proposes alternative delivery models, recommends efficiencies within the service and outlines further activity required to secure the future of supported employment provision in Coventry.

Recommendations:

It is recommended that the Cabinet Member for Business, Enterprise and Employment:

- (1) Recognises and endorses the work undertaken to analyse options, reduce the costs of the service and propose a sustainable future for supported employment in the city.

- (2) Endorses the recommendation for the service to continue to operate within the City Council and to seek funding from the Clinical Commissioning Group and from within the Council to support this option (Option 1)
- (3) Notes that externalising the service is not an option at this time due to reasons of service structure, additional costs and long term viability.
- (4) Notes that merging the service with another supported employment deliverer is a feasible way forward but the current timescales prevent this being an immediate option.
- (5) Requests that the City Council fund the service between January to March 2016 to allow for the outcome of funding discussions and applications to be known, and to consult as appropriate on a detailed delivery model.

The Business, Economy and Enterprise Scrutiny Board (3) is recommended to note the contents of this report and, if appropriate, make comments to the Cabinet Member for Business, Enterprise and Employment

List of Appendices included:

Appendix 1 Options Analysis

Background papers:

None

Other useful documents:

None

Has it been or will it be considered by Scrutiny?

Business, Enterprise and Employment Scrutiny Board 3 - 16th September 2015

Has it been or will it be considered by any other Council Committee, Advisory Panel or other body?

No

Will this report go to Council?

No

Report title: The Employment Support Service (TESS)

1. Context (or background)

- 1.1 The Employment Support Service (TESS) is part of the Economy and Jobs Service, based in the Place Directorate. TESS is a nationally recognised award-winning 'Supported Employment' service for people with learning disabilities, autism, physical/sensory impairments and people with severe and enduring mental ill health. It specialises in providing a range of individually tailored services to assist people to gain and retain employment, working in partnership with employers.
- 1.2 TESS helps between 25 and 35 customers with severe mental ill health or learning disability into work each year and at any one time supports a further 100 plus individuals to sustain their jobs. The service works with Adult Social Care and Coventry & Warwickshire NHS Partnership Trust. Delivery is through the Job Shop and the Pod in Lamb Street. Currently access to the service is limited to people eligible to receive support through Adult Social Care and those accessing Secondary Mental Health Services in Coventry.
- 1.3 For those customers with learning disabilities where work support is deemed to be cost effective and those with severe mental ill health, the only other employment support services they would have access to, are the national programmes – the Work Programme and Work Choice. Evidence from various national reviews confirms that this client group are being failed by these national services. Extensive research shows that current mainstream employment provision is not meeting the needs of people with learning disabilities, autism or mental health ill health. In its recent report *The Mentally Healthy Society*, the Taskforce on Mental Health in Society states that 'the performance of the Work Programme, the Government's main welfare to work scheme, has been poor: only 6% of ESA Claimants with a mental health problem as their primary condition who have started the Programme have found a sustained job through it'.
- 1.4 Nationally there is a 30% gap in the employment rate for people with a disability compared to the general population and disabled people are 4 times more likely to be out of work. The Coventry Learning Disability Strategy 2014-2017 estimates there to be 5,189 adults with a learning disability in Coventry, with a further 6,618 young people with special educational needs currently in primary, secondary or special school. In addition, data from 'Projecting Adult Needs and Service Information' predicts there to be 2,163 people with autism aged 18-64 in Coventry. Based on 2012 estimates, approximately 67,028 people in Coventry aged 16-74 have a common mental health disorder (*Mental Health and Wellbeing Assets and Needs Assessment for Coventry and Rugby – March 2015*). Due to the number of people with disabilities and mental ill health in Coventry and the low rate of employment likely to prevail for these groups, there is a need to continue to provide an employment support service for this group.
- 1.5 Key performance indicators for Adult Social Care, through the Adult Social Care outcomes framework is the proportion of Adults with Learning Disabilities in paid employment and Percentage of Adults in contact with secondary mental health services in employment. Not continuing to provide a Supported Employment Service would have a direct impact on these two indicators that are reported nationally.
- 1.6 The model of service delivery used by TESS is based on the nationally and internationally evidenced based approach of 'Supported Employment', which places the emphasis on a model of place-train-maintain, providing direct support to get people into meaningful paid employment (as opposed to traditional methods of work-readiness which result in people being engaged in expensive, long-term work experience and voluntary work as a substitute for real work). TESS is also a centre of excellence endorsed by the Centre for Mental Health for its delivery of high quality 'Individual Placement and Support (IPS)' to assist people with mental

health difficulties into employment. These two models share an emphasis on a personalised model and promote greater independence, reducing demand for Adult Social Care Resources and Secondary Mental Health Services. In addition TESS enables people that would otherwise be out of work to gain employment and participate economically in the City. The Launch Statement for the West Midlands Combined Authority (6th July 2015) recognises the importance of Mental Health through the intention to establish a Commission in Mental Health and Public Services.

- 1.7 Budget pressures resulting from exhaustion of one-off funding and the impact of ER/VR within the Economy and Jobs Service means that this service can no longer be sustained by council resources. Following a review of all business, skills & employment services delivered by Economy and Jobs, it was proposed that the TESS service could not be sustained beyond 31st March 2015. One-off funding initially from the Clinical Commissioning Group and Public Health was then secured to extend the service to 31 December 2015, allowing time for an alternative way of delivering and funding the TESS service to be explored.
- 1.8 It is worth noting that the TESS service delivers indirect cost reductions in other parts of the organisation i.e. adult social care costs and general healthcare provision. However, it is difficult to quantify these savings. Nevertheless the TESS model reduces the reliance that vulnerable people may have on higher cost, formal care services. Evidence developed in 2010 as a part of implementation of the Supported Employment Framework for Scotland (produced for the Scottish Government by RR Donnelley B62948 2/10) clearly demonstrates the Social Return on Investment value to stakeholders of between £2.60 and £5 for every £1 invested. <http://www.gov.scot/resource/doc/303584/0095164.pdf>
- 1.9 Iain Duncan Smith's (the Secretary of State for Work and Pensions) latest announcement on 24th August 2015 focuses attention on the benefits of work on health, especially for those with a disability or mental ill health. In his speech he proclaims 'We know there remains a gap between the employment rate of disabled and non-disabled people. We want to ensure everyone has the opportunity to transform their lives for the better by getting into work.' <http://www.itv.com/news/2015-08-23/iain-duncan-smith-to-announce-further-overhaul-of-disability-benefits-saying-work-is-good-for-your-health/>

2. Options considered and recommended proposal

2.1 The Case for Change

Following budget reductions for the Economy & Jobs Service, there is no longer resource to continue TESS beyond December 2015. The financial challenges facing the City Council and the Place Directorate has presented an opportunity to consider a more collaborative approach to providing employment support with our partners, focused on a more efficient and sustainable model of delivery for supported employment in the future. It addresses the need to consider alternative delivery models which provide improved value-for-money, attract grant funding and widen accessibility to address unmet need in the city for those with disability and common mental health problems.

- 2.2 The service has to date focussed on those that meet the eligibility criteria for social care operating within narrow restrictions of eligibility and to a degree in isolation from both the wider Employment Team & other relevant partners in the city. A more collaborative and inclusive approach is required, embedding the service within wider employment activity in the Council and building closer networks with partners plus widening access to employment opportunities beyond social care eligibility. Evidence from BASE (British Association of Supported Employment) providers across the country suggests that the most successful deliverers are those who work collaboratively with partners, adopt a flexible model of delivery and take a partnership approach with employers, which can be provided for TESS through the wider Economy & Jobs service.

- 2.3 A re-modelled TESS service would gain significant benefit from closer alignment to other Council employment services. This includes closer working with the Employer Hub service, so that TESS staff, no longer have to open up employer opportunities through cold-calling businesses and access to employment products such as paid placements / apprenticeships / internships developed for the benefit of customers with a learning disability or mental ill-health. The embedding of TESS within these wider services will deliver greater outputs for this vulnerable customer group.
- 2.4 Over a 3 month period a Service Review has been undertaken for the TESS service, specifically analysing the viability and impact of four key options, alongside an assessment of efficiencies in service delivery and alternative delivery models. The review encompassed:
- Review of current service delivery – operational delivery & key processes, quality, service management, financial, performance, partnership working arrangements, current & future project plans
 - Data collection & key questions (service-user insight, partner interviews, staff interviews & observed practice / customer satisfaction)
 - Benchmarking – against local, regional & national performance, financial & delivery information with other supported employment services & best practice models
 - Alignment to other services
 - Impact assessment of alternative delivery options –including timescales, risk, impact on service-users, required resource, equality impact assessment
- 2.5 Many other supported employment providers were contacted and two in-depth visits took place firstly with a newly formed Community Interest Company (formerly based within Maidenhead Local Authority) and secondly with Shropshire Local Authority who have developed a range of good practice provision.

The four key options are as follows:

2.6 Options Analysis

Option 1: In partnership with others develop a sustainable model for supported employment delivery in Coventry

This option seeks to create a city-wide vision for supported employment, developed with investment from partners and providing a clearly defined role for the City Council and stakeholders in steering future delivery. Efficiencies in the service can be delivered of approximately £70,000, so an ongoing resource of £262,056 is required to support this option. This option gives the potential to significantly improve value for money both by serving a wider customer group and by delivering more preventative services.

Securing a sustainable future for supported employment with the on-going investment and guidance of partners is the recommended option. This option also allows the City Council and investing partners to modernise the service (which many other supported employment providers across the country have done) and develop a pan-disability model of delivery to address unmet need. There are both improvements in performance outcomes and efficiencies to be delivered through this option, whilst simultaneously protecting the most vulnerable residents who access this service. It is envisaged that a bi-annual Board of investing partners and stakeholders could support the development of this new, more effective delivery model.

Discussions are underway with a range of partners, including the Clinical Commissioning Group, Jobcentre Plus and the voluntary sector. The City Councils' Public Health and Adult Social Care are engaged in the development of this option. However, whilst meeting the needs of this vulnerable customer group is regarded as crucial by each agency, an on-going budget has not yet been secured.

Informal budget discussions have been held with the Clinical Commissioning Group and a funding request will be formalised at the Adult Joint Commissioning Board meeting in late September.

A commitment of £150,000-£200,000 for 3 years is being sought. Discussion is taking place with Public Health and with other council directorates to provide the balance of resource required.

European Social Fund grant is also being sought but it will be limited to meeting only half the costs of any activity (the other half must be 'matched' by the applicants own resources) and is unlikely to provide the same level of resource per individual currently delivered for TESS customers (see section 5.1 for further details).

Option 2: Externalise the service through a form of Social Enterprise.

Various options for externalising the service through social enterprise have been explored, including Local Authority Trading Company, Charity Status and Community Interest Company (CIC). Other supported employment deliverers, formerly under local authority control, have been consulted and visited. Expert advice has been sought from the Coventry and Warwickshire Co-operative Development Agency. There are a number of benefits to be achieved through social enterprise, such as widening the eligibility for grant programmes which the public sector cannot access and the potential to reduce bureaucracy. However, the resource, timescales and security of funding for this option to be successful are significant and higher than the alternative options.

There are both increased set-up and on-going costs such as premises, payroll, accountancy & HR support, legal fees, ICT and phones. In addition, the new enterprise could have substantial TUPE and pension responsibilities for staff transferring to the new enterprise.

Examples from Maidenhead, Kingston Borough London, Shropshire and elsewhere indicate that the success of externalising this type of provision is dependent on a long term commitment (3-5 years) from the local authority to 'commission' the new enterprise at a similar level of expenditure. This allows the evolving organisation to establish effectively, develop its services and secure alternative income streams. Following this supported period the enterprise must be independent and sustainable through securing any relevant contracts, requiring a competitive structure and flexibility of approach, which may include changing the nature of services delivered in order to 'win' contracts.

The current delivery model and salary structure would make it difficult for the TESS service to compete for grant and could significantly risk long term viability of the service. In addition, a significantly larger resource would be needed to enable set-up and to meet on-going costs, such as premises.

Following consultation with the Coventry & Warwickshire Community Development Agency and other former local authority deliverers, it is estimated that this option would require a 1 year implementation period followed by a minimum 3 year supported period. The additional costs, length of implementation and the risk of failure in the long term prevent externalising the service being recommended as the preferred option at this time.

Option 3: Merge the service with another local authority delivering supported employment provision

This option considers the benefits and risks of merging the TESS service with other supported employment delivery, such as Warwickshire County Council's WEST service (which is currently under review). There are potential cost reductions, (e.g. management and support costs, joint

commissioning) but also significant variances in models of delivery which need further explorations before proposals could be developed. In addition, Warwickshire County Council's review of WEST will be complete and implemented in April 2016, meaning there is a discrepancy in timescales for developing joint solutions. This could be addressed by extending the current TESS service to 31st March 2016.

Other local authorities within the Midlands Engine Combined Authority Region have been contacted regarding their supported employment delivery, but more detailed analysis and discussion is required. As such the feasibility of pursuing this option is restricted by timescales.

Option 4: Close the service on 31st December 2015

If sufficient public sector resource cannot be secured then the service will close on 31st December 2015. Closure activity will need to commence on 1st October 2015 in order to achieve this timescale and not incur costs in 2016. The potential impact of service closure includes redundancy for 7.2 FTE staff, withdrawal of service to approximately 100 current customers, a significant reduction in performance reported in the City Council's Outcome Frameworks for this customer group, a complete withdrawal of employment support in the city for those with learning disability and a significant reduction for those with severe mental ill health. In addition, this option runs counter to one of the key priorities of the Combined Authority Mental Health Commission and the preventative agenda around both mental health and disability.

Appendix 1 gives further detail on each of the options described above.

3. Results of consultation undertaken

- 3.1 A key element of reviewing the TESS service is to engage and consult with stakeholders and partners, and secure joint commitment with partners in its delivery. Dialogue with partners is on-going at a strategic level. Numerous other supported employment deliverers across the country have also been consulted with and some visits have taken place.

Relevant public consultation can take place once model of delivery is agreed and the associated investment is secured.

4. Timetable for implementing this decision

- 4.1 The recommendation to pursue Option 1 set out in this paper can be implemented immediately.

5. Comments from Executive Director of Resources

5.1 Financial implications

The service costs the council £332k p.a. £300k of this is staff costs. The service comprises of 7.2 FTE staff, plus 2 council apprentices. Each option requires a different level of resource to be secured. Efficiencies of approximately £70,000 can be achieved with the preferred option (1) but cannot be delivered under option 2 and the costs associated with option 3 cannot be fully determined without further analysis with other local authorities.

TESS - Options analysis:	Option 1 (Reduce cost and share)	Option 2 CIC	Option 3 Merge with other authority	Option 4 Close
	£000'	£000'	£000'	£000'
Current Cost	332	332	332	332
Efficiencies / reductions	(70)	0	0	(332)
Additional cost (in 1st year only to enable set up)	0	40	0	0
Revised cost of service	262	372	332	0
Secured funding	0	0	0	0
Resource gap	262	372	332	0
Potential Funding options:				
Bids already submitted (not approved):				
ESIF YEI (amount relating to TESS)	(66)	(66)	(66)	0
Revised funding gap	196	306	266	0
Other funding options being explored				
Bids not yet submitted:				
CCG (not approved bid to be placed in 3rd week in Sept)	(200)	(200)	(200)	0
ESIF open calls - timing and amount not known (<u>figure presented is an estimate</u>)	(100)	(100)	(100)	0
Public Health	0	0	0	0
Other Core	0	0	0	0

The options in the table don't include any costs of redundancy.

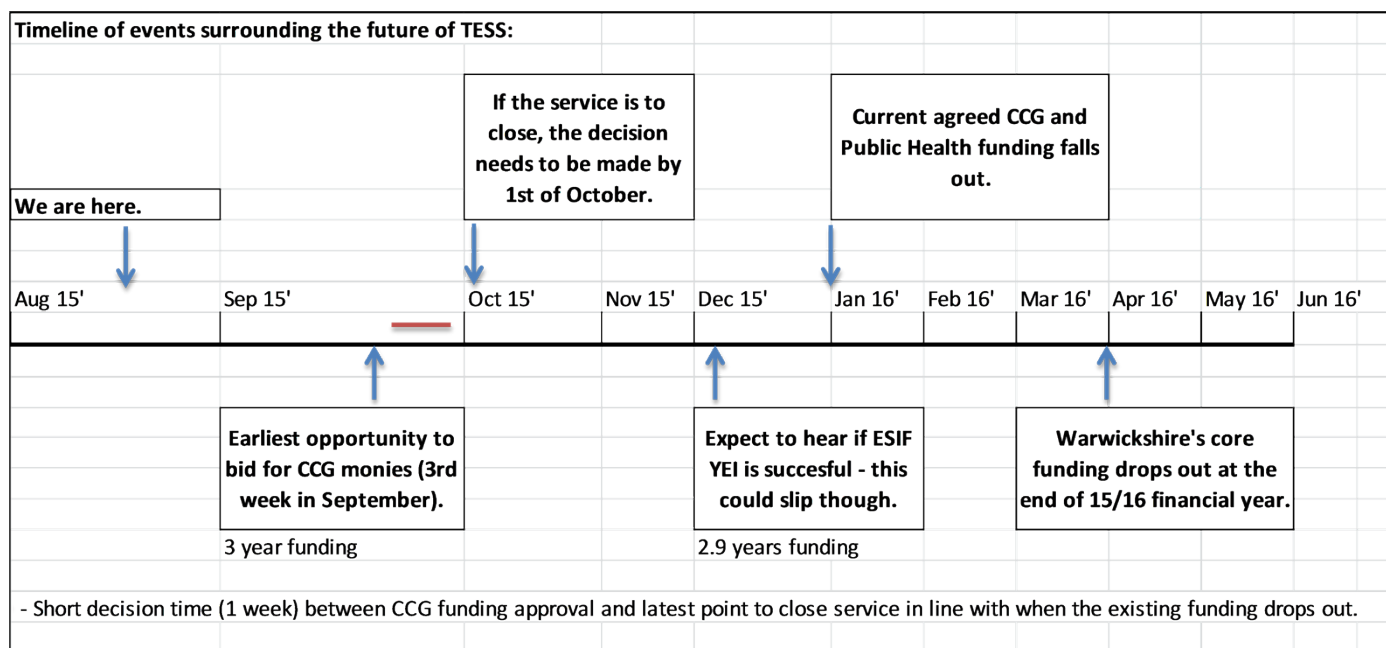
Option 1 gives the potential to significantly improve value for money both by serving a wider customer group and by delivering more preventative services. However, the recommendation to pursue Option 1 requires public sector resource to be identified. This needs to be secured by the end of September 2015.

It is worth noting that the TESS service delivers indirect cost reductions in other parts of the organisation (i.e. adult social care costs and general healthcare provision), however it is difficult to quantify these savings.

The cost of delivering a job outcome for a TESS customer is £8,640. This compares to approximately £400 per job outcome through the Job Shop, and reflects the significantly larger intervention required to support TESS customers into work. The cost to the public purse of supporting an unemployed job seeker is £9,400. This rises significantly when supporting a TESS customer, according to the National Audit Report 2011 the average cost in welfare benefits for a person with learning disabilities is £15,000 per year, this excludes housing benefit, health and social care support costs which can be significant.

There has been a national delay in approving the European Programme and the lack of on-going service budget which can be offered as 'match' has significantly reduced the potential grant available. Current grant applications, using match from alternative sources, will provide additional services for this customer group, but will not replace an on-going budget. Future applications for grant, which can be made later this year, may provide up to £100,000 of grant per annum for 2 years initially, providing an equal budget is made available as 'match'. However, it is likely the outcome of applications will not be known fully until March 2016.

The table below shows a timeline of key decision points and the urgency of new funding to be identified to prevent service closure.



5.2 Legal implications

Whilst local authorities have no statutory duty to provide supported employment provision, the Care Act 2014 places an expectation on Councils to both assess and provide work-related support. Under the Care Act, one of National Eligibility Criteria outcomes which has to be considered in a needs assessment is whether the individual can access and engage in work, training, education or volunteering. According to the statutory guidance: 'Local authorities should consider whether the adult has an opportunity to apply themselves and contribute to society through work, training, education or volunteering subject to their own wishes in this regard. This includes physical access to any facility and support with participation in the relevant activity'.

So where an adult has needs arising from/relating to a physical or mental impairment or illness, AND is unable to achieve this outcome relating to work (and at least one other from the 10 specified outcomes), AND there is likely to be a significant impact on their wellbeing as a result, they will meet the eligibility criteria and the local authority will have to determine what care and support to provide in relation to the 'work' outcome.

There are also implications in relation to the Children and Families Act 2014. Since the introduction of the act this has included reforms to Special Educational Needs & Disability (SEND) and there is an expectation that Education, Health and Care plans work together and are more aspirational and support people to live independently, gain employment where possible and are able to take part fully in their community. SEND applies between the ages of 0-25.

There will need to be public consultation once a decision is made about the most suitable option or options if there will be an impact on service provision. Depending on the option chosen there may also need to be consultation with staff either in relation to redundancy to comply with the Employment Rights Act 1996 if Option 4 is pursued or in relation to a transfer to another employer under the Transfer of Undertakings (Protection of Employment) Regulations 2006 if Options 2 or 3 are pursued.

6. Other implications

Whilst the TESS service is based and funded in Place Directorate, it is recognised that the service has an impact at a wider corporate level in terms of customers of the People Directorate. The service and budget was previously based in the People Directorate (Adult Social Care) and was transferred over in 2007 to bring the service closer to mainstream employment support services.

The TESS service features prominently in the City Council's Marmot Action Plan, led by Public Health. As a Marmot city focussed on tackling health inequalities the Council recognises that employment is one of the key elements in addressing deprivation and improving health outcomes.

If the TESS service is closed then there would be a reduction in employment services for people with severe and enduring mental ill health and no employment service for adults eligible for Adult Social Care with a learning disability or autism who are judged by universal services to be unemployable.

Developing the TESS service to become a pan-disability provision protects this most vulnerable group but also addresses unmet need (particularly around common mental health issues) and helps to improve outcomes, both for local residents and in terms of reporting performance outputs.

6.1 How will this contribute to achievement of the Council's key objectives / corporate priorities (corporate plan/scorecard) / organisational blueprint / Local Area Agreement (or Coventry Sustainable Community Strategy)?

The Jobs and Growth Strategy for Coventry is integral to the delivery of Coventry City Council's priorities within its Council Plan, Coventry A Top Ten City: Globally Connected and Locally Committed. One of the three objectives of the strategy is to "help people to get jobs". Support for the most vulnerable groups to access employment opportunities is one of the priorities within this objective.

Within the Coventry and Warwickshire Local Enterprise Partnership Strategic Economic Plan and European Investment Strategy, support for vulnerable groups is identified as a priority.

Employment for people with long-term health conditions including learning disabilities and severe mental ill health are key performance indicators in the following Council outcome frameworks; Public Health Outcomes Framework, NHS Outcomes Framework and Adult Social Care Outcomes Framework (ASCOF). Coventry currently performs higher than the regional and national average in supporting people with severe mental health issues into work and lower than the regional and national average for the number of people with learning disabilities in work, albeit at a local level improvement has been seen year on year.

6.2 How is risk being managed?

The Options Analysis Table provides an assessment of risk. Control measures for each risk will be detailed in the development of the full delivery model.

6.3 What is the impact on the organisation?

Option 1, the preferred option will require a restructuring of the service and a reduction in staff. Any reduction in staff would involve Trade Union and staff consultation. If the service is

closed then Trade Union and staff consultation would also take place and the council's Security of Employment Agreement would apply.

6.4 Equalities / EIA

On-going consideration will be given to equality impacts and consultation requirements as the delivery programme progresses and will help to shape the detailed delivery model. It is worth noting that TESS provides support for a vulnerable customer group and either removing or reducing the service will have significant implications for people with a learning disability or severe & enduring mental ill health. As a result of this an Equality Impact Assessment will be carried out to consider how the option or options chosen will impact on those with protected characteristics under the Equality Act 2010.

6.5 Implications for (or impact on) the environment

None

6.6 Implications for partner organisations

Reducing or changing supported employment for a vulnerable customer group has potentially significant impacts on partner organisations, particularly for advice agencies and other third sector organisations. The Council is in regular contact with partner organisations to ensure they are kept informed of potential changes and it is expected that these organisations will respond to the public consultation on the preferred option.

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Appendix 1. The Employment Support Service (TESS): Options Analysis

OPTION	OPTION DETAIL	RESOURCES	TIMESCALES	BENEFITS	RISK	NEXT STEPS
<p>Develop a sustainable model of supported employment</p>	<ul style="list-style-type: none"> • Create a city-wide vision for supported employment, developed with the investment of partners. • A clearly defined role for the City Council and partners in steering future delivery. • Widen eligibility to include preventative work (reducing other public budgets such as ASC) & to address unmet need, creating a pan-disability service 	<ul style="list-style-type: none"> • Minimum of £262,056 needs to be secured (this assumes a reduction in budget through efficiencies & a smaller number of posts) • A request for £150,000 - £200,000 p.a. (for 3 years) has been made to the CCG • The balance of funding required to be made available from Coventry City Council resources 	<ul style="list-style-type: none"> • A model for effective delivery, with improved value for money, better outcomes and lower costs has been developed. This will require 3-6 months to implement with minimal disruption to service during transformation • The request for investment will not formally be heard by the CCG until the Adult Joint Commissioning Board meets in late September. 	<ul style="list-style-type: none"> • A core budget will allow us to bid for European Social Fund grant to boost the resource for vulnerable customers • Improved performance outputs reflecting both a more efficient delivery model and changed eligibility criteria • Strengthening of front-line capacity and delivery • Develops the service & widens eligibility to address unmet need in the city • Streamlined management & systems • Reduced costs • Financial investment by partners • Clear partnership responsibility for supporting the service in the long term • Retains the service in-house allowing further efficiencies through embedding the service within the wider-Employment Team (rather than as a stand-alone provision) 	<ul style="list-style-type: none"> • The CCG will not approve the request or the level of investment will be lower than anticipated • Not securing the remainder of funds from either CCC or another partner • Future savings targets 	<ul style="list-style-type: none"> • Informal discussions are taking place with key CCG personnel in advance of the Sept Board • Other partner investment, including CCC needs to be made available • A delivery model needs to be drawn up in full and consulted upon in accordance with the Statutory Best Value Guidance

OPTION	OPTION DETAIL	RESOURCES	TIMESCALES	BENEFITS	RISK	NEXT STEPS
Externalise the service	<ul style="list-style-type: none"> 'Spin' the service out of the local authority as a form of social enterprise. A Community Interest Company (CIC) appears to be the most relevant model. Support the new enterprise to establish effectively and commence trading 	<ul style="list-style-type: none"> There are increased resources required for this option due to a) the length of time required to establish a CIC and b) additional costs the service currently isn't accountable for (e.g. premises, legal costs, IT, phones, payroll, accountancy services etc) Additional costs to CWCDA to support set-up Minimum of £372,056 needs to be secured p.a. for a minimum period of 3 years to allow the new enterprise to establish itself (this amount could potentially be tapered down each year) 	<ul style="list-style-type: none"> Investigations with other CICs and with CWCDA have led to the recommendation that TESS would need a period of up to 1 year to transfer from CCC to a CIC The CCC would need to retain commitment to both commissioning the service for a minimum of 3 years and potentially act as guarantor during this timeframe 	<ul style="list-style-type: none"> Increased flexibility of systems Ability to bid for a wider range of grants (e.g. Big Lottery) Potentially able to develop and expand the service in the future CCC would have no further commitment to this service beyond the set-up and commissioning period 	<ul style="list-style-type: none"> Staff preferences may be to take redundancy rather than remain with the service TUPE issues and pension commitments could represent a significant financial burden for many years Long term viability of the service and ability to attract grant may be restricted (with salaries significantly higher than competitor and comparative services) Potential lack of flexible leadership, able to respond to changes in the market Risk of 'mission drift' from original purpose & employment delivery in order to secure grants Risk of CIC failure and complete withdrawal of provision for this customer group 	<ul style="list-style-type: none"> Identification of investment to support this option – for example, use of CCG grant (as above) A mechanism to commission TESS for an initial 3 year period would need to be developed Development of a business case & project plan Various activities including CIC registration, financial plans, securing premises etc A delivery model needs to be drawn up in full and consulted upon in accordance with the Statutory Best Value Guidance

OPTION	OPTION DETAIL	RESOURCES	TIMESCALES	BENEFITS	RISK	NEXT STEPS
Merge the service with another local authority supported employment provision	<ul style="list-style-type: none"> • Merging the service with another provision such as Warwickshire County Council's WEST service. • Investigate the viability of merger with other local authority services in the combined authority area • Develop a proposal for potential merger which outline benefits and potential efficiencies • Options of retaining supported employment in the public sector, externalising and commissioning need to be analysed. 	<ul style="list-style-type: none"> • Minimum of £332,056 likely to be required 	<ul style="list-style-type: none"> • WCC currently reviewing WEST and will implement decision April 16. 	<ul style="list-style-type: none"> • Potential reduction in staff costs as fewer posts required (e.g. one manager) • Potential reduction in commissioning costs as Local Authorities free to jointly commission • This is a high priority for the Combined Authority's Mental Health Commission 	<ul style="list-style-type: none"> • Service delivery differences causing delays in implementation • Lack of appetite for joint solution across local authorities • Differing timescales for service review and decision implementation 	<ul style="list-style-type: none"> • Agree a potential proposal with WCC • Consult other local authorities • The current TESS service would need to be extended to end of March 16 & funding secured for this • A delivery model needs to be drawn up in full and consulted upon in accordance with the Statutory Best Value Guidance

OPTION	OPTION DETAIL	RESOURCES	TIMESCALES	BENEFITS	RISK	NEXT STEPS
Close the service	<ul style="list-style-type: none"> • Close the service on 31 December 2015 • 7.2 FTE redundancies • Withdrawal of support to approximately 100 customers currently being supported through the service • Withdrawal of support to local employers relying on the service to sustain vulnerable people in posts 	<ul style="list-style-type: none"> • Within current budget allocation 	<ul style="list-style-type: none"> • Commence closure (informing customers, partners etc / giving notice to staff) from 1 October 2015 • Full closure of service by 31 December 2015 	<ul style="list-style-type: none"> • No on-going CCC budget commitment 	<ul style="list-style-type: none"> • ASCOF Framework national outputs reported by ASC significantly reduced • Negative impact on the Public Health Outcomes Framework & the NHS Outcomes Framework • No service for customers with a learning disability • Significantly reduced service for customers with severe and enduring mental ill health • Reduction in current development work to support adults with autism into employment • This option runs counter to the key priorities of the Mental Health Commission (Combined Authorities) and to the preventative agenda which reduces the likelihood of vulnerable people relying on social care and mental health services by promoting independence 	<ul style="list-style-type: none"> • Service closure needs to commence 1 October 2015 to meet the current deadline / budget restrictions