

Cabinet

01 August 2017

Name of Cabinet Member:

Cabinet Member for Jobs and Regeneration – Councillor O’Boyle
Cabinet Member for Strategic Finance & Resources – Councillor J Mutton

Director Approving Submission of the report:

Deputy Chief Executive (Place)

Ward(s) affected:

All

Title:

The Future of the Employment Support Service (TESS)

Is this a key decision?

No, although the customer group may reside in wards across the city the impact of the proposals is not anticipated to be significant.

Executive Summary:

This Report sets out a proposal to use European grant funding and £326,375 of earmarked reserves to support the TESS service to continue to deliver employment support for people with disabilities, including learning disabilities and mental ill health.

The service costs the council £280,000 p.a., £272,000 of this is staff costs. The service comprises of 5.2 FTE staff and helps between 25 and 35 customers into work each year.

Budget pressures resulting from the loss of one-off funding and the impact of ER/VR within the Economy and Jobs Service meant that in 2015 this part of the Service could no longer be sustained by council resources. Despite the lack of Government grant, Coventry City Council recognised the value of the service for vulnerable people and were keen to avoid service closure. TESS is the most expensive of the employment services to operate and had a high cost per job outcome. 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.

In March 2015, following a review of all employment services delivered by Economy and Jobs, it was proposed that without any offer of funding from partner organisations, TESS would close at the end of July 2015. Officers were requested by members to investigate alternative options to deliver a supported employment service in the light of the financial position. Options investigated included developing a sustainable model for supported employment delivery in partnership with other agencies in the city, externalising the service through a form of social enterprise and merging the service with another local authority delivering supported employment provision. This was taken to Cabinet Member for Business, Enterprise and Employment in September 2015.

However, one-off funding from Public Health and the Clinical Commissioning Group was then secured to allow the service to continue to operate until the end of December 2015. During this period grant funding from the European Structural Investment Funds was also pursued. However, there was a significant national delay in approving the European Programme, In order to allow time to pursue European funds, the service operated at a budget pressure which was partly off-set by grant surplus from other programmes. The Council has now secured European Social Fund grant for the period April 2017-December 2019 which could help continue the TESS service.

Recommendations:

It is recommended that the Cabinet:

- (1) Approve the use of £326,375 of earmarked reserves as 'match' funding against European grant in order to continue the TESS service for the period April 2017 until December 2019
- (2) Agree that the Council should continue to pursue external funding for this service from January 2020 as no further Council reserves will be allocated

List of Appendices included:

None.

Background papers:

None

Other useful documents:

Cabinet – European Structural Investment Fund (ESIF) 2014-2020 Funding Bids for Approval – 6th December 2016 -

<http://democraticservices.coventry.gov.uk/ieListDocuments.aspx?CId=124&MId=11336&Ver=4>

Cabinet Member for Business, Enterprise and Employment – The Employment Support Service (TESS) – 7TH September 2015 -

<http://democraticservices.coventry.gov.uk/ieListDocuments.aspx?CId=563&MId=10931&Ver=4>

Has it been or will it be considered by Scrutiny?

No

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 future of the employment support service (TESS)

1. Context (or background)

- 1.1 The Employment Support Service (TESS) is part of the Employment Team, based in the Place Directorate. TESS delivers a supported employment service for people with learning disabilities, autism, physical/sensory impairments and people with mental ill health.
- 1.2 TESS typically has helped between 25 and 35 customers with 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.
- 1.3 The service costs the council £280,000 p.a. £272,000 of this is staff costs. The service comprises of 5.2 FTE staff, plus 1 council apprentice.
- 1.4 In March 2015, due to the end of grant funding within the Economy & Jobs Service, the City Council could no longer afford to fund TESS. Alternative options have been sought but despite extensive efforts and consultation with the Department for Work & Pensions (DWP), the Clinical Commissioning Group (CCG), Public Health and other key bodies & partners, no on-going funding has been secured. Alternative delivery options, including externalising the service to a leading disability agency have also proved unsuccessful due to financial, TUPE and pension-related complexities.
- 1.5 The City Council has had an opportunity to secure European Social Fund (ESF) grant (April 2017-December 2019) which could help maintain the TESS service for a period of 3 years using the earmarked reserves. This potential project fund, called Connect Me, is a partnership of local organisations that will help vulnerable residents into work.
- 1.6 Therefore, the option agreed with the Cabinet Member for Jobs & Regeneration and the Cabinet Member for Strategic Finance & Resources was to negotiate with DWP a reduced level of grant, which would maintain the current TESS level of service for 3 years, whilst actively managing the service to achieve a small saving (approx. £120,000 to December 2019 – already achieved through Voluntary Redundancy, taking the service from 6.2 to 5.2 FTE staff). This option would only cost the City Council a total of £326,375 of 'match' over the next 3 years which would be met from earmarked reserves. This proposal represents a significantly cheaper option than other options previously discussed. Therefore, the amount of earmarked reserves required to allow this service to continue is £326,375.
- 1.7 Improvements have been made to the service over the last two years; aligning it more closely to other employment services particularly to help engage employers and widening the referral criteria so that residents are no longer excluded if they're not already known to Adult Social Care or Secondary Mental Health Services. This is starting to help address unmet need in the city.
- 1.8 The ESF grant allows further improvements to the service and it's anticipated that 450 vulnerable residents will be supported by the end of December 2019. The service will continue to modernise, embed more fully within the wider Employment Team and it will deliver from the Coventry Job Shop. As part of these changes the service will be absorbed within the wider Employment Team and delivery re-named with a simpler and more descriptive title of 'Disability Employment Support'.

- 1.9 During the period of the ESF grant, alternative and longer term funding opportunities will continue to be pursued. There are significant developments occurring in the provision of employment support for people with disabilities at local, regional & national level. The Employment Team will continue discussions with DWP, WMCA, Public Health & the CCG to ensure the long term provision of effective employment support for Coventry's most vulnerable residents.
- 1.10 Therefore, approval is sought from Cabinet that in order to maintain this service with ESF grant contribution, the earmarked reserves are used over the period up until December 2019.
- 1.11 A discussion during 2019 would be required to consider the service options based on the funding landscape at that time, but no corporate resources would exist from 2020.

2. Options considered and recommended proposal

2.1 Option 1: Use £326,375 of earmarked reserves to allow the TESS service to access ESF grant funding and continue delivery until December 2019.

It is recommended that the service should receive a one-off allocation of earmarked reserves which will allow it to secure ESF grant of an equal value. £326,375 of reserves would then be matched to an equivalent value of ESF grant, allowing the current staffing and service level to be maintained. The ESF grant, known as Connect Me is in place to December 2019 and requires that the service support vulnerable adults with mental ill health and disability into sustained jobs.

2.2 Option 2: Close the service

If the recommended option cannot be fulfilled for example due to a reduction in the earmarked reserves committed, then the service will commence closure. The potential impact of service closure includes the need to seek alternative employment for 5.2 staff and if this is unsuccessful could result in a redundancy situation, withdrawal of service to approximately 100 current customers, closure of the ConnectMe grant programme and withdrawal of employment support in the city for those with learning disability. 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.

3. Results of consultation undertaken

- 3.1 A public consultation is not a definite requirement and if the recommended option is pursued it shouldn't be required as the service will continue to deliver. However, if the service needs to close then a public consultation will be required.
- 3.2 Staff and Trade Union consultation is not required with the recommended option. However, trade unions have been informed of the ESF opportunity for TESS and been given the opportunity to voice any concerns. If Option 2 is pursued then staff and trade union consultation would be required.

4. Timetable for implementing this decision

- 4.1 The recommendation is that the earmarked reserves are transferred to the TESS cost centre with immediate effect in order to allow access to the secured ESF grant.
- 4.2 Closing the service, under Option 2 would take approximately 6 months to implement during which time associated costs would need to be met.

5. Comments from the Director of Finance & Corporate Resources

5.1 Financial implications

Despite efforts to secure full funding for the TESS service from various bodies over the last 18 months, nothing has been forthcoming. This recent opportunity from the European Social Fund provides 50% of the cost from April 17 to December 19, subject to a local 'match' contribution of the other 50%. The report proposes the use of the £326k provisional earmarked reserve allocation as the local contribution, for which cabinet approval is sought. If approved, the Council's contribution will go further due to the opportunity to access grant funding.

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.

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 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 mental ill health, a learning disability or autism.

6.1 How will this contribute to achievement of the Council's Plan?

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

The Jobs and Growth Strategy for Coventry is integral to the delivery of Coventry City Council's priorities within its Council Plan. 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. Whilst the City Council can no longer fund TESS in the long term, it can ensure people there is an employment service for people with disability available in the city and utilise grant to help achieve this.

6.2 How is risk being managed?

The key risk involved in the recommended option is under-performance on ESF targets. This risk will be managed through the Employment Team's robust performance management systems. The Employment Team is experienced at securing and managing grant funds and has robust systems in place to track and take corrective action around any performance variances.

6.3 What is the impact on the organisation?

None

6.4 Equalities / EIA

It is worth noting that TESS provides support for a vulnerable customer group and option 2, service closure would have significant implications for people with a learning disability or mental ill health. Therefore, if this option is pursued a public consultation and Equality Impact Assessment will need to consider how the option will impact on those with protected characteristics under the Equality Act 2010.

If the recommended option is pursued and there are changes in the way the service is delivered, an Equality Impact Assessment would need to consider how the option would 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?

If the service were to close there are potentially impacts on partner organisations, particularly for advice agencies and other third sector organisations.

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