

Report



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REPORT OF THE DIRECTOR OF SOCIAL SERVICES

REVIEW OF SUPPORTED EMPLOYMENT ACTIVITIES 2005/06

1. Purpose of the Report

- 1.1 The purpose of the report is to provide Members of the Social Services Select Committee with an overview of the activities and changes undertaken by Supported Employment for the financial year 2005/06.

2. Information and Advice

2.1 General Overview

- 2.1.1 The year under review has been difficult and challenging one for all activities within the Supported Employment Service.
- 2.1.2 The budget for the Supported Employment programme for 2005/06 is £1,908,823. This budget includes an annual sum of £130,000 towards the purchase of factory equipment or for other development within the service.
- 2.1.3 In December 2005 the service was forecasting a predicted overspend of £130,000 this financial year.
- 2.1.4 The programme's budget has a high reliance on sales income and for this year was set at £2.9 million. The main sales income generators are County Enterprise Foods and Sherwood Industries. However, this year's sales at Sherwood Industries are forecast to be lower than at any time in recent history. This is a very challenging position and it is anticipated that the savings on associated materials and overheads will only absorb some of this income shortfall.
- 2.1.5 Marketing and publicity activities are ongoing and are supported by Jobcentre Plus with a Factory Support Grant (FSG) of approximately £30,000.
- 2.1.6 Capital investment in new development projects are being rolled forward to the next financial year due to current budget pressures. Previously approved projects are financed from the Supported Employment earmarked reserves

and from Factory Support Grants from Jobcentre Plus.

2.1.7 The WORKSTEP contract with the Secretary for Work and Pensions (acting through Jobcentre Plus) is for 179 supported places with a contract value to the Authority of circa £850,000.

2.1.8 At the end of December 2005 the department was supporting 179 people in paid employment of 16 hours or more, whilst working with a further 10 people who are job searching. Also, we have supported 40 people on our work preparation and work experience programme.

2.1.9 The department is currently working with and supporting 99 employers who provide employment for disabled people and has been successful in assisting 22 people into unsupported employment.

2.2 Policy Context

2.2.1 Central Government has demonstrated its commitment to bring disabled people closer to the world of work through it's major policy agenda 'Welfare to Work', which is the umbrella term for initiatives aimed at helping people into work and off benefit.

2.2.2 This commitment to reducing social exclusion and discrimination against disabled people is demonstrated by the implementation of the Disability Discrimination Act 1995. The improvement of access to work and work related opportunities can have a significant impact in reducing social exclusion through access to social relationships, meaningful role and improved income which can increase choice.

2.2.3 The Welfare to work agenda links in to the Governments' wider health and social care modernisation agenda. The main aims are:

- Promote social inclusion
- Modernise health and social care services to achieve faster, more responsive and integrated services
- Improve joint working and break down the barriers between services
- Promote independence for service users
- Tackle the root causes of ill health.

2.3 Supported Employment Steering Group

2.3.1 The Supported Employment service reports on a quarterly basis directly to the Supported Employment Steering Group. This group is made up key stakeholders including elected members, service users, parents/carers, Jobcentre Plus and other interested parties. The terms of reference of the group are:

- to scrutinise the process and procedures used by the Supported Employment Programme

- to advise the Supported Employment Programme on any aspect, which it feels, is appropriate
- to validate the Supported Employment Programme approach to the modernisation agenda
- if unable to validate the Supported Employment Programme approach, to expand on the deficiencies identified and suggest remedies, which would allow validation
- to act in an advisory capacity only.

2.4 Aim of Supported Employment

2.4.1 The aim of Supported Employment is to provide support for people with disabilities who have more complex barriers to finding and keeping work, but who, with the right support are able to make a valuable contribution in their job, and where appropriate develop and progress to open employment:

- to provide tailored support that enables disabled people to develop their full potential
- to develop and improve job skills and employability, including the ability to work with others and sustain a job
- to encourage personal development and promote independence for disabled people
- to involve the Employer in the development and support of their Supported Employee.

2.5 Brief Comments on each Area of Activity

County Enterprise Foods

2.5.1 County Enterprise Foods (CEF) was established in 1987, for the primary purpose of providing meaningful employment for disabled people and for the production and supply of "Meals on Wheels" for Nottinghamshire County Council. Based in Worksop, CEF currently provides paid employment to 26 service users and will produce and supply 1.2 million meals in 2005/06.

2.5.2 The sales budget for the year is £1,375,000 and at the end of December 2005, actual sales generated were £980,000. This shortfall is mainly due to the loss of one contract which may result in a potential overspend of approximately £50,000 for the year. Savings have been made on variable costs such as packaging and materials thus controlling the overspend to some degree.

2.5.3 County Enterprise Foods has experienced a period of declining sales and margin. Increases in sales volume from within the existing product range would be preferred to maximise production capacity. An alternative would be the development of a new product at a marginal cost.

- 2.5.4 Whilst the market place is highly competitive with many buyers focusing on price, the CEF product has the potential to compete through differentiation based upon specification and quality and the relationships CEF establishes with its customers. To achieve this potential, the marketing strategy and efforts need to identify and promote these differentiating factors, and current marketing activity and literature needs to be reviewed accordingly.
- 2.5.5 County Enterprise Foods could pursue new markets to increase volume. However, there is little evidence that they are fully exploiting the opportunities that exist within the current market for their products. Therefore, a market growth strategy should be implemented with a concerted marketing campaign to the internal market, other local authorities and similar organisations.
- 2.5.6 Consideration will also be given to a thorough review of marketing materials, channels and mix. Within the review, web based promotion of the organisation and its products will be assessed.

Sherwood Industries

- 2.5.7 Sherwood Industries (SI) was established in 1934, based in Rainworth, Mansfield and currently provides paid employment to 33 service users with a total staff complement of 58.
- 2.5.8 The sales budget for the year is £1,100,000 but is forecast to achieve only £550,000. This, together with anticipated savings on associated materials and overheads means a potential overspend of approximately £375,000 is expected.
- 2.5.9 Sherwood Industries has largely been developed on the production and supply of quality education, office and bedroom furniture for the public sector. The recent decline in sales is not specific to the internal or external markets, but across the sectors. Evidence would suggest a 50/50 split which is reflective of the average annual split of 55/45.
- 2.5.10 As the sole in-house supplier of furniture to the internal market, SI traditionally relies on regular repeat business from internal budget holders, as well as securing a share of capital schemes. However, budget pressures have led internal buyers to purchase according to price and not necessarily on quality and lifetime cost. However, this matter has been taken up with the Corporate Management Board (CMB) to emphasize the importance of purchasing from Sherwood Industries.
- 2.5.11 A new range of office furniture “Sorrento” has been designed and developed to exceed the Authorities current specification for office solutions. The range has been engineered to ensure that the price is competitive, modern in design, and offers increased flexibility and therefore fit for purpose.
- 2.5.12 Sherwood Industries needs to focus on increasing market share and developing new and innovative product lines. Improved communication with

existing customers to maintain awareness and maximise sales opportunities is essential and only when this potential has been maximised should new markets be explored.

- 2.5.13 The over dependence on the internal market will mean that business performance is dependent on the purchasing needs within the authority. However, a more consistent approach to the use of goods and services provided by SI across the authority would certainly help reduce the viability risk.
- 2.5.14 Expansion into new authorities and individual schools will be considered. Boundaries will need to be established but these should not be constrained to internal limitations but take into account marketing factors such as the fit of the product to the marketplace.
- 2.5.15 SI ability to trade is governed by the Local Government (Goods and Services) Act 1970. This permits SI as a local authority to supply goods and services to other public bodies only. However, the Local Government Act 2000 confers the power of “well-being” which is a discretionary power allowing local authorities to do anything they consider will improve the economic, social or environmental well-being of their area. It is under the power of “well-being” that SI trade with non public sector organisations.
- 2.5.16 Initiatives have been implemented to maximise sales during the year with ongoing telesales campaigns. In addition a range of home working solutions has been designed and is being marketed on Ebay. A new website will soon be on-line to replace the existing one and provides on line ordering and a stepping stone to E commerce.
- 2.5.17 The Education Show in March will be the opportunity to launch the new 2006/07 Furniture catalogue much has been done to improve this and entries into the County Supplies publications.

County Horticulture & Work Training

- 2.5.18 County Horticulture & Work Training (CHWT) consists of four sites countywide, Brooke Farm at Linby (main site), Worksop, Balderton and Skegby. The primary objective of the activities is to provide training opportunities to 85 service users.
- 2.5.19 Brooke Farm working in partnership with Sutton Centre Community College is a registered centre and throughout the year has continued to provide City & Guilds Horticultural courses and Skills for Life training to its service users and the wider Supported Employment provision.
- 2.5.20 County Horticulture & Work Training delivers work training to 85 Service Users and 10 of these service users are from the City. The department invoice Nottingham City Council £45,500 per year for this service. The sales targets for the farm shop and the mobile sales van is £46,000 per year. The sale for meals to the service users generates £19,650 and recharge to our

grounds maintenance team is £15,169. The overall revenue budget is £126,319 for County Horticulture & Work Training.

2.5.21 The year 2005/06 is proving to be one of consolidation rather than development. However, the future viability of CHWT will depend in part on the ability to generate more income through the promotion and sale of its products. Therefore, during 2006/07 management will take the opportunity to develop and relocate the Farm Shop.

Grounds Maintenance (GM)

2.5.22 During 2005/06 this activity which operates out of Brooke Farm with 9 employed service users has continued to provide a full grounds maintenance service to 50 Nottinghamshire County Council sites countywide.

2.5.23 The sales budget for the year is £90,000 and at the end of December 2005, actual sales generated were £72,000 which is in line with budget expectation.

2.5.24 Due to the reduction in the traditional internal market and with budget efficiency reductions there is severe pressure on the GM management to identify new contracts and work opportunities if meaningful employment and training opportunities are to be maintained.

2.5.25 Currently work is currently ongoing to quantify existing customer requirements, examine charge out rates and explore the broadening of the customer base.

County Visual Communications

2.5.26 County Visual Communications (CVC) is based in the Clasp Block of County Hall. It was established in 1982 and provides paid employment to 8 service users. The business offers a microfilm, scanning, document retrieval and full Braille service.

2.5.27 The sales budget for the year is £110,000 and, at the end of December 2005, actual sales generated were £58,000. This shortfall is a result of reduced spending in the traditional internal market due to budget efficiency pressures.

2.5.28 The year 2005/06 has been extremely challenging for CVC management to place existing products and services into their traditional market. In taking a more proactive approach to marketing, CVC has evidenced that the market's preference is for information to be held in a digital format.

2.5.29 Consequently, CVC has invested in a scanner which is currently being evaluated by IT Services. Several external customers have already expressed an interest in this service which should in due course open other commercial opportunities.

2.5.30 The Braille Bureau continues to develop, with the acquisition of two new embossers. The Braille team now provides the service to Nottingham City

Council and several external agencies.

2.5.31 In order to broaden the CVC customer base, links are being established with Nottinghamshire Police, Nottinghamshire Fire & Rescue and Northamptonshire County Council.

Ready 4 Work Team

2.5.32 The Ready 4 Work team is based at county Hall with a satellite office at Sherwood Industries. Over the past year the team has developed responsibility for the overall case management of all supported clients on or wanting to get on to the Workstep Programme. Thus enabling supported clients to reach their full work potential by providing support to both the supported client and their employer. This includes:

- working closely with the client and potential employers to match people to suitable jobs
- negotiating and agreeing with the client and employer a package of support tailored to meet the client's requirements in the job
- agreeing a Development Plan with the client and employer, which sets out objectives and development opportunities
- regularly reviewing progress against the Development Plan, and revising objectives as needed
- providing support to help the client progress to open employment, where appropriate and feasible
- ensuring there is a clear agreement and understanding between NCC, the employer and the client about the expectations for WORKSTEP on all parties involved, including the terms and conditions of the client's employment
- arranging specific development support for the client, for example use of a job coach or the opportunity to obtain a National Vocational Qualification or other vocational qualifications
- providing guidance, information and support to employers and line managers of supported clients to ensure there is clear understanding of all the issues involved.

2.5.33 The team consists of:

- 1x Team Manager, 7x Development Officers and 1x Administrative Officer. 5 members of the team are on temporary contracts due to expire March 31 2006. A request for an extension of contract has been put forward for approval.

2.5.34 The WORKSTEP Contract between Nottinghamshire County Council and The Secretary of State for Work and Pensions (acting through Jobcentre Plus) is to provide employment for 179 disabled Nottinghamshire residents at any one time who are eligible for entry to WORKSTEP, this is the team target. These employment opportunities may be either with an employer in mainstream employment or in a supported factory or business.

2.5.35 Performance by the team as of 31st December 2005 is as follows:

- Clients currently employed on the WORKSTEP programme = 179
- Clients entering paid employment via (Workstep) = 36
- Clients Progressing into unsupported employment via(Workstep) = 22
- Clients supported on Work experience (Work Preparation) = 40
- Clients ongoing support in paid employment of 16 hours or more = 201.

2.5.36 The team budget currently identifies an under-spend of £14,000 due to income generation from the Work Preparation contract with Jobcentre Plus.

3. Conclusion

3.1 The market environment is becoming more challenging one and the long-term viability of Supported Employment will depend in part on the ability to generate more income through the promotion and sale of its products and services. Therefore, during 2006/07 management will take the opportunity to:

- reinforce our position within the internal market. The department would expect any costing exercise looking at the procurement of new furniture to include a quotation from Sherwood Industries.
- Sherwood Industries needs to focus on increasing market share and developing new and innovative product lines. Improve communication links with existing customers to maintain awareness and maximise sales opportunities.
- County Enterprise Foods in partnership with the Meals Service to develop and implement a market growth strategy to the internal market, other local authorities and similar organisations.
- County Enterprise Foods and Sherwood Industries to explore external markets within the legal constraints and develop a Business Plan/Strategy for a 3 year period.
- during 2006/07, County Horticulture & Work Training is to develop and relocate the shop at its site at Brooke Farm. This is to improve income generation through the promotion of its products
- County Visual Communications recent investment in a scanner for the digitalisation of documents will reposition the business so that it can offer its service to both the internal and external markets. We would expect any

costing exercise looking at the procurement of document management to include a quotation from CVC

- to utilise Supported Employment through the Ready 4 Work Team resources across the authority with regard to the recruitment and retention of disabled staff in line with the latest amendments of the Disability Discrimination Act
- to establish achievable targets for the recruitment of disabled staff with packages of support provided by the Ready 4 Work Team
- Social Services personnel and Occupational Health section to take part in a retention pilot of disabled employees utilising the case management approach developed by the Ready 4 Work Team.

4. Recommendations

4.1 It is recommended that the report be commented upon and discussed.

5. Director of Resources Financial Comments (DW 25/01/06)

5.1 The report clearly identifies the financial challenges faced by the Council's supported employment activity service. It should be noted that the overspend was offset in 2005/06 by underspends elsewhere within Adult Direct Services. In 2006/07, however, these underspends form a major part of the department's saving plans, and will not be available to offset pressures in supported employment in 2006/07. The report identifies where actions are required to ensure the financial viability of the service in 2006/07.

6. Background Papers available for inspection

6.1 None.

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