

Future-Ready Skills Commission

Health, Employment and Skills

Technical paper
September 2020



Recommendation: Empower areas to design services around the individual to address complex and interrelated health, employment, and skills issues.

Ambition Statement:

An employment support system which focusses on the individual and addresses their health and skills needs collectively to enter into work, sustain employment and progress within employment, taking account of local circumstances and opportunities.

Rationale:

Funding and delivery of skills provision, employment support and interventions to address health issues are not joined up, despite the interconnectedness of these barriers to employment. For many individuals, health, skills and confidence barriers must be tackled collectively to enable progression towards sustainable work, and similarly to help individuals sustain work where they have incidences of ill health.

The strategy and funding for employment, skills and health is fractured and siloed across multiple government departments (Department for Work and Pensions, Department for Education, Department of Health and Social Care). This results in multiple contracts being commissioned at a national level which support part of an individual's needs (e.g. Work and Health Programme, Adult Education Budget, National Careers Service), but these do not provide holistic support. Local areas and providers (e.g. Jobcentre Plus, GPs, Local Authorities, training providers, social prescribing services) work in partnership to collaborate and combine resources, and join up to other local initiatives including voluntary action (e.g. National Lottery funded programmes), but resources are not integrated, nor designed to combine effectively around the individual and their needs. Some resource is wasted due to design inefficiency and duplication, while other areas are insufficiently resourced.

There are multiple economic incentives to address this issue:

- Labour shortages, reliance on EU migrant labour and our increased life expectancy all create an imperative to combat the number of individuals who are excluded from the labour market on health grounds.
- NHS time could be more efficiently used, with GPs reporting a significant number of appointments that need pastoral and not medical attention, better served through a 'social prescribing' model.
- The cost of sickness absence is high and the correlation between length of time on sickness absence and decreasing likelihood of re-entering the workforce creates an imperative to move funding towards preventative action, supporting individuals in work at risk of becoming employed and/or economically inactive.

The way we commission these services needs to change, increasing the focus on keeping people in work and tackling multiple barriers to employment holistically. Employment support currently focuses on gaining a job as the key output, not the amount of time a job is sustained, or the journey needed to get there.

With escalating unemployment following the Covid-19 pandemic we need to ensure that the right support is provided to individuals to support them into long-term employment with progression opportunities, and that those who are far from the labour market are not left further behind as we attempt to address the impact of the economic shock.

Co-commissioning across the department agendas to areas will support individuals to move through the 'customer journey' outlined in Figure 1, helping them retain and sustain employment whilst building resilience, reducing reliance on health interventions through self-sufficiency.

Key facts related to performance in this area:

- Employers pay £9 billion a year in sick pay and associated costs, and the state spends £13 billion annually on health-related benefits
- Around 2.5 million people in the UK have moved from Incapacity benefit to Employment Support Allowance, with many now being transferred to Universal Credit. These claimants have multiple disadvantages including limited life skills and confidence with many being socially isolated.
- After being off work for 6 months, only 1 in 5 people return to work (NICE 2009)

Current Roles and Responsibilities

The current system is fractured, with different funding streams targeting isolated issues. The support for the individual to remove barriers to accessing and retaining work is not holistic. The varied stages of work-readiness on the 'customer journey' are widely recognised by delivery partners, but not within a national policy context.

Comprehensive mapping reveals that there is duplication in offers at some stages, and gaps in others:

- There are limited interventions and funding to help individuals sustain work once attained, including supporting employers on reasonable adjustments and interventions to reduce sickness.
- There are multiple similar programmes providing short term training and support towards employment – ESFA identifies learners undertaking the same qualifications on multiple occasions.
- Support for those with severe complex needs is also limited
- Schemes often fail to engage the entire target group as providers focus on individuals who will more readily meet the job or skills outcomes which drive funding.

Proposed Roles and Responsibilities

We need to commission provision which addresses all barriers collectively, recognises the six stages of the 'customer journey' outlined in the Commission's final report, and ensures support is available appropriately throughout these stages. Commissioning must take into account the different needs at the defined stages, and the difference of needs in local communities and distinct groups (e.g. those aged 45+, 65+ and 16-25, lone parents, female, BAME), and needs to be flexible to respond to labour market changes.

Devolving a combined budget to areas would allow service to design to be more responsive to demographic needs and local area priorities, while maintaining an economy of scale and oversight of wider labour market needs. Support for individuals, particularly for the most disadvantaged, should be delivered at the most local level possible.

Funding:

1.

- Programmes should be co-commissioned by Departments which focus on Universal Credit claimants to holistically address: complex barriers, skills development, employment support and health conditions.
- There is insufficient funding for those furthest from the labour market, with complex barriers, and for those who need support to sustain or progress in their employment.
- Funding from Departments should be devolved to areas to commission solutions sensitive to the demographic need and delivery partnership structure, that address barriers to sustaining and progression in work, designed with local partners and employers.

Data considerations to improve the targeting of interventions:

- Health, employment and skills data on patients, claimants and learners that draw on multiple government services for support needs to be systematically collated to give local areas a true picture of issues and the economic cost
- Employment support should consider a range of 'hard' and 'soft' positive outcomes to encourage provider behaviour to work with hardest to reach and support progression to sustained employment. Outcomes should include: skills development, progression to job search, sustained progression to work, retention in the workplace, increased earnings
- Changes to the benefit system (e.g. incremental transfers to Universal Credit, planned migration of ESA and working families claimants) mask the true picture and make trends/comparisons impossible to chart from publicly available data
- The full range of health, employment and training opportunities in an area are not systematically mapped or collated and available for professionals or individuals to reference.

Government to:	Regions (and local) to:
<p>Develop a cross departmental working group to collaborate on the issue/target groups and eliminate siloed thinking</p> <p>Focus on sustainable work measures</p> <p>Fund the provision of more in-work support for local partners and employers in areas to design for:</p> <ul style="list-style-type: none"> • new entrants to the workplace • individuals with long-term sickness absence 	<p>Local collaboration and commissioning of placed based solutions which join up services, which include:</p> <ul style="list-style-type: none"> • wrap around key worker support which develops a personalised plan to span entry to and sustained employment. • non-clinical support to individuals to reduce sickness absence. • employer engagement <p>Establish partnership approaches which coordinate and integrate commissioned activity</p> <p>Create employer support, information and training to develop culture, capability and confidence</p> <p>Develop a referral platform, shared information portal or system that collates all health, employment and skills provision available in the area</p>

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