WORKSTEP Modernisation
Funds evaluation

Ann Purvis, Lindsay Smith, James Lowrey and Professor Lynn Dobbs

A report of research carried out by the Centre for Public Policy on behalf of the Department for Work and Pensions
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The Authors

**Ann Purvis** is a Senior Research Consultant at the Centre for Public Policy, primarily responsible for business performance research and consultancy activities. Before joining the University she worked in a range of management and research posts, most recently as an NHS Trust Executive Director. Her specialist areas include public sector organisational performance, the use of information and communication technologies in service delivery and user involvement in service development.

**Lindsay Smith** is a Research Assistant in the Centre for Public Policy and has experience of research projects related to the evaluation of initiatives to support children and their families and vulnerable groups who face disadvantage in the labour market.

**James Lowrey** is a Senior Research Assistant in the Centre for Public Policy. James has extensive experience of qualitative research methods and over the past four years has worked on a number of projects focusing upon social inclusion. He has been involved in the WORKSTEP evaluation since joining Northumbria University in January 2005.

**Professor Lynn Dobbs** is the Associate Dean for Research and Consultancy within the School of Arts and Social Sciences and Director of the Centre for Public Policy. She has specialist knowledge in developing excellence in service provision, welfare reform, the user perspective and partnership development looking in particular at new ways of working, collaboration and multi-disciplinary provision in welfare, social and health care.
List of abbreviations

ALI  Adult Learning Inspectorate
BASE  British Association for Supported Employment
DEA  Disability Employment Adviser
DfES  Department for Education and Skills
DDA  Disability Discrimination Act
DWP  Department for Work and Pensions
Estyn  HM Chief Inspector of Education and Training in Wales.
ESF  European Social Fund
FAM  Financial Appraisal Monitoring
FSG  Factory Support Grant
IB  Incapacity Benefits
IBPA  Incapacity Benefit Personal Adviser
JSA  Jobseeker’s Allowance
LSC  Learning and Skills Council
MI  Management Information
NAO  National Audit Office
NDDP  New Deal for Disabled People
OGC  Office of Government Commerce
ODR  Organisational Design Review
<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
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<tr>
<td>RLSB</td>
<td>Royal London Society for the Blind</td>
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<td>RNIB</td>
<td>Royal National Institute for the Blind.</td>
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<td>SEP</td>
<td>Supported Employment Programme</td>
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<td>SLA</td>
<td>Service Level Agreements</td>
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<td>SPRU</td>
<td>Social Policy Research Unit</td>
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<td>SPS</td>
<td>Sheltered Placement Scheme</td>
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<td>SEPACS</td>
<td>Supported Employment Programme Advice and Consultancy Service</td>
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Summary

WORKSTEP is part of a broad range of schemes funded by the Department for Work and Pensions (DWP), which aim to help disabled people find and retain work. These programmes are managed by Jobcentre Plus, an executive agency of the DWP, and provided by a range of organisations in the public, private and not for profit sector.

WORKSTEP is a supported employment programme, aimed at disabled people facing the most significant or complex barriers to finding and keeping a job, who with the right support can work effectively.

WORKSTEP was introduced in April 2001 and it is a successor to a longstanding series of ‘supported employment’ programmes for disabled people. A number of key changes were made to its predecessor, the Supported Employment Programme (SEP), aimed at modernising service provision when the programme was re-launched as WORKSTEP. The changes embodied in the WORKSTEP programme were a significant challenge for existing WORKSTEP providers. In recognition of this, in July 2001 the Government announced an allocation of £37.2 million in modernisation funding, available over a period of three years.

A proportion of this funding was used to support a limited expansion of provision, both with existing providers and through a new procurement exercise. Two new ‘Modernisation Funds’ were also established with the remainder to enable providers to adjust their delivery and make the necessary changes more quickly, comprehensively and effectively:

• A WORKSTEP Modernisation Fund of £9.6 million was established to help existing contracted providers bring in new approaches and processes where needed, and to support their efforts to change expectations about supported employees.

• A WORKSTEP Capital Modernisation Fund of £7.2 million was established to ensure WORKSTEP contracted providers had appropriate Information and Communications Technology (ICT), including the development and implementation of a database to facilitate both payments and the collation of management information.
The overall aim of these two funds was to both stimulate and enable change to occur within the internal functioning of existing provider organisations, making them better placed to deliver WORKSTEP both now and in the future. Providers were invited to submit applications from September 2001 and both funds came to an end in March 2004.

DWP contracted the Centre for Public Policy, Northumbria University, to carry out a research project focused on WORKSTEP Modernisation Funding to evaluate the delivery of the funding and the nature and impact of activities and investments arising from it. This research examined the background to the initiative, the promotion and administration of the funds, and reviewed the range of initiatives supported. A small number of ‘case studies’ were also carried out focusing on examples of effective utilisation of the funding from each of the main areas of investment identified.

Research findings

Jobcentre Plus reported that in total 350 applications for funding were received and of these, around 270 applications were successful and benefited from WORKSTEP Modernisation and/or Capital Funding. The successful applications came from around 150 (75 per cent) of existing WORKSTEP providers.

The sample used for this study covered 141 applications and analysis of these highlighted that the majority were spread across five broad themes, information and communications technology to facilitate payments and produce management information (27 per cent), marketing (seven per cent), introduction of the WORKSTEP Quality Framework (14 per cent), training (nine per cent) and staffing (37 per cent).

Information and Communications Technology

A significant proportion of the providers who participated in the evaluation utilised the funds to improve their ICT provision, and it would appear that prior to the introduction of the WORKSTEP programme, a number of providers had very limited or no ICT systems in place. The ICT applications covered a range of hardware and software with many providers requiring the installation of ICT systems to facilitate the basic requirements of the electronic processing of WORKSTEP payment claims and to provide Jobcentre Plus with management information.

A smaller number of providers were also successful in obtaining funding for the introduction of management software focused on their own service delivery and support of employees.
Marketing

The majority of these applications focused upon marketing the WORKSTEP programme both to potential employers, whom providers hoped to engage in order that they might accommodate external supported placements, and potential WORKSTEP supported employees who might wish to engage in supported employment. Some providers also highlighted the need to promote their service with local Disability Employment Advisors (DEAs) who refer customers to providers. The marketing strategies facilitated via the funds varied significantly in size, scope and success of outputs, but the majority included the production of some form of marketing materials.

Quality Standards/consultancy

A significant number of applications within this theme were aimed at introducing the new WORKSTEP Quality Standards and developing procedures to support both this area and the introduction of inspection. These requirements were a significant change to the expectations regarding the provision of SEP, and thus presented a considerable challenge to many providers. The majority therefore sought some assistance with implementation of quality systems from specialist consultants.

Training

The applications within this theme were split across two clear areas; training for those delivering the programme (i.e. provider organisation staff) and training for supported employees on the programme. The types of training delivered were widely varied, but a significant number focused on National Vocational Qualifications (NVQs), both assessor training for development workers and the introduction of NVQ programmes for supported employees. There were also examples of provider staff training to increase awareness of the new requirements and focus of WORKSTEP, and to enhance general programme delivery. This was a particular issue for the larger providers who had staff based at a number of geographical locations and wanted to ensure that consistent messages were delivered and a standardised approach to the delivery of the new programme adopted.

Staffing

The applications within this theme were greatly varied. Prior to the introduction of the Modernisation Funds, many providers had a fairly limited staffing infrastructure and were not well placed to meet the challenges associated with the delivery of the new WORKSTEP programme. The funds allowed many providers to bring in new staff to facilitate change, and in a number of cases these posts proved to be so successful that the provider has established them on an ongoing basis.
Impact of the funds

The WORKSTEP programme evaluation\(^1\) highlighted that the changes introduced with the move from SEP to the WORKSTEP programme were significant and presented a considerable challenge for providers, which the majority responded to in a positive way. Whilst some of the modernisation objectives for WORKSTEP remain to be fully achieved, there has been considerable progress in many areas, most notably the introduction of quality standards and the development of support available to those on the programme.

Although it is unusual for Jobcentre Plus to offer funding to contracted service providers to assist with the modernisation of their services the evaluation highlighted a number of very positive initiatives that were funded by the Modernisation Fund Project. In this way the funds offered a very useful opportunity for providers to address the challenges of the new programme and it seems likely that these activities helped to facilitate much of the constructive change and progress that has been achieved within WORKSTEP provision.

In addition to these positive outcomes the evaluation also identified a number of issues related to the management of the funds which may have impeded their impact. Three main areas for improvement were identified, i.e. with regards to the provision of information and support, administrative resource and the evaluation of individual projects.

Over and above the issues related to the management of the Modernisation Funds, it is also relevant to note some of the related contextual issues, when considering overall outcomes. In addition to the changes to the programme in April 2001, a change to the Jobcentre Plus management arrangements was introduced with a new structure in place by late 2003. It is probable that this period of transition for managers may have had some impact on their capacity to facilitate best use of Modernisation Funds. The transition of management arrangements may also have had an impact on one of the most significant elements of change to the programme, i.e. the introduction of statutory inspection.

Main recommendations

Given the evidence of progress and development within WORKSTEP provision it is recommended that the option of providing this type of funding should be explored when introducing programmes of significant change within existing service provision.

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Management of the Modernisation Funds

To ensure that best value is achieved from any future initiatives of this nature it would be helpful to review some of the key lessons from the WORKSTEP Modernisation Funds. It is therefore recommended that adequate resources are allocated to facilitate the effective utilisation of funds, including appropriate consultancy based support where required. In particular this should cover:

- the timely provision of adequate and targeted information on proposed changes and the availability of, and administrative process for, funding;
- specialist support to assist with the identification of the requirements for change;
- the comprehensive evaluation of funded initiatives, and with timely dissemination of outcomes.

Learning for WORKSTEP from Modernisation Fund case studies

The Modernisation Funds ‘case studies’ offer examples of effective utilisation of the funding from each of the main areas of investment identified. Key learning points for consideration from these studies are summarised below.

Implementation and development of management software

The use of management software offers providers an efficient and effective method for the collection and use of service data. The sharing of resources via a provider software user group can be a very positive way of undertaking this type of development.

Development of marketing strategies

The WORKSTEP programme evaluation described a lack of publicity about the programme and this case study illustrated the clear potential for providers to develop a wide range of marketing activities, which can offer a valuable contribution to their service delivery.

Use of specialist support

Service providers can benefit from external specialist support to successfully implement new requirements such as the Quality Framework. The other potential benefit associated with utilising external specialists is that provider staff can maintain a focus on core activities during periods of change.

Training for supported employees

The wide availability of training opportunities for supported employees is generally regarded as a very positive development within WORKSTEP and is something that many supported employees have found extremely valuable and would like to see continued.
Review of long-standing supported employees
Providers may need to put in place specific and targeted measures if improvements in the rates of progression to unsupported employment, for longer standing WORKSTEP supported employees, are to be achieved.

Development of supported placements
All WORKSTEP providers utilising a supported business model for their delivery of the programme should consider developing the provision of supported placements.

Staffing to facilitate employee development
WORKSTEP providers should consider the potential benefits of separating day-to-day supervision and support within supported business, from formal WORKSTEP development planning reviews.
1 Introduction

WORKSTEP is part of a broad range of schemes funded by the Department for Work and Pensions (DWP), which aim to help disabled people find and retain work. These programmes are managed by Jobcentre Plus, an executive agency of the DWP, and provided by a range of organisations in the public, private and not for profit sector.

WORKSTEP is a supported employment programme, aimed at disabled people facing the most significant or complex barriers to finding and keeping a job, who with the right support can work effectively.

There are two distinct models for the delivery of the programme, via work within a supported business\(^2\) or via a supported placement with a mainstream employer. Many providers with supported businesses also facilitate supported placements for supported employees and a number of providers concentrate solely on placements. Within the context of WORKSTEP a supported placement refers to a ‘real’ job, rather than some form of work experience placement.

WORKSTEP was introduced in April 2001 and is a successor to a longstanding series of ‘supported employment’ programmes for disabled people. A number of key changes were made to its predecessor, the Supported Employment Programme (SEP), aimed at modernising service provision when the programme was re-launched as WORKSTEP. The changes included:

- Changed eligibility criteria including a requirement to work 16 hours or more (under SEP the minimum requirement was eight hours).
- Output related funding arrangements for service providers and an aim to decrease dependence on wage subsidies to employers.
- An emphasis on more individually tailored support for supported employees via tailored Development Plans and support for employers.
- Introduction of Quality Standards for WORKSTEP providers.

\(^2\) The WORKSTEP Handbook for Providers states that to qualify as a supported business the provider must ensure that at least 50 per cent of employees are ‘people with disabilities who have been assessed as eligible for entry to WORKSTEP’.
WORKSTEP still aims to provide substantial long-term assistance for those who need it and aims to target disabled people with more complex needs. Thus, although there is an increased emphasis on progression and output funding, providers are expected to continue to support people with a range of needs, including those with the greatest support needs.

The changes embodied in the WORKSTEP programme were a significant challenge for existing WORKSTEP providers. In recognition of this, in July 2001 the Government announced an allocation of £37.2 million in modernisation funding, available over a period of three years.

A proportion of this funding was used to support a limited expansion of provision, both with existing providers and through a new procurement exercise. Two new ‘Modernisation Funds’ were also established with the remainder to enable providers to adjust their delivery and make the necessary changes more quickly, comprehensively and effectively.

- A WORKSTEP Modernisation Fund of £9.6 million was established to help existing providers (other than Remploy) bring in new approaches and processes where needed, and to support their efforts to change expectations about supported employees. £2 million of this sum was used as an additional resource for WORKSTEP Factory Support Grants (see Section 2.4.1) during 2003/04.

- A WORKSTEP Capital Modernisation Fund of £7.2 million was established to ensure WORKSTEP providers (other than Remploy) had appropriate Information and Communications Technology (ICT) including the development and implementation of a database to facilitate both payments and the collation of management information.

The overall aim of these two funds was to both stimulate and enable change to occur within the internal functioning of existing provider organisations, making them better placed to deliver WORKSTEP both now and in the future. Providers were invited to submit applications from September 2001 and both funds came to an end in March 2004.

DWP contracted the Centre for Public Policy, Northumbria University, to carry out two linked research projects focusing on the WORKSTEP programme. The first of these projects was to undertake a programme evaluation via a series of case studies to examine programme design along with the delivery and performance of WORKSTEP³ (WORKSTEP Programme Evaluation). The second project focused on Programme Modernisation Funding to evaluate the delivery of the funding and the nature and impact of activities and investments arising from it.

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This report presents the findings from the Modernisation Funds evaluation. It examines the background to the initiative, the promotion and administration of the funds, and reviews the range of initiatives supported. The report then offers a series of small ‘case studies’ focusing on specific examples of effective utilisation of this funding, from each of the main areas of investment that were identified.

1.1 Research aims

The aims of the WORKSTEP Modernisation Fund evaluation were to:

- explore the nature and impact of the activities and investments arising from the WORKSTEP Modernisation and Capital Modernisation Funds (excluding the Jobcentre Plus WORKSTEP database);

- identify specific areas of practice developed by WORKSTEP providers utilising these funds;

- review the administration and delivery of the Modernisation Funds and develop recommendations to inform the establishment and administration of similar innovation/change funds in other policy areas across Government.

1.2 Research method

To address the issues outlined above, a range of methods were utilised, and this evaluation was closely linked into the WORKSTEP Programme Evaluation case studies which were also carried out during March – November 2005.

Data was gathered from the following sources:

- Background information and DWP/Jobcentre Plus guidance on the availability and purpose of the WORKSTEP Modernisation Funds.

- Analysis of the WORKSTEP Modernisation Funds records.

- Analysis of provider applications for Modernisation Funds.

- Analysis of providers self – evaluation reports (required on completion of funded projects).

- Semi – structured interviews with Jobcentre Plus staff (WORKSTEP Policy Team and Regional Jobcentre Plus operational staff who were involved with the administration of the Funds).

- Semi – structured interviews with WORKSTEP providers who were allocated resources from the Modernisation Funds.
1.2.1 Semi-structured interviews

Semi-structured interviews were carried out with Jobcentre Plus staff from the WORKSTEP Policy Team and Regional Jobcentre Plus operational staff who were involved with the administration of the funds.

Telephone interviews were carried out with a range of WORKSTEP providers who were allocated resources from the Modernisation Funds, and these interviews covered discussions of a range of allocations from the funds.

Issues were also explored in more depth via face-to-face interviews at relevant case study sites visited as part of the main WORKSTEP Programme Evaluation.

1.2.2 Selection of successful providers

Initial analysis of the Modernisation Funds records highlighted a number of key areas that funding was allocated to. A sample of providers who had been successful in bidding for Modernisation Funds was selected from each of these areas, to ensure a range of applications could be explored. A breakdown of the number of applications within each of the areas is highlighted in Appendix B.

A face-to-face pilot interview was held with one provider who was not linked to the WORKSTEP programme evaluation case studies and, following this, letters were sent to the sampled providers, and telephone interviews were arranged where possible. A copy of the letter sent to sampled providers can be found in Appendix C. There were some difficulties associated with the time delay between allocation of funding and the evaluation. In a number of organisations staffing changes had taken place so that it was not always possible to interview the member of staff who had been involved in the funding bid, or projects that were funded.

The majority of the providers visited during the WORKSTEP Programme evaluation case studies were also successful in obtaining Modernisation Funds. Therefore issues regarding the Modernisation Funds were also explored as part of the interviews with provider organisation staff, usually during the case study visits.

Sampling for these case studies included eleven sites from regionally contracted providers, one from each of the Jobcentre Plus Regions with a further six from national providers, (two nationally contracted and four Remploy sites.) Of the regionally contracted providers one was new to WORKSTEP in 2001, and therefore not eligible for Modernisation funding. Remploy was also not eligible for modernisation funding via this route.

A range of criteria was considered when selecting the WORKSTEP Programme evaluation case study sites:

- Provider type:
  - Remploy (Interwork and factory sites), Local Authority, not for profit organisation, private sector
  - Supported businesses and/or supported placements
• Provider contract type and size:
  – Remploy, national contractors, regional contractors.
  – Very large organisations, large, medium, small and very small providers.
• Excellent/innovative providers:
  – As identified by WORKSTEP contract managers.
  – Outstanding as identified by the Adult Learning Inspectorate (ALI).
• Performance:
  – Contractual e.g. occupancy levels, conversions from starts to jobs, progressions
    (although there were some difficulties in obtaining this data).
• Long standing and newer providers.
• Geographical spread including urban/rural split.
• Timing of recent or planned ALI/Estyn inspections.
• Other research demands on providers, e.g. National Audit Office (NAO) study.

Fieldwork was carried out over a period of ten months, February – November 2005,
with the majority of the telephone interviews regarding Modernisation Funds taking
place during July – September.

1.2.3 Data analysis

Documentary materials such as Modernisation Funds guidance documents and
records were supplied via the WORKSTEP Policy Team, and these were initially
analysed to identify the main themes for the interview schedules, and sampling of
providers. A breakdown of the number of applications falling within each of the
identified themes is found in Appendix B. The Modernisation Fund records also
provided background information on the individual projects which was utilised
during the interviews with providers.

Permission to record interviews was sought, and in the majority of cases obtained. A
small number of providers were happy to be interviewed but preferred not to have
the discussion recorded. In these cases, notes were taken via the tabular interview
schedule (Appendix D).

The recorded interviews were transcribed and reviewed, along with interview notes,
to identify key themes. A coding framework linked to the key themes identified, and
incorporated areas of interest highlighted within the research specification and a
proposal was then devised, and the interview transcriptions coded accordingly.
Analysis tables were constructed highlighting the key themes, with rows for the
insertion of a summary of the coded data from the individual interviews. A final
stage of analysis was carried out which aimed to highlight patterns across the range
of providers.
1.3 Structure of the report

Chapter 2 of the report offers further background information on the Modernisation Funds, and the transition from SEP to WORKSTEP and Chapter 3 discusses the promotion and administration of the funds. Chapter 4 looks at the range of initiatives the Modernisation Funds supported, with a number of small case studies highlighting some examples of effective utilisation of the funding from each of the main areas of investment that were identified. Conclusions and any recommendations are highlighted at the end of the relevant chapters, with learning points included at the end of each of the case studies. All of these points are then drawn together within Chapter 5.
2 The introduction of WORKSTEP

2.1 SEP to WORKSTEP

The Employment Service consultation on the future development of the Supported Employment Programme (SEP) – A consultation on future development, Employment Service 1999 highlighted that the ongoing provision of supported employment was to help disabled people to take their place in working life. However, it was felt that there was a need to modernise SEP to reflect the ambitions of disabled people, to increase the number of opportunities for disabled people to work in mainstream employment and to respond to changes in the labour market. There was also a desire for employers to play a greater role in offering new opportunities for disabled people, so that they could develop both the work related and personal skills needed to progress in mainstream employment.

The modernisation of SEP was seen to signal a radical shift from the previous focus on compensating for limited productivity levels to a focus on providing the right kinds of development so that individuals can reach their full potential and, where appropriate, work in mainstream employment. SEP providers already offered support for employees with a wide range of employers and also in supported businesses run specifically for the purpose of offering employment to disabled people. These supported businesses were seen to be facing a new challenge, i.e. to develop and train individuals towards working without support, whether continuing as non-supported employees of the business or in mainstream employment.

The table below describes the key changes to the programme introduced with WORKSTEP, and highlights the objectives associated with these changes.
### Table 2.1 Key programme changes

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<thead>
<tr>
<th>SEP</th>
<th>WORKSTEP</th>
<th>Objective of change</th>
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<tr>
<td><strong>1. Changes to the eligibility criteria</strong></td>
<td>Based entry on an estimate of candidate’s ‘productivity’.</td>
<td>Criteria identify disabled people facing more difficult employment barriers, who are not immediately ready for independent work and require sustained support, focusing on people with a disability claiming incapacity benefits and long-term unemployed people.</td>
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<tr>
<td><strong>2. Targets for progression to unsupported employment</strong> *</td>
<td>None.</td>
<td>From 1 April 2001 contractors were required to progress at least 10% of existing supported employees into mainstream employment in each of the subsequent two years and at least 30% of new entrants within two years of the date the person starts on the programme.</td>
</tr>
<tr>
<td><strong>3. Output-related funding</strong></td>
<td>Funding related to occupancy.</td>
<td>Funding relates to occupancy, key stages and outcomes.</td>
</tr>
<tr>
<td><strong>4. Quality standards for the programme’s delivery</strong></td>
<td>No behaviour-defining standards.</td>
<td>Implementation by provider of standards defined by a Quality Standards Framework.</td>
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Continued
The introduction of WORKSTEP

### SEP | WORKSTEP | Objective of change
--- | --- | ---
5. More individual support | Provide ‘safe’ environment for supported employees. | 1) Develop and improve job skills and employability, including the ability to work with others and to sustain a job; 2) meet the requirements of disabled people facing the most significant barriers to working, who need continuing support over a period; 3) encourage personal development and promote independence for disabled people; and 4) enable individuals to work effectively in a job, focusing on their and their employers’ requirements. | Improve support and maximise potential for progression. |
6. Decreasing dependence on wage subsidy | Used wage subsidy as primary means of encouraging employers to retain clients. | Avoids use of wage subsidy in favour of individual support described above. | Ensure focus on client support, encouraging personal development and promoting independence for disabled people. |

*Progression performance targets were subsequently withdrawn*

The changes embodied in the WORKSTEP programme clearly offered a significant challenge for existing WORKSTEP providers, thus when it was introduced in April 2001 the Government made a commitment to support providers in the modernisation process, by allocating an additional £37.2 million over three years. Securing this level of funding represented a considerable achievement by the Policy Team responsible for the WORKSTEP programme. The funding was used to offer support for the development of existing contracted providers (i.e. non-Remploy), and to expand the number of available places through a new procurement exercise and demonstrated a high level of support for the new WORKSTEP programme and WORKSTEP providers.

Jobcentre Plus guidance (WORKSTEP Modernisation Fund Project – A Guide for Providers, Jobcentre Plus, May 2002) stated that the main purpose of the funding for existing provision was to help providers operating in the programme on 1 April 2001 introduce WORKSTEP within their own delivery, bringing in new approaches and processes where needed, and to support their efforts to change expectations about supported employees. The guidance highlighted that the funds were to support providers, modernise service delivery and, in particular, to introduce the new programme Quality Standards. In total, £9.6 million was allocated to this aspect of the Modernisation Funds, with £2 million of this amount allocated to Factory Support Grants.
The Jobcentre Plus guidance noted that initial expectations were for WORKSTEP to be introduced with a range of transitional arrangements designed to help providers adjust their delivery over a fairly gentle timescale. However, with the availability of the funds it was hoped that providers would be able to tackle change more swiftly, comprehensively and effectively.

2.2 Contract management

With the introduction of WORKSTEP, a new management structure was planned to replace the Supported Employment Programme Advice and Consultancy Service (SEPACS). Prior to SEP there were no contracts in place with providers of supported employment, and the introduction of contract management, for providers other than Remploy, represented a significant shift as the relationship had previously focused on the provision of business support and advice to the supported businesses.

Existing contracted SEP providers were automatically given new three-year contracts for the provision of WORKSTEP. Modernisation funding provided an opportunity to extend programme coverage and new organisations and existing WORKSTEP providers were able to bid for these new two-year contracts.

Three of the large contracted providers were national organisations and had national contracts for the provision of WORKSTEP, centrally managed via a member of the WORKSTEP Policy Team. WORKSTEP funding for the remaining contracted providers was devolved to regions, managed by a new regional contract management structure from late 2003. During the interim period, WORKSTEP contracts were managed via Jobcentre Plus head office contract managers based in the three existing SEP areas, Northern, Central and Southern.

This lag in implementing the new regional contract management arrangements may have contributed to the delay in the development of areas of the new programme such as the new Quality Framework and Adult Learning Inspectorate (ALI) inspection. For example, some providers who were part of the early stages of ALI inspection highlighted the fact that they had little or no guidance or support from Jobcentre Plus on what was likely to be involved and how they should prepare for the process.

2.3 Quality Standards and inspection

The process for developing the Quality Standards Framework commenced in 2000, with draft standards piloted during 2001 and the supporting guidance, ‘WORKSTEP A Quality Standards Framework for Providers’, was issued in September 2002. This guide aimed to provide information to enable providers to use the standards effectively to monitor and improve the quality of their service. It offered guidance on the meaning and content of the standards, the provider self-assessment process and the role of ALI.
The ALI inspections of WORKSTEP providers commenced in June 2002 and their inspections of WORKSTEP provision were against the Common Inspection Framework, which set out the requirements for individuals’ learning and development.

There were a number of concerns highlighted by stakeholders in the WORKSTEP Programme Evaluation, with regards to the process for the introduction of ALI inspections, and their experiences of early inspections. The main issues are described below although it should be noted that despite difficulties described with regards to inspection the overwhelming majority of stakeholders went on to highlight the impact it has had in a positive way. In particular they highlighted the importance of improving quality in service delivery and the way in which inspection has prioritised this.

2.3.1 Quality Standards and the Common Inspection Framework

Issues regarding initial inconsistencies between the WORKSTEP Quality Standards Framework and the Common Inspection Framework were highlighted. One contract manager described Jobcentre Plus briefing sessions for providers which covered quality standards in the morning, and inspection later the same day.

‘We did a session on quality standards…we also on those sessions introduced ALI so that the providers were hit with somebody from Head Office talking to them about quality standards for the morning, then bringing an inspector in to talk about ALI and the inspection process which didn’t totally sit with our quality standards and people leaving those events were totally confused.’

2.3.2 Jobcentre Plus and ALI

Another area of concern regarding inspection, highlighted by both providers and Contract Teams during the WORKSTEP programme evaluation, was the sense that ALI and Jobcentre Plus contract managers were not always in agreement. One provider described a situation where their contract manager had praised their supported employee development planning and review documentation, only to have these criticised by ALI. Contract Teams from other regions highlighted similar situations, which had arisen in their areas. Providers felt such circumstances left them in a very difficult position, unsure of which agency they were accountable to, Jobcentre Plus or ALI, and they also highlighted inconsistencies between the common inspection frameworks, used by the inspectors, and the requirements of the WORKSTEP Quality Standards Framework. These inconsistencies have subsequently been addressed in an amended version of the WORKSTEP Quality Standards Framework, issued in August 2005.

WORKSTEP Contract Managers also commented that they had been offered little guidance or training in order that they could assist and support providers with the inspection process, particularly during the early phases. It should be noted that inspections commenced at around the same time as the regional contract management structure was put in place, so that many contract managers were new to their roles and were just beginning to familiarise themselves with WORKSTEP and their local providers.
2.3.3 Introduction of inspection

A final issue highlighted by the WORKSTEP programme evaluation with regards to the inspection of WORKSTEP was its timing. Some WORKSTEP contract managers felt that inspections had been introduced too soon after the start of the new programme and the introduction of quality standards.

‘In terms of the introduction of WORKSTEP and quality standards for WORKSTEP and ALI inspections it was all concentrated into a very tight timescale…and I think it would have been better if we had had a longer running in period and therefore what we got was a lot of negative resistance to ALI because we hadn’t been in a position to prepare them for it.’

‘ALI was introduced too soon after the introduction of the quality framework, this whole area was new to many providers and they didn’t have a chance to put things in place prior to inspection. WORKSTEP providers were asked to do in nine months what other Jobcentre Plus programmes had years to put in place.’

ALI again acknowledged that perhaps the pilot phase should have been longer, but pointed out that there is often no ‘right time’ for inspection and they highlighted that significant progress had been made since the process commenced. ALI staff suggested there has been a cultural shift with the vast majority of providers, who now accept and are positive about the need for inspection.

However, there does appear to have been a number of significant issues concerning the understanding of both providers and Jobcentre Plus staff as to what was required with regards to the introduction of quality standards and the requirements of inspection. Without a clear understanding of these requirements, providers may have been poorly placed to develop relevant applications for Modernisation Funds to assist with implementation. WORKSTEP contract managers may have found themselves in a similar position with both assisting providers develop their applications, and in assessing those that were put forward for consideration.

2.4 Supported businesses

The WORKSTEP programme evaluation noted that the general decline in the manufacturing sector across the UK has affected much of the supported business element of WORKSTEP provision. This issue has been ongoing for a number of years and it is clear that a number of these supported businesses are not sustainable in economic terms and are unlikely to become so in the future. Jobcentre Plus clearly recognised this at the time WORKSTEP was introduced.

‘Supported factories and businesses are particularly encouraged to consider ways in which Modernisation Funding could help them to develop WORKSTEP processes and resources to meet the requirements of this new programme and provide for sustainable supported employment opportunities in the future.’

However, the guidance also acknowledged that employment within supported factories and businesses was a key and important feature of WORKSTEP provision. It was hoped that the funding would be particularly helpful to businesses where the majority of management time was spent running and developing the business, leaving little spare capacity to design and bring in new systems, such as those needed to support effective development planning or programme quality standards. It was also highlighted that some providers may not have previously worked with local employers to support progression of employees, and funding could offer support to ‘buy in’ assistance to establish this area of work.

It was however made clear that the Modernisation Fund was not intended to offer a substitute for WORKSTEP Capital (Factory Support) Grants, in particular the marketing and consultancy elements of this. Although it should also be noted that £2 million of the £9.6 million Modernisation Fund was allocated as an additional resource to Factory Support Grants during 2003/04.

2.4.1 Factory Support Grants

In addition to the output funding described in the key programme changes table (Table 2.1) supported businesses run by contracted providers can bid for funding via a system of Capital, Consultancy and Marketing Grants (now termed Factory Support Grants). These grants aim to provide additional investment, for providers to be able to purchase new equipment, consultancy support, training and marketing to maintain and develop their businesses.

As previously noted, £2 million of the £9.6 million Modernisation Fund was allocated to WORKSTEP Factory Support Grants during 2003/04. This additional resource meant that a total of £4 million was available through Factory Support Grants that year.

The WORKSTEP Handbook for Providers states that a consultancy, training or marketing grant may be paid to supported businesses if they need assistance in areas such as organisation, planning, production, management and marketing. The consultancy budget may also be used to fund managerial and supervisory training where specialised training is required. Assistance with costs towards employing consultants may also be available if it is shown that a supported business requires specialised help. The types of consultancy funded are:

- organisation and planning
- production
- accounting and financial systems
- Information Standards Organisation (ISO) accreditation
- Investors in People (IiP) accreditation
Responsibility for the training of a provider’s employees rests directly with the provider as their employer. However, it is recognised that in areas of managerial and supervisory training, costs can be high, particularly where small numbers are involved or specialised training is required. The types of courses funded are:

- business planning;
- quality assurance;
- management development;
- supervisory development;
- customer care.

A grant may be available to assist with costs towards marketing initiatives for projects such as advertising and/or hiring exhibition space. In some circumstances applications will also be considered for national marketing initiatives which involve more than one factory or business, or are for marketing a specific product.

The Modernisation Fund was therefore not offering capital investment associated with the factory’s commercial operations. However, guidance did state that proposals designed to adapt the factory’s business so that it would better meet WORKSTEP aims to develop employees in their jobs and give them access to transferable skills, would not be ruled out in principle. Where a need was identified which could not be met through Capital Grants funding, it was suggested that this should be discussed with a contract manager at a very early stage.

2.5 WORKSTEP Capital Modernisation Fund

In addition to the £9.6 million allocated to the more general Modernisation Funds described above, a further £7.2 million was made available from a Capital Modernisation Fund. The purpose of the latter was to equip providers to pass WORKSTEP claims and management information to Jobcentre Plus electronically. It was envisaged that this funding would be utilised in two phases, initially it aimed to ensure that all providers had installed the minimum hardware and software required to process electronic claims and fulfil management information requirements. An estimated £2 million of Capital Funds were also spent to cover the development and implementation of a Jobcentre Plus WORKSTEP database to facilitate payments and the collation of management information.

Once the base line for claims, payments and management information was established, the remaining funds were offered to providers to enhance their use of Information and Communications Technology (ICT) in their WORKSTEP delivery. Jobcentre Plus guidance stated such initiatives could include the development of ICT applications, which may be of benefit to a significant proportion of providers by providing information management, or communications support through ICT. Jobcentre Plus stated that they wanted to encourage providers to put forward
proposals for ICT related projects that would enable them to develop their WORKSTEP delivery further or to modernise their methods of working with employers and individuals.

2.6 Conclusions

The changes introduced with the move from SEP to the WORKSTEP programme were a significant challenge for providers, although the availability of £16.8 million in Modernisation Funding offered a very positive opportunity for them to develop provision to address this challenge.

It should however be noted that in addition to the changes to the programme a new management structure was also planned to replace the existing SEPACS. The new structures were in place by late 2003, and during the interim period WORKSTEP contracts were managed via Jobcentre Plus head office contract managers based in Sheffield and the three existing SEP areas, Northern, Central and Southern. It is probable that this period of transition for managers may have had some impact on their capacity to facilitate best use of Modernisation Funds.

The transition of management arrangements may also have had an impact on one of the most significant elements of change to the programme, i.e. the introduction of inspection. In addition to this, initial inconsistencies in the WORKSTEP Quality Standards and the Common Inspection Framework, and the sheer scale of change introduced with the programme may have contributed to early difficulties with WORKSTEP inspections.

Finally, it should also be noted that an element of funding for some of the areas supported via Modernisation Funds, such as consultancy, marketing and training, is also available to provider supported businesses via Factory Support Grants. Although the support that was available through the Modernisation Funds had to be focused on the development of the WORKSTEP programme, rather than development of commercial aspects of a supported business. It should also be noted that Factory Support Grants are not available to providers who only offer their WORKSTEP programme service delivery via supported placements.

During 2004/05 around £2.1 million of the total WORKSTEP contract budget of £68.7 million was utilised for these Factory Support Grants, administered via the Support Grant application and allocation process.
3 Administration of the funds

As highlighted in Chapter 2 the changes embodied in the WORKSTEP programme were a significant challenge for existing WORKSTEP providers. In recognition of this, in July 2001, the Government announced additional modernisation funding, available over a period of three years. Part of this funding was used to establish two Modernisation Funds with the overall aim to stimulate and enable change to occur within existing provider organisations, making them better placed to deliver WORKSTEP both then and in the future. Securing this funding represented a considerable achievement by the Policy Team responsible for the programme and demonstrated a high level of support for the new WORKSTEP programme and WORKSTEP service providers, who were invited to submit applications from September 2001. The Modernisation Funds continued to be available for a significant period with final payments at the end of March 2004.

A Modernisation Steering Group was set up within Jobcentre Plus to oversee the funding process. Members of this group included Divisional policy, contracting and finance leads, and representatives from the WORKSTEP policy team and contract managers. In addition to this, in September 2001, a small Project Team was also established within the WORKSTEP Policy Team, to carry out the day-to-day administration of the funds. Initial plans were for this team to be staffed by two full time dedicated members of staff, for a period of two years, with additional bought in consultancy based support. However it would appear that due to a range of issues the majority of the workload fell to a single individual within the Policy Team, with a fairly limited amount of consultancy support. This represented a significant reduction in the resources that were originally envisaged as necessary to support a project of this size, and despite the best efforts of Project Team staff it was inevitable that this resourcing issue would have an impact on the project.
3.1 Promotion of the funds

The initial notification of Modernisation Funds with details of the application arrangement was circulated in September 2001. As it was planned that operational contract managers would be closely involved in the promotion of funds to providers, the review of applications and the allocation of funding, Jobcentre Plus held an event for representatives of the three operational Contract Teams in December 2001. This meeting was to discuss the process for the application and review of applications from providers, the allocation of Modernisation Funds and the evaluation of funded projects.

Very few of the Contract Managers who were involved in this process were still in post at the time of the evaluation, (as described above a new regional management structure was put in place towards the end of 2003). However one contract manager who was involved in the administration of the Modernisation Funds highlighted that they felt that very limited guidance was available to contract managers during the initial phase of the project. They stated that they requested more detailed guidance and written guidance was issued to Contract Teams at the end of April 2002, although this was several months after the funds were announced. It seems likely that this delay can be linked back to the resources available, as highlighted above.

3.1.1 Postal promotion

One of the first tasks of the Modernisation Funds Project Team was to promote the availability of the funds to WORKSTEP providers. During September 2001, letters were sent to all providers to advise them of the availability of the Funds and the application process, although this phase of promotion by letter appears to have hit difficulties with certain providers of WORKSTEP, in particular with Local Authorities. This was due to the fact that the letters were addressed to contract signatories, who were often not directly involved with the delivery of the WORKSTEP programme. Within very large organisations such as these, the department receiving correspondence was not always aware of where it should be passed on to. One provider explained,

‘As a Local Authority we have huge problems with Jobcentre Plus sending mail to the right people. Details of the funds may well have been sent to the Chief Executive, but they never managed to find their way to me.’

Due to the nature of WORKSTEP contracts within some Local Authorities, it could also be very difficult for Jobcentre Plus to remain aware of whom the correct contact person was. Many Local Authority contracts are very small with as few as one supported employee. As a result of the size of these contracts, the role of managing WORKSTEP delivery is often attached to an existing employee’s role, as a post dedicated solely to WORKSTEP could not be justified.
The WORKSTEP programme is delivered from a variety of Local Authority departments such as Social Services, Human Resources and Economic Development. There were also a number of examples of where contract responsibility had been frequently transferred from one department, or one post holder, to another. This changeability and inconsistency of approach created further difficulties for Jobcentre Plus when attempting to locate the appropriate person within Local Authority providers.

However, it was also noted within the WORKSTEP programme evaluation that the issue of maintaining up-to-date information on WORKSTEP providers, including relevant contact details, is not limited to Local Authorities. The evaluation noted that there appeared to be a lack of adequate, centrally held management information across the WORKSTEP programme and there was no single database which held comprehensive provider contact details within Jobcentre Plus.

### 3.1.2 Promotional events

Jobcentre Plus worked with both the National Association for Supported Employment (NASE) and the Association for Supported Employment (AfSE) to promote the availability of the funds. Regional events to promote the availability of the Modernisation Funds to providers were held in Wales, Scotland, the North East and the South West of England. Providers who were members of NASE commented that they felt they were reasonably well informed with regard to the funds, via their NASE links. One provider commented,

> ‘NASE always knew what was going on long before our Contract Manager. They gave us lots of advice to complete the application form and on what sort of things we could bid for.’

Of the 38 providers interviewed as part of the evaluation, 29 felt that generally, promotion of the WORKSTEP Modernisation Funds by Jobcentre Plus was inadequate. A number highlighted that their contract managers also appeared to have limited information to offer. Some providers pointed to a significant delay between the point at which the funds became available and when they became aware of them, although as highlighted above Jobcentre Plus did write to all providers in September 2001. Providers also highlighted delays in the issue of more detailed guidance about what the funds could be used for and the application process.

Jobcentre Plus did issue detailed written guidance on the funds to providers at the end of April 2002 and at the same time circulated a guidance document to WORKSTEP Contract Teams. However the issue regarding the misdirection of the initial letters to some providers may have also caused some delays in the delivery of the follow up guidance.
3.2 Application process and allocation of funds

3.2.1 Application guidance

In the first year of the funds’ availability Jobcentre Plus reported that very few applications were received, and although some momentum was gained during year two, it was not until year three that interest increased significantly.

Initial written guidance on the funds was issued to providers in May 2002, and to encourage further applications additional guidance was issued in February 2003. The additional guidance also aimed to clarify any areas of misunderstanding and provided a structure by which providers might evaluate their funded projects.

The May 2002 Modernisation Funds guidance to providers required the completion of a Modernisation Funding application form, which was then to be submitted to the relevant WORKSTEP Contract Management Team for consideration. There were concerns within some Contract Management Teams that they did not have sufficient guidance or the resources to assess these applications and they were therefore reluctant to take on this role. Thus to create more consistency and unify the approach, the process was altered and, for a period, applications were submitted directly to the Head Office WORKSTEP Policy Team. Applications that had already been submitted to the Contract Teams were also forwarded to Head Office.

Two firms of consultants were recruited to assist the Modernisation Fund Project. One firm were to assist with the general Modernisation Fund and the other were IT consultants to work on the Capital Modernisation Fund (see 3.2.2 below). It was anticipated that the consultants for the general fund would work to develop a framework for assessing applications and also to offer support to providers in identifying their needs and formulating appropriate applications. These consultants commenced work in May 2002, and initially assisted with the development of criteria for the assessment of applications, and the process of considering the applications already received.

Initial intentions were for the consultants assisting with the general Modernisation Fund to work on the project for a two-year period, however due to difficulties related to internal organisational processes they were only employed during May and June 2002. The applications that were then with the consultants for consideration were returned to the WORKSTEP Policy Team, and from there they were sent back to the Contract Management teams for consideration. A guidance document, which included assessment criteria for applications, was also issued to the Contract Teams in July that year.

The guidance for Contract Teams highlighted that WORKSTEP providers varied considerably in the size, range and features of their WORKSTEP programme. Thus there would be no single approach to developing the programme via Modernisation Funding. It also stated that proposals suited to the needs of each provider were therefore welcome and it gave some indications of areas for programme improvement.
and suggested some possible projects that may provide effective solutions. Listed below are the headings for the approaches suggested in the guidance and, although it was suggested that contract managers should discuss these with providers, it also stated that they should not feel constrained to consider these alone. The WORKSTEP Policy Team explained that ‘we wanted to encourage innovation and rigid guidelines would have prevented that.’

**Leadership and management**

This area included developing provider management capacity and staff skills to facilitate improvements in support to employees and employers. Providers were to be encouraged to look at developing management arrangements, staff development and managing quality (including organisational self-assessment and development planning in relation to quality standards and in readiness for ALI inspection).

**Developing effective partnerships with employers/others**

This was aimed at maximising the capacity of employers and other delivery partners to contribute effectively to the delivery of WORKSTEP. It included establishment of local employer links for supported businesses that had not previously had these.

**Identifying individual’s requirements**

This area included effective client profiling and the preparation of development plans, which relate fully to individual abilities, aspirations and opportunities.

**Support in work**

Projects were to look at developing effective support arrangements for clients in the workplace underpinned by planned review of development plans. Such arrangements could include the review of current delivery and introduction of processes for individual development planning and more flexible approaches to employee support and development such as job coach support.

**Providing long-term support and preparing for and sustaining progression**

This incorporated supporting the development of progression opportunities including preparation for progression, and development of post-progression support arrangements.

The guidance to contract managers also highlighted the role of their teams in assessing applications, and in post application negotiations with providers where there were concerns about the applications.

During these post application meetings the Contract Managers would aim to offer the provider help and advice on how to amend or restructure their applications in order for them to meet the criteria for approval. They could also request that the provider obtain formal estimates for proposed expenditure, and once the application was fully completed, the provider was asked to resubmit it to the Contract Manager
for final approval. If, after the meeting it was evident that the application was still not acceptable, the Contract Managers would notify the provider in writing.

As can be seen above, the guidance was fairly broad in scope, and this non-prescriptive design was positive in that it offered significant flexibility for wide ranging applications. However, there were some individual examples where this flexibility may have led to a degree of uncertainty about what the funds could be used for. One contract manager highlighted that they had encouraged the submission of a bid from one of their providers to improve quality assurance to satisfy the requirements of ALI inspection. They stated that this bid was refused by the WORKSTEP Policy Team on the grounds that providers could not use the Modernisation Funds to ‘get them through a mandatory inspection.’ It was suggested by Project Team staff that applications such as this may have been rejected as they felt some providers simply wanted to pay consultants to manage their ALI inspection. In these cases the Project Team were looking for evidence of the funds being used as part of a longer term strategy to impart the necessary skills and understanding to provider staff, to manage the ALI process in the longer term. However, as noted above in the guidance section on developing leadership and management there is a suggestion for provider organisations to use the funds to ‘carry out organisational self assessment and development planning in relation to quality standards and in readiness for ALI.’

Despite the apparent divergence of opinion between Jobcentre Plus operational and policy staff, related to this particular case, once the guidance was made available there seems to have been reasonably good levels of understanding about the types of initiative that could be funded, which was reinforced by the issue of the additional guidance in February 2003.

### 3.2.2 ICT capital funding

Prior to the introduction of the Modernisation Funds, many providers had no or extremely limited Information and Communications Technology (ICT) provision. An aim of the Modernisation Funds was therefore to significantly improve ICT within provider organisations. This was to include hardware, software, specially developed applications and any necessary supporting equipment or services such as installation, training or after-sales support. It was felt by the WORKSTEP Policy Team that,

‘ICT support could add considerably to the effective development and testing of new approaches while paving the way for the wider introduction of new approaches once the project is completed.’

It was also necessary for the Employment Service/Jobcentre Plus to facilitate ICT applications to ensure providers had the facilities necessary to access the WORKSTEP payments database website.

A firm of specialist consultants were therefore recruited to advise providers on effective technical options and solutions in relation to ICT requirements. The consultancy firm made direct contact with the majority of providers to ascertain
what assistance and support might be required. The consultants’ role also extended
to the consideration of ICT applications made by providers and the WORKSTEP
Policy Team found this to be of benefit in streamlining and quickening the process.
To assist providers with ICT implementation, the Employment Service/Jobcentre
Plus combined the application process so that WORKSTEP Modernisation Fund
applications could contain an ICT element where relevant, although this element
was funded from a separate budget. It was therefore important that relevant ICT
items could be identified separately within the applications and at the payment
stage.

3.2.3 Allocation of funding
When applications were approved, the Contract Manager would draw up two
copies of a provider contract variation letter, confirming agreement to fund the
providers’ proposals. These were signed by the Contract Manager and sent to the
provider who also signed both copies. The provider would then retain one copy and
return the second to the WORKSTEP Contract Management Team, who sent a copy
to the Modernisation Funds Project Team so they could maintain their records of
planned expenditure, and authorise payment once invoices were submitted.

Once the provider had received this variation letter, they were in a position to
implement the proposals contained within their application, and then submit their
claim and invoice together with proof of expenditure to the WORKSTEP Policy Team
to process payment. Providers were required to pay supplier invoices and make
claims retrospectively, although claims were also permitted on a monthly basis for
example where salaries for additional personnel were agreed.

3.2.4 Provider views of application and allocation
All of the providers interviewed as part of the evaluation commented on the
difficulties associated with the initial stages of the application process, in particular
the delays in receiving information and guidance, both the directly issued written
guidance, and information from contract managers. They also commented on the
delays in the processing of early applications, although they also noted that this
situation did improve over time, and that the main delays occurred in the first
eighteen months of the Funds availability. One provider commented,

‘The application process got better, but then it had to. The initial process was
very ad hoc and I don’t think anyone knew what was going on.’

In particular some providers who were faced with an inspection during the first
stages of the ALI process felt that the allocation from the Modernisation Funds came
too late to assist with the timely development of quality assurance systems, and as a
result they had insufficient time to prepare for their inspections (see Section 4.2.3).
In addition to this, some providers who had no previous experience of making applications for funding of this nature stated that they found it difficult to fully understand the process.

‘We were very much left in the dark for 12 months waiting to find out what the heck was going on.’

‘You very much had to seek the information out for yourself; no one ever explained what was going to happen when.’

In comparison to other funding streams accessed by providers, many commented that once they had the relevant information they found the application for WORKSTEP Modernisation Funding relatively straightforward.

‘When you compare it to other funding streams for lower amounts of money it was very easy to get money from the Modernisation Funds.’

The majority of providers described the process for the retrospective claim of expenditure as straightforward, although some organisations stated this did cause problems. For example, charitable organisations had to appeal to their board of directors to allow the money to be spent in the first instance and offer written confirmation from Jobcentre Plus to guarantee that they would be able to recover the funds.

It was argued by one provider that these arrangements hindered their confidence to make applications for Modernisation Funds. This was due to the fact that charity directors can be held personally liable for financial discrepancies, and are therefore reluctant to commit to additional spending without very clear guarantees that this would be reimbursed. One charity which provides WORKSTEP explained,

‘Although I’m sure it was easy for Local Authorities or organisations where cash flow isn’t a problem, but for small providers or charities like us, it was hard work getting the powers that be to agree to the initial spending.’

Some Local Authority providers also reported difficulties with the payment process, with regards to identifying when specific invoices had been paid. They found that Modernisation Fund monies were not always paid separately and were often amalgamated with their monthly WORKSTEP programme payments. This compounded difficulties already inherent in the WORKSTEP payments system, which based the payments to providers on retrospective averages of their activity. It was reported during the WORKSTEP programme evaluation that this system caused ongoing difficulties for providers in that they were often unable to reconcile the figures they invoiced to Jobcentre Plus with the payments they received from them. The system has subsequently been changed to payments based on actual activity.
3.3 Utilisation of funding

Overall there was significant expenditure on both the general WORKSTEP Modernisation Fund and the Capital Modernisation Fund, which is summarised in the table below, however it can be noted that not all of the funding allocated to programme modernisation was utilised via the Modernisation Fund Project.

Table 3.1 Expenditure of the general WORKSTEP and Capital Modernisation Fund

<table>
<thead>
<tr>
<th>Fund</th>
<th>Budget</th>
<th>Spend</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>WORKSTEP Modernisation Fund</td>
<td>£9.60 million</td>
<td>£6.37 million</td>
<td>£1.23 million</td>
</tr>
<tr>
<td></td>
<td></td>
<td>plus £2 million to Factory Support Grant</td>
<td></td>
</tr>
<tr>
<td>Capital Modernisation Fund</td>
<td>£7.20 million</td>
<td>£3.86 million*</td>
<td>£3.34 million</td>
</tr>
<tr>
<td>Total</td>
<td>£14.80 million</td>
<td>£10.23 million</td>
<td>£4.57 million</td>
</tr>
</tbody>
</table>

*The Capital Modernisation Fund expenditure included an estimated £2 million to cover the cost of development and implementation of the WORKSTEP Payments Database, to facilitate both payments and the collation of management information.

Overall there was an under spend in the region of £4.57 million, just less than one third of the total Modernisation and Capital Modernisation Fund budget. This resource was allocated to the WORKSTEP Factory Support Grants for the following financial year.

3.4 Evaluation of projects

Jobcentre Plus envisaged that this research report on the Modernisation Funds would form the main strand of their evaluation on the project. However, in guidance issued to both providers and contract managers, they also advised that on completion of their funded projects providers would be required to complete a brief final report to include an evaluation of the funded activity. Details of the proposed evaluation were to be detailed in the provider’s application and in the variation to contract letter drawn up between the provider and Jobcentre Plus.

Within the majority of the approved applications examined as part of this study, an intention to evaluate was indeed included. However, there is evidence that only a limited number of evaluations were completed by providers, and few formal written reports appear to have been submitted to Jobcentre Plus as initially intended. The Project Team and WORKSTEP contract managers did state that they had carried out some follow up work to remind providers of the need for a final report, however, as highlighted above and in the WORKSTEP programme evaluation there was limited management resource available to address issues of this nature. The follow up therefore appears to have been overtaken by other more pressing operational priorities such as the ongoing facilitation and processing of applications.
Of those evaluations which were submitted, the approach used and evidence of effective outcomes varied greatly, although there are some examples of comprehensive and thorough evaluations having been completed.

The initial guidance to providers and contract managers did not prescribe the nature or format of project evaluation that was required, although the February 2003 additional guidance for providers document offered a suggested reporting format for project evaluations. The additional guidance stated that evaluations were only required for general Modernisation Fund projects, rather than Capital Modernisation (ICT) projects, although the initial guidance on evaluation did state a requirement for, ‘a brief final report...to include their evaluation of the MF/ICT funded activity.’

The suggested reporting format in the additional guidance was a straightforward proforma which included basic details such as the name of the provider, their contract reference, name of their project and the dates it started and was completed. It also requested details of successful outcomes attributable to the project, how the outcomes were identified, lessons learnt and good practice which would be implemented as a result, and any problems or issues.

3.5 Conclusions and recommendations

The changes embodied in the WORKSTEP programme were a significant challenge for providers, although the availability of £14.8 million in Modernisation Funding offered a very positive opportunity for them to develop provision to address this challenge. The case studies in the following chapter highlight some very positive examples of the way in which providers used this resource, although there are a number of issues related to the promotion, administration and evaluation of the funds which may have impeded their impact. These issues offer areas for consideration with any future modernisation funding projects.

3.5.1 Improve information provision and support for change management

There appear to have been some delays in providing appropriate information, both to providers and contract managers, regarding the availability and administration of the funds. Some basic difficulties with ensuring that information reached the appropriate person within the provider organisation led to significant delays in the promotion of the funds.

There were also some difficulties for contract managers who, in some cases, appear not to have had the appropriate information to pass on to providers or sufficient understanding of the requirements of programme modernisation to assist with the development of applications. Detailed guidance documents for both providers and Contract Teams were not produced until around ten months after the funding was announced.
However, even with the availability of fairly detailed guidance some stakeholders appear to have struggled to appreciate the opportunities presented by the fund. Indeed they may have still been struggling to fully appreciate the changes to the programme with the introduction of WORKSTEP, and their individual and organisational development needs to address these changes.

The initial plan to offer support to providers in identifying their needs and formulating applications, via consultancy support may have addressed these difficulties, however this initiative was undermined by the withdrawal of support after only two months. With a significant programme of modernisation, such as that presented by the introduction of WORKSTEP it may have been unrealistic to expect providers, and to some extent Employment Service operational staff, to fully appreciate these requirements without significant support.

It is therefore recommended that greater emphasis should be placed both on the timely distribution of appropriate information, and the provision of specialist support to facilitate programme change on this scale.

3.5.2 **Allocate adequate resource to administration of funds**

The delays in the provision of information were one difficulty associated with the administration of the funds, and linked to this there appear to have been some significant delays in the development of a process for the review of applications, and allocation of funding. This clearly had an impact on the speed with which providers could implement projects to facilitate programme development, and in some cases this delay may have had a detrimental effect on their preparations to meet the demands introduced with statutory inspection.

As already highlighted planned consultancy support to assist with the assessment of applications, in addition to offering support to providers in identifying their needs and formulating applications, was withdrawn after only two months. This left a Project Team with very limited resources attempting to manage the process, and it was inevitable that delays would result from this.

Almost one third of the budget allocated to the Modernisation Funds remained unspent at the end of the project. If a proportion of this had been allocated to strengthen the resource available to administer the funds and provide specialist support it seems likely that many of the delays and difficulties would have been avoided. It is recommended that consideration should be given to ensuring appropriate levels of project support are available, to make certain that budgets are fully utilised and best value is obtained from any future funding of this nature.

3.5.3 **Prioritise the evaluation of projects**

Although this research report aims to offer an over arching evaluation of the Modernisation Funds Project, there is limited information available, via the provider evaluations, of the individually funded projects. The lack of emphasis on the process for the evaluation of individual projects has meant that in a number of instances
there is little or no evidence of formal evaluation of the funded activities. Where this is available there is little evidence that the information was utilised in a timely way to offer wider guidance on lessons learned or good practice developed. As noted in 3.4 above the limited management resource appears to have been concentrated on pressing operational issues at the expense of the longer term outcomes that may have been achieved through a more thorough evaluation of individual projects.

However, without a structured evaluation it is difficult to assess the success of individual projects, in terms of meeting their aims and objectives. It has also meant that there is little structured data on good practice facilitated by the resources made available via the funds, which could be shared with all providers. This would have offered an opportunity to add value for the programme as a whole, in addition to the individual provider involved.

The absence of a wider evaluation framework also presents difficulties in evaluating the impact of the broader objectives of the Modernisation Funds Project on overall programme delivery.

It is therefore recommended that more emphasis should be given to this element of any future modernisation funding project, to ensure that it is treated as a priority by stakeholders. Consideration should be given to the allocation of specific resources for the development of an evaluation framework that would include closer scrutiny of individual projects and the timely dissemination of findings, in particular with regards to the sharing of good practice.
4 Case studies

Jobcentre Plus reported that in total 350 applications for funding were received and of these, around 270 applications were successful and benefited from WORKSTEP Modernisation and/or capital funding. The successful applications came from around 150 (75 per cent) of existing WORKSTEP providers.

4.1 Sampled applications

The sample used for this study covered 141 applications and analysis of these highlighted that the majority were spread across five broad themes:

- Computer equipment and software to facilitate payments and produce management information (27 per cent).
- Marketing (seven per cent).
- Introduction of the WORKSTEP Quality Framework (14 per cent).
- Training (nine per cent).
- Staffing (37 per cent).

4.1.1 Information and Communications Technology

A significant proportion of the providers who participated in the evaluation utilised the funds to improve their Information and Communications Technology (ICT) provision, and it would appear that prior to the introduction of the WORKSTEP programme, a number of providers had very limited or no ICT systems in place. The ICT applications covered a range of hardware and software with many providers requiring installation ICT systems to facilitate the basic requirements of electronic processing of WORKSTEP payment claims and to provide Jobcentre Plus with management information.

A smaller number of providers were also successful in obtaining funding for the introduction of management software focused on their own service delivery and support of employees.
4.1.2 Marketing
The majority of these applications focused upon marketing the WORKSTEP programme both to potential employers, whom providers hoped to engage in order that they might accommodate external supported placements, and potential WORKSTEP supported employees who might wish to engage in supported employment. Some providers also highlighted the need to promote their service with local Disability Employment Advisors who refer customers to providers. The marketing strategies facilitated via the funds varied significantly in size, scope and success of outputs, but the majority included the production of some form of marketing materials.

4.1.3 Quality Standards/consultancy
A significant number of applications within this theme were aimed at introducing the new WORKSTEP Quality Standards and developing procedures to support both this area and the introduction of inspection. These requirements were a significant change to the expectations regarding the provision of Supported Employment Programme (SEP), and thus presented a considerable challenge to many providers. The majority therefore sought some assistance with implementation of quality systems from specialist consultants.

4.1.4 Training
The applications within this theme were split across two clear areas; training for those delivering the programme (i.e. provider organisation staff) and training for supported employees on the programme. The types of training delivered were widely varied, but a significant number focused on National Vocational Qualifications (NVQs), both assessor training for development workers and the introduction of NVQ programmes for supported employees. There were also examples of provider staff training to increase awareness of the new requirements and focus of WORKSTEP, and to enhance general programme delivery. This was a particular issue for the larger providers who had staff based at a number of geographical locations and wanted to ensure that consistent messages were delivered and a standardised approach to the delivery of the new programme adopted.

4.1.5 Staffing
The applications within this theme were greatly varied. Prior to the introduction of the Modernisation Funds, many providers had a fairly limited staffing infrastructure and were not well placed to meet the challenges associated with the delivery of the new WORKSTEP programme. The funds allowed many providers to bring in new staff to facilitate change, and in a number of cases these posts proved to be so successful that the provider has established them on an ongoing basis.
4.2 Case studies

The following series of case studies aim to highlight some examples of effective use of the Modernisation Funding within each of the themes identified above.

4.2.1 ICT – Implementation and development of management software

Jobcentre Plus guidance for WORKSTEP providers highlighted the purchase of ICT as a potential idea for applications to the Modernisation Funds. This area was a priority for development, to ensure that providers had the necessary ICT needed to access the WORKSTEP payments database website. Thus around 27 per cent of the sampled applications were for ICT projects, with the majority related to the purchase of the basic infrastructure required for use of the payments database.

However the guidance also suggested that ICT projects which would offer an opportunity to develop new ways of working within provider organisations and applications of this nature might be supported. These could include the development of systems to support management processes such as quality assurance, or more direct service delivery such as development planning for supported employees. This case study focuses on a provider organisation which applied for funding to purchase ICT systems to assist with the management of their WORKSTEP provision. Prior to Modernisation Funding, the provider had no electronic method for the management of client or employer information, as was the case with many WORKSTEP providers.

Benefits of joint working with other providers

The application for funding was made jointly by two neighbouring local authorities both of which provided the WORKSTEP programme (although one has subsequently given up their contract.) The manager with responsibility for WORKSTEP from the authority that continues to deliver the service described how the joint working initiative arose as some supported employees from one of the provider authorities worked within the supported business of another. They initially worked with two other local authority providers to agree on their preferred products, and subsequently they made a joint application to Jobcentre Plus with one of those authorities.

The providers highlighted that as contract holders in a close geographical area they were seeking to improve joint working to facilitate improved delivery to WORKSTEP supported employees. It was hoped this would include increased networking between providers and the sharing of best practice. They also identified the potential for increased networking to facilitate the transfer of supported employees between providers if there were opportunities to gain additional skills and maximise job opportunities.
The three providers organised meetings and joint demonstrations of the three supported employment management packages identified within Jobcentre Plus guidance, i.e. GEMMA, ASSET and Proman Harp. They had agreed to select one of these packages, which they could all use within their respective organisations in an attempt to harmonise their delivery of the WORKSTEP programme and facilitate joint working within the area they covered.

Following the presentations the providers selected the GEMMA software package, which was offered by an Australian company, Castle Personnel. This package had been specifically developed to assist provider organisations to manage and improve the delivery of disability employment services. Whilst this case study highlights the providers development of using this package, this should not be taken as a specific endorsement of this particular package, as opposed to the others that were available. What the study aims to illustrate is the potential for the use of ICT to enhance service delivery, and also the potential benefits of joint working between WORKSTEP providers.

As highlighted above some of these potential benefits were identified prior to the joint application, although it may not have been possible to fully realise all of these as one of the partners subsequently gave up their WORKSTEP contract. However some of the positive aspects of joint working between providers have been maintained via the formation of a software user group, following a recommendation to do this from the supplier. This user group consists of a number of WORKSTEP providers which use the package within the region, and is mirrored by similar user groups in other areas of Britain.

The user group meets quarterly, although they also maintain regular contact by telephone and e-mail. The members share responsibility for facilitation and administration of meetings, and whilst the main function of the group is to share ideas and information linked to the development of their use of the system, it also offers an opportunity to discuss some of the wider issues affecting WORKSTEP providers.

The sampled provider highlighted numerous benefits in terms of system development that they have gained by being involved with the user group, in particular the sharing of ideas and practical advice on how to gain best use from the many features offered by the software package.

**Benefits of utilising management software**

The GEMMA system has been developed over a number of years and the supplier states that with approximately 900 agencies using GEMMA around the world it is the most used disability employment management software. GEMMA functionality includes facilities to track client contact and activities with a feature that helps to develop client CVs. It can also be used to track provider staff activities and employer contacts, and offers features that can assist with client/job matching, support the management of funding and budgeting activities and provide a range of management information.
The supplier also states that the system supports many of the quality management systems presently in use in the disability services industry, and a number of providers who use the system described how they have used quantitative and qualitative evidence produced from their GEMMA system during review meetings with Jobcentre Plus and during Adult Learning Inspectorate (ALI) inspections. The case study provider highlighted that they had found GEMMA extremely useful during their recent ALI inspection, where the software allowed them to print off a range of information about individual clients in addition to more general reports on provider activities requested by the ALI inspectors.

**Provider experience of using the system**

Overall the provider was very positive about their experience of using this system, and the benefits they have gained from the use of management software. However, there were some ‘teething problems’ and they felt that for organisations to use GEMMA effectively they would ideally need the support of staff with a good understanding of databases. They also highlighted that the initial set up of the database was quite laborious, although the supplier had helped with this and undertaken some of the data entry. In addition, there had been some difficulties creating a network link within the authority so that the system could be accessed from a number of different local offices, although they had received good support from their in-house IT service to resolve this issue, and felt that their authority was very supportive about the installation of the software.

The provider pays the supplier an annual support subscription of £300 which allows them unlimited contact for advice and support, and overall they seemed very satisfied with the service they receive. The provider did state that although they have found their current use of the system very beneficial, they are aware that they are still not using GEMMA to its full potential. In particular contacts with the user group have offered an opportunity to learn about other provider’s use of system features that they have not yet explored. The group also offers the opportunity to assess the benefits they may be able to gain from these features, before they invest the time to develop any new areas.

Overall they felt that one of the main areas for development in their use of the system was the generation of customised management reports, as those currently available are not entirely suitable for their needs. However, by working with their user group they have an opportunity to share ideas and utilise the experience of other providers.

**Learning points for the programme**

The WORKSTEP programme evaluation highlighted that overall there is a lack of fundamental management information on supported employees, providers and programme performance. This was described as a significant weakness and a high priority for review. Whilst at a programme level this issue can only be addressed by Jobcentre Plus, the adoption of management software within provider organisations, such as that described within this case study, illustrates the potential benefits of developing this type of systematic approach at provider level.
The use of management software can offer an efficient and effective method for the collection and use of service data. It is extremely helpful for monitoring and inspection related activities, and offers opportunities to inform the ongoing development and improvement of service delivery. However, as the study also illustrates, considerable investment can be required to set up and develop systems for these purposes, and the sharing of resources, ideas and experience between providers has also proved to be a very positive way of undertaking this type of development.

4.2.2 Development of marketing strategies

A relatively small number of the sampled providers (around seven per cent) used the WORKSTEP Modernisation Funds to develop their marketing of the WORKSTEP programme, and these initiatives were primarily focused on increasing the numbers of potential employers. It was hoped such development would increase and broaden the range of job opportunities available to those on the programme.

Whilst many providers had some arrangements in place to market the programme such activities often formed a small part of existing staff roles, and two of the sampled providers used the funds to appoint staff, on a short-term basis, to focus entirely on marketing. Whilst these posts were initially funded for one year, both providers felt that staff dedicated to this function offered a great deal of value to their service delivery and they have subsequently made these posts a permanent part of their core staffing.

There were some differences in the range of activities that were carried out by marketing staff, although both developed some form of marketing strategy to assist with planning their broad approach and specific actions to be taken forward.

Both of the providers also used funds to develop marketing leaflets, which were targeted at a range of stakeholders including existing and potential employers, Disability Employment Advisers (DEAs) and potential clients. These tended to describe in general terms the programme and types of service available from the provider organisation. One of the providers utilised case studies of successful placements with comments from both the supported employees and employers to illustrate the potential benefits of the programme.

This provider also worked closely with a charity which aims to support those with ‘learning difficulties’ to produce a series of leaflets aiming to highlight that ‘learning difficulties can easily create earning difficulties’ and to increase employers understanding of various conditions such as autism and asperger syndrome. They hoped that better information would ‘create a more fulfilling and positive working relationship for both the employer and employee.’ These leaflets were initially aimed at existing and potential employers within their region but have proved to be extremely successful, generating wide interest beyond their area.
The provider was also allocated funding to hold a conference to engage employers from the local region to increase supported placement opportunities. The provider asked employers who were already involved with the programme, to invite other employers they knew to the conference, with the aim of encouraging employers to employ disabled people. This could initially be with the support of WORKSTEP, but with a clear understanding of the longer term aim of unsupported employment. Other conference delegates included representatives from the voluntary sector, community health services, education, careers advisors and Jobcentre Plus. It was described as ‘a very valuable experience’ and the success of this initial event led to plans for a similar national conference.

Although no precise figures were available, this provider felt that as a direct result of their marketing activities, employers were more willing to engage with the WORKSTEP programme and they felt the materials and conference had ‘quashed lots of fears employers had about employing disabled people.’

In addition to leaflets aimed at employers and potential supported employees, the second provider also produced a range of other promotional materials as part of their well developed and documented WORKSTEP marketing strategy. This strategy included plans for their work with potential and existing clients and employers, Jobcentre Plus and other referral agencies, as well as more general promotional activities. Examples of their activities included the production and dissemination of a regular bulletin aimed at DEAs, and regular attendance at a range of events such as jobs/employment fairs and other community events and exhibitions.

Learning points for the programme

The WORKSTEP programme evaluation highlighted a lack of publicity about the programme. Many Jobcentre Plus WORKSTEP contract mangers, DEAs, providers and employers raised this issue and some described the levels of awareness about the availability of the programme and the type of support it offers as very low with potential supported employees, employers and within Jobcentre Plus itself. They felt this issue should be addressed to ensure potential supported employees are made aware of the support that can be offered, and also to encourage more employers to become involved.

They also felt that positive promotion of the programme could have an impact upon the negative perceptions that some employers have of employing disabled people. A DEA commented,

‘you know what would be really good was if we got some good news stories and actually see in practice where providers have helped somebody and see the process they’ve gone through because they’re (Jobcentre Plus) not very good at publicising it and I think that is really good way of selling it.’

Improving the Life Chances of Disabled People also highlights a similar view.

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‘Employers are more likely to be interested in case studies of successful practice, and in advice from other employers, rather than messages from government’.

The WORKSTEP programme evaluation recommended the development of programme marketing with, as a minimum, the production and dissemination of WORKSTEP leaflets and posters. The experience of the two providers within this case study demonstrates the potential to develop a wide range of marketing activities and offer useful examples that could be more widely adopted. Both organisations have clearly found that these activities offer a valuable contribution to their service delivery, as marketing staff initially employed with Modernisation Funds have subsequently become part of their permanent workforce.

4.2.3 Quality Standards and staff training

As already highlighted the introduction of the new WORKSTEP Quality Standards was a significant change to service provision from SEP to WORKSTEP, and thus presented a considerable challenge to many providers. Many therefore sought some assistance with implementation of quality systems from specialist consultants, and a significant number of applications to the Modernisation Funds within this theme were of this nature.

One of the sampled providers made two successful bids for Modernisation Funding, one related to the implementation of WORKSTEP Quality Standards, and the other for the associated staff training to encompass this and some of the wider changes to the programme, (which are highlighted in Table 1 above key programme changes). They planned a two-phase consultancy, which identified needs in relation to the Quality Framework and skills gaps, and then planned an approach to delivering change throughout the provider organisation. This was a particular challenge as the provider is a nationally based organisation with services delivered from a number of geographically separate offices.

The provider highlighted some initial difficulties as their bids, submitted in July 2002, were not approved until October that year and they had to undergo their first ALI inspection in January 2003. As their bids were related to the process of improving quality, in particular introducing the new Quality Standards there was very little time to implement the necessary changes prior to inspection. Thus the provider did not score well and failed their initial inspection, however following the planned Modernisation Fund activities they were re-inspected, with significantly improved results.

Implementation of WORKSTEP Quality Standards

The first bid centred on developing a quality system for the provider organisation. An external consultant was employed to evaluate what was currently in place and develop an action plan for the way forward. The evaluation of the provider quality systems also informed their annual self-assessment report and action plan, another requirement of the new programme.
The consultant then helped to develop a quality system, which brought the provider’s systems up to the standards required for WORKSTEP. A key issue for the provider was to ensure that consistency was developed throughout the organisation and that all staff were fully aware of the new requirements of the WORKSTEP contract. One of their regional managers commented that under the SEP some regional variations had existed in the service that was being offered.

Thus a quality audit of all regional offices was undertaken by the external consultant, which enabled the provider to ‘prioritise quality issues for action and signpost the poorer performing regions for additional support.’ Based on the audit, new development plans were introduced for all regions, reflecting ‘SMART principles’, i.e. agreeing goals within development plans that are specific, measurable, achievable, realistic and time-bound. This new approach to development planning helped ‘ensure greater structure and consistency in the vocational profiling and goal setting processes and in the recording of client achievement.’

A new approach to reporting progress visits with supported employees was also introduced, again to provide structure and consistency throughout the regions. Standard feedback forms for obtaining information from supported employees and employers were developed, which helped to inform development plans and future progress visits.

By bringing in external consultants the provider felt that their staff were allowed to maintain their focus on the work that they undertake with supported employees. The consultant was experienced in working with disabled people within employment programmes and also had knowledge of the ALI inspection process. The provider commented that it was more effective to have an ‘outsider’ as they adopted a ‘fresh’ approach and were able to identify gaps that provider staff themselves might have overlooked. The consultant was perceived to have had such a positive impact upon the organisation that they continue to employ them as and when required.

**Staff training**

The second successful bid related to the training needs of the staff within the provider organisation, linked to the demands of the new programme. A full training needs analysis was undertaken throughout the provider’s regional offices to identify gaps and skills shortages, with the aim of improving the quality of service delivery. Again an external consultant was brought in to do this. The provider highlighted that they are a relatively small organisation, covering a very wide geographical area. Due to the commitments of regional support workers to WORKSTEP supported employees it is very difficult to get them all together in one place. However, the external consultant was able to visit each region, undertaking the training needs analysis without the support to clients and supported employees being compromised.
Following the results of the quality audit the provider realised that they had to significantly change the way in which they were operating and introduce new concepts for their work with supported employees. The provider highlighted that in some cases it was difficult to change the perceptions of staff, particularly those who had been with the organisation for some time. However by running workshops based on the training needs analysis the provider was able to develop the skills of the support workers around working with employers and supported employees.

Some of the training workshops focused on developing staff skills to ensure that they could effectively communicate and negotiate change with employers. In particular with regards to the new requirements of WORKSTEP, and ways in which the programme differed from the previous SEP. The training helped to develop the additional skills staff required to enter negotiations on the wage subsidies that some employers were used to receiving, to focus on the progression aim, and to encourage employers to effectively monitor the progress of WORKSTEP supported employees. The provider also highlighted that there were a significant number of situations where the supported employee’s contract of employment was with their organisation and not the employer. Thus support workers were also trained to negotiate the transfer of contracts.

The provider felt that they would have eventually delivered some form of training to their staff but ‘it would have been much more difficult’ without the Modernisation Funds. A manager stated that, ‘It would have happened, but it would have happened a lot more slowly and we couldn’t have afforded that, we would have failed another inspection, we would have been put on six months notice, and if we hadn’t improved we would have lost the contract’.

**Long-term impact**

The impact of the Modernisation Funds within this provider has been significant. Since the introduction of WORKSTEP and the changes they were able to introduce through the Modernisation Funds they have seen performance improve, outcomes improve, and the rates of supported employee progression to open employment ‘greatly improve’.

The quality manual produced provides regional support workers with appropriate, standardised documents for the WORKSTEP programme. These documents help to ensure consistency across the regional offices, which is crucial for quality assurance within an organisation covering a large geographical area.

The provider reported that regional staff are now much more aware of what is required within the WORKSTEP programme. They focus far more on working with the employer, and where financial support is given the employer has to specify what the funds are for, and this agreement is built into supported employees’ development plans.
Overall the provider felt that the activities funded via the Modernisation Fund, in particular the opportunity to bring in external consultants, has had a significant and lasting impact, and continues to influence the positive way in which they deliver their WORKSTEP programme.

### Learning points for the programme

This provider clearly recognised that the changes introduced with WORKSTEP, such as the new Quality Standards, and their need to develop an internal quality assurance system, were so significant that they required external specialist support to implement them within their delivery of the programme. In order to successfully implement any future programme changes on this scale it is likely that the majority of existing service providers would benefit from this form of additional specialist support, and the resources required to purchase it.

The provider did highlight that there were issues with regards to the timing of the availability of the resources to introduce change, and the introduction of statutory inspection of their provision. It does appear that there was little time available between their commencing work to introduce change and their ALI inspection, and the issue regarding the timing of the introduction of inspection was highlighted within the WORKSTEP programme evaluation.

Some Jobcentre Plus WORKSTEP contract managers felt that the introduction of inspections was too soon after the start of the new programme.

> ‘In terms of the introduction of WORKSTEP and Quality Standards for WORKSTEP and ALI inspections it was all concentrated into a very tight timescale...and I think it would have been better if we had had a longer running in period and therefore what we got was a lot of negative resistance to ALI because we hadn’t been in a position to prepare them for it.’

ALI acknowledged that perhaps the pilot phase of inspection could have been longer, but pointed out that there is often no ‘right time’ for inspection and they highlighted that significant progress had been made since the process commenced. However it may be useful to give more realistic consideration to the time it can take to introduce significant organisational changes of this nature, prior to any future programme developments on this scale.

### 4.2.4 Training for supported employees

A number of providers utilised Modernisation Funding to introduce more structured training and development opportunities for supported employees. Within supported businesses these initiatives often involved the introduction of NVQ programmes for supported employees and NVQ assessor training for supervisors and support workers.
One of the sampled providers utilised Modernisation Funds to develop ‘learning centre’ facilities within their supported business, with additional funding to employ a learning centre manager. The ‘learning centre’ was a dedicated training room with classroom facilities, including a number of PCs. Much of the equipment available was adapted for use by disabled people, such as specialised screens and keyboards for those with sensory and physical impairments. Whilst the learning centre manager’s post was vacant at the time of this study, as Modernisation Funding was no longer available to support this, the provider stressed that they had clear plans to introduce a similar role as part of their core staffing in the near future. In the interim they were working in partnership with a local college to provide staffing cover within the learning centre and ensure the ongoing delivery of training and development opportunities to supported employees.

The availability of in house training and development opportunities within supported businesses was highlighted as one of the benefits of supported business provision within the WORKSTEP Programme Evaluation. Providers highlighted that this type of service provision has a number of potential benefits, for example it offers supported employees the opportunity to enhance their current skills, and develop new ones. This may be useful within their current job, and also may expand the range of opportunities open to them, enhancing their employability more generally.

A number of providers also highlighted that by offering supported employees development opportunities they have seen the development of a more committed workforce, which was reflected in one case by a considerable improvement in staff sickness rates.

Within the sampled provider the NVQ courses offered were linked directly to the type of employment that their supported employees are involved in, and many of the supervisory staff (who included WORKSTEP supported employees) were trained as NVQ assessors. This provider also offered more general ‘skills for life’ training including literacy, numeracy and IT courses.

Many providers felt that supported employees would not have undertaken training outside of the supported business because of the negative experiences they have had in mainstream education/training in the past. It has been recognised that disabled people are generally less likely to engage in training opportunities.

‘Disabled people do not benefit as much as the general population from government-provided training – only 9.5 per cent of learners in LSC (Learning and Skills Council) funded provision are disabled, although 20 per cent of the working age population are disabled.’

A number of supported employees also highlighted that they would not have taken up similar training and development opportunities outside their workplace, for example within local community colleges etc. A WORKSTEP supported employee, who was also a Trades Union learning representative within a supported business, commented,

‘I am disabled myself and one aspect I put to people is that I feel happy working with other disabled people, I feel happy learning with other disabled people. Now, I would not be happy to go up my local learning centre which is in the middle of the town for example, where I have got able bodied people around, you don’t know if they are sniggering behind your back basically.’

Learning points for the programme
The wide availability of training opportunities for supported employees is a very positive development within WORKSTEP. It is important that supported employees have the opportunity to develop their skills, to increase their employability and the range of possible job options available to them. Given that disabled people are also generally less likely to engage in training opportunities, the availability of more general training and development via WORKSTEP is something that many supported employees have found extremely valuable and would like to see continued.

4.2.5 Staffing to review SEP supported employees
From 1 April 2001, existing SEP supported employees transferred to the WORKSTEP programme. Whilst their employment terms and conditions were unchanged, it was expected from this point that the supported employee would have a development plan, which considers development in their current role, and progression into unsupported employment, if appropriate.

Within the WORKSTEP programme evaluation both Jobcentre Plus WORKSTEP Contract Managers and provider staff highlighted the difficulties in changing the expectations of both supported employees and employers where people were part of the old SEP and then transferred onto WORKSTEP. Thus, a supported employee may appear to be working without any apparent requirement for support from the provider, but because their employer insisted upon continuing to receive the financial assistance that was available via SEP, (and would terminate the employment without it,) progression to open employment had not taken place, and would not do so unless the employee were to move on to a new job.

Two of the nationally contracted providers also reported that in a small number of cases where supported employees transferred from SEP to WORKSTEP their monthly payment to employers has remained in excess of the monthly payment from WORKSTEP, despite efforts to negotiate a change.

One provider arranged Modernisation funded training for their staff, focused on developing skills to ensure that they could effectively communicate and negotiate change with employers, (highlighted in Section 4.2.3). This included communicating
Another provider utilised Modernisation Funds to employ additional new staff to carry out an audit of all current supported employees within placements commenced under SEP. This approach utilised a ‘fresh pair of eyes’ to review the current situation and then to enter into discussions with the employer regarding the changes to the programme, the need to review financial support, and the aim of progression to open employment. Overall the provider felt this approach had proved to be quite successful, as it had facilitated both a phased reduction of payments to employers and progression to open employment for a number of supported employees within these placements.

This provider also highlighted that to some extent a lack of progression within placements may be linked to a degree of complacency or resistance with some of their longer standing support workers. Both support workers and supported employees may have been comfortable with the current situation and had little focus on the aim of ongoing development and progression to open employment. Following their success utilising new members of staff to facilitate change within longer term supported placements they have adopted a policy of allocating a new support worker to supported employees when they have been on the programme for a certain period of time. Whilst they acknowledged there is a need for some degree of continuity of support, they feel that the introduction of a new support worker after a certain period is helpful to review progress, and if necessary refocus on progress being achieved and initiate change.

Another provider also used Modernisation Funds to employ two additional members of staff to work with existing supported employees whom they felt had the potential to progress from their supported business to external placements, with a longer term aim of moving to mainstream unsupported employment.

The provider had been delivering supported employment services for over fifty years when WORKSTEP was introduced and as such had supported employees who had been on the programme (and its predecessor) for a considerable amount of time. Consequently, they felt that they had a pool of ‘core’ supported employees who would only achieve progression through extensive work, and to offer this level of support within their current staffing would significantly deplete their resources to work with other supported employees who they described as not so ‘institutionalised’.

The provider identified twenty seven supported employees who they regarded as part of this ‘core’ that had been ‘stuck’ on their programme for a considerable period. They felt that these supported employees did not require a great deal of ongoing support to maintain their current supported employment but the provider felt that within the spirit of the new programme they should aim to ‘progress’ around ten per cent of these employees.
Using the WORKSTEP Modernisation Funds, two specialist ‘employment officers’ were recruited for one year to work with the ‘core’ supported employees and with local employers to facilitate moves to external placements. They delivered a great deal of intensive employment counselling to raise the confidence and self-esteem of these supported employees until the moves were achievable. The staff also worked closely with local employers to promote the programme and increase potential employment opportunities.

The provider stated that the new employment officers had proved to be a great success and several of the ‘core’ supported employees had successfully moved on to external supported placements and some to sustained mainstream employment. The new posts were therefore extended as part of the provider’s established staffing and they remain in place continuing to assist improvements in service delivery and the progression of supported employees to unsupported employment.

Learning points for the programme

All stakeholders appeared to recognise the challenge of achieving progression to open employment for longer standing supported employees. This is supported by figures reported within the WORKSTEP programme evaluation from a Department for Work and Pensions (DWP) analysis of supported employee cohort progression rates. These are given in the table below and highlight the lower rates of progression for those who joined the programme prior to the introduction of WORKSTEP in 2001.

Table 4.1  Cohort progression rates

<table>
<thead>
<tr>
<th>Cohort – based on date of registration</th>
<th>Size of cohort</th>
<th>Number of progressions</th>
<th>Progression rate by October 2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre 2001</td>
<td>12,492</td>
<td>1,459</td>
<td>12%</td>
</tr>
<tr>
<td>2001-2002</td>
<td>1,179</td>
<td>260</td>
<td>22%</td>
</tr>
<tr>
<td>2002-2003</td>
<td>2,234</td>
<td>415</td>
<td>19%</td>
</tr>
<tr>
<td>2003-2004</td>
<td>3,000</td>
<td>426</td>
<td>14%</td>
</tr>
</tbody>
</table>

However, a number of providers utilised Modernisation Funds to begin to address this issue, offering specific training for existing staff, and introducing new staff to focus on work with longer standing supported employees, and their employers.

Whilst there is fairly limited quantitative data available to assess the impact of such initiatives, (an issue for all areas of programme activity), all of the providers highlighted above were very positive about the impact of their efforts to address this issue. It would appear that providers may need to carry out specific and targeted measures of the type described above if improvements in the progression rates for longer standing supported employees are to be achieved.
4.2.6 Staffing to introduce supported placements

As previously described there are two distinct models for the delivery of the programme, via supported businesses or via supported placements with mainstream employers. Many providers with supported businesses also facilitate supported placements and a number of providers concentrate solely on placements.

The WORKSTEP programme evaluation highlighted the various benefits and limitations associated with these different forms of service delivery. It was noted that supported placements are seen as more socially inclusive and can offer supported employees the potential for a much wider range of employment opportunities that are not tied to a single geographical location, i.e. the site of a supported business. Experience of working with a mainstream employer on a supported placement may also facilitate an easier transition from supported employment to open employment when supported employees progress from the programme.

A number of providers who previously delivered their service solely through a supported business have recognised the benefits of also offering supported placements, and one of the sampled providers utilised the Modernisation Funds to introduce placements in addition to the service delivered via their supported business. The provider felt that an element of their service modernisation should include a shift of focus to supporting the ‘progression’ of supported employees from their supported business into placements with mainstream employers. They also wanted the option to utilise supported placements for new referrals to the programme.

The provider recognised that they had limited existing resource within their organisation, both in terms of staff numbers and expertise, to achieve these goals and therefore applied to the funds for the resources to employ a WORKSTEP co-ordinator and a job coach. The introduction of these posts aimed to facilitate the development of placement opportunities, to support the transition of supported employees to placements and also to provide appropriate support for individuals to progress into open employment where possible.

The role of the WORKSTEP co-ordinator was to co-ordinate, develop and monitor programme delivery and enhance employment opportunities for supported employees currently working within the supported businesses. This required the WORKSTEP co-ordinator to market the programme to local employers, to fully explain the potential benefits of employing disabled people.

The job coach role supported that of the co-ordinator in providing the necessary support to long-standing WORKSTEP supported employees to facilitate moves from the supported factory to external placements. The job coach supported the employees both through the transition and afterwards, also offering support to employers in providing appropriate development opportunities to their supported employees.
The combined efforts of these two posts led to a number of placements being secured with external employers and the movement of a number of WORKSTEP supported employees from the supported business environment. Thus through the creation of a dedicated staff team whose focus was not the day-to-day running of the supported business, the provider was able to begin to support employees outside of their business, in the local economy. Once this new programme delivery method was established they felt it clearly added significant value to their service, and the co-ordinator and job coach roles, established with Modernisation Funding, have been continued within their organisation.

Learning points for the programme
One of the strengths of the programme identified within the WORKSTEP programme evaluation was the diversity of delivery models, both of types of provider organisation and of delivery method, which can facilitate a very flexible approach to the type of support available. Where supported businesses have also developed the provision of supported placements they are able to offer a very wide range of support and opportunities to their supported employees. In particular they are able to offer a supported transition for those who have been employed within a supported business to move on to a supported placement with a mainstream employer. It seems likely that such an interim step may increase the longer-term prospects of progression to unsupported employment for these employees.

4.2.7 Staffing to facilitate employee development
In common with the provider in the previous case study (see Section 4.2.6) a local authority provider recognised that they had a number of long-term supported employees within their supported business who had the ability to progress in their development. The provider also acknowledged that to facilitate development these employees would require additional intensive support, currently outside that which was available within their supported business.

The provider felt that existing supervisory staff within the supported business may not have the specialist skills or knowledge required to create and implement adequate personal development plans with supported employees. They also recognised that supported business supervisory staff may be reluctant to progress long-standing and highly skilled members of staff for fear of detrimental effects on production. Additionally there was a concern that supported employees may have found it difficult to engage in open and honest discussions regarding long term aspirations with a supervisor within the supported business if these included a desire to move to an external job. Thus it was hoped that the introduction of a new role that was not based within the business might make discussions regarding progression and development easier.

The provider therefore applied to the funds for the resource to employ a dedicated full time WORKSTEP officer. Once in post, the WORKSTEP officer worked on a range of areas aiming to enhance the development of supported employees. They worked
with other staff to develop WORKSTEP systems, including the formats for development plans and reviews, and with supported employees to complete these development plans. They also worked with staff from other sections of the authority to establish development opportunities for supported employees, which also led to the introduction of NVQ training for employees within the supported business.

The provider described the introduction of the WORKSTEP officer post as very successful and highlighted how they were able to use this ‘pilot’ to demonstrate the value of the role to their local authority. On this basis they had been successful in obtaining funding to employ two dedicated WORKSTEP officers to service their contract. They felt without Modernisation Funding for the initial post they would have had some difficulty in securing this resource.

**Learning points for the programme**

The provider felt that the separation of the day-to-day supervision and support that was in place within their supported business, from formal WORKSTEP development plan reviews was crucial to the success of this initiative. They also highlighted that in their view it was unrealistic to expect supervisors within a supported business to have the specialist skills necessary to facilitate good personal development planning.

This project also highlighted that the availability of additional funding to facilitate change is often crucial, as it offers an opportunity to pilot developments such as the introduction of a WORKSTEP officer. With the evidence available from the pilot the provider was in a much stronger position to secure ongoing additional resources from within their authority, and without it they felt that they would not have been able to secure the resources necessary to facilitate the modernisation of their service delivery.
5 Conclusions and recommendations

The WORKSTEP programme evaluation highlighted that the changes introduced with the move from Supported Employment Programme (SEP) to the WORKSTEP programme were significant and presented a considerable challenge for providers, which the majority responded to in a positive way. Whilst some of the modernisation objectives for WORKSTEP remain to be fully achieved, there has been considerable progress in many areas, most notably the introduction of quality standards and the development of support available to those on the programme.

Whilst it is unusual for government funding to be offered to contracted service providers to assist with the modernisation of their services, the very positive examples described in Chapter 4, demonstrate, that the availability of this funding offered a very useful opportunity for providers to address the challenges of the new programme. It seems likely that these Modernisation funded activities helped to facilitate much of the constructive change and progress that has been achieved within WORKSTEP provision. It is therefore recommended that the option of providing Modernisation funding should be explored when introducing programmes of significant change within existing service provision.

However, the evaluation also identified a number of issues related to the promotion, administration and evaluation of the funds which may have impeded their impact. It may be helpful to consider the suggested areas for improvement highlighted below in relation to the management of any future modernisation funding projects.

Over and above the issues related to the management of the Modernisation Funds, it is also relevant to note some of the related contextual issues, when considering overall outcomes. In addition to the changes to the programme in April 2001, a change to the Jobcentre Plus management arrangements was introduced with a new structure in place by late 2003. During the interim period, WORKSTEP contracts were managed via Jobcentre Plus head office contract managers based in Sheffield and the three existing SEP areas, Northern, Central and Southern. It is probable that this period of transition for managers may have had some impact on their capacity to facilitate best use of Modernisation Funds.
The transition of management arrangements may also have had an impact on one of the most significant elements of change to the programme, i.e. the introduction of statutory inspection. In addition to this, initial inconsistencies in the WORKSTEP Quality Standards and the Common Inspection Framework, and the sheer scale of change introduced with the programme may have contributed to early difficulties with WORKSTEP inspections.

### 5.1 Management of the Modernisation Funds

The evaluation identified three main areas for improvement related to the management of the funds, i.e. with regards to the provision of information and support, administrative resource and the evaluation of individual projects.

#### 5.1.1 Improve information provision and support for change management

There appear to have been some delays in providing appropriate information, both to providers and contract managers, regarding the availability and administration of the funds. Some basic difficulties with ensuring that information reached the appropriate person within the provider organisation led to significant delays in the promotion of the funds.

There were also some difficulties for contract managers who, in some cases, appear not to have had the appropriate information to pass on to providers or sufficient understanding of the requirements of programme modernisation to assist with the development of applications. Detailed guidance documents for both providers and Contract Teams were not produced until around ten months after the funding was announced, and as highlighted in Section 3.1 above it seems likely that this delay is linked to the limited resources available to the Project Team.

However, even with the availability of fairly detailed guidance, some stakeholders appear to have struggled to appreciate the opportunities presented by the fund. Indeed, they may have still been struggling to fully appreciate the changes to the programme with the introduction of WORKSTEP, and their individual and organisational development needs to address these changes.

The initial plan to offer support to providers in identifying their needs and formulating applications, via consultancy support may have addressed these difficulties, however this initiative was undermined by the withdrawal of support after only two months. With a significant programme of modernisation, such as that presented by the introduction of WORKSTEP it is clear that service providers, and Jobcentre Plus operational staff, need very clear guidance and adequate support to deliver the changes required.

It is therefore recommended that greater emphasis should be placed both on the timely distribution of appropriate information, and the provision of adequate resources and, where required, specialist support to facilitate programme change on this scale.
5.1.2 Allocate adequate resource to administration of funds

The delays in the provision of information were one difficulty associated with the administration of the funds, and linked to this there appear to have been some significant delays in the development of a process for the review of applications, and allocation of funding. This clearly had an impact on the speed with which providers could implement projects to facilitate programme development and in some cases this may have had a detrimental impact on the timing of their preparations to meet the demands introduced with statutory inspection.

As already highlighted planned consultancy support to assist with the assessment of applications, in addition to offering support to providers in identifying their needs and formulating applications, was withdrawn after only two months. This left a Project Team with very limited resources attempting to manage the process, and it was perhaps inevitable that delays would result from this.

Almost one-third of the budget allocated to the Modernisation Funds remained unspent at the end of the project. If a proportion of this had been allocated to strengthen the resource available to administer the funds, and provide specialist support it seems likely that many of the delays and difficulties would have been avoidable. It is recommended that consideration should be given to ensuring appropriate levels of project support are available, to make certain that budgets are fully utilised and best value is obtained from any future funding of this nature.

5.1.3 Prioritise the evaluation of projects

The lack of emphasis on the process for the evaluation of individual projects has meant that in a number of instances there is little or no evidence of formal evaluation of the funded activities. Where it is available there is little evidence that the information has been utilised in a timely way to offer wider guidance on lessons learned or good practice developed. As noted in 3.4 above the limited management resource appears to have been concentrated on pressing operational issues at the expense of the longer term outcomes that may have been achieved through a more thorough evaluation of individual projects.

However without a structured evaluation it is difficult to assess the success of individual projects, in terms of meeting their aims and objectives. It has also meant that there is little structured data on good practice facilitated by the resources made available via the funds, which could be shared with all providers. This would have offered an opportunity to add value for the programme as a whole, in addition to the individual provider involved.

The absence of a wider evaluation framework also presents difficulties in evaluating the impact of the broader objectives of the Modernisation Funds Project on overall programme delivery.
It is therefore recommended that more emphasis should be given to this element of any future modernisation funding project, to ensure that it is treated as a priority by stakeholders. Consideration should be given to the allocation of specific resources for the development of an evaluation framework that would include closer scrutiny of individual projects and the timely dissemination of findings, in particular with regards to the sharing of good practice.

5.2 Learning from Modernisation Fund projects

The case studies within Chapter 4 of this report highlight some of the positive examples of activities supported via the Modernisation Funds, and although it is now some time since these projects were completed they can still offer useful learning points for the ongoing development of the programme.

5.2.1 ICT – Implementation and development of management software

The WORKSTEP programme evaluation highlighted that overall there is a lack of fundamental management information on supported employees, providers and programme performance. This was described as a significant weakness and a high priority for review. Whilst at a programme level this issue can only be addressed by Jobcentre Plus, the adoption of management software within provider organisations can offer a number of the potential benefits.

The use of management software can offer an efficient and effective method for the collection and use of service data. It is extremely helpful for monitoring and inspection related activities and offers opportunities to inform the ongoing development and improvement of service delivery. Whilst considerable investment may be required from providers to set up and develop systems for these purposes, the sharing of resources, ideas and experience between providers, via a provider software user group, can be a very positive way of undertaking this type of development.

5.2.2 Development of marketing strategies

The WORKSTEP Programme Evaluation described the lack of publicity about the programme. Many WORKSTEP contract managers, Disability Employment Advisers (DEAs), providers and employers raised this issue and felt it should be addressed to ensure that potential supported employees are made aware of the support that can be offered, and also to encourage more employers to become involved. They also felt that positive promotion of the programme could begin to address the negative perceptions that some employers have of employing disabled people.

The experience of the two providers highlighted in Section 4.2.2 above demonstrates the potential to develop a wide range of marketing activities and offers useful examples of practices that could be more widely adopted. Both organisations clearly found that these activities offer a valuable contribution to their service delivery, as
marketing staff initially employed with Modernisation Funds have subsequently become part of their permanent workforce, a development that could be considered by other provider organisations.

5.2.3 Quality Standards and staff training
The provider highlighted in Section 4.2.3 recognised that some of the changes introduced with WORKSTEP, such as the new Quality Standards were so significant that they required external specialist support to implement them within their delivery of the programme. They also understood that to successfully implement change of this nature they needed to address the associated training and development needs of their staff, and again utilised dedicated external support to facilitate this.

To successfully implement future programme changes of this nature it is likely that the majority of existing service providers could benefit from some form of additional specialist support. The other benefit associated with utilising external specialists to carry out these types of initiatives, which was highlighted by the provider, is that provider staff can maintain their focus on work with supported employees.

5.2.4 Training for supported employees
The wide availability of training opportunities for supported employees is generally regarded as a very positive development within WORKSTEP. It is important that supported employees have the opportunity to develop their skills, to increase their employability and the range of possible job options available to them. Given that disabled people are also generally less likely to engage in training opportunities the availability of more general training and development via WORKSTEP is something that many supported employees have found extremely valuable and would like to see continued.

5.2.5 Review of long-standing supported employees
The WORKSTEP programme evaluation highlighted the challenge of achieving progression to open employment for longer standing supported employees and a number of providers utilised Modernisation Funds to begin to address this issue. They offered specific training for existing staff, and introducing new staff to focus on work with these supported employees, and their employers.

Whilst there is fairly limited quantitative data available to assess the impact of such initiatives, (an issue for all areas of programme activity,) the providers highlighted in Sections 4.2.3 and 4.2.5 were very positive about the impact of their efforts to address this issue. One of these providers also stated that following their success utilising new members of staff to facilitate change they have adopted a policy of allocating a new support worker to supported employees when they have been on the programme for a certain period of time.
It would appear that providers may need to carry out specific and targeted measures of the type described in Section 4.2.5 if improvements in the progression rates for longer standing supported employees are to be achieved.

5.2.6 The introduction of supported placements

One of the strengths of the programme identified within the WORKSTEP programme evaluation was the diversity of delivery models, both of types of provider organisation and of delivery method, which can facilitate a very flexible approach to the type of support available.

Where supported businesses have also developed the provision of supported placements they are able to offer a very wide range of support and opportunities to their supported employees. In particular they are able to offer a supported transition for those who have been employed within a supported business to move on to a supported placement with a mainstream employer. It seems likely that such an interim step may increase the longer-term prospects of progression to unsupported employment for these employees. It is therefore recommended that all providers with support businesses consider developing the provision of supported placements within their programme delivery.

5.2.7 Staffing to facilitate employee development

The WORKSTEP programme evaluation noted a possible tension regarding the progression of supported employees who carry out key roles within a supported business. The provider highlighted in Section 4.2.7 above felt that the separation of day-to-day supervision and support within their supported business, from formal WORKSTEP development plan reviews was crucial. They also highlighted that in their view it was unrealistic to expect supervisors within a supported business to have the specialist skills necessary to facilitate good personal development planning.

5.3 Summary of recommendations

It is unusual for this form of Jobcentre Plus funding to be offered to contracted service providers to assist with developments in their services, however the WORKSTEP Modernisation Funds helped to facilitate much of the constructive change and progress achieved since the introduction of the new programme. It is therefore recommended that the option of providing this type of modernisation funding should be explored when introducing programmes of significant change within existing provision.

To ensure that best value is achieved from any future initiatives of this nature it would be helpful to review some of the key lessons from the WORKSTEP Modernisation Funds, which are summarised below, along with learning from the case studies highlighted within Chapter 4.
5.3.1 Learning for the management of any future modernisation funding

Ensure that adequate resources are allocated to facilitate the effective utilisation of funds, including appropriate consultancy based support where required. In particular this should cover:

- the timely provision of adequate and targeted information on proposed changes and the availability of, and administrative process for, funding;
- specialist support to assist with the identification of the requirements for change;
- the comprehensive evaluation of funded initiatives, and with timely dissemination of outcomes.

5.3.2 Learning for WORKSTEP from Modernisation Fund case studies

*Implementation and development of management software*

The use of management software offers an efficient and effective method for the collection and use of service data. The sharing of resources via a provider software user group can be a very positive way of undertaking this type of development.

*Development of marketing strategies*

There is clear potential for providers to develop a wide range of marketing activities which can offer a valuable contribution to their service delivery.

*Use of specialist support*

Service providers can benefit from external specialist support to successfully implement new requirements such as the Quality Framework. The other potential benefit associated with utilising external specialists is that provider staff can maintain a focus on core activities during periods of change.

*Training for supported employees*

The wide availability of training opportunities for supported employees is generally regarded as a very positive development within WORKSTEP and is something that many supported employees have found extremely valuable and would like to see continued.

*Review of long-standing supported employees*

Providers may need to carry out specific and targeted measures if improvements in the progression rates for longer standing supported employees are to be achieved.

*Development of supported placements*

All providers with support businesses should consider developing the provision of supported placements within their programme delivery.
Staffing to facilitate employee development
Providers should consider the potential benefits of separating day-to-day supervision and support within supported business, from formal WORKSTEP development planning reviews.
Appendix A

Stakeholder briefing document

WORKSTEP national evaluation: Provider linked case studies and Modernisation Funding

Background
Two linked research projects focusing on the WORKSTEP programme will take place during 2005. The first of these projects will undertake case study research across Britain, which will examine programme design along with the delivery and performance of WORKSTEP. The second project will focus on Modernisation Funding to evaluate delivery of the funding and the nature and impact of activities and investments arising from it.

Case study research
The case study research will take place in a number of WORKSTEP provider organisations.

• Case study sites will be selected with the aim of covering a range of provider types and locations, and other demands on providers such as recent or planned ALI inspections will be taken into account so as not to overload individual providers.

• In each case study the research team will collect and analyse information from documentation and interviews.

• Documentation will include current programme outputs, contracts and self-assessment reports.
Interviews will take place with WORKSTEP Quality and Contract Teams, Disability Employment Advisers (DEAs), provider organisation staff, employers and programme participants.

The information from each of the case studies will feed into broader analysis about the overall performance of the programme.

The research will also generate recommendations to inform programme delivery in the future.

**Modernisation Funds**

The evaluation of modernisation funding will also involve a number of WORKSTEP Provider Organisations. The Research Team will undertake documentary analysis and interviews with relevant Jobcentre Plus and Provider staff:

- The research will focus on the administration and delivery of funds and the nature and impact of activities and investments arising from modernisation funding.
- The information collected will also allow the research team to identify specific examples of good practice that can be shared.
- The research will also generate recommendations to inform the establishment and administration of any similar innovation or change funds in the future.

Contact details for the Centre are given at the bottom of the page, and you can also e-mail questions about the project to Ann Purvis or James Lowrey:

Ann.Purvis@northumbria.ac.uk   James.Lowrey@northumbria.ac.uk

The project manager from the Department for Work and Pensions is Lisa Naylor, who is based in the Family and Disability Analysis Division. Lisa can be contacted at:

Family and Disability Analysis Division (FDAD 4),
Department for Work and Pensions, Level 2,
Kings Court, 80 Hanover Way
Sheffield S3 7UF

e-mail - Lisa.M.Naylor@dwp.gsi.gov.uk
Appendix B

Analysis of applications

A total of 141 applications were discussed as part of the evaluation of the WORKSTEP Modernisation Funds.

Table B.1  WORKSTEP Modernisation Funds evaluation applications

<table>
<thead>
<tr>
<th>Nature of bid</th>
<th>Number of applications</th>
<th>Percentage of applications in sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>ICT</td>
<td>38</td>
<td>27</td>
</tr>
<tr>
<td>Marketing</td>
<td>10</td>
<td>7</td>
</tr>
<tr>
<td>Quality Standards/consultancy</td>
<td>20</td>
<td>14</td>
</tr>
<tr>
<td>Training</td>
<td>13</td>
<td>9</td>
</tr>
<tr>
<td>Staffing</td>
<td>52</td>
<td>37</td>
</tr>
<tr>
<td>‘Other’</td>
<td>8</td>
<td>6</td>
</tr>
</tbody>
</table>
Appendix C
Letter to sampled providers
Dear

Workstep Evaluation: Modernisation Funds

As part of our overall strategy for evaluating the WORKSTEP programme we wish to carry out research into the delivery of the WORKSTEP Modernisation Funds and the nature and impact of activities and investments this funding provided.

The aim is that the information collected will allow the identification of specific examples of good practice that can be shared.

We have commissioned an independent research organisation, the Centre for Public Policy at Northumbria University to carry out this research on our behalf. A representative from the Centre will telephone you in the next week or so to tell you more about the research and to arrange a telephone interview. We hope the interview can be held with a manager who was involved in the process of bidding for and/or utilising Modernisation Funding.

We anticipate that the interview will take around 45 minutes and cover the following topics:

- How you heard about the availability of the WORKSTEP Modernisation Funds
- Why your organisation applied for this funding
- The application process
- What was applied for and what funding, if any, was allocated
- Where funding was allocated
  - Did developments facilitated by the funding prove valuable to the organisation
  - What impact developments facilitated by the funding may have had on WORKSTEP participants

If you have any questions about the research please do not hesitate to contact me by telephone 0114 209 8246 or email lisa.m.naylor@dwp.gsi.gov.uk. I would like to take this opportunity to thank you in advance for your participation.

Yours sincerely

Lisa Naylor
Senior Research Officer DWP
## Appendix D

### Interview schedule

**WORKSTEP Modernisation Funds Interview Topics**

Introduce self/CPP/overview of research (CPP have been commissioned asked to carry out an evaluation of WORKSTEP Modernisation Funds).

Explain independence of evaluation from Jobcentre Plus / DWP and all information given is confidential (no particular reference will be made to individual people or organisations). No names will be used in any documents.

They have the right to withdraw from the research at any point.

Inform them that they will have the opportunity to tell us anything else at the end - or to go back and revise what they have said. Request tape recording, as this is the best way of ensuring all information is collected accurately. Ask if any objections to this.

<table>
<thead>
<tr>
<th>Interviewer</th>
<th>Date</th>
</tr>
</thead>
</table>
| Participant  | Job Title/Organisation  
How Long in Post |
| Question     | Prompts/Notes |

**PART 1:**

**A) Background: Were you involved in Mod Funds Application Process?**

*Basic Information about your organisations involvement with the WORKSTEP Modernisation Funds*

<table>
<thead>
<tr>
<th>What did you apply for?</th>
<th>C/f Mod Funds application details</th>
</tr>
</thead>
<tbody>
<tr>
<td>How much did you apply for?</td>
<td>C/f Mod Funds application details</td>
</tr>
</tbody>
</table>
### B) Promotion of the Funds

*I would like to go back to ask you to think about when you first became aware of the funding*

<table>
<thead>
<tr>
<th>Question</th>
<th>Response Options</th>
</tr>
</thead>
<tbody>
<tr>
<td>How did you find out about the Modernisation Funds?</td>
<td>Through a letter from Jobcentre Plus about Modernisation Funds?</td>
</tr>
<tr>
<td></td>
<td>Through your Contract Manager?</td>
</tr>
<tr>
<td></td>
<td>Through IT consultants?</td>
</tr>
<tr>
<td></td>
<td>From other WORKSTEP Providers?</td>
</tr>
<tr>
<td></td>
<td>Other?</td>
</tr>
<tr>
<td>What did you think of the publicity about the Modernisation Funds?</td>
<td>Did you see or hear of any publicity?</td>
</tr>
<tr>
<td></td>
<td>Did it raise your awareness of the funds?</td>
</tr>
<tr>
<td></td>
<td>Was it useful?</td>
</tr>
<tr>
<td></td>
<td>Did you attend any regional meetings regarding the funds?</td>
</tr>
<tr>
<td></td>
<td>Did you attend any Provider forums?</td>
</tr>
<tr>
<td>In what ways do you think the promotion of funds could have been more useful?</td>
<td>What was good about the way there were promoted?</td>
</tr>
<tr>
<td></td>
<td>What could have been better about the way they were promoted?</td>
</tr>
</tbody>
</table>

### C) Value of the Funds

*Now I would like to talk to you about the value to your organisation of the funds.*

<table>
<thead>
<tr>
<th>Question</th>
<th>Response Options</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initially did you think that the funds were a good idea?</td>
<td>Why did you think this?</td>
</tr>
<tr>
<td></td>
<td>Has this proved to be the case?</td>
</tr>
<tr>
<td>Did the availability of Modernisation Funds influence any decision for your organisation to continue with the delivery of the new programme (WORKSTEP)?</td>
<td></td>
</tr>
<tr>
<td>Had you already identified an area where you needed more investment?</td>
<td>Did you already have a clear idea of what you needed?</td>
</tr>
<tr>
<td>Had you already undertaken investment in this area?</td>
<td>Did the offer of this investment fit in with plans that you already had?</td>
</tr>
<tr>
<td>Would you have carried out this work if Mod Funds were not available?</td>
<td></td>
</tr>
<tr>
<td>Is the type of funding you obtained from the Mod funds available from other sources?</td>
<td></td>
</tr>
<tr>
<td>Have you applied for money from other sources?</td>
<td></td>
</tr>
<tr>
<td>How important to your organisation was this type of funding?</td>
<td>Could you have continued to operate without the funds?</td>
</tr>
<tr>
<td></td>
<td>Did the availability of funding influence you to remain a WORKSTEP Provider?</td>
</tr>
</tbody>
</table>

**D) Funding Application Process**

*Now I would like to focus upon actually applying for the funds.*

| What did you think about the application process? | Was it straightforward? |
| | Did you have enough time to bid? |
| | Was it clear what needed to be done? |
| | Did you receive enough information to help understand the application process? |
| | Was there support available? |
| | If ICT Funds: did you receive support from any IT consultants? |
| Is there anything that might have helped with the application process? | What was good about the process? |
| | What could have been better about the process? |
| Did you work with any colleagues to develop the bid? | Other Providers? |
| | Contract Manager? |
| **E) Administration of Funding** | Employers?  
Did you consult supported employees?  
Was it a joint application?  
What was good about the way you bid for funds?  
What could have been better about the way you bid for funds? |
|---|---|
| **I would like to move on now to discuss how the modernisation funds were administered.** | How long was the wait after proposal was submitted?  
Did any wait have an impact on planning/service delivery?  
What process did you need to go through to obtain payment from Jobcentre Plus?  
Was it straightforward?  
Did you have enough time complete the process?  
Was it clear what needed to be done?  
Did you receive enough information to help understand the process?  
Did the invoicing dates cause any problems?  
Was there support available?  
Could the system for administering payment have worked better?  
What was good about the system?  
What could have been better about the system? |
| **PART 2:** | **A) Use of the Modernisation Funds**  
What did you funds allow you to do?  
Train staff?  
Implement the new quality standards framework?  
Bring in computer equipment and software?  
Improve/introduce supported employee development plans?  
Diversify provision of WORKSTEP i.e. introduce external placements if a supported business?  
Improve marketing? |
Was the funding that you applied for sufficient for your requirements?

Were all the funds used for what you envisaged?

**If ICT funds**: details of any software you obtained? What was the software for?
- Has it been useful?
- Do you use it as planned?
- How often do you use the software?
- Have you had sufficient support to allow you make best use of the product?

**B) Impact of the Modernisation Fund on service delivery**

What difference has this investment made to the way in which your organisation operates?

**C) Impact upon WORKSTEP supported employees**

How would you say the investment has impacted upon WORKSTEP supported employees?

Have they received increased personal support? (development planning etc)
Greater opportunities to progress into open employment?

Would you say the funds have been more useful on an organisational level or on the supported employee level?

**D) Impact of the Funds in relation to the WORKSTEP programme overall**

The modernisation funds were established to help existing Providers bring in new approaches and processes to support their efforts to adapt to the WORKSTEP programme. The funds were introduced to enable Providers to adjust their delivery and the make the necessary changes (extra staff, training for staff, Information and Communications Technology, etc) to successfully deliver the new supported employment initiative.

Were the funds sufficient enough for you to address the changes required by WORKSTEP?

The ability to develop management information systems? (Collecting and managing client information, tracking support delivered etc)

The ability to improve individual support and produce development plans?

The ability to introduce the Quality Standards Framework?
<table>
<thead>
<tr>
<th>E) Evaluation of the use of the Funds</th>
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<tbody>
<tr>
<td>Did you carry out any formal evaluation on the impact of the Funds?</td>
<td>How did they go about evaluating the impact of the funds?</td>
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<td></td>
<td>Did they complete an evaluation report for Jobcentre?</td>
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<th>F) Overall utility of the Funds</th>
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<tr>
<td>Overall if you had to sum up the usefulness of the funds, how much of an impact would you say they have had upon your organisation and your ability to deliver WORKSTEP?</td>
<td>Any other comments to make regarding the Modernisation Funds?</td>
</tr>
</tbody>
</table>

Would you be willing to be part of any follow up work that we might undertake – probably take the form of another interview (and if applicable a demonstration of their use of software or systems obtained or developed via Mod Funds)

- Give your contact details (in case they would like to contact us in the future about the interview)
- Thanks for their time and co-operation. Reiterate that they will not be named and all information collected is confidential.
References


Employment Service (April 2001) *WORKSTEP: Capital, Consultancy and Marketing Instructions.*


