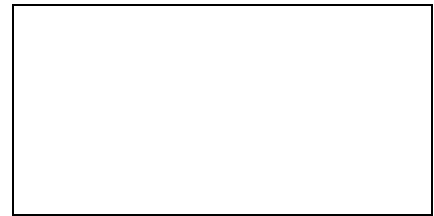


Calderdale MBC

Wards Affected all

Cabinet



ISCAL: progress and options

Report of the Director of Regeneration and Strategy and the Director of Adult Services and Wellbeing

1. Purpose of Report

- 1.1 This report provides an update on progress to date regarding activity at ISCAL and development planning. It sets out a proposal for consideration regarding the next stages of business planning to put ISCAL on a sustained and sustainable footing that ensures it delivers effective services for people with Learning Disabilities and other employability support needs.

2. Need for a decision

- 2.1 A decision is required following consultation with Cabinet Members regarding approval to progress with a forward-looking business plan for ISCAL.

3. Recommendation

- 3.1 That Cabinet approves the progression of a period of business planning for ISCAL in order for it to develop a sustained and sustainable plan for its future delivery.
- 3.2 That Cabinet is presented with an update on the outcomes of this business planning in Summer 2022 in order to make a final decision on the future of the service.
- 3.3 That Cabinet agrees that further reporting on progress will be taken via the routes described above, while the service continues to meet the balanced budget targets required from the previous Future Council programme.

4. Background and/or details

Context

- 4.1 Calderdale Council priorities include a commitment to reducing inequalities in all their forms. And our shared vision for Calderdale in 2024 is for a place where you can realise your potential, whoever you are. A place where talent and enterprise can thrive and a place defined by our innate kindness and resilience. This priority and vision shapes all that we do. And it provides the context and direction for how options for the future of ISCAL are developed and considered.
- 4.2 People with disabilities are considerably less likely to be in employment than those without disabilities. Employment rates for disabled people are 31% lower than for the non-disabled population (Commons Library Briefing, January 2018). National indicators (NHS Digital 2017) show that the proportion of working-age adults with learning disabilities receiving long-term social care support and also in paid employment has fallen, from 6.0 per cent in 2014-15 to 5.8 per cent in 2015-16 and 5.7 per cent in 2016-17. Since these figures were published rates have further decreased, exacerbated by the pandemic, together with a marked variation in reported employment rates between local authorities.
- 4.3 Since 2010, several scoping reviews¹ of supported employment services across the UK have found that people in receipt of such services are financially better off and economically more independent, and have improved levels of personal aspiration and wellbeing.
- 4.4 Supported employment services are also less expensive to deliver compared to Council funded day services. And the economic independence of the individuals in receipt of such services translates into more money circulating in local economies. Work completed by Leeds Beckett University has shown that for every £1 the Council invests in ISCAL it gets a £6 return in the wider economy, with a total benefit of £1.3 million per financial year.
- 4.5 ISCAL offers a bespoke person-centred employability programme to a variety of people who have multiple barriers to accessing employment. Operating from Park ward for the benefit of people across Calderdale, it has 12 core staff, 80% of whom have a disability or mental health issues. The staff team help train and support up to 200 people a year.
- 4.6 Each service user referred to the provision undertakes a needs assessment in order to understand their needs and capabilities, identify the scope of support required and also their aspirations for long-term employment. Referral routes vary and come from VCS organisations such as Saint Augustine's Centre, public sector organisations such as the Department for Work and Pensions, and the private sector mainly via training providers. None of these organisations fund any of the work provided by ISCAL.

¹ ¹ In North Lanarkshire for example, people with Learning Disabilities were 113% financially better off after employment, with a 47.5% lower cost compared to Social Service funded day service provision.

- 4.7 Service users develop their skills to access work after their 26-weeks programme with ISCAL. The support includes developing soft skills such as communication, team work and problem solving that have been weakened or lost. They help establish a positive mindset to achieve and maintain employment and they work towards helping individuals lead a fulfilling and economically sustainable life through employment with less reliance on state intervention.
- 4.8 75% of beneficiaries are still in employment 18 months after leaving the service. The roles they secure vary greatly, from warehouse occupations to a teaching assistant in a local school. In-work support is provided to ensure the employer and individual have support when needed.
- 4.9 The skills development provided is offered in the context of small scale commercial operation. This is focused on tissue-based printing, providing hospitality, catering and confectionery relevant products. Developing skills in this commercial setting ensures that service users experience a working environment that equips them for future employment, as well as providing an income stream that is fed back into service delivery. Currently no charges are made to individuals accessing this service.

Previous decisions

- 4.10 On 9 November 2020 Cabinet agreed that more detailed investigations be undertaken into four options presented, in order that a decision could be made on the options available as part of the budget process:
- Option 1: Re-open ISCAL but with a changed offer and charges for placements.
 - Option 2: ISCAL with a new governance and social enterprise status.
 - Option 3: order book sold.
 - Option 4: to close.
- The future Council report also required a budget saving of £300,000 within the ISCAL service.
- 4.11 ISCAL was closed due to the pandemic on 25 March 2020. No access to support through ISCAL had a significant impact on service users, at a time when inequalities were being exacerbated by the pandemic. The health and wellbeing of the staff was also greatly affected by being furloughed. As the economy began to open, the demand for ISCAL products for the hospitality and catering sectors grew, and outstanding orders needed to be fulfilled.
- 4.12 Following the established corporate process for the re-opening of services, consultation was undertaken with Public Health and Health & Safety colleagues, in order to agree a safe opening plan. The Future Council Group with delegated authority to consider service re-openings reviewed the position of ISCAL and authorised its re-opening on 6 July 2021. ISCAL re-opened on 19 July 2021.
- 4.13 On 6 July 2021, recognising that people have been affected greatly by COVID-19, and socially vulnerable people have seen a greater impact around their

mental health and need for support, discussion at ELT also resulted in a recommendation that ISCAL should be included within a wider review of employability options for people with learning disabilities, to help address these inequalities across our vulnerable residents.

Strategic developments

- 4.14 Calderdale has been at the forefront of developing pathways and services for young people with SEND over the last 5 years and is now strengthening opportunities for people as they move into adulthood. Local people are now happier to stay in the area and attend Calderdale College, as well as taking part in other provision such as Project Search which provides interns at the hospital over an academic year to allow young people to experience a placement with training to grow their employability awareness and prepare them for the world of work.
- 4.15 Work is ongoing with Calderdale College to develop supported traineeships for people with a learning disability who have completed Project Search but have not been successful in gaining paid employment at the end of the course. This will support people who have gained considerable experience to continue their employment journey.
- 4.16 The Five-Day Offer is an innovative approach to enable young people with learning disabilities access valued opportunities when they leave full time education in Calderdale. It focuses on young people's personal strengths, abilities and forges connections with local businesses and charities to secure voluntary and paid opportunities. It has brought key organisations together through partnership working. And the fact that some young people now have paid jobs has raised the profile and importance of employment as an outcome when people leave school and college.
- 4.17 The Five- Day Offer builds on the work done by Ravenscliffe High School in securing long term work experience opportunities for students while they are in 6th form. This offer real insight into the world of work in preparation for leaving school. Projections show that the average number of young people leaving Ravenscliffe school will grow significantly over the next 5 to 10 years, thus increasing the demand for services for young adults, and consequently increasing the potential financial cost of their provision.
- 4.18 The local Learning Disability Partnership Board has identified that there continues to be an issue for people with learning disabilities aged over 25 accessing the right support to find paid full time and part time work.
- 4.19 Over the last five years, Calderdale College have developed an Employability and Life Skills course to offer different work streams for students who are at different points on their employment journey. Students regularly take part in work placements within the local community. College work closely with C&K Careers to ensure that those who leave receive help and support to find a job.
- 4.20 Calderdale Adult Learning based at Heath Campus, offers a range of diverse life skills courses for people with learning disabilities at a low cost. The

curriculum is reviewed and developed each academic year. People can self-refer to Calderdale Adult Learning and local providers are aware of the provision and signpost for learning and vocational opportunities.

- 4.21 Calderdale Adult Learning offers courses that complement other approaches and offers. This means that for those for whom it is appropriate, accessing self-development courses means a reduced need for social care packages as they have had their needs met in a mainstream setting with appropriate support. ISCAL currently works collaboratively with Calderdale Adult Learning to provide next steps and opportunities for progression.
- 4.22 The recent re-tendering of the community-based day opportunities contract will also improve provision, as providers on the Approved Provider List will be required to consider employment as an option for the people they support.
- 4.23 Work is underway to bring these support offers together in a varied and inclusive employment strategy and delivery plan for people with learning disabilities, focusing on current and new pathways, available opportunities and identifying gaps in provision.
- 4.24 The primary objective will be to ensure there are a wide range of routes into paid employment and training opportunities for people with a learning disability in Calderdale irrespective of age or background. The launch of the Strategy will be in Spring 2022, with a clear timeline for actions and outcomes over the next 3 years.
- 4.25 ISCAL has the potential to play a central role in the delivery of the strategy by enabling and preparing young and older adults with a learning disability to experience a real work setting and providing life and employment skills required to access long term employment across a range of future employment settings. Should the recommendations below be agreed, business planning will be taken forward in this context.
- 4.26 Supported employment services can be less expensive to deliver compared to Council funded day services, for the relevant group of people for whom they will be appropriate. In 2019/20, 20% of those supported by ISCAL would have been likely to need long term provision in Adult Day or Outreach Services if the ISCAL service was not available, in addition to the social work assessment and support time required. It is estimated this would have equated to £215,420 in costs per annum to Adult Social Care. It is also likely this group would have become dependent on social care and other public services over the long term.
- 4.27 It should be noted that individuals may still require other Social Care Services such as supported accommodation even with ISCAL's ongoing provision, as not all individuals would be able to live independently. However, there is the potential for a long term investment to save opportunity by scaling up service delivery in ISCAL to support more adults with learning disability, physical disability and mental health needs.

Progress to date

4.28 Since the initial options were outlined by Cabinet for further consideration, work has been progressing on leveraging in additional resources and commercial contracts, as well as diversifying delivery.

4.29 This includes:

- establishing the PPE (personal protective equipment) service, delivering a new picking and packing service to enable hygiene packs to be distributed to local Small and Medium Enterprises (SMEs) on our high streets, as well as care providers and for internal Council use, with funding for two staff to March 2023.
- linking all the trainer roles to the Inspire Programme to gain 50% of the wages for four staff through ESF (European Social Fund) funds to December 2022.
- Securing the British Airway contract for another two years, with an additional 10% of resources brought in to support service delivery.
- Restarting the links with Celebrations to undertake all their smaller orders. Celebrations are the largest party supplier in Europe, and deal with a wide variety of leisure and hospitality organisations across the world. Through the pandemic they reduced staff capacity, so worked with ISCAL to cover small orders as a more cost effective approach. This approach has continued.
- Secured a contract with a local business John Winters, to deliver a product which requires a labour intensive process which they were struggling to fulfil. This provides the opportunity for developing new skill sets and brings in a new product outside of tissue manufacturing.

Options Update

4.30 Future options are outlined below. This section provides a brief update on the original options outlined by Cabinet in November 2020.

4.31 ***Option 1: Re-open ISCAL but with a changed offer and charges for placements***

As above, ISCAL has been re-opened. It is in the process of developing a more integrated support service, and the recommendations below set out proposed next steps as per this option.

As below (finance section) ISCAL is projected to meet its Future Council budget requirements in 2021/22, in part through leveraging in additional funding and contracts (as above), as well as by making one off savings on energy bills due to being closed until July 2021 and the staff supported by the Furlough Scheme until September 2021. All the raw material costs, labour and a percentage of overheads continue to be costed into each tissue product order.

The business planning recommended will investigate further a sustainable funding profile for a revised ISCAL service. However it is clear that as with

other services provided by the Council for vulnerable people, these will come at a cost (albeit at a net benefit to society, the economy and the individuals concerned). The business planning will consider the potential to charge for services alongside the potential to bring in additional funding through commissioned and externally funded services.

Research has also been commissioned from Leeds Beckett University to inform future business planning, focusing specifically on the commercial element of the service.

Key findings to date include:

- Developing a wider range of products that can be manufactured using existing machinery.
- Investing in a stronger sales and marketing team to build relationships with large businesses who want to showcase ethical production.
- Conducting a more detailed analysis of the social value return of the service, to take account of wider factors including savings in health costs.

Although it is anticipated that the financial requirements of the Future Council programme may be met in the current year for the reasons outlined above, the ongoing cost will be determined through the business planning which is recommended and taking into account the potential for charging and generating additional income.

4.32 Option 2: ISCAL with a new governance and enterprise status

This option is based on converting ISCAL from a service provided by Calderdale Council to become a social enterprise with a CIC (Community Interest Company) structure, or arms-length governance.

The research being progressed by Leeds Beckett University is assisting with consideration of this option. It would require restructuring the service provision legally, establishing a financially viable model, and identifying an existing or new organisation to take up the CIC role.

Social enterprises can deliver against two perceived conflicting strategies (social impact and commercial returns). Achieving sustainable revenue differentiates a social enterprise from a charity that relies on outside funding to achieve its social mission. Through the commissioning of a consultant who specialises in developing social enterprises the future business planning proposed will identify the potential for a CIC to secure contracts for commercial delivery, or funding for service delivery more effectively than the Local Authority.

Again the ongoing cost of this option will be determined once the research being progressed by Leeds Beckett University, and the proposed further business planning has been completed.

4.33 Option 3: ISCAL order book sold

This option focuses on the commercial enterprise aspect of ISCAL rather than

the service delivery that drives its focus on people with learning disabilities and their positive outcomes.

The current order book has a product mix and the potential to generate further leads. As such a keen investor with a long-term vision may see the potential. Some initial investment would be needed to market the opportunity.

Selling on the order book would result in a need to close the service, with associated costs regarding lease of the building, payments on equipment and staffing obligations. The cost of this option would therefore be very similar to option 4 below.

4.34 Option 4: ISCAL to close

In investigating how this option might be progressed the following issues have been identified:

- It would take time to close the business down. The total length of time to undertake consultation and ensure staff have a full understanding of the closure is 23 weeks. This timescale has informed the recommendations in this report in terms of timescales available for business planning and a final decision regarding the future of ISCAL.
- There would be associated costs of redundancies.
- There would be the cost of the lease as this has a number of years still to run (2027) and unit dilapidations would need to be resolved. Unless the lease can be sublet/assigned then this will be a liability that will have to be borne out by the leaseholder (the Council). Once the service is closed the premises will become liable for business rates with a rateable payment of £30,000 per annum.
- Tangible assets no longer needed by the Council would need to be sold, this will include the machinery, and raw materials. Depending on the demand, sales of the goods may not cover what was paid for when purchased.
- The costs for this option are estimated to be in the region of £979,000 up to 1 October 2027 which relates primarily to building costs (assuming no alternative use is found for the building), staffing and redundancy costs.
- The closure would also impact on Local Authority budgets in other services, as the individuals currently benefiting are referred from a range of Council services, and alternative referral destinations would not necessarily be available locally. A cost would potentially be associated with commissioning this activity from elsewhere. It is estimated this would equate to around £215k in costs per annum to Adult Social Care. It is also likely this group would have become dependent on social care and other public services over the long term.
- The closure would impact on current service users health and wellbeing, as most do not have family and friends, and the services ISCAL delivers bridge that gap, offering friendship and support for independent living and helping people feel valued for their talents and skills.

5. Options considered

5.1 *Approve a dedicated period of business planning*

A dedicated period of business planning from April to July 2022 would afford the opportunity to identify the ways in which the services at ISCAL can be adapted to address a growing and changing demand. Through the development of internships and traineeships, work experience and placements, a wider range of provision could help bridge the gap for people who have barriers to unemployment and who really want to become contributing members of Calderdale's community. This has the potential to showcase how services can be agile, deliver value for money through the roll out of best practice, pilot new approaches and embed effectively into a wider system to ensure people centred pathways. It can maximise service delivery contributions to Vision 2024, prove social value models can help reduce inequalities, and evidence that the world of work is open to us all.

Such an approach would ensure that the avenues presented by the Learning Disability employment strategy can be effectively incorporated into service design. It would also permit further consideration to be given to the benefits of a CIC model of delivery as an option for the future of ISCAL, as part of the business planning exercise.

Finally, it also allows for a final decision by Cabinet by September 2022 at the latest that ensures that if the decision is made to subsequently close ISCAL, that can be completed by March 2023 as per the timescale described above.

This option is recommended on the basis that the £300,000 Future Council budget requirement continues to be met within the directorate for the year 2022/23.

This approach is recommended as the preferred option.

5.2 *Continue to gradually improve ISCAL along its current trajectory without the additional business planning*

Such an approach would enable ongoing improvements that deliver for current and future beneficiaries, and would permit opportunities to be taken to grow the commercial base of ISCAL's operations.

Without dedicated business planning this would be on an iterative basis that is unlikely to achieve the scale of change required in the time available.

5.3 *Decide to either close ISCAL and / or sell its order book.*

Closing ISCAL would ensure no further investment is made in the service. The budget requirements from the Future Council commitment would not be realised immediately as the cost of closure is estimated to be in the region of £979,340, and this would obviously not be offset by income from the commercial element of the operation.

Closing ISCAL or selling its order book would also impact on service delivery for vulnerable people who currently benefit from its offer, and alternative forms of provision would likely need to be provided by the Council for at least some of this client group. The cost of additional social care for the client group has been estimated by Adults & Well Being services as around £215k per annum.

6. Financial Implications

- 6.1 The recommendations in this report are made in the context of an ongoing commitment to achieve the required Future Council savings of £300,000 in 2022/23 which will need to be met from within the overall directorate budget.
- 6.2 Costs associated with the identified business planning will be met from within existing budgets.
- 6.3 Previous reports have identified the cost to the Council of providing employability services for people with learning disabilities via ISCAL as a “subsidy”, given that ISCAL also has a trading arm which generates income from the production of tissue based products. However, the business planning presents the opportunity to clarify the fact that the Council’s funding of ISCAL is not focused on subsidising the production of tissue based products, but upon providing skills and employment experience for vulnerable people who desire to improve their employability.
- 6.4 Once the business planning has been completed taking into account the opportunity for charging and bringing in additional income, then the cost of continuing with a revised ISCAL service can be compared with the cost of closure estimated in paragraph 5.3 above.
- 6.5 It is intended that the results of the business planning and consequent option appraisal will be completed and reported to Cabinet by September 2022 which will satisfy the requirements of the Future Council programme and allow Cabinet to make an informed decision on ISCAL’s future. The financial consequences of this, taking account of the Future Council saving requirement, will be included within the report and subsequent monitoring undertaken through the normal revenue budget monitoring processes.

7. Legal Implications

- 7.1 The business planning proposed will take full account of the legislative environment and specific legal commitments (eg leases) that impact on the services that ISCAL deliver and may plan to deliver.
- 7.2 In investigating the potential for a future CIC model of delivery, further advice will be sought from experts from that sector.

8. Human Resources and Organisation Development Implications

- 8.1 Depending on the option considered there are human resource and organisational implications for the staff currently employed via the ISCAL service.
- 8.2 The staffing at ISCAL comprises 12 permanent staff (three senior officers, and nine working on the shop floor as trainers and machine operators). Three members of the team are on the internship programme, working 16 hours for 26 weeks.
- 8.3 The recommended approach to focus on a period of business planning will include close consultation with existing staff (as well as service users) and Trade Unions.
- 8.4 If the recommendation is to close ISCAL, the Council's HR Policies and Procedures will be followed in respect of redeployment/redundancies. The duration of the consultation period will inform the recommendations for a final decision to be considered in advance of October 2022.
- 8.5 The ISCAL team have the potential to work more closely with colleagues across the Council to support the development of a broader range of provision for adults with learning disabilities that maximises employability outcomes. The team are well positioned to share expertise around employability pathways with other staff within Adult Services and Wellbeing and other services in order to grow a collective understanding of the benefits of achieving employment, and the methods that are effective to achieve this.

9. Consultation

- 9.1 Through the research conducted by Leeds Beckett University, reviewing the impact and social impact of ISCAL support, a number of consultation exercises were undertaken. This included talking directly with existing and past service users, key stakeholders who refer people to the ISCAL services, carers and family members, and also the key employers who have employed people who were training and connected via the ISCAL provision.
- 9.2 A summary of the findings has been included as Annex A showing the results of the feedback, and highlighting the views of what the current ISCAL offer means to a broad range of people and organisations.
- 9.3 Engagement has taken place with Cabinet Members with responsibility for regeneration and strategy, adult services and wellbeing and resources. This has focused on clarifying the expectations from previous decisions and developing an approach as outlined in this report.

10. Environment, Health and Economic Implications

- 10.1 The government's goal is to see 1 million more disabled people in work between 2017 – 2027 and is committed to reducing the gap between the employment rates of disabled people and non-disabled people. The work of ISCAL helps contribute to this ambition, giving local placements and links directly with support to local employers.
- 10.2 Helping people understand what skills they have, how they can grow these skills and also how they can be applied in the world of work helps improve a whole range of opportunities for independent living, decision making and mental health and wellbeing. ISCAL services help assess the capabilities of each individual, work with them to meet ambitions and listen to their goals for living a life which they are controlling and shaping.
- 10.3 Working in a more collaborative and joined up way across services will enable the Council to make the best use of staff resources, giving a better awareness of the pathways into employment and the journey a person can navigate. It gives the opportunity for service users to help design and refresh service design in line with their aspirations and needs, supporting a person centred approach, and allowing staff to grow and develop with their own learning, resulting in a stronger range of support.
- 10.4 ISCAL constantly reviews all its packaging, supplies and production methods to be as energy efficient, ensure it recycles all its packaging, and also encourages sustainable transport wherever possible.

11. Equality and Diversity

- 11.1 The recommendations outlined in this report are intended to identify a way forward that best supports vulnerable and disabled people in Calderdale.
- 11.2 The business planning activity recommended would include a full equality impact assessment of future proposals.
- 11.3 An Equality Impact Assessment has been produced in consultation with a number of services to assess the current impact of the service and its support to the wider community, as well as the potential impact of the four options originally outlined. This has been supplied as Annex B.

12. Summary and Recommendations

- 12.1 Calderdale Council priorities include a commitment to reducing inequalities in all their forms. Building on recent work to maximise the impact of ISCAL's services on the employability prospects of vulnerable people with learning disabilities, this report outlines an approach to further embed services in a more joined up approach to supporting their needs, that has the potential to put ISCAL on a long term and sustainable footing.

12.2 Recommendations:

- 12.2.1 That Cabinet approves the progression of a period of business planning for ISCAL in order for it to develop a sustained and sustainable plan for its future delivery.
- 12.2.2 That Cabinet is presented with an update on the outcomes of this business planning in Summer 2022 in order to make a final decision on the future of the service.
- 12.2.3 That Cabinet agrees that further reporting on progress will be taken via the routes described above, while the service continues to meet the balanced budget targets required from the previous Future Council programme.

For further information on this report, contact:

Fiona Thurlbeck

Service Lead: Business and Skills, Regeneration
and Strategy

Telephone:

07766 027436

E-mail:

Fiona.thurlbeck@calderdale.gov.uk

The documents used in the preparation of this report are:

- 1. Annex A – Consultation Summary report
- 2. Annex B – Equality Impact Assessment

And in addition:

- 1. Leeds Beckett Social Value report

The documents are available for inspection at: Halifax Town Hall