

No one written off: reforming welfare to reward responsibility

A response by the Disability Benefits Consortium

The Disability Benefits Consortium (DBC) brings together a wide range of disability organisations, cancer charities, older people's organisations, advice services, carers' organisations and other organisations that represent the interests of people who rely on disability benefits.¹ The DBC aims to lobby and campaign on welfare benefits as they relate to all disabled people.

The DBC welcomes the opportunity to comment on the proposals made in the Green Paper, 'No one written off: reforming welfare to reward responsibility' and shares with many of the Government's aspirations for the increased participation of disabled people in the workplace. We are concerned, however, that the proposed reforms do little to address a number of the issues that were raised repeatedly during the course of the recent Welfare Reform Act and that, in some cases, disabled people may actually end up in a worse position as a result of the proposals.

Chapter two – An obligation to work

Work Skills

DBC welcomes the recognition that many individuals will face a skills barrier in accessing employment. We therefore support the skills check and the accompanying commitment to developing skills as a positive way of addressing this.

We believe that an initial skills check should be offered to all claimants. However, without greater assurances regarding how this process would be structured to meet the specific needs of each individual, we are concerned to see these checks made mandatory for ESA claimants.

We would like to see a skills check that takes account of all the skills that an individual needs to access employment, ranging from literacy and numeracy to social skills and soft skills. The latter two can be of great benefit to those who have been away from the labour market for an extended period of time or those who face specific communication challenges in gaining employment.

Engaging with employers

¹ Organisations on the DBC include Action for Blind People, Age Concern, Arthritis Care, Child Poverty Action Group, Citizens Advice, Disability Alliance, Disability Wales, Drugscope, Leonard Cheshire Foundation, Low Income Tax Reform Group, Macmillan Cancer Support, Mencap, Mind, Motor Neurone Disease (MND) Association, MS Society, National Aids Trust, National Autistic Society (NAS), National Deaf Children's Society, Parkinson's Disease Society, Royal Association for Disability and Rehabilitation (RADAR), Rethink, Royal National Institute of the Blind (RNIB), Royal National Institute for the Deaf (RNID), Scope, Skill, TUC

DBC recognises that Local Employment Partnerships have a key role to play in providing opportunities to those disadvantaged in the labour market. However, it is important that LEPs are not over relied on and do not come to be seen as a form of segregated employment. DBC would like to see effective monitoring of this scheme to ensure that all impairment groups are included and employers are not focusing on those who are closet to the labour market

Chapter three – No one written off

Ensuring people receive the right benefit and the right support – the Work Capability Assessment (WCA)

DBC is concerned that the proposals with regards to the WCA are being implemented before there is any clear evidence of how it impacts on disabled people, both newly claiming ESA and those who will be migrated across to the new regime from incapacity benefit.

The proposals to look at whether “*the right people receive ESA*” and to look again “*at some of the measures of impairment*” both sound likely to result in raising the benchmark to establish entitlement to ESA, despite the fact that DWP already predicts at least a 10% rise in the number of disallowances under the new WCA.

DBC supported the production of an annual independent report on the operation of the new WCA and feel that any wider review must take into account the findings of this independent report. In particular we would like to see monitoring that takes into account different impairment group outcomes.

DBC can support the proposal for a regular Work-Focused Health-Related Assessment being undertaken. Provided this is able to identify barriers and flag-up support options available for disabled people, this provides a useful opportunity to ensure that disabled people remain engaged with the opportunities available to them.

As noted below, we believe that this also offers an opportunity for DWP to proactively identify potential support through Access to Work as well as issues such as in-work benefits and tax credits availability. We want to see high-quality tailored and personalised support being made available to all disabled people claiming ESA and welcome the opportunity to discuss ways to provide this.

Harnessing the innovation of the private and voluntary sector

We welcome the recognition of the importance of long-term outcomes and the commitment to structure contracts to ensure that the focus is on supporting individuals into sustained employment.

However, as DWP implements its prime contractor model it is vital that safeguards are in place to ensure that providers help all claimants find and retain

employment, not just those closest to the labour market. We believe that impairment specific monitoring would be a means of achieving this.

Current proposals for back-to-work support rely heavily on the private sector being able to raise the money required for upfront provision. We would be keen to learn more about how DWP feels the current economic climate might impact on this and what plans it has to ensure that reduced access to capital does not impact on those in need of back-to-work support.

Higher expectations: increasing the requirement for back-to-work activity

DBC highlights that the introduction of ESA on 27 October 2008 will require new claimants to undertake a series of work-focused interviews with a personal adviser and to produce an action plan. Jobcentre Plus must ensure that great care is taken in this new approach to properly understand the variety of communication issues that can affect its customers, in particular those people with impairments who have previously not been required to engage such as autistic spectrum disorders, learning difficulties and so on.

We would like to see monitoring and evaluation in relation to sanctions under this new regime to ensure that there are not unintended consequences arising from the new regime. Currently, we do have concerns about disabled people being required to undertake activities that could be detrimental to their health and well-being.

With a pledge to undertake migration of existing incapacity benefit claimants onto ESA over the next four years, we feel that it is too soon to be increasing the conditionality placed on ESA claimants until the evidence of the efficacy and efficiency of the new regime is better understood and evaluated.

Increased support from Access to Work

DBC welcomes the news that the Access to Work budget is to be doubled by 2013, aiming to help 48,000 disabled people every year to enter and to remain in work. We would like to see a timeline for the increase in spending so that its impact can be properly gauged, as well as impairment specific data collection to assess the impact on different groups of disabled people.

We recommend that early assessment of Access to Work eligibility be explored as a possible work incentive – this could take place as part of the Work Capability Assessment, within the Work-Focused Health-Related Assessment perhaps? A person established to have potential eligibility for Access to Work funding could be given details of the scheme and the type of assistance that is on offer if they do move into work. This would also serve to ease the speed of administration required at the point of moving into work.

We would like to see more flexibility being built into Access to Work funding in terms of portability, in terms of autonomy of support required and in terms of flexibility of provision – this last point is especially important for disabled people with fluctuating conditions that do not follow predictable patterns, for example, mental health problems, ME and multiple sclerosis.

We would like to see more done to promote the scheme to employers so that they are aware of the potential support on offer for their employees – this is particularly important with retention and rehabilitation and we feel that more could be done to expand ways that Access to Work could help people remain in the workplace when they develop a long term health condition or disability within the workplace.

New specialist disability employment provision

DBC are pleased to note the Government's commitment to expand the supported employment budget. It is vital that, as more is expected of benefit claimants, in return more support is offered to help those facing the greatest barriers to access the workplace. Further, to properly succeed, DBC feels that support must be tailored to the individual needs of each claimant.

We would welcome greater clarification over how the new specialist disability employment provision will interact with Pathways to Work, the Flexible New Deal and the role that Disability Employment Advisers will play as gatekeepers.

Engaging employers

DBC are pleased at the recognition that employers have a role to play in ensuring the improvement of employment rates amongst individuals with a disability. However, we feel that more needs to be done in terms of raising awareness and providing information. There is the potential for DWP to take a lead in demonstrating best practice.

Given the Government's greater involvement in financial institutions, we would welcome moves that would require banks to take into consideration a business' approach to employing disabled people when awarding loans.

Chapter five – Delivering choice and control for disabled people

Independent Living

DBC welcomes the recognition of the potential for greater levels of independent living for disabled people within the Green Paper. The Independent Living Strategy offers a well-needed opportunity to co-ordinate the work of six government departments on many different issues and areas, including employment and economic wellbeing. The welfare system clearly has a crucial role to play here and we welcome the beginning of a conversation as to how thinking can be developed in this area.

DBC feels that choice and control for disabled people is an important aspiration that should guide and inform policy development. We do agree that there may be opportunities unfolding in current proposals that could be built on, such as offering disabled people an employment support budget that they can then spend on support services of their choice. There also should be consideration given to joining up assessment procedures to share information, reduce bureaucracy and join up support systems, including social care provision.

However, DBC does feel that some of the proposals appear to run counter to the notion of choice and control for disabled people. For example, the proposal that ESA claimants be required to undertake work-related activity including directed job search as well as being required to take reasonable offers of work, at risk of financial sanctions. This appears to overlook the very real and often multiple barriers faced by many disabled people who would like to work but also who understand exactly what they are capable of doing.

We would also like to reiterate our support for Disability Living Allowance and Attendance Allowance to remain as stand-alone extra-income benefits that go some way to meeting the extra costs of disability. These are very valued income streams for millions of disabled people and whilst there are possible improvements in the administration and take-up, we hope that their status will remain protected in welfare reforms as well as the ongoing social care reforms.

Chapter six – Simplifying and streamlining the benefits system

Simplification of the benefits system

DBC is extremely concerned about the proposals to abolish Income Support and move claimants over to Jobseeker's Allowance. This proposal will have a disproportionate effect primarily on carers claiming Income Support and far from representing a simplification actually represents greater potential complexity for people performing a very valuable role in society. DBC feels that any simplification must be approached from the perspective of the individual benefit claimant, rather than perceived administrative simplification for DWP.

We agree with the Work and Pensions Committee that there is an urgent need to review the financial support that is available to carers and would welcome the opportunity for further discussions to move this forward.

Smoothing the transition to ESA

DBC is very worried that proposals to both freeze the rate of incapacity benefit claimants with an age addition payable, as well as changing the basis for future benefit up-rating have been presented in a potentially misleading way and are not subject to any specific questions as to respondents' views on the subject.

We cannot support an approach that could potentially increase levels of poverty amongst disabled working age adults. We understand that currently more than

14,000 new Incapacity Benefit claimants are entitled to an age addition with their benefit.² On top of this, we estimate that there could be thousands of existing claimants receiving the age additions who will also be affected.

In terms of benefit up-rating, there is no reason or rationale offered within the Green Paper as to why the change from RPI to ROSSI is being made. As we understand the situation, the former has increased more than the latter for the past 15 years, this year being an exception due to the deflationary effects of housing costs. We are concerned that this measure could also lead to greater poverty amongst disabled people claiming benefit.

Research proves that benefit erosion is most important in thinking about the impact of policy choices on poverty rates.³ Further, it is unlikely that any associated increases in work efforts or job seeking as a result of driving down benefit incomes could justify the huge increase in poverty rates that will also occur. Freezing elements of the system in nominal terms leads to groups falling behind in poverty. Benefit erosion has greater impact on people in low-income groups than fiscal drag, because transfers to and from Government comprise a greater part of income for these people than they do for people in higher-income groups.

Tax Credits

An important issue that DBC feels is not fully addressed in the Green Paper is the use of tax credits in helping disabled people remain in, or make the transition to employment and in this the DBC endorses the comments of the Low Income Tax Reform Group (LITRG). The disability element of tax credits allows disabled people with qualifying disabilities to qualify for working tax credit (WTC) providing they work more than 16 hours per week. The purpose of this element is to encourage those with disabilities into work. Conversely, the so-called 'fast track' process in WTC is geared towards helping those who become ill whilst in work to qualify for the disability element if they continue working.

There are the following problems identified with the fast track process:

- the length of time claimants have to be off work before they can claim the disability element under the fast track makes the expression 'Fast Track' something of a misnomer;
- it does not help people whose treatment is complete within the time but who still experience loss of earnings;
- it does not help those who continue working despite their disability, or who develop a debilitating condition (such as deafness) over time while in work;

² 14,600 new incapacity benefit claimants received an age addition in 2007, Anne McGuire answer to Parliamentary Question, 3 July 2008 : Column 1032W

³ The impact of benefit and tax uprating on incomes and poverty, H. Sutherland et al, Joseph Rowntree Foundation, 2008

- in general, the rules are too bureaucratic to be of any real assistance to those who need it most.

We feel that not enough attention has been paid to helping those who become disabled whilst in work to remain in work if they are able and willing to do so. DBC recommends that an urgent review of the fast track process is carried out to ensure that the tax credit system remains responsive for those who develop a disability whilst in work.

WTC is only available to those who work at least 16 hours per week. There are significant numbers of disabled people who may only be able to work for a few hours per week. As Government is aware, entry to tax credits from employment remains an issue for those whose earning capacity is being reduced by disability but who have not yet lost their job. A recent report⁴ highlighted the cliff edge between working 16 hours a week and being entitled to WTC, or working only 15 hours and missing out on entitlement. The illustrations in the Interact Report show that this could be a significant disincentive to work for claimants. The driver behind many of the proposals in the paper is to move more people into work. Accordingly DBC recommends that the 16 working hour requirement for tax credits be reviewed in conjunction with the level of disregards in the benefits system.

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⁴ Interact: tax credits, benefits and moving into work, Child Poverty Action Group, Community Links and LITRG, December 2007