

# Disability alliance

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## Pathways to work: Helping people into employment

### Response from Disability Alliance (R36)

#### 1. Introduction

- 1.1 Disability Alliance is a national registered charity with the principal aim of relieving the poverty and improving the living standards of disabled people. Our eventual aim is to break the link between poverty and disability.
- 1.2 We are a membership organisation with almost 400 members who range from small self-help groups to major national disability charities. We are controlled by disabled people who form a majority of our Board of Trustees.
- 1.3 We provide information on social security benefits to disabled people, their families, carers and professional advisers. We run three telephone helplines and have an extensive programme of training courses aimed at professionals working in both the statutory and voluntary sectors.
- 1.4 We are best known as the authors of the Disability Rights Handbook, an annual publication with a print-run of 30,000, but also publish a range of other guides to the benefits system and a quarterly Disability Rights Bulletin. Of particular relevance to this consultation are two key publications 'Moving into work' and 'Self employment - Why Not?' both of which are guides to the social security and other help available to disabled people interested in employment options.
- 1.5 We undertake research into the needs of disabled people - with a particular emphasis on income needs. We have just received funding to carry out a major piece of work, together with the Centre for Research in Social Policy at Loughborough University, into the extra costs faced by disabled people.

- 1.6 Our policy work is informed by our daily contact with disabled people and those who provide services for them. We meet frequently with officials from both the DWP and the Inland Revenue (Tax Credits) and have been actively involved in the Jobcentre Plus stakeholders group and its services sub-group.
- 1.7 We welcome this opportunity to respond to **Pathways to work: Helping people into employment.**

## **2. The case for change: the welfare to work agenda and people on incapacity benefit**

- 2.1 The analysis of the increase in numbers of people on incapacity benefits given in the consultation document was helpful but incomplete. We would have liked to see some discussion of the particular characteristics of women IB recipients. There has been a steady increase in the number of women IB recipients as more women now work and pay the national insurance contributions necessary to be eligible for IB. What is not known is whether in previous years the same proportion of women were disabled/suffered ill-health but were not visible because they did not get IB, either because they were not in paid work or because they paid the married women's stamp.
- 2.2 There needs to be a detailed analysis, which is not possible from DWP published statistics, of women IB recipients. What impairments and medical conditions do they have, what is their employment history and in what areas of the country do they live. It may well be that, in relation to women IB recipients, we are not dealing with 'hidden unemployment' but with 'hidden carers'. Where someone is caring but also disabled or in poor health themselves and eligible for IB they are likely to claim the higher benefit, IB, in preference to Invalid Care allowance. (This may also be true of men IB recipients). Without such information we fear the Government may well miss the opportunity provided by Jobcentre Plus to develop the most effective policies and programmes to help disabled women back to work.
- 2.3 The consultation document rightly says that the reasons for the increase in numbers are quite complex. In fact, although an increase amongst older people would have been expected, in some older age groups numbers have in fact been falling, while there have been increases amongst younger age groups.
- 2.4 Higher IB rates in certain areas is not solely explainable by the collapse of traditional industries. There are real geographical variations in rates of disability, morbidity and mortality. The Government's own research found<sup>1</sup>: "*disability rates per 1,000 population were highest in Wales, the*

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<sup>1</sup> Disability in Great Britain' DSS research report 94, July 1999

*North and North West. This is consistent with the pattern of regional variations in other indicators of health status.”* These findings are age standardised. *“...regions with a high prevalence of disability of all levels of severity also had high rates of more severe disability. Regional variations in this latter indicator were substantial, in Wales, for example, the proportion of the population who were seriously disabled was twice as high as in the South East.”* It is not surprising therefore that there are more people on IB in these areas, indeed it would be a failing of the benefits system if there were not.

- 2.5 Although overall the health of the nation has improved this masks deep inequalities. The Acheson report<sup>2</sup> found that in the early 1970s the mortality rate of men in social class V was twice that of those in class 1. By the early 1990s it was three times as high. Levels of life expectancy show similar trends. *“Little evidence [was found] that the population is experiencing less morbidity or disability than 10 or 20 years ago”.*

### **3. The case for change: the obstacles to work faced by people on incapacity benefits**

- 3.1 Disability Alliance welcomes the commitment to open up opportunities to people on IB through new investment and proposals designed to further lower the barriers to work which face disabled people. We fully agree that it is the case that many people on IB would like to work, and with the right job and appropriate support could do so.
- 3.2 We very much welcome the Green Paper's description of the PCA as setting 'a level of incapacity at which it is felt unreasonable to require a person to seek work in return for benefit. It is not a level at which work is impossible'. This is a much more helpful approach and it would be extremely useful if efforts could be made to educate the media so that they too understood eligibility for IB in this way.
- 3.3 The term 'incapacity' is particularly unhelpful. What really matters is not whether someone is 'incapable' but that disabled people and those with serious health problems **are given a choice** about whether or not to work. We believe that what Government policy should be about is making that choice a real one – both for those who want to work and those who do not. This means the sort of help outlined in the Green paper for those who want to work and sufficient support for those who choose not to work. We explore the latter below in the section on the role of Jobcentre Plus.
- 3.4 We believe that one serious omission in the Green paper is **job retention**. It is always extremely difficult for people to get back into work when they have been out of the labour market for any length of time. We would like to see more effort put into assisting people to remain in work when they

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<sup>2</sup> Independent Inquiry into Inequalities in Health, The Acheson Report, 1998

become disabled or begin to suffer health problems. We explore this in more detail below.

3.5 We welcome very much the acknowledgement of the many barriers to employment which are experienced and perceived by disabled people. However, we believe that the Green Paper gives too much focus to demand side issues with insufficient attention being paid to the supply side. We explore this below.

3.6 **Obstacles to work: declining mental and physical health.** The Green Paper identifies the adverse effects of living on IB for any length of time. These adverse effects include social exclusion, declining mental and physical health and being trapped on 'lower incomes' than available through work. Though we would suggest that it is not so much 'lower incomes' as plain 'low incomes' that create hardship for those on IB. It is shocking that the average weekly amount of IB in payment is as little as £83.53<sup>3</sup>, a mere 5p a week higher than when IB was introduced in May 1995.

3.7 It is our view that a proper level of financial support for those out of work is essential if people are to remain socially included and to provide a suitable platform from which people can engage in jobsearch and training activities.

3.8 **Obstacles to work: lack of available jobs and lack of skills and confidence.** It would be useful to have had more details of what people had been doing before making a claim for incapacity benefits. Obviously those on IB would have been in employment within the recent past but those moving onto income support with a disability premium may have been long-term unemployed; or raising children as a lone parent; or been a long-term carer. Evidence from the New Deal for Lone Parents would suggest that a significant proportion of lone parents have health problems or a disability. Similarly, there is much evidence to indicate a close association between poor health/disability and the long-term effects of being a carer. More information is needed if appropriate help is to be provided.

3.9 Given that a significant proportion of those on incapacity benefits are former manual workers we feel it is important that Government engage with employers, particularly large employers, to plan re-training strategies for manual workers. It is not realistic to expect more than a small number of people to continue heavy manual work into their late 50s and 60s. Yet at present this group are forced out of the labour market, despite good attachment records, because they have few other skills or experience and are likely to have some health problems. People in this group are made redundant or pushed into early retirement and then find themselves on low

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<sup>3</sup> DWP quarterly statistics for period May 1995 to May 2003

levels of benefit and low, if any, occupational pensions. Yet, if employers were to plan ahead and begin offering re-training and re-skilling from mid 40s onwards it is likely that many more of this group could have a real choice about alternative jobs if failing health means that manual work is no longer possible.

- 3.10 Obstacles to work: poor financial incentives and a daunting transition to work.** We welcome the recognition that financial concerns are often a major obstacle to a disabled person finding work. Moving into work involves enormous risks for someone who has been out of the labour market for any length of time. Emotional risks, health risks and financial risks all loom large and can become major barriers. The Government needs a strategy to recognise this and act to remove or reduce risk wherever possible.
- 3.11 We very much welcome the news that people on IB are to be allowed a housing benefit run-on when moving into work but are disappointed that this is being delayed until April 2004.
- 3.12 Moving from one benefit regime to another presents a financially risky period for anyone on a low income. Good and comprehensive better-off calculations and advice are essential. We are aware of people who were led to believe that they would be significantly better off with a tax credit, only to find much of the increase clawed back through because of the housing benefit taper. Others were not told they would lose eligibility to free prescriptions. In the examples we came across people would probably still have taken the job on offer but would have been clear about their financial position and better able to plan ahead. We are particularly keen to promote the concept of a 'moving into work diary' as outlined at 3.17 below.
- 3.13 People also need to be reassured that they can return to their old level of benefit quickly if the job doesn't work out. There are linking rules which allow for this but they are poorly publicised and can be difficult for people to access.
- 3.14 People also fear that taking a job will prompt an automatic review of their Disability Living Allowance (DLA) award. This fear is particularly severe amongst people who have fluctuating conditions, such as ME, or are getting benefit on grounds of mental ill-health. In fact often the first few months in a new job are more stressful than being on benefit. People have to cope with many new and stressful situations: travelling on crowded public transport; travelling for long periods; interacting with large numbers of other people; the need for increased stamina; coping with conflicting demands; learning a new job, a new workplace, new people and a new culture. We would argue strongly that that people moving into a job after a period on an incapacity benefit should be given a 'settling-in guarantee' that their DLA will not be reviewed for at least six months.

- 3.15 As the Green Paper shows only a small number of people would be better off by moving into work (paid at minimum wage). Given the complexity of the benefits system, and risks involved, it is not surprising that people adopt a policy of remaining with the security of a low out-of-work benefit, rather than enter a job with no certainty about their income in work or what would happen if the job doesn't work out.
- 3.16 However this is not the only fear as worries also occur about the possibility of a period of time without income between benefit stopping and wages/salary beginning. We feel that the risks in this situation could be reduced by the use of a 'moving into work diary'.
- 3.17 **The 'moving into work diary'**: operates as simple concept, showing people how their income will be affected in the transition to work. A personal adviser at Jobcentre Plus will provide the disabled person with a diary which contains certain key dates such as when their IB stops and when other entitlements such as Working Tax Credit will commence. The diary will cover a period of 6 – 8 weeks, it would contain marked reminders to the disabled person about things they had to do. For example, return form X to office Y, notify Council office B. This would enable the disabled person to plan ahead for the period during which they moved into work. It would reassure them about when particular payments were due (and the diary could include notes to say what they should do if a payment or form didn't arrive when it was supposed to) and ensure that they were aware of their responsibilities to notify various agencies about their changed circumstances.
- 3.18 Such a financial projection is particularly important for people operating on very tight budgets who need to see how their income flow will be affected in the short-term. Figures will need to take into account the impact of non-benefit financial help such as free school meals, free prescriptions and local concessionary travel arrangements.
- 3.19 In the nature of such a thing it would have to be individually tailored but could be done from a menu of choices available to the personal adviser on a software programme.
- 3.20 Obstacles to work: employer attitudes.** We welcome the recognition that this is one of the major barriers facing disabled people. It is clear that there is still a considerable level of fear amongst employers that employing a disabled person will prove expensive. Although in practice this is unlikely to be true for the majority of cases it is nevertheless the perception of many employers. We were therefore disappointed that there was so little about the Access to Work scheme in the Green Paper.
- 3.21 **Access To Work (ATW)**: This scheme has been of great benefit to disabled people and has enabled many both to get, and to remain, in employment. However, there is a very low level of awareness of the ATW scheme amongst both employers and disabled people. Without tackling

this it is hard to see how employment rates can be considerably enhanced. Consequently, we strongly believe that there is a need for the Government to adopt the following approach:

- a) A Government supported advertising campaign highlighting the ATW scheme and its benefits to employers.
- b) An increase in the budget for the scheme. In many cases ATW is only required to make a one-off payment to the disabled person, for example a speech reading programme for a visually impaired person to use with their computer. Such an investment is extremely cost effective. Government saves on the benefits budget as the visually impaired person moves off B and into work, and gains as they pay more tax as an employee. Clearly if the advertising campaign is successful the budget will need to be increased to meet increased levels of demand.
- c) Improvements to the administration of the scheme. We are aware of many examples of poor practice resulting in delays in getting equipment in place. Indeed, we ourselves experienced many problems with the scheme when recruiting a disabled person. Unfortunately, such experiences only serve to strengthen employers' views that recruiting a disabled person is going to be problematic.

3.22 We would also welcome legislation to outlaw age discrimination in employment. This would be of particular help to many of the people in their 50s and 60s who are in danger of losing their jobs and who could easily end up on IB.

3.23 **Obstacles to work: the benefits system.** It is our experience that people on incapacity benefits are especially fearful about having their benefit removed if they show themselves to be looking for work. The Government could help reassure disabled people who at present find themselves the victims of mixed messages - caught between being encouraged to look for work, and fear of falling foul of government anti-fraud policies. Government statements that fraud is a problem within the benefits system, combined with bad experiences such as the Benefits Integrity Project, discourage disabled people from joining schemes such as the NDDP.

3.24 If Government is to be successful in assisting IB recipients back into work then there has to be a clear and unequivocal message that it is not just acceptable, but desirable, that IB recipients get involved in jobseeking and work-related activities. Perhaps a booklet 'Why we allow you to work and claim benefit at the same time' explaining the various rules, would help reassure IB recipients and educate the media.

3.25 Disabled people and those with health problems who have been out of work for some time need the opportunity to build up confidence and

stamina as well as updating, and learning, new skills. For many people the most realistic way of doing this is to start with a few hours work a week. Unfortunately, because the incapacity benefit system is based on a very inflexible fit/unfit division it has been poor at supporting people who want to try out work while on benefit. A recent, very positive development has been the extension of eligibility for 'permitted work' but it is still generally the case that the system does little to support people who cannot work as much as 16 hours a week (the threshold for eligibility for tax credits as a disabled person).

- 3.26 For people on means-tested benefits, like income support, there is a maximum weekly earnings disregard of £20. This equates to only a few hours a week, if that. Yet there is much evidence to show that maintaining a link with the world of work is an important factor in both facilitating an eventual return to the labour market and in promoting social inclusion. When earnings disregards were first introduced they were worth a great deal more and did play a role in allowing people to keep in touch with work. Had it maintained its value over the years the disregard would now be worth about £35pw. We would like to see it increased at least to this level.
- 3.27 **Tax credits and disabled workers:** The new Working Tax Credit (WTC), coming in from April 2003, is both more generous than the credit it replaced and more inclusive. Disabled people will now claim the same credit as everyone else and get an extra disability payment on top, rather than having to claim the completely separate Disabled Persons Tax Credit (DPTC). Disappointingly however, some of the limiting features of the old DPTC have been maintained.
- 3.28 **The 16 hours rule:** DPTC can only be claimed by someone working 16 or more hours per week. This rule has been transferred over into WTC. There has been no movement on relaxing the 16 hour rule to accommodate those disabled people who cannot work as much as 16 hours but who want to work more than the few hours envisaged by the earnings disregard provisions. This rule adversely affects several groups of disabled people:
- i) those who could gradually build up their hours capacity but are likely to take some time to do so (people who can do so quickly, within 26 weeks, can make use of the new permitted work rules).
  - ii) those who are unlikely to ever be able to do as much as 16 hours but who either command earnings some way above the minimum wage or who could do 12 or more hours regularly, and
  - iii) those who are in work, and may have been so for many years, but whose condition means they can no longer do the 16 hours needed to qualify for financial support.
- 3.29 The first two groups could be helped by an increase in the earnings disregard, by a reduction in the 16 hours rule for WTC and by an extension of the period allowed for permitted work. Job retention for the latter group,

could be easily obtained, by allowing them to remain on WTC with a disability element (perhaps with a qualifying condition of having been in work continuously for a specific period beforehand) even if their hours drop below 16. The aim being to help people remain in work as long as they are able and wish to do so. This would also be of advantage to employers who would be able to retain experienced staff.

**3.30 Access to the disability element of WTC:** access to DPTC has always been complicated. Unlike its sister credit, the Working Families Tax Credit, for which you merely needed children and a low wage, applicants for DPTC needed to be on low wages **and** in receipt of a qualifying benefit (or to have just come off such a benefit). Unfortunately, the new WTC has incorporated the same qualifying conditions as DPTC for access to the disability element. The Inland Revenue found it incredibly difficult to publicise DPTC. The qualifying conditions are so complex they cannot be used on posters or in radio/TV adverts, yet not to mention them risks misleading people and generating unsuccessful claims. The fast-track (see below) proved completely impossible to publicise. It would be a lot easier if all that was needed was to be disabled and on a low wage.

**3.31 Obstacles to work: transport as a barrier.** We welcome the recent legislation requiring licensed taxis to carry assistance animals. This is most important as we know transport inaccessibility is a barrier for a great many disabled people. Indeed, the DWP's own research<sup>4</sup> highlights the number of people who see transport costs and difficulties as barriers to their taking up employment. It is all the more important therefore that the '**fares to work**' element of the Access to Work scheme is highlighted during the advertising campaign – see 3.21 above.

**3.32** We would suggest that personal advisers are specifically encouraged to use the Advisers Discretion Fund to pay for transport related costs such as monthly travel cards or driving lessons. We would also support the creation of an **interest-free transport loan service** which enabled people to buy a car. Many disabled people cannot use public transport and a car would be an essential element of a back-to-work package. There are also people living in rural areas where public transport is extremely limited. Whereas non-disabled people might have the option of walking or cycling, many incapacity benefits recipients would need a car in order to take up employment.

**3.33** There is also a need for further work in the area of transport as has been highlighted in the Disability Rights Taskforce report.

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<sup>4</sup> Short-term effects of Voluntary Participation in ONE, DWP Research report 126

## **4. Giving people choices: Current pathways to work**

- 4.1 New Deal for Disabled People (NDDP) figures show that spending on the NDDP is very low compared with that spent on other schemes. New Deal 25+ is expected to reach £780m by 2003/4 compared with only £125m for the NDDP. We strongly believe that disabled people need to be offered access to subsidised work options as currently operate under the New Deals for the unemployed. This combination of factors helps to explain the low number of disabled people helped into work, 6000<sup>5</sup> since July 2001, via the New Deal brokerage scheme. Although we welcome the evidence that 8,000 disabled people found a job as a result of the NDDP it remains a very small proportion of the 275,200 or so disabled people who were originally contacted.
- 4.2 It also seems unbalanced that disabled people, who could number as many as a further one million potential workers, only receive 8% of the total being spent on the various New Deal programmes (DSS Research Report 144).
- 4.3 **Security for those who cannot work.** Welcome though the Disability Income Guarantee and increases for children and young disabled people are, we remain disappointed by the limited attention being paid to the circumstance of those disabled people who cannot work or choose not to. We are, however, pleased to see a commitment in the Green Paper to 'look for opportunities to extend this help further'.
- 4.4. Social inclusion should not be restricted to those able to enter paid work and we would like to see a consultation paper setting out how Government intends to support those disabled people who either cannot, or choose not, to work.
- 4.5 One clear way of assisting this group is to ensure that they are receiving all the benefits to which they are entitled. The benefits system is notoriously complex and take-up rates for disability benefits are low. We would like to see maximising benefit entitlement included in Jobcentre Plus targets.
- 4.6 **Making change – better pathways to work:** we welcome the proposal to move the timing of the work focused interview away from the initial point of claim for the reasons given.
- 4.7 However, we remain unconvinced that compulsory interviews are the best way of encouraging incapacity benefit recipients to take up help with returning to the labour market. All the evidence shows that the vast majority of disabled people want to work but face considerable barriers, huge risks, discrimination, prejudice and a hostile press and media environment. Making interviews compulsory gives entirely the wrong

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<sup>5</sup> HoC written answer 11<sup>th</sup> December 02 Col 378W

message to people who already feel they are under constant surveillance and at risk of losing their benefits. It is likely to mean that people will attend interviews for the negative reason that they fear the loss of their benefit. They are likely to remain suspicious of offers of help. The Green Paper (p26) states that closer working with personal advisers will help address concerns people may have about their entitlement to benefit being thrown into doubt. We would query just how personal advisers are to do this. Will they be able to guarantee, for example, that someone's IB would not be reviewed if they were jobseeking?

- 4.8** Action plans: we have a number of concerns about the proposed action plans. Where such plans are voluntary they could be extremely helpful. However, as explained in the Green Paper the plans sound very one-sided, rather than a partnership. No mention is made of what the personal adviser undertakes to do. We fear that there could be widespread misunderstanding of where compulsion begins and ends.
- 4.9** We understand that work-focused interviews are genuinely intended to be helpful but we do believe it is important to understand how they are likely to be perceived by many incapacity benefits claimants.
- 4.10 Exempt groups:** one of the problems of having compulsory interviews is that it is then necessary to exempt some groups of severely disabled people. Yet the reasoning behind the exempt criteria for the PCA is that these groups of people have a condition which is unlikely to change, making re-testing unnecessary. Having a condition which is unlikely to change is not necessarily a good indicator of who might be interested in employment. Blind people, for example, are quite rightly exempt from the PCA, but that does not mean they would not welcome the opportunity to engage with the labour market.
- 4.11** We believe it would be most beneficial for a full evaluation of current work focused interviews (WFIs) to take place before the proposals for more frequent interviews are introduced.
- 4.12** While we welcome the commitment to provide a more focused disability advice service via the DEA system we are concerned that ambitions to reduce substantially the level of unemployment amongst disabled people may come unstuck without increased investment in Jobcentre Plus. We would therefore wish to know of any assessment of the capacity of Jobcentre Plus to deal with the increased workload from the proposed new WFIs. We think such an evaluation is vital as current figures show that 27,000 people per month are moving onto incapacity benefit. Even when one takes into account some groups being exempted from these new interviews, while others move into employment, there remain a significant number of people to interview.
- 4.13** We fear that this level of pressure will lead to a repetition of a problem which has already emerged from NDDP. That is that those giving advice

will focus on easier-to-help groups, leaving those disabled people who are farthest from the labour market without the help and assistance they need.

- 4.14 What should be the role of Jobcentre Plus?** We strongly feel that Jobcentre Plus needs to be more than simply a merger between the Benefits Agency and the Employment Service. We see Jobcentre Plus having two main objectives for disabled people or those with ill-health:
- to help people get work or improve their chances of getting work, including advice on in-work financial help
  - to make sure that people are aware of all the benefits and other help available, are helped to access them and receive their entitlement quickly and accurately.
- 4.15 It is important to note that, whilst we see both these objectives as important in their own right, successfully meeting the latter will also help achieve the former. If people become comfortable in dealing with Jobcentre Plus as an organisation, and develop a favourable impression of its services, they are more likely to return at a later date for help if they feel employment has become a possibility.
- 4.16 If Jobcentre Plus connects people to the benefits system quickly, comprehensively and without hassle, people are likely to be more relaxed about coming off IB (and other benefits) to try out work. They will have the security of knowing that they will be able to renew their entitlement quickly, with the help of Jobcentre Plus, if the job doesn't work out.
- 4.17 The service should provide for the full range of customers with impairments or health problems and offer services which include: information and advice for people looking for in-work support. eg the Access to Work scheme and working tax credit; information about jobseeking, eg job clubs; and information for people who are not as yet ready for work or who may never work who may need advice on benefits, access to training courses or education, information about where to go for community care and similar services and details of local and national support organisations.
- 4.18 We believe it is particularly important that Jobcentre Plus is able to provide people with an accurate picture of their benefit entitlement, both in and out of work. The current software programme used by staff provides a better-off in-work calculation. This is helpful but we would welcome the introduction of a programme which is also able to show a disabled person what their maximum benefit entitlement would be while they were out of work.
- 4.19 We regard tax credits as an essential part of the package of help on offer to people looking to move into work. Disability Alliance staff and members have visited a number of Jobcentre Plus offices and have been surprised and concerned to learn that tax credits are not viewed as a promotional priority by Jobcentre Plus. We believe that there is a great need for making

information available about the working tax credit to a wider variety of people.

4.20 That said, we have been very impressed by the new Jobcentre Plus offices and believe they mark a major positive change in approach and culture.

4.21 We welcome the extension of the Adviser Discretion Fund and the Return to Work Credit. We believe it is essential that the latter is disregarded for Housing Benefit purposes. If not then those people on HB will not see the full benefit of the Credit and are likely to feel let down if they are expecting an additional £40 a week but get considerably less than this in practice.

## 5. Job Retention

5.1 We were disappointed that the Green Paper said so little about job retention. All recipients of incapacity benefit once had a job and this suggests a need to look at policies designed to enhance a disabled person's tenure of employment. Why do so many people take early retirement when they become disabled or their existing condition deteriorates?

5.2 The Green Paper seems to us to be an ideal opportunity for introducing a scheme of '**disability leave**'. If such a scheme existed it is reasonable to assume that a substantial number of disabled people may have been able to remain in work. Disability leave would be similar to maternity leave and would work in the following ways:

- a) a period of leave following the onset or the worsening of the person's disability,
- b) Early intervention with support services such as rehabilitation training, mobility training, retraining and a clear and workable return to work package,
- c) Adaptation to the workplace and also perhaps to the organisation of work,
- d) Flexibility within the benefits system to allow a mix of benefits/tax credits and wages to allow a person to return to work gradually if deemed necessary.

5.3 We feel that work around job retention needs to be a priority for Jobcentre Plus. We see it as a dual service to individuals and to employers. The service should cover both those people placed into a job, to ensure that they are able to sustain their employment, and people who might otherwise leave the labour market due to failing health or the onset of disability. Jobcentre Plus will be able to build on the expertise and functions of the Disability Employment Advisers, who are already experienced in this field.

5.4 The Access to Work scheme also has an extremely important role in job retention. The scheme is popular but poorly advertised and little known amongst employers. Yet knowledge of the help available could make a

huge difference to an employer's attitude about retaining an employee who had become disabled. We would like to see the scheme enhanced and publicised.

- 5.5 The role of Working Tax Credit (WTC) in job retention - the fast-track gateway:** This was introduced to enable people who became sick or disabled while in employment to access disabled persons tax credit (DPTC). Prior to this people had to give up their job, go onto IB, and then find another job before they could qualify for DPTC. The idea was good but the restrictions placed on access to the gateway made it virtually unworkable. The 'fast-track gateway' is only available to people who have been off sick for 20 weeks **and** returned to a lower salary. It is no surprise that only about 60 people have been able to access DPTC via the fast-track. It is a real shame that these restrictive rules have been incorporated into the new WTC.
- 5.6 It would be more useful if someone could move on to WTC (disability element) without the need to take time off sick. For example, an employee with deteriorating sight could negotiate re-deployment to a lower paid post and claim WTC disability element without ever being off sick. Similarly, an employee with a condition such as multiple sclerosis could negotiate reduced hours, and claim WTC disability element, again without taking time off sick. This has clear advantages for both employer and employee. The test which is used for renewals of the disability element, plus supporting medical evidence, could easily be used to decide on eligibility.
- 5.7 The other requirement of the 'fast-track gateway' is that the disabled person must show that their earnings have dropped before becoming eligible for DPTC. Yet this never applied to families claiming Working Families Tax Credit, it was always just enough that they passed the means-test. It seems unnecessary and discriminatory to impose this additional hurdle for disabled people. We would argue strongly that the requirement that a fast-track applicant for the disability element needs to suffer a reduction in earnings should be dropped.

## **6. Conclusion**

- 6.1 We very much welcome parts of the Green Paper, such as the acknowledgement of some of the barriers which are faced by disabled people when seeking employment and the commitment that each person who wishes to work should be given the chance to do so. However, we remain concerned about the lack of balance in the document. The very low key approach to supply side policies is worrying and we feel without policies to address this there will be little impact on the numbers of disabled people on incapacity benefits. Information from colleagues in other disability organisations leads us to conclude that there are many disabled people who have been turned down for hundreds of jobs and it is

hard to see how the proposals in the Green Paper will make much difference to such people. The harsh fact is that many employers when faced with the choice between a disabled and a non-disabled person will select the non-disabled person, the simple concept they are adopting is that a disabled person equals extra costs.

6.2 This is why we view success in this area as relying so heavily on an increase in the budget for the Access to Work scheme and an advertising campaign to increase awareness.

Disability Alliance  
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