

Disability Alliance

R43 - Response to: Conservative Party Disability Consultation

September 2004

[**Note:** This response is to a Conservative Party nationwide consultation process aimed at bringing equal opportunities to the disabled (if the party returns to power). Shadow Minister for Disabled People, Paul Goodman, invited anyone with a disability to respond with their policy ideas by the end of September. You can view the consultation document by following this link to the [Conservative Party website](#).]

1. Work

1.1 Employer attitudes/ extra costs

- 1.1.1 Disabled people tell us that employer attitudes are one of the major barriers they face when seeking work. We believe that many employers over-estimate the likely cost of employing a disabled person and are completely unaware that there is Government help available.
- 1.1.2 In practice it usually costs very little to carry out the necessary adjustments to ensure a disabled employee can carry out their job. Few employers are aware of this. Where there are costs the **Access to Work** scheme, run by the Department for Work and Pensions (DWP), will usually cover them. ATW provides help towards specialist equipment, readers for blind people, workplace (or company car) adaptations and fares to work if the disabled person cannot use public transport.
- 1.1.3 Although the Government has increased the ATW budget substantially they have not undertaken any publicity. We believe this is because the existing budget is fully spent and they fear that to advertise might produce a flood of applications, the costs of which could not be met. It is our view that the current system is unfair as only those in the know benefit from it. Although advertising would inevitably produce an increase in demand we do not believe this would overwhelm the system. What advertising

would do is act as a reassurance to those employers who fear (however unreasonably) that taking on a disabled person will be expensive.

- 1.1.4 One serious limitation to the current ATW scheme is that it is not available to disabled people doing voluntary work. Voluntary work can often be an extremely useful stepping stone for disabled people looking to move into paid work but unsure of their capacity and wanting to take things a bit at a time. Voluntary work can also help in promoting social inclusion – as well as being of great value to the charity concerned.
- 1.1.5 Although ATW can help with adaptations or equipment disabled people often have to face a range of additional costs yet are very likely to be on low wages. This may be because they lack qualifications or work experience or it may be because they can only work part-time. Financial help is available through Working Tax Credit (WTC) which has an additional disability element. To get this additional help, a disabled employee needs to be in receipt of a qualifying benefit (or to have just come off such a benefit). It is not enough to be disabled and on a low wage. 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. This has caused major problems in advertising the help available. The ‘fast-track’ (see below under job retention) has 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.
- 1.1.6 We recommend:
 - DWP advertising of the ATW scheme to employers and potential employees.
 - An extension of eligibility so that disabled people doing voluntary work, often with local charities, can get help from the scheme.
 - Disabled people are able to access the disability element within WTC if they pass a ‘disability test’ – similar to the one used for renewals of eligibility.

1.2 The transition into work

- 1.2.1 For someone who has been out of work for a long time the period of transition into work can be extremely stressful. 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.

Government needs a strategy to recognise this and act to remove or reduce risk wherever possible.

- 1.2.2 Moving from one benefit regime to another presents a financially risky period for anyone on a low income. Most disabled people moving into a job will be on low wages. 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. 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.
- 1.2.3 We recommend that disabled people are provided with;
 - Access to good and comprehensive better-off calculations and advice.
 - Reassurance that they can return to their old level of benefit quickly if the job doesn't work out. This means better publicity and easier access to the 'linking rules'.
- 1.2.4 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.
- 1.2.5 We would recommend that:
 - Disabled 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.

1.3 Looking for work

- 1.3.1 It is our experience that people on incapacity benefits (IB) 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 anti-fraud initiatives.
- 1.3.2 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.

1.3.3 We suggest:

- the publication of a DWP booklet ‘*Why we allow you to work and claim benefit at the same time*’ explaining the various rules, to help reassure IB recipients and educate the media.

1.3.4 We fully support the Government’s New Deal for Disabled People programme and would like to see additional funding made available to it. We have also been pleased with the initial results of the Pathways to Work IB pilots and believe these should be extended. We recognise that progress has not been as fast as the Government had originally hoped. However, we believe the Government underestimated the barriers facing disabled people and we see actual progress so far as encouraging.

1.4 Transport and work

1.4.1 Transport inaccessibility is a barrier for a great many disabled people. Indeed, the DWP’s own research¹ 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 any advertising campaign – see above.
- Jobcentre plus personal advisers are 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 benefit recipients would need a car in order to take up employment.

1.5 Part-time work

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

¹ Short-term effects of Voluntary Participation in ONE, DWP Research report 126

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 Working Tax Credit as a disabled person).

1.5.2 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 the earnings disregard increased to at least £35pw.

1.5.3 The 16 hours rule: the general rule for eligibility for Working Tax Credit (WTC) is that the person needs to work 30 hours a week. Disabled people can access WTC at 16 hours a week. However, there are many 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.

1.5.4 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
- an extension of the period allowed for permitted work.

1.5.5 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.

1.6 Job Retention

1.6.1 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?

1.6.2 We believe consideration needs to be given to introducing a pilot '**disability leave**' scheme. 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.

1.6.3 We believe 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.

1.7 Working Tax Credit and job retention

1.7.1 The fast-track gateway: This was introduced to enable people who became sick or disabled while in employment to make use of

the provisions within WTC for disabled people (16 hour rule and an enhanced payment). However, the 'fast-track gateway' is only available to people who have been off sick for 20 weeks **and** return to a lower salary. It is rarely used.

- 1.7.2** It would be more useful if a disabled worker 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.
- 1.7.3** The other requirement of the 'fast-track gateway' is that the disabled person must show that their earnings have dropped before becoming eligible. This seems unnecessary and discriminatory and imposes an additional hurdle for disabled people which is not applied to other applicants for WTC.
- 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.

1.8 Working beyond retirement age

- 1.8.1** An increasing number of people choose to work beyond state retirement age, often doing part-time work. We believe this should also be a choice for disabled people.
- 1.8.2** DLA is often of huge importance to disabled people in helping offset the extra costs of being at work – especially the extra transport costs that people with mobility impairments face. However, DLA can only be claimed by someone under the age of 65. Those people whose disability arises after the age of 65 can only get Attendance Allowance (AA). The crucial difference is that AA has no mobility component so offers no financial help with mobility related extra costs and the disabled older person has no access to the Motability scheme, to get an adapted car.
- 1.8.3** Even for someone who is already in receipt of the care component of DLA when they reach 65 there is no chance of then claiming the DLA mobility component. We believe this is clear age discrimination.
- 1.8.4** The Conservative party did support the raising of the eligibility age for DLA to 70 and indeed, Lord Higgins moved an amendment

(unsuccessfully) to this effect during the passage of the Welfare Reform Act 1999. More recently a number of disability and older people's organisations have come together as the 'Mobilise' campaign to end age discrimination within DLA and over 200 MPs have signed up in support (EDM 953)

- We believe the age limit on DLA should be dropped.

1.9 The cost to the Treasury

1.9.1 We see the above recommendations as investments that will pay off in the longer term. In practice most cost very little and would easily and relatively quickly be off-set by the financial advantages of getting and keeping disabled people in work. People in work pay tax and national insurance contributions and also spend money in the economy.

2. Incapacity benefit (IB)

2.1 IB was introduced by a Conservative Government in 1995 and replaced Invalidity Benefit. The medical test 'the all-work test' was renamed the 'personal capability assessment' by the Labour Government as part of the Welfare Reform and Pensions Act 1999, the actual test was not altered.

2.2 The Act changed the contribution conditions for IB to reduce the possibility of people who were unemployed moving on to IB. It also introduced a means-test for people on IB who also had occupational or private pensions (a move strongly opposed by Conservative MPs and peers, as well as disability organisations). We believe this is unfair and a disincentive to save.

- We would like to see the means-test for disabled people with occupational or private pensions removed.

2.3 Since the introduction of IB the numbers of people moving onto the benefit have been steadily falling. Overall there was a fall in the number of IB recipients of 20% between May 1995 and May 2004. Within these figures the number of women IB recipients continued to grow. This is as expected and reflects the growing number of women in the labour market – now all paying full national insurance contributions.

2.4 As a proportion of the population of working age, recipients of IB have fallen from 4.6% in 1995 to 4.2% in 2004.

2.5 **We do not believe major reform is needed.**

2.6 We do feel a change of name would be helpful since the term 'Incapacity Benefit' is misleading. Very few people are completely 'incapable' of work. The issue is should disabled people be treated

in the same way as unemployed people - expected to look for work and take any job that is offered – as a condition of state support. Or, should disabled people (who pass the medical test for IB) have a choice about whether or not they have to work. Many people on IB work would love to work but they know it would be exhausting and might exacerbate their condition. Others are trying to cope with their impairment and care for their children and work on top of this just isn't feasible.

2.7 We would like to see:

- an extension of the Pathways to Work pilots (see above),
- an increase in the earnings disregard (see above),
- a longer time-period for permitted work (see above)

2.8 Our biggest concern is that people on IB have to live on a very low incomes. It is shocking that the average weekly amount of IB in payment is as little as £84.51², just £1.03 a week higher than when IB was introduced in May 1995. 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. We recommend that:

- the level of IB should be linked to the state retirement pension, as it was in the past.
- People on IB should have access to the Social Fund

3. Other benefits

3.1 After many years of lobbying by disability organisations the DWP has finally begun a process of amending the application forms for the two key disability benefits – Disability Living Allowance (DLA) and Attendance Allowance (AA). A new shorter AA form is proving much easier for older people to use and a new DLA form is being piloted. However, take-up remains low and is unlikely to grow without specific targeted campaigns.

3.2 **Take-up:** to ensure that all those entitled to disability benefits actually receive them we recommend:

- Making benefit awareness an automatic part of transition processes: around the time of a birth, to Early Years projects, to infant school, to junior school, to senior school, to college and during the 14+ transition process, when contacting employment services, at retirement, with the annual 70+ review of the driving licence.

² DWP quarterly statistics for period May 1995 to May 2004

- Leaflets for health professionals – GPs, Practice Nurses, Midwives, Health Visitors, Community Nurses, Out-patient Clinics, Rehab Centres.
- Funding the placing advisers in primary health care settings
- Funding disability, carer and patient groups to provide benefits advice and information
- Having a welfare benefits office in every general hospital so that patients and their visitors can get information and advice, and so health professionals have somewhere to refer people
- Building benefit review into hospital discharge arrangements.
- Ensuring information about possible benefit entitlement is made available with every statement of special educational needs
- There are many examples of good practice amongst local authorities who are well placed to provide benefits advice and information. Campaigns can easily be targeted at those particular groups with whom the local authority already has contact – families with disabled children, disabled adults, people newly registered blind, and the carers involved with these groups.
- Encouraging the HR profession to take a greater interest in this area, where an employee's health or disability has become an issue.
- Encouraging trades unions to have benefits awareness on their agenda in their work, especially when representing people with health or disability related problems.
- Public utilities tend to reach every household. Some have a database of disabled customers and can target them with information. All could from time to time include a human interest story of a successful benefit claim and the advantages.
- Contact with residential care services and with palliative care services tends to prompt benefit review, but this is not universally true – particularly in relation to other members of the family; and there is scope for targeted information here.
- Death in the family prompts financial review, and while some survivors are financially better off, others are worse off; and funeral directors could include prompts in their literature, as could registrars.

3.3 Winter fuel payment

- 3.3.1 Everyone over the age of 60 is eligible for a winter fuel payment, with a higher amount for those over 80. There is substantial evidence that young disabled people and families with disabled children incur substantial additional fuel costs and would benefit from an extension of the winter fuel payment. People who have limited mobility feel the cold and need extra heating. Many disabled people are at home all day and their fuel costs are higher than people in work (whose employer pays for their daytime lighting and heating). People who shake and spill their food, or have incontinence problems or night sweats all have higher than average laundry costs.
- 3.3.2 Families with disabled children, particularly those with behavioural problems, tell us of needing to use their washing machine and tumble dryer several times a day. They often cannot afford lots of changes of clothes, especially if their child is not an average shape or size, so need to wash what they have frequently.
- We would like to see the payment extended to disabled adults and children who are in receipt of either the middle or higher rate care, or higher rate mobility, component of disability living allowance.

3.4 Hospital downrating

- 3.4.1 When a disabled adult has been in hospital for 4 weeks their disability living allowance (DLA) or attendance allowance (AA) stops altogether. (For disabled children the limit is 12 weeks). Benefit stops either because someone has been in hospital for a continuous 4 week spell or because they have had a number of short spells in hospital which add up to 4 weeks. Once someone has hit the 4 week limit their benefit is stopped every time they go into hospital – even if it is only for a few days. This only ends if they spend a period of 28 days without going into hospital. When this happens the counter starts again. Carers are also adversely affected as Carers Allowance (CA) is dependent on the person being cared for getting DLA/AA. Once DLA or AA stop, the CA also stops.
- 3.4.2 Disability, older people's and carers' organisations have long argued that these rules cause hardship because expenses don't stop just because someone is in hospital. Caring responsibilities do not terminate when the person cared for is taken into hospital and it is unrealistic to expect carers to join the labour market every time this happens. We are aware of cases where the hospital has insisted that the carer remain in hospital to attend the disabled person while

they are an in-patient because the hospital is unable to provide personal, as distinct from, medical care.

3.4.3 We recommend:

- That the 4 weeks are extended to 12 weeks to bring adults in line with the provisions for children
- An end to the ‘cumulative rule’ so that only continuous spells in hospital count and short spells are disregarded.

3.5 Families with disabled children

3.5.1 The absence of up-to-date statistics on the disabled child population, numbers, ages, trends and levels of extra costs, make it extremely difficult to measure whether or not the Government’s initiatives to reduce child poverty have been successful in relation to disabled children.

3.5.2 We know from research and our own experience that many families with disabled children fail to claim the benefits to which they are entitled. Families can be missing out on considerable sums of money which would make a real difference to their quality of life and social inclusion.

3.5.3 Families with more than one disabled child are particularly at risk of poverty and social exclusion and have significantly greater needs for support.

3.5.4 We would like to see:

Up-to-date statistics on the disabled child population

- A targeted campaign, together with local authorities and voluntary organisations, to increase take-up of disability and carers’ benefits amongst families with disabled children. This is best achieved via an ongoing and multi-agency approach making use of the many professionals families already have contact with – health visitors, GPs, SENCOs, schools, hospitals etc.
- A recognition within the benefits system of the additional costs facing families with more than one disabled child.
- Families with two or more disabled children should automatically qualify for a blue badge.
- Where a family is on Income Support and has two or more disabled children in receipt of DLA they should get an annual lump sum via the **Social Fund** – rather than having to make lots of separate applications.

3.6 Disabled parents

3.6.1 Disabled parents tell us that they face particular difficulties accessing services and can find themselves falling between local

authority children's services and disabled adult services. They also feel that the benefits system fails to allow for the extra costs they face in carrying out parenting responsibilities. Transport costs in taking a child to the dentist or attending a parents' evening for example.

3.6.2 We recommend that:

- There is a recognition within the benefits system of the additional costs associated with being a disabled parent.

3.7 Social Fund

3.7.1 The Social Fund provides grants and loans to households on income support who face extra costs that cannot be easily met from their weekly benefit. To get access to a community care grant the person has to show either that they are leaving institutional care or that payment of the grant would prevent them going into such care, or that the family is under exceptional pressure. Disabled people have particular fears about having to prove that without a grant they would have to go into a care home.

- We recommend that Social Fund direction 4 is re-worded to remove references to going into institutional care.

3.8 Carers' benefits

3.8.1 Carers tell us that they believe the current level of the Carers Allowance (CA) is too low and needs to be increased. Lone parents caring for more than one disabled child are particularly angry that they can only access one payment of Carers Allowance, whereas in a two parent family both parents can get a Carer's Allowance. Many carers would like to combine paid work with caring but cannot access the Working Tax Credit (WTC) unless they do 30 hours a week paid work and find this too much.

3.8.2 We recommend:

- That CA is increased to at least the same level as other earnings replacement benefits, such as IB.
- That where a carer is providing care for more than one adult/child an additional element should be paid with their benefit.
- Provision is made within the Tax Credit system for carers to access WTC at 16 hours a week (as disabled people are able to do) and,
- for an additional carer's element to be paid within WTC in recognition of the impact caring has on earning capacity

4. Voluntary sector

- 4.1 At present the DWP does not have powers to grant aid voluntary sector organisations. Organisations wanting to do work such as promoting take-up of benefits for disabled children have to seek funding from other charitable sources. The Department of Health and the DfES do provide funding but these are very much targeted at health and education priorities.
- 4.2 We recommend that:
- The DWP is given powers to provide grant aid to voluntary organisations engaged in providing information and advice on social security benefits.

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Disability Alliance September 04

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