

## **R45 - Disability Alliance Response in advance of the Government green paper on the reform of Incapacity Benefit**

Incapacity Benefit Reform Team  
Room 220  
Adelphi  
1-11 John Adam Street  
London WC2N 6HT

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Dear colleagues,

### **Contribution to the IB Reforms Green Paper**

We welcome the opportunity to provide our views on the reform of Incapacity Benefit (IB) in advance of the publication of a Green Paper. The Secretary of State asked for comments under four key headings and below we set out our response to his request.

#### **Fairness**

1. We believe that the new system needs to recognise the importance of a wide range of return to work activities, tailored to meet the needs of individuals. It specifically needs to cater for those for whom full-time work would never be a realistic option, and those with diminishing or fluctuating work capacity. It should also recognise the needs of those disabled people who have never worked before. Full-time work, part-time work, voluntary work, starting work and work retention activities all need to be included in the scope of the system.
2. A return to work framework should cover the traditional work-related activities such as CV writing, interview preparation, work-focused training and education. It will also need to encompass developmental skills training such as motivation and confidence building, and less obvious training such as assisting people with learning disabilities in using public transport independently.
3. We believe it is important that disabled people have the choice to develop their own return to work activity programme - not necessarily using a DWP approved provider agency. There needs to be scope for self-help, with progress being monitored by the personal adviser.

4. Importantly we believe that citizenship activities other than paid work need to be valued and we are concerned that this has been insufficiently recognised so far.

## **Security**

1. We welcome the Government's recognition that the risks associated with moving into work, or even just trying out work, can be a major disincentive for disabled people. We are pleased with the proposed changes to the linking rules, announced in the recent Budget, though believe it is crucial that there is a publicity campaign to ensure people are aware of them. We believe the following additional changes would help reduce the risks associated with engaging in work or work-related activity.
2. **Financial security:** disabled people tell us that one of their biggest fears is that trying out work will result in their Disability Living allowance (DLA) being reviewed. DLA is payable to people in paid employment but for some groups of people (particularly those with mental ill-health or ME) a move into work can be taken by the DWP as a signal that their condition has improved, and prompt a review of their DLA. For some people this may be true but for many others the first few weeks or so in a new job can be more stressful than remaining on benefit. The potential loss of DLA, during a period fraught with financial uncertainty, can be a huge disincentive, especially if people are worried about their ability to cope with paid employment. We would recommend a 6 month 'settling-in guarantee' under which disabled people are guaranteed that their DLA will not be reviewed. This allows time to settle into a new job, and to ensure that it is going to be sustainable.
3. People also need to be reassured that they will not face a financial gap – with out-of-work benefits stopping before wages or tax credits are paid. They need to know that other benefits (like housing benefit) will run on for a time, that new financial help will arrive promptly, and that there will be a smooth return to benefits if necessary. Crucial to this is detailed personal written advice about the whole range of financial implications of working and not working – see back-to-work diary proposal below.
4. **Earnings disregards:** it would be enormously helpful if these were raised to a realistic level, set at a multiple of the minimum wage and uprated on a regular basis. We would suggest a figure of at least £40pw. It is difficult otherwise to persuade disabled people that the Government is serious about wanting them to try out work and valuing the work they do.

5. **Access to Work (ATW):** this is a very popular scheme amongst disabled people but concerns have been raised about delays in getting assessments and equipment. Disabled people fear being left unable to start their job, or not being able to do the job properly, because ATW help is not ready. Delays have an adverse impact on both disabled employees and on employers.
6. **Information provision:** to assist disabled people to understand how their financial situation is likely to change as they move into work we have proposed a '**back to work**' diary. This would be administered by Jobcentre Plus, would be individually tailored and would aim to illustrate to the returning individual, and their employer, the financial implications of moving into work. It would indicate when the individual needed to notify various agencies (DWP, local authority) that their circumstances had changed, when particular benefits would stop, when tax credits would commence and who to contact in each agency if there was a query. The diary would help disabled employees cope with the transitional period and would ensure they received the financial help they were entitled to. In earlier discussions with DWP we did get a modified version of the diary piloted in some Jobcentre Plus areas but this was as a checklist for staff, rather than something aimed at the individual client. We have not had any feedback on how useful or otherwise the checklist has been.
7. A second suggestion to help people understand what work they are allowed to do when on benefit and what is not permissible would be a **DWP booklet** with a clear title like '**How to work while still on incapacity benefits**'. The booklet would explain how it is possible to do voluntary work or permitted work and how earnings disregards are applied. Most importantly it would get across the message that work is viewed positively for people on benefit - not as a fraudulent activity.
8. **Disability or rehabilitation leave:** we would welcome consideration of financial assistance being made available to small and medium sized employers to help support newly disabled people through a period of rehabilitation or disability leave. This leave could be statutory, subsidised by Government and possibly insurers, and could work in the same way as maternity and paternity leave. This would enable employees and employers, through a period of vocational rehabilitation, to assess the individual's condition and how this affects their role, and how best to facilitate a return to work.
9. **Other:** support to help people back into work should not just focus on rehabilitation, but should also consider other restrictions such as

the need for childcare, care for elderly or disabled relatives and access to transport to work.

### **Inclusion**

1. Disabled people in receipt of the Disability and Sickness Allowance (DSA) need to be made aware of their right to access the same range of help that is available to people on the Rehabilitation Support Allowance.
2. However the real danger is that this group of people will feel 'written off' and of no value because they are not able to work. Disabled people need a decent income (so comprehensive benefits advice is crucial), good social and health care, as well as access to education, and training, in order to play their full part in society according to their abilities. **Non-workers should not be written off as non-citizens.**
3. If the services provided by Jobcentre Plus are to be properly inclusive for people on DSA, and if they are to feel that they are valued and included, then the services on offer need to be of use to them. Services should, for example, encompass provision of individually tailored advice on benefit entitlement. The group of people on DSA will include many who are likely to be eligible for DLA, but not claiming it. In addition information about other services like local authority Blue Badges and community care assessments should be provided. Provision of information that is of use to this group of disabled people will help get across the message that they are still valued, despite not being able to engage in paid work.

### **Results for all - mental health conditions**

1. We believe that the system needs to be based on effective staff training which recognises that there will be many people who will have a combination of conditions – both physical and mental.
2. The system needs to ensure that there is a recognised role for nominated representatives and advocates.
3. A number of the problems experienced by people with mental health conditions are shared to an extent by other groups of disabled people. The side effects of medication or treatment, adjusting to changes in dosage levels, or fluctuating/deteriorating physical health, will all affect an individual's ability to be consistent in their approach to work-related activities. There needs to be flexibility around targets and an understanding of reasons for non-compliance by people in these groups.

4. The Green Paper needs to be address employers' fears about taking on people with a mental health history and should look at both how these fears can be minimised and if there is a role for incentives for employers.

We would be very happy to meet to discuss the above.

Yours sincerely

Lorna Reith  
Chief Executive