

R57: Response to the Green Paper, In work, better off: next steps to full employment

Disability Alliance welcomes the opportunity to respond to the latest Green Paper, In work, better off: next steps to full employment. We broadly support initiatives and policies that aim to improve the employment prospects of those disabled people currently claiming benefits who do want (and are able) to work, if that support is delivered in an inclusive manner that properly meets the diverse needs of disabled people. However, we also question the ongoing absence of any proper analysis of how support, and more importantly security, for those disabled people who cannot work will be achieved.

Introduction - Disability Alliance

- 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.
- 2) We are a membership organisation with over 365 members ranging 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.
- 3) We provide information on social security benefits and tax credits to disabled people, their families, carers and professional advisers; undertake research into the needs of disabled people, with particular emphasis on income needs and promote a wider understanding of the views and circumstances of all disabled people.
- 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 have a range of other guides and provide a telephone helpline and a popular website. The *Disability Rights Handbook* provides clear and concise information on the welfare benefits and tax credits systems, as well as other areas such as social and residential care and a range of other issues relevant to disabled people and their families. We feel this makes us particularly well-placed to comment on the complexities of the UK benefit system.
- 5) Our policy work is informed by our contact with disabled people and those who provide services for them. We undertake research into the needs of disabled people, with a particular emphasis on income needs. For example, together with the Centre for Research in Social Policy at Loughborough University, we undertook a major piece of work, into the extra costs faced by disabled people – ‘*Disabled people’s cost of living – more than you would think*’. Other work has covered disabled parents and families with more than one disabled child.

General points

6) The UK has a diverse population of some 10 million disabled adults and 770,000 disabled children. Disabled people are more likely to live in poverty than non-disabled people and disabled people with children are at particular risk of poverty. Only 50% of disabled people of working age are in employment compared with 80% of non-disabled people.

7) Disabled people of working age have incomes that are, on average, less than 50% of that earned by non-disabled people. Many disabled people may never be able to enter the labour market and will depend on benefits their whole lives. Yet, levels of benefit are inadequate. Incapacity benefit, which replaces earnings for people unable to work, is worth £4,082 a year. Take-up of disability benefits is also low, with only an estimated 40% to 60% of those eligible for disability living allowance (DLA) actually claiming it.

8) Day-to-day living is more expensive for disabled people. Disabled people experience additional costs in most areas of everyday life, from specialist equipment to higher ongoing expenses for food, heating, transport and recreation. The weekly income of disabled people solely dependent on benefits is approximately £200 below the amount required for them to ensure an acceptable and equitable quality of life.

Chapter 1 – Progress on welfare to work

9) Disability Alliance acknowledge the increases in employment rates in this country over the past 10 years, but would point out that for disabled people, the figure remains some 25 percentage points below that of the national average. We feel that this situation reinforces the need to properly provide support and financial security to disabled people who will require assistance byway of welfare benefits for significant proportions of their adult lives.

10) Research carried out by the Centre for Research in Social Policy with the support of Disability Alliance¹ has found that the weekly income of disabled people who are solely dependent on benefits is approximately £200 below the amount required for them to ensure an acceptable, equitable quality of life.

Disability Alliance recommends that as a matter of urgency, the DWP commissions independent research to investigate the adequacy of disability benefits in meeting the extra costs associated with disability.

11) We welcome the general approach of the new employment programmes, as these do appear to be starting to deliver improved outcomes for some disadvantaged benefit claimants. We know that disabled people are looking for work in a highly competitive labour market, alongside an expanding pool of available and affordable workers. We agree that the current provision of support for those who can and want to work is too often unsatisfactory and unsuitable.

12) The Green paper states that Jobcentre Plus has transformed its services to ensure *'that everyone that applies for benefit has a discussion about returning to work and professional support and advice is available'*. This advice must, in our view, include a fully comprehensive Better Off Calculation (BOC). However, we are aware that BOCs delivered by Jobcentre Plus staff are patchy and inconsistent across customer groups, at best, and wholly incomplete at worst, eg not considering all passported benefits and health care costs in the calculation.

13) In April 2006, Jobcentre Plus introduced a new tool, *The Adviser Assessment Tool (AAT)*, aiming to ensure that all advisers contribute to the achievement of national standards. After concerns were raised about the AAT's design and operation, the DWP commissioned the Policy Research Unit at Leeds Metropolitan University to undertake a reviewⁱⁱ. This identified a number of relevant concerns:

'Some advisers lack the training or confidence to undertake BOCs accurately...an adviser reported that he sought not to undertake BOCs as a result of a fear that he might persuade a customer to leave the register who would subsequently be worse off as a result of being in employment'.

14) The report noted evidence that:

'some advisers pick out customers for whom undertaking a BOC is easy, such as the under 25s living at home with their parents and without any children, despite this being one of the groups for whom a BOC is least relevant'

And

'In one district, LP advisers had been allowed to use generic BOC examples as a replacement for a full BOC... and in other cases BOCs were completed without the customer being present and were simply posted out at a later date.'

15) Whilst there will always be some differences in the number of BOCs undertaken across Jobcentre Plus districts because of associated demographics, it is our view that all BOCs should be complete in their form and only delivered by staff with the appropriate training and expertise. If existing evidence indicates that BOCs currently being undertaken fall short of advising comprehensively whether an individual would be better off in work or not, we fail to see how this situation will improve against the backdrop of the latest Comprehensive Spending Review settlement. In addition, if Jobcentre Plus is not able to provide a full, accurate BOC, we express concern about the quality of BOCs offered by contracted-out Jobcentre Plus services. **We recommend that disabled people will only be submitted for job interview following a fully comprehensive better off**

calculation, that considers passporting issues, linking rules and the impact on their financial situation if they are unable to maintain the job.

Chapter 2 – A chance to work for all

16) As noted previously, we welcome strategies to assist disabled people who want to work, in moving closer to the labour market and to secure sustainable, good quality employment that really does help them to move out of poverty. However, we express deep reservations that the proposals, as laid out on page 25, simply aim to reduce the number of incapacity benefit claimants by one million, rather than expressly move them into work.

17) The Welfare Reform Act was drafted on the premise that improved levels of employment support would be the corollary of the increased conditionality placed upon claimants of employment and support allowance (ESA). **Disability Alliance will be carefully monitoring the roll-out of ESA to ensure that incapacity benefit claimant numbers are not reduced simply by shifting claimants onto other benefits, such as jobseekers allowance.**

18) We are also surprised that there is little mention about the department's plans around retention of employment, either in this chapter or the following. Retention and progression in employment is a key aspect of improving employment rates for disabled people, yet Access to Work, for example, remains one of the best kept secrets of government.

Chapter 3 - Local employment partnerships

19) We acknowledge the proposals to increase engagement between large employers and disadvantaged long-term benefit claimants. However, the proposals should go much further in strengthening basic employment rights, alongside increased regard and action to redress the real discrimination disabled people face when entering, or remaining in, work.

20) Disability discrimination is still a big factor – a disabled graduate is more likely to be out of work, but wanting to, than a non-disabled person with no qualifications at allⁱⁱⁱ. This demonstrates that simply concentrating on skills will not overcome the employment penalty faced by many disabled people. Further, and rather disappointingly, the latest Opportunity for All indicators show that the employment rate of disabled people has actually fallen slightly, from 47.4% in 2006 down to 47.2% in 2007.

21) Unless disabled people can effectively enforce their rights in respect of securing, progressing and staying in employment, discrimination will continue to occur. Thus, **we would like to see the DWP actively engaging with the newly established Equality and Human Rights Commission, to ensure a proactive approach to the problem of disability discrimination.**

22) We would like to see more public bodies, including DWP, becoming exemplar employers. Since Access to Work was removed from government departments, the proportion of disabled people working within DWP has fallen. If departments such as DWP, other government departments and agencies as well as local authorities were leading the way in employing and progressing disabled people, this would send out very positive messages to other private and voluntary sector employers about the merits of employing a diverse workforce.

Chapter 4 – The next steps towards full employment

Lone parents

23) We are extremely concerned and disappointed with the proposals for lone parents. The move to force lone parents off income support when their youngest child reaches 12 years of age from 2008, and subsequently 7 years of age from 2010, appears to be ill-conceived, un-evidenced and arbitrarily imposed. It is noted that many lone parents want to work, it is noted that they can face many barriers in moving towards work, yet there is a fundamental lack of explanation as to why moving the majority of lone parents onto jobseekers allowance (JSA) will in any way help to overcome existing barriers.

24) If sustained employment is the goal for lone parents, it is paradoxical to suggest that the way to achieve this is through a JSA regime that has already failed to meet this aim. Whilst acknowledging the proposals within the Green Paper to further reform JSA, we feel that these proposals concentrate on tightening up and increasing the conditionality placed upon jobseekers allowance claimants in return for the promise of more structured support being made available. They do not deal with systemic issues within the labour market in respect of the low-paid, low-status and, most importantly, low security jobs that will inevitably be a feature of the UK labour market until employment laws are strengthened.

25) We are concerned that the broad approach mapped out will serve to increase, rather than reduce, complexity within the benefits system, at a time when moving towards greater simplicity has generally been accepted as requiring urgent attention^{iv}. Far from moving towards a more unified system that aims to offer personalised and individualised services to each claimant, the proposals actually increase the likelihood of arbitrary distinctions being made between groups of claimants in varying circumstances, as well as setting out policies that have very little evidence to back up the fundamental approach taken.

26) For example, a disabled lone parent with caring responsibilities could fall under any one of at least three of the distinct disadvantaged groups identified in the Green Paper, all with different proposals and different policies to assist them to move towards employment. **We would like to see a more unified approach**

to welfare reform that properly considers issues such as definitions of study, part-time, full-time, permitted and voluntary work, earnings disregards, etc. Currently, there are variations in such definitions that mean that claimants can find advantages and disadvantages in claiming particular benefits, as well as these definitions serving as barriers to moving into, or closer to, employment.

27) We share the concerns of One Parent Families about increasing the conditionality placed upon lone parents. In particular, we would emphasise that Freud's report is clear on the need to promote sustainable employment outcomes, yet as noted above, the JSA regime currently performs poorly against this objective and over half of JSA claims are now from repeat claimants^v. Contrary to some suggestions, the research into the experiences of repeat claimants found that:

"There is little evidence in the survey to suggest that recycling is due to personal choice. The findings consistently indicate an inability to find sustained employment rather than a choice to avoid it. The vast majority said that they would have preferred to spend more of their life in work."

28) As the summary of the research states:

"This issue is at the heart of government policy, which stresses the importance of work as the best route out of poverty and social exclusion, and promotes the view that any job is better than no job at all. Repeat claimants appear to challenge this view, as despite movement into work they return to claiming benefits."

29) Whilst we agree that parents, including parents of disabled children, should be supported to work where they want to, we are very concerned about the implications of this proposal for lone parents whose child is disabled – one quarter of all lone parents. Despite a desire to work, only 16% of mothers of disabled children are able to work, compared to over 60% of mothers generally. For parents of disabled children, appropriate high quality child care can be one of the biggest barriers to moving into work. In terms of the financial rewards of work providing an incentive for lone parents to take up work, the report mentioned in para 13 above, notes *'in the case of some lone parents, it is often difficult to undertake a better-off calculation with customers who understand the financial incentives but face insurmountable childcare barriers'*.

30) For many, this is because caring for a severely disabled child is a lifelong commitment. As a disabled child grows older, the care that they need may be more and not less. Continued problems of accessibility and affordability continue to prevent parents with disabled children from using childcare. Similarly, difficulties accessing extended school services present barriers to making work a

reality. **We also highlight a recommendation of the recent Public Accounts Committee (PAC) report^{vi} which stated that:**

“The tax and benefit system should be neutral in terms of giving mothers a choice to stay at home or work”

31) Research commissioned by Disability Alliance^{vii} found that it can cost three times more to bring up a child with severe disabilities than a child without a disability. There are no costs that are lower for disabled children than for children without disabilities. Costs soar when families are caring for two or more disabled children. Managing simultaneous demands is rendered more difficult by unsuitable housing, lack of transport, restricted opportunities to access leisure facilities, and the number of different professionals and agencies involved in family life.

32) It is well known that families with disabled children incur extra costs as a direct result of their child’s disability, as demonstrated by this research. Again, **we repeat our key recommendation, that the DWP should commission independent research investigating the adequacy of disability benefits in meeting the needs of disabled people and parents of disabled children.**

33) While there is clear recognition of the often full-time role of carers which can prohibit work-related activity, it remains unclear how this relates to lone parents of disabled children, who are often full-time carers themselves.

Personalised, responsive support for jobseekers: the next steps

Flexible New Deal

34) We express concern that the proposed approach and outcomes of the Flexible New Deal, as well as the other similar programmes such as Pathways to Work and employment and support allowance, will be compromised by the reduced departmental budgetary constraints. It is clear that Personal Advisers (PA’s) are a key part of the proposed approach, with increasing levels of interactions between PA’s and claimants. Yet, the PAC report^{viii} found that:

“Nearly two-thirds of [PA’s] surveyed said that recent reforms within Jobcentre Plus had not made their job easier”

35) Given that this Green Paper was published prior to the latest Comprehensive Spending Review 2007 settlement, under which the DWP has the largest administrative savings of any government department to find from its annual budget, we have grave reservations as to whether they will be able to maintain improvements to performance sufficient to deliver proposals.

36) We are fundamentally opposed to the suggestion that benefit claimants should be required to undertake a period of full-time work experience after a defined period of time in receipt of benefits. In our opinion, this proposal is little more than an attempt to bring about a workfare system that requires benefit claimants to undertake unpaid work in return for receiving financial assistance. Further, the proposals could serve to undermine terms, conditions and wages of the existing workforce, which would have a detrimental effect on the UK labour market.

Ethnic minorities

37) Recent research^{ix} found that there is a particular tension for ethnic minority groups in accessing welfare benefits and receiving appropriate support in relation to any long-term health conditions. A lack of understanding of eligibility conditions, as well as difficulties with the application process, mitigates against access to appropriate benefits. Few respondents to the research received professional help with making appropriate applications for certain benefits such as disability living allowance and experienced high levels of poverty.

38) It was also noted that individuals expressed frustration at not being assessed as sick enough to qualify for incapacity benefit but were also not well enough for employment. The research recommended that supporting employment for people from ethnic minorities with long-term health conditions requires recognition of the need for flexibility that such conditions impose. Strategic intervention is required to encourage and enable employers, particularly smaller employers, to recruit and retain such workers.

39) Further, for some people, it must be recognised that engaging in paid work may not be in the best interests of the individual or their household. Developing appropriate financial support for those with multiple caring roles and those whose ill health precludes sustained employment is raised as being a beneficial policy for government to follow. High levels of financial hardship result from lack of earnings and also lack of access to relevant benefits. Given that financial hardship can exacerbate existing health conditions and lead to additional stress-related ones, the costs of not delivering financial support must be acknowledged. Addressing barriers to take-up among eligible non-claimants has an important role in balancing out current policy, which restricts entitlement.

40) Individuals across all ethnic groups require greater support in coping with the daily management of their health conditions and the knock-on implications for benefit take-up, access to employment and social participation. Widespread reluctance to engage in ill health support groups indicates the need for varied modes of support delivery. Though local ethnic networks can be productive, the bigger picture suggests that minority ethnic respondents are particularly lacking in support. Strengthening ethnicity-specific community organisations is a potentially important route to improving access to resources including welfare

benefits. However, statutory providers also have a duty to address the feelings of exclusion from mainstream society and services that are a more general barrier to support for minority ethnic individuals.

Chapter 5 – Delivery through partnership

Contracting out

41) We would like to see personalisation and choice for the claimants who will be entering and engaging with employment support programmes. We think that individual claimants should have a choice about exactly what support they wish to receive, as well as deciding on which contractor they wish to engage with. This would build on the successful individual budget pilots, which give disabled people choices in the social care support services they can buy in. We see no reason why the mandatory nature of engagement would be a problem in allowing this choice, and indeed, in line with the Green Paper, should actually serve to drive up the services and standards of the contracted organisations.

42) We ask how individual claimants will be able to hold contractors to account in terms of the services that they receive, if they feel that their particular needs are not being met in an appropriate fashion. It appears extremely iniquitous that the responsibilities of claimants will increase under proposals yet the prime responsibilities of contractors appears to lie mainly with DWP, rather than with the individual disabled people that encounter their services.

43) Beyond this, we would like to see properly resourced and monitored collection of relevant data in respect of contractor service provision, so their performance can be measured against engagement with specific impairment groups. We feel that this is necessary to avoid cherry picking of easier to place claimants and ensure sustainable employment entries with demonstrable financial gains for individuals. Such information could look at overcoming common barriers and skills deficits so that learning about successful strategies can be developed and shared.

44) We were concerned to see 15 out of 16 initial contracts for Pathways to Work contractors awarded to private sector companies. With such large sums of public money being awarded under these contracts, we would like to see much greater transparency about processes and procedures in relation to tendering for contracts. We also share many of the concerns of the Public and Commercial Services union about the marginalisation and lack of recognition given to Jobcentre Plus staff.

45) We hope that the promises for developing a long term strategy in relation to the process of contracting out will be properly consulted upon in

discussion with key stakeholders, which includes claimant representative groups from the voluntary sector. The people who know best about the type of support they need to move closer to employment are individual benefit claimants and we would like to see opportunities for these people to contribute their thoughts and experiences about this important topic. Indeed, under the Disability Equality Duty, the DWP have an obligation to proactively include disabled people in shaping policy initiatives that affect them.

Conclusion and summary of key points

46) In our opinion, this Green Paper lacks cohesion and strategic vision and fails to address many of the issues raised in Freud's report. In particular, suggestions for the need for in-depth research on the adequacy of rates of welfare benefits, as well as the need for greater simplification within the benefits system, appear to have been overlooked. We have serious concerns that the departmental budget savings will impact on the DWP's ability to deliver a more intensive, interactive relationship with benefit claimants. Whilst we support initiatives and aspirations to improve employment rates for disadvantaged groups, we have serious doubts about whether the approach of the Green Paper will achieve these ambitions.

- **Disability Alliance recommends that DWP, as a matter of urgency, commissions independent research to investigate the adequacy of disability benefits in meeting the extra costs associated with disability.**
- **We recommend that disabled people will only be submitted for job interview following a fully comprehensive better off calculation, that considers passporting issues, linking rules and the impact on their financial situation if they are unable to maintain the job.**
- **Disability Alliance will be carefully monitoring the roll-out of ESA to ensure that incapacity benefit claimant numbers are not reduced simply by shifting claimants onto other benefits, such as jobseekers allowance.**
- **We would like to see the DWP actively engaging with the newly established Equality and Human Rights Commission, to ensure a proactive approach to the problem of disability discrimination.**
- **We would like to see a more unified approach to welfare reform being taken, that properly considers issues such as definitions of study, part-time, full-time, permitted and voluntary work, earnings disregards, etc. Currently, there are variations in such definitions that mean that claimants can find advantages and disadvantages in claiming particular benefits, as well as these definitions serving as barriers to moving into, or closer to, employment.**
- **We also highlight a recommendation of the recent Public Accounts Committee (PAC) report which stated that "*The tax and benefit system should be neutral in terms of giving mothers a choice to stay at home or work*"**
- **We repeat our key recommendation, that the DWP should commission research investigating the adequacy of disability benefits in meeting the needs of disabled people and parents of disabled children.**
- **We are fundamentally opposed to the suggestion that benefit claimants should be required to undertake a period of full-time work experience after a defined period of time in receipt of benefits.**

- **We would like to see personalisation and choice for the claimants who will be entering and engaging with employment support programmes. We think that individual claimants should have a choice about exactly what support they wish to receive, as well as deciding on which contractor they wish to engage with.**
- **We ask how individual claimants will be able to properly hold contractors to account in terms of the services that they receive, if they feel that their particular needs are not being met in an appropriate fashion.**
- **We would like to see properly resourced and monitored collection of relevant data in respect of contractors, so that contractors' performance can be measured against engagement with specific impairment groups**
- **We hope that the promises for developing a long term strategy in relation to the process of contracting out will be properly consulted upon in discussion with key stakeholders, which includes claimant representative groups from the voluntary sector.**

i Disabled people's costs of living: 'More than you would think' by Noel Smith, Joseph Rowntree Foundation, 2007

ii Review of the Adviser Achievement Tool, Alex Nunn and Sarah Kelsey DWP report (no 453) 2007

iii Disability and Work, Social Market Foundation and Disability Rights Commission, 2007

iv See for example, Work and Pensions Committee Seventh Report 2006/07 Benefits Simplification, IPPR report, NAO report, etc

v Repeat Jobseekers Allowance Spells DWP research report No.394, DWP Carpenter H, 2006

vi Jobcentre Plus: Delivering effective services through Personal Advisers, Fifty-sixth Report of Sessions 2006-07, House of Commons Committee of Public Accounts, 2007

vii Hard Working Families: Caring for two or more disabled children, G. Preston, Disability Alliance, 2005

viii Ibid

ix Long-term ill health, poverty and ethnicity, Sarah Salway et al, Joseph Rowntree Foundation, 2007