Summary

This inquiry is a welcome and timely intervention into the discussion surrounding the substantial difference between the employment rates for disabled people and the wider population. The Government has made an ambitious commitment to halve this disability employment gap, which stands at 34 per cent\(^1\).

The gap has hovered at approximately this level for more than 10 years\(^2\), indicating interventions to tackle unemployment have not been successful for disabled people.

Essential to reaching this target will be a new approach to support for disabled people both in and out of work, placing their experiences in overcoming barriers to entering and sustaining work at the heart of new policy proposals. This should be informed by a consistent reporting process breaking down progress by condition or impairment and by region. The goal is ambitious, but achievable with the right approach.

Recommendations

1. Steps required to halve the disability employment gap

- The Department for Work and Pensions (DWP) should develop a national strategy for supporting disabled people to enter and sustain employment within Jobcentre Plus

- Jobcentre Plus District Managers should guarantee a level of specialist personalised employment support to disabled people in and out of work

- The DWP should equip Access to Work service teams to meet increased demand as more disabled people move into employment, as well as promote this service more widely

- The DWP should publish data on those supported through the scheme by type of employment, employer size and condition or impairment to identify new growth areas for Access to Work

- The DWP should develop a consistent annual report on progress towards halving the disability employment gap, taking into account progress within

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\(^1\) Scope analysis of the Office for National Statistics (February 2016) Labour Force Survey Table A08

\(^2\) Ibid.
specific impairment groups and across different regions

2. Support for employers

- The Department for Work and Pensions should conduct a full evaluation of the Disability Confident campaign
- The Department for Work and Pensions should develop a longer term plan for supporting employers using insights from evaluations of Disability Confident and the Two Ticks scheme
- The Government should explore the options for introducing legislation allowing disabled people to take “adjustment leave”. Formalising modified hours on a temporary basis will offer financial support to disabled people experiencing changes in their health while preventing them falling out of the labour market
- The Equality and Human Rights Commission should develop a Code of Practice for workplace adjustments including information on different types of workplace adjustment as well as the underlying principle of the law

3. Effective employment support for disabled people

- Employment support through the Work and Health Programme should be specialist, voluntary and integrated with wider public services
- Government should use a similar approach to the Youth Contact to incentivise local areas to support disabled people in to work. Future devolution deals should include this at the planning stage.
- Access to the Work and Health programme should be established through a “Distance from Work” Assessment, embedded in the real work experiences of disabled people, which considers social, environmental and other non-medical barriers to work and evidence from a wider range of professionals.
- Work and Health Programme providers should be paid on achieving “progress towards work” outcomes and should not be required to report on the ratio of referrals to job outcomes

4. Likely effects of proposed ESA reform

- The DWP should mitigate the impact of the reduction in ESA WRAG by targeting new programmes, the flexible support fund and budgeting and digital skills training to those affected by the change.
About Scope

Scope is a UK wide, pan-disability charity. Scope exists to make this country a place where disabled people have the same opportunities as everyone else. Until then, we’ll be here. We provide support, information and advice to more than a quarter of a million disabled people and their families every year. We raise awareness of the issues that matter.

Introduction

1 The disability employment gap – the difference between the employment rates of disabled and non-disabled people – currently stands at 34 per cent\(^3\). It has hovered at around this level for more than 10 years\(^4\), unresponsive to fluctuations in the wider economy, indicating that it is clearly linked with structural barriers disabled people must overcome to enter and sustain employment.

2 Not every disabled person should be expected to work, and everyone’s contribution to society should be recognised regardless of whether they are working or not. However, employment is an important aspect of living independently for many disabled people. Too many disabled people are not able to access the support they need to enter and stay in work. They experience barriers to entering fulfilling employment, and negative attitudes from their employers and co-workers.

3 This submission outlines a range of specific and actionable recommendations responding to the questions raised by the Committee and relating to the current landscape of employment support for disabled people. Scope has developed more comprehensive recommendations for halving the disability employment gap, outlined in full in our report “Our report “A million futures: halving the disability employment gap”\(^5\). We recommend that the Committee review this report in addition to this submission.

4 Since publishing this report, Scope has worked with politicians across the political spectrum to emphasise the need for change. Through a joint project with Landman Economics\(^6\), we highlighted the positive impacts reducing the disability employment gap would have to the wider UK economy:

- A 5 point percentage rise in the employment rate for working age disabled people would:
  - Reduce relative poverty among disabled people by 3 per cent
  - Increase GDP by £23 million
  - Gain £6 billion for the exchequer

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\(^3\) Scope analysis of the Office for National Statistics (February 2016) Labour Force Survey Table A08
\(^4\) Ibid.
\(^5\) Scope (2014) A million futures: halving the disability employment gap
\(^6\) Scope (2015) Enabling work: disabled people, employment and the UK economy
Last year, this Government made a welcome manifesto commitment to halve the disability employment gap. This has since been reiterated by Rt Hon Stephen Crabb MP, Secretary of State for Work and Pensions.

Through welfare reform, the ways disabled people access and engage with out of work support has changed significantly over recent years. In 2017, current employment support programmes will be replaced by a Work and Health Programme, targeting disabled people and those with long term health conditions. The Government has announced that this year it will publish a White Paper on disability, health and employment, setting out proposals to halve the gap. Additionally, a recent wave of devolution deals and the decentralisation of public services will impact on how interventions to tackle disability employment are planned. Amid this range of changes, the committee’s decision to launch this inquiry is welcome and timely, marking an opportunity to take stock of changes made and gauge what further interventions are needed.

This submission is divided into four sections which correspond to areas of interest specified by the committee:

- Section 1: Steps required to halve the disability employment gap
- Section 2: Support for employers
- Section 3: Effective employment support for disabled people
- Section 4: Likely effects of proposed ESA reform
Section 1: Steps required to halve the disability employment gap

Committee question 1: To what extent are the current range of proposed measures likely to achieve the Government's ambition of closing the disability employment gap?

7 This section assesses services and schemes proposed by Government to support disabled people to enter and sustain work, including support within Jobcentres, employment support programmes and the Access to Work scheme.

8 The current range of measures to support disabled people in to work will not be sufficient to halve the disability employment gap. However, the new Work and Health programme and the upcoming White Paper on disability, health and employment present opportunities to reform the employment support system with a renewed focus on disabled people.

Jobcentre Plus

9 Disabled people face multiple barriers to entering and sustaining employment and it is essential that they are able to access specialist support to overcome them within their local jobcentre. At present, specialist support delivered by Disability Employment Advisers (DEAs) within Jobcentres is limited in availability and eligibility, and is not adequately meeting disabled people’s needs:

- Disability Employment Advisers are declining to support employed disabled people or those who are not claiming out of work benefits, despite this being part of their role.\(^7\)
- DEAs are overly focussed on supporting individuals to find entry level roles
- The number of Disability Employment Advisers has fallen sharply.\(^8\)
- Under Universal Credit, support provision from Work Coaches will be generic

10 DWP should address this by developing a national strategy for supporting disabled people within Jobcentres. This should include access to specialist support from advisers with expertise in the barriers to work that disabled people face and a commitment to offer support to working disabled people.

11 Rather than delivering ‘one size fits all’ services, the DWP should use insights from personalisation in health and social care and explore the potential of this model within employment support.

\(^7\) Although all disabled people should be able to access support from DEAs, Scope’s helpline has received numerous reports from disabled people and their employers that DEAs have not supported them on the basis that eligibility is limited to disabled people receiving income replacement benefits, despite the fact that this is incorrect.

\(^8\) Though their last review in 2014, the Work and Pensions Committee reported concerns over the low ratio of DEAs to ESA claimants (1:600), and recommended the Government improve the level of support available to disabled people within Jobcentre Plus.

http://www.publications.parliament.uk/pa/cm201314/cmworpen/479/479.pdf
Recommendation 1: The DWP should develop a national strategy for supporting disabled people to enter and sustain employment within Jobcentre Plus

Recommendation 2: Jobcentre Plus District Managers should guarantee a level of specialist personalised employment support within each of their branches available to disabled people in and out of work.

This could involve dedicated staff holding needs-specific caseloads, or offering a surgery approach, where a number of specialist staff hold drop-in sessions for disabled people during specified time periods.

Employment support programmes

12 National employment support programmes have had a limited impact on supporting disabled people to find and sustain work.

- The Work Programme has not been successful at supporting disabled people to find and sustain work. Only 8.7 per cent of new Employment Support Allowance (ESA) claimants and 4.3 per cent of other ESA/Incacity Benefit claimants have had a job outcome after a year on the programme. This is because it is a generic support programme, and does not have the resources or expertise to support people who face multiple barriers to employment.

- By contrast, the specialist Work Choice programme has seen a higher success rate, but has been limited in reach. People referred to the programme between April-September 2014 had a job start rate of 52.3 per cent by March 2015. However, the programme has seen just 86,000 starts since 2010. Among these, referrals have been poorly targeted towards Jobseekers Allowance claimants, with just 17 per cent of referred customers being ESA recipients.

13 Our principles for the new Work and Health programme are outlined in detail in section 3 of this submission. It is important to note however that these are underpinned by an understanding that targeting referrals towards disabled people and widening access will be essential to avoiding problems experienced with current programmes outlined above.

Access to Work

14 Through identifying disabled employees’ needs within the workplace and resourcing support to respond to them, this scheme provides invaluable support to stay in work. Access Work has proven to be successful in enabling disabled people to stay in work. For example, the Mental Health Service has a retention rate of 92 per cent. In covering additional costs and supporting disabled people

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to sustain employment, the scheme serves to reduce some of the risk that employers may perceive to be associated with recruiting a disabled person.

15 In recognising the value of this scheme, the Government made a welcome commitment\(^\text{13}\) to support an additional 25,000 people by 2020 and to trial personal budgets within the scheme. However, many disabled people are unaware that Access to Work exists. Scope’s 2013 Living Standards Survey found that out of a total of 738 disabled adults, 49 per cent either had not heard of the scheme or were unsure whether or not they had heard of it. The DWP should promote the scheme widely among potential claimants and employers.

16 With the introduction of a cap on awards, some people who would have benefitted from the scheme will not. From 2018, those who receive awards exceeding the cap level stand to lose this support. This decision is contrary to the idea at the core of the scheme and of the Government’s work in aiming to halve the gap – supporting disabled people who want to work to do so.

17 Access to Work is an investment in the UK labour force with the potential to make a significant contribution to wider work to halve the disability employment gap. For this potential to be realised, the DWP should ensure the scheme is widely promoted, awards are monitored to identify new areas of growth and the scheme is resourced to meet changes in need.

Recommendation 3: The DWP should equip Access to Work service teams to meet increased demand as more disabled people move into employment, as well as promote this service more widely

Recommendation 4: The DWP should publish data on those supported through the scheme by type of employment, employer size and condition or impairment to identify new growth areas for Access to Work


\(^\text{13}\) (2016) “Access to Work scheme for people with disabilities”, House of Commons Library
Committee question 2: Should the Government set interim targets along the way to meet the commitment to halve the disability employment gap? What should they be?

18 During the Welfare Reform and Work Bill, Lord Freud made a welcome “no ifs, no buts” commitment to include reporting on progress to halve the disability employment gap in the new Annual Report on Full Employment\textsuperscript{14}.

19 As demonstrated in our response to question 1, it is clear that current interventions have not been successful at supporting disabled people in to work. This requires trialling new models of support for disabled people and their employers. In this context, monitoring progress towards halving the gap on an incremental basis is key to ensure interventions are achieving their intended impact and to identify areas of ongoing need through a ‘test and learn’ approach. Regular, consistent reporting will allow the Government to be agile in tackling the gap, changing tack to meet changes in need.

20 The importance of reporting

Annual reporting on progress in reducing the disability employment gap is essential for the following reasons:

- **Ownership**: Introducing a reporting duty on the gap will ensure that government departments take ownership of this goal

- **Transparency**: It will allow disabled people, parliament and wider organisations to hold government to account against its commitment

- **Information**: Introducing a range of measures will give departments intelligence regarding the impact of different approaches or interventions, enabling a ‘test and learn’ approach

21 Proposed targets

- **Timeframes**

  The Government should specify an overall deadline for their goal of halving the disability employment gap, and break this down specifying expectations for reaching different milestones. This will facilitate measuring progress over time.

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http://www.publications.parliament.uk/pa/ld201516/ldhansrd/text/160125-0001.htm#1601253000885
• **Extent**

The gap is known to be wider for some disabled people, including people with a learning disability\(^{15}\) and people who have autism\(^{16}\). Reporting progress towards halving the disability employment gap should be broken down by condition or impairment as well as other factors indicating hard to reach groups. This will ensure the needs of those who face multiple barriers to entering and sustaining work are taken in to account through an inclusive approach.

• **Geography**

The disability employment gap varies across the country. In Liverpool it is much higher than the national average at 47 per cent, while in West Suffolk it is significantly narrower at 17.1 per cent\(^ {17}\).

Breaking down progress measures by Local Enterprise Partnership (LEP) area will allow Government to gain the fullest possible understanding of progress and measure impacts of devolution on employment support.

• **Sustained employment**

In recognition of the need to secure lasting, quality employment, employment support programmes and Jobcentre Plus are being assessed on their ability to secure ‘sustained job outcomes’ – usually employment lasting longer than 13 weeks. This should be reflected in reporting on the disability employment gap, to ensure a long term approach is taken.

**Recommendation 5:** The DWP should develop a consistent annual report on progress towards halving the disability employment gap, taking in to account progress within specific impairment groups and across different regions and allowing for a ‘test and learn’ approach.

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\(^{15}\) 1 in 10 people with a learning disability known to social services are currently in paid work
https://www.mencap.org.uk/get-involved/campaigns/what-we-campaign-about/employment-and-training

\(^{16}\) 15% of people with autism are in full time employment, despite the fact that 79% of people with autism on out of work benefits want to work
http://www.autism.org.uk/professionals/employers.aspx

Section 2: Support for employers

Committee question 3: How effective is the Disability Confident campaign in reducing barriers to employment and educating employers?

22 Findings from the Office for National Statistics Life Opportunities Survey indicate the importance of engaging with employers: Over one year, almost a quarter of a million disabled people were treated unfairly by an employer. However, while employer attitudes certainly mark a veritable barrier for disabled people looking to enter and sustain work, raising awareness about disability alone will not be sufficient to change workplace practices.

23 Given that no evaluation or statistical analysis has been published, the impact of the Disability Confident campaign to date is not yet clear. Case studies detailing examples of partner employers recruiting and supporting disabled people do not explain how affiliation to the campaign inspired take-up of these good practices.

Recommendation 6: The Department for Work and Pensions should conduct a full evaluation of the Disability Confident campaign.

This could consider the record of participating employers in retaining and recruiting disabled staff since signing up to the scheme as well as perceptions of the scheme among disabled people, particularly identifying whether they are more likely to apply for roles with Disability Confident employers.

24 Prior to Disability Confident, the Department for Work and Pensions (DWP) engaged with employers through the “Two Ticks” scheme which asked employers to demonstrate they were “positive about disabled people” by meeting commitments beyond their requirements under the Equality Act (2010). This was considered to have had a limited impact, with employers not valuing the business case behind the scheme and insufficient independent monitoring meaning that affiliate organisations were not held to account against the scheme’s five commitments.

25 Essential to halving the disability employment gap is engaging with employers which may not have otherwise recruited disabled people, or which may not have offered sufficient support to prevent an employee from falling out of work due to changes in their health. This is particularly pertinent for Small and Medium Enterprises (SMEs) which may not have the Human Resources expertise or Diversity and Inclusion leads often found in larger organisations.

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18 Office for National Statistics (2012) Life Opportunities Survey
20 Hoque, K, Bacon, N & Parr D (2014) “Employer disability practice in Britain: assessing the impact of the Positive About Disabled People ‘Two Ticks’ symbol” Work, employment and society Vol. 28(3) 430 – 451
Recommendation 7: The Department for Work and Pensions should develop a longer term plan for supporting employers using insights from evaluations of Disability Confident and the Two Ticks scheme.

Committee question 4: What more could be done to support employers?

26 Significant numbers of disabled people have worked at some point in their lives, and some statistics suggest that in recent years more disabled people have left the workplace than have moved into it. This indicates that retaining disabled people in the workforce should be a core component of work to halve the disability employment gap. Without a meaningful focus on sustained work, there is a real risk that employment support initiatives generate a “revolving door” effect with disabled people moving in to work for limited periods of time.

27 The Government should facilitate this by supporting employers to develop inclusive and flexible workplaces. Employers should be aware of their responsibilities in offering workplace adjustments to disabled people, and of resources and advice available to them to support disabled employees.

28 Failure to implement reasonable adjustments can lead to disabled people falling out of the labour market unnecessarily. Only 42 per cent of Employment and Support Allowance (ESA) claimants who had been in work in 2014 were offered a reasonable adjustment by their employer before leaving work.

29 Under Section 39 of the Equality Act 2010, employers have a duty to implement reasonable adjustments for disabled people. While most employers understand this legal obligation - 96 per cent of employers have a workplace adjustment procedure in place - the Lords Committee on the Equality Act and Disabled People found that these were rarely being implemented, noting that “even where there was awareness, understanding was often poor.”

30 The importance of flexible working can be seen by the fact that 32 per cent of ESA claimants who had been employed in the last year said they would have been able to stay in work if they had been offered a reduction in their overall workload.

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21 According to Scope analysis of 2012/13 Labour Force survey: 91% of disabled people had worked in the past and in that year 429,000 disabled people had left work but only 207,000 had moved into work. Up to date analysis not available at the time of writing, and changes to the Labour Force survey may make it difficult to provide a clear comparison with the current position.


A further quarter said that a reduction in hours would have prevented them from leaving the labour market.²⁶

31 The lack of flexibility within sick leave is also problematic for employers, who lose the productivity, networks and considerable experience that disabled employees bring. Government also lose out, both in having to cover the costs of statutory sick pay and unemployment benefits.

32 Given the importance of access to flexible working in enabling many disabled people to stay in work, legislation complimenting the Equality Act 2010 should set out further rights for disabled people in this area. In particular, Scope proposes a new form of flexible working and part-time sickness absence which is “adjustment leave”. Under “adjustment leave” a disabled person could respond to a fluctuation in their condition or change in circumstance by temporarily working a reduced number of hours while supported by accruing sickness benefits on a part-time basis corresponding to the reduction, and with rights to return to their previous number of hours in the future. Many employers do currently allow modified hours. However, explicit provision within legislation, and support through the social security system would strongly articulate this as a legal right and entitlement. It would create certainty and confidence about what arrangements could be provided both for disabled people and their employers.

**Recommendation 8:** The Government should explore the options for introducing legislation allowing disabled people to take “adjustment leave”.

Formalising modified hours on a temporary basis will offer financial support to disabled people experiencing changes in their health while preventing them falling out of the labour market.

33 We fully endorse the Lords Committee’s recommendation that “the Equality and Human Rights Commission should prepare a specific Code of Practice on reasonable adjustments to supplement the existing Equality Act Codes” as well as “industry-specific guidance on reasonable adjustment”²⁷. This would provide a useful resource to employers, and put employees in a stronger position to negotiate for greater flexibility at work.

**Recommendation 9:** The Equality and Human Rights Commission should develop and promote a Code of Practice for workplace adjustments including information on different types of workplace adjustment as well as the underlying principle of the law.

34 This should include information on good practice beyond what is prescribed under the Equality Act 2010, and support available through Access to Work.

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²⁶ Ibid.
It should be widely publicised through employers’ member organisations, such as CIPD, and through key Government platforms such as the HMRC website.

Section 3: Effective employment support for disabled people

Committee question 5: What should support for people with health conditions and disabilities in the proposed Work and Health programme look like?

35 This section considers how the new Work and Health programme can best support disabled people to overcome barriers to entering and sustaining employment. It outlines key principles for design of the programme, implications of devolution on programme development and sets out principles for an assessment which could serve as a gateway to support for the new programme.

The Work and Health programme

Participation should be voluntary

36 Work Choice saw comparatively favourable outcomes in engaging disabled people in relation to the Work Programme because participation in the programme was voluntary, not mandated.

37 Research indicates that benefit sanctions may raise benefit exits in the short term, but lead to unfavourable longer term outcomes in earnings, job quality and employment retention. Scope recommends that the Government continues to offer employment support on a voluntary basis for disabled jobseekers.

The programme should provide specialist employment support for all disabled people

38 While Work Choice does offer specialist support for disabled people, it is small in scale, with a limit on the number of referrals. Scope recommends that the new Work and Health Programme is specifically targeted toward disabled people and has capacity to support substantially greater numbers than Work Choice.

Disabled people should be offered longer-term support through the programme

39 Disabled people are out of work for longer periods, and face multiple barriers in accessing work. To realise the full range of benefits available through the new programme, participants should be able to engage with the programme for longer than the 6 months currently offered through Work Choice.

40 Scope recommends that the new programme offers medium – long term employment support, consistent with the two year duration of support currently available through the work programme.

Explore the potential of integration with local services to maximise outcomes for disabled people with the most complex support needs.

41 We welcome the Government’s decision to integrate health and employment support through this new programme. This demonstrates recognition that for disabled people, managing a condition can present a barrier into work. Beyond support geared around health and wellbeing, many disabled people with more complex needs will also require input from a range of other services including social care and housing to enter and stay in work.

42 However, the Government should avoid introducing any form of employment-related conditionality to non-employment services, which must remain universally accessible.

Introduce personal budgets to enable disabled people to choose between providers

43 As a long term champion of personalised employment support, Scope welcomes the DWP’s launch of the Personalisation Pathfinder trial programme. Learning gleaned from the early stages of this pilot project should be built into the design of the Work and Health Programme.

44 Scope believes that personalised employment support could evolve beyond the holistic assessments developed through this project to look at introducing personal employment budgets.

Recommendation 10: Employment support through the Work and Health Programme should be specialist, voluntary, innovatively funded to support specialist providers and integrated with wider public services.

The devolution agenda

45 The trend towards greater decentralisation and devolution will increase the potential of local areas to influence opportunities to shape employment support. It is essential that central and local government seize this opportunity to drive inclusive regional growth.

46 In the last Parliament, the Government set a precedent for using regional strategies to tackle unemployment among people who face barriers to finding work with the £50 million ‘youth contract for cities’, which aimed to incentivise cities to support up to 25,000 young people into work.29

Recommendation 11: Government should use a similar approach to the Youth Contact to incentivise local areas to support disabled people into work. Future devolution deals should include this at the planning stage.

A distance from work assessment

47 Transforming the Work Capability Assessment into a “passport to support” will maximise the impact of the range of support available to disabled people, including the new Work and Health programme. This should include the following reforms:

- **Co-designed assessment**: which accurately reflects barriers to getting and sustaining work
- **Take a person centred approach**: Disabled people leading their own assessment of work-readiness.
- **Distance from work approach**: identifying barriers and determining the support and resources needed to overcome them
- **Long-term focus to sustain work**: disabled people may require support even after finding a job to support them to stay in work
- **Signposting to other support**: where it is clear that a claimant’s journey to work would benefit from other types of support e.g. housing, social care, childcare.
- **Use specialist, independent assessors**: assessors should have a specialist understanding of disabled people’s support needs.
- **Ensure assessment is accessible and flexible**: Assessment centres must be fully accessible. The location, method and timing of the assessment should take into account the disabled person’s needs and wishes

**Recommendation 12**: Access to the Work and Health programme should be established through a “Distance from Work” assessment, embedded in the real work experiences of disabled people, which considers social, environmental and other non-medical barriers to work and evidence from a wider range of professionals.
Committee question 6: How should providers be incentivised to succeed?

Smaller and specialist support providers should be incentivised to deliver services through payment structures that facilitate managing risk

48 Specialist providers, particularly Disabled People’s Organisations, have the expertise to respond directly to specific barriers to work that disabled people experience, and may be better placed to informally link up public services at a local level than national prime providers.

49 To incentivise engagement from these smaller providers, Scope recommends using a hybrid payment structure similar to the model used for Work Choice, using a combination of block payments and payments made on achieving contractual outcomes. This allows smaller organisations who do not have substantial cash flow or reserves to absorb financial risks and take innovative approaches.

Design a monitoring framework to incentivise providers to support those furthest from the labour market

50 Limiting performance measurement to achieving job outcomes can deter providers from supporting people furthest from work, resulting in participants with a greater chance of sustaining a job outcome being prioritised over others.

51 Key to ensuring service performance meets disabled peoples’ needs is developing a clear common understanding of what “success” looks like in the context of the barriers to work an individual is facing, and within the wider context of work towards halving the disability employment gap. The Department for Work and Pensions should develop a funding mechanism which rewards providers who support disabled people to move closer to work. This could include; participating in work experience or a work trial, voluntary work or overcoming a barrier specific to their impairment or condition.

52 Job outcomes should not be attached to the number of hours worked. Instead, a more nuanced set of outcomes should be developed to balance the importance of offering flexible working hours and ensuring disabled people are able to access opportunities for high quality, well-paid work.

Recommendation 13: Payment structures for the Work and Health programme should be designed to reward ‘progress towards work’ outcomes to encourage specialist employment support providers to support people facing multiple barriers to finding work.
Section 4: Likely effects of proposed ESA reform

Committee question 7: What are the likely impacts on disability employment of the abolition of the Employment and Support Allowance Work Related Activity component?

53 Scope consistently opposed the proposal to reduce support for this group of disabled people during the passage of the Welfare Reform and Work Act.

54 Reducing the financial support available through the Work Related Activity Group (WRAG) and its equivalent under Universal Credit will create a bigger distinction between this and the ESA Support Group, creating a greater incentive for claimants to be placed in the Support Group\(^\text{30}\), further away from the workplace.

55 An independent review conducted by peers found the proposed reduction would have a negative impact on affected disabled people’s health and ability to return to work. It found people in ESA WRAG would have difficulty affording steps towards work including training, work experience and volunteering\(^\text{31}\).

Committee question 8: What evidence is there that it will promote positive behavioural change? What evidence is there that it will have unintended consequences, and how could these be mitigated?

Evidence

56 The Impact Assessment for the legislation through which this change has been made (The Welfare Reform and Work Act 2016) contains no evidence showing that reducing support to disabled people in the ESA WRAG will incentivise them to find work\(^\text{32}\).

57 At Committee Stage of the Act, Lord Patel set out a 2011 Sheffield Hallam University study showing that reducing benefits for those unable to work due to illness, or recovering, does not return more people to work\(^\text{33}\).

58 Disability unemployment is a unique issue, as evidenced by the employment gap itself and by the length of time the gap has been stagnant. It is essential that it is considered as such and that future decisions in this area are made on the basis of strong evidence drawn from disabled people’s experiences.

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30 DWP Tabulation Tool - ESA http://tabulation-tool.dwp.gov.uk/100pc/esa/tabtool_esa.html
33 Lords Committee Stage debate on Welfare Reform and Work Bill, 9 December 2015: www.publications.parliament.uk/pa/lld201516/ldhansrd/text/151209-0001.htm#1512095400137
Given the lack of evidence to support this reduction in support, DWP should plan to invest in specialist support for this group to overcome the barriers to finding work, including personalised support as outlined in section 1 and support to improve employer practices as outlined in section 3.

Potential consequences of the reduction in support:

Disabled people are less financially resilient than non-disabled people. They are more likely to be in debt, with households containing a disabled person twice (16 per cent) as likely as households without a disabled member\(^{34}\) (8 per cent) to have unsecured debt totalling more than half their household income and have an average of £108,000 fewer savings and assets than non-disabled people\(^{35}\).

Mitigating risks associated with the reduction in ESA:

The DWP should take the opportunities presented by new funding sources and the upcoming White Paper to:

- Direct some new sources of support being developed by the joint work and health taskforce to those who would be affected by the change to the WRAG
- Target the additional £15 million available through the Flexible Support Fund as a concession to those in the WRAG and promote among Jobcentre Plus
- Signpost to advice on budgeting/debt management digital skills where this isn’t already assessable through UC

Recommendation 14: The DWP should mitigate the impact of the reduction in ESA WRAG by targeting new programmes, the flexible support fund and budgeting and digital skills training to those affected by the change.

May 2016

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\(^{35}\) McKnight A. (2014). Disabled people's financial histories: uncovering the disability wealth penalty, CASE paper 18.1