Written evidence from the Joseph Rowntree Foundation (DEG0085)

Introduction

Whilst overall employment rates are rising over time – and only a small minority of disabled people have never worked - the disability employment gap between disabled and non-disabled people remains. In addition, those who are in work disproportionately do so part-time, are on low pay, in less senior roles, vulnerable to unplanned exit, and rapid distancing from the labour market.

The Government target of halving the disability employment gap is an ambitious one, and on top of a stated intent to reduce welfare spending and drive reform at pace, achieving this target will be demanding. Given the existing evidence base (in particular on recent welfare reform interventions), it is very unlikely to be achieved unless a more rounded approach is taken, one which takes into account the reality of the lives of disabled people and addresses employer attitudes, focuses on improving job retention, delivers personalised employment support, and utilises the full range of levers available locally and nationally.

There are three major ways to address the disability employment gap:

1. First, through improvements in employers’ recruitment, retention and progression policies and practices, and the principles underpinning them, and;

2. Second, through reforms to the welfare system and employment support services so that disabled people who can work are well supported into appropriate and sustainable work, with higher levels of personalised support as required.

3. Third, through using the full range of levers that are available locally and nationally to improve the life chances of disabled people and remove barriers.

Whilst this submission is focused on halving the disability employment gap it is important to convey the message from disabled people who were consulted as part of a JRF funded review into disability, long-term conditions and poverty. They stressed that work is not always the solution; that it is important to remember the diversity of disability; and that it may be necessary to change the current public debate.

How employers can help narrow the disability employment gap with the Government’s support

Working with employers to make adjustments to enable disabled people and people with health conditions to take up work and/or remain in work is essential. The Evidence Based Review of the Work Capability Assessment outcomes found 83% of claimants deemed fit for work would need on average two or three adjustments to
be able to return to work, with 50% needing flexible working hours and 24% needing a support worker

The Disability Confident campaign provides useful guidance to employers but given the scale of the employment gap, then the following approaches might be considered or strengthened:

- Supporting Disability Confident partners (especially disabled people’s organisations and professional associations like CIPD and CIPR) to provide advice and support to employers, in particular:
  - to prevent loss of employment following onset of a disability or health condition as half of new claims for ESA are from people leaving work;
  - to change workplace cultures and use adaptations and other approaches such as flexible working and job redesign;
  - to consider approaches to in-work progression, as well as retention, entry and sustaining work;
  - to adopt approaches that focus on people’s assets and capabilities, and;
  - to increase employers’ understanding of disability, the benefits of employing or retaining disabled people, and the role they can play as employers in improving the life chances of disabled people.

- Increasing take-up of Access to Work through improving awareness, and the service quality, accessibility and administration of the Access to Work fund – as this is an essential source of practical and financial support for employers who want to improve their practice.

**Strengthening messages around flexibility**

Employers have been required to make reasonable adjustments since the 1995 Disability Discrimination Act. Research has found that those who have not made any adjustments fear the costs will be high; while those who continue to make reasonable adjustments have found wider benefits to their workforce and customers to the extent that costs are not considered such an issue.

The most common form of reasonable adjustment (requested and made) is modified/flexible working hours. In the Office for Disability Issues’ Life Opportunities Survey study, almost half of employed disabled people said modified hours, modified duties, or other adjustments have helped them to stay in work, and about 60% of those not currently in work thought such changes would help them. The value of flexibility is noted as enabling many disabled people, including people with fluctuating health conditions, to have more control of the way they work or the timing of their work thereby enabling people to sustain employment.
Accommodating workplaces and work-focused healthcare provision

Research also points to the value of accommodating workplaces and effective work-focused healthcare provision. The extent to which employers are making such adjustments is not as high as will be needed to halve the disability employment gap. One study found that only 1/3 of employers had taken at least one action in the last 12 months to keep employees with health conditions in work or facilitate their return to work (67% had not) – with those doing so most commonly large organisations, public sector and trade unionised employers. A continued and sustained push for employers to take action is needed.

A stark reminder of the significant negative impact of the lack of workplace provision or adaptation was shown in the study by Black and Frost (2011) in which they found that about 300,000 people leave work each year due to health related reasons, of whom nearly half do so without having a period of sick leave first, meaning they have no support to get back into work and no attachment to an employer. There is clearly a need for the wider population of employers to be given practical advice and support on this issue.

Employers have an essential role to play. Many disabled people simply face limited opportunities to access or progress in work. There remains a common perception that employing disabled people involves extra costs, and a limit to reasonable adjustments. Stronger actions may be necessary to bring about the cultural and practical changes required, including regulation and incentives.

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The social security system’s role in narrowing the disability employment gap

A twenty-first century social security system must be able to respond to the UK’s highly flexible labour market by making sure work pays through the creation of strong work incentives, topping up income where needed, while at the same time assisting people with the extra costs associated with disability or a long-term health condition, and ensuring that disabled people who are unable to work receive adequate support and are treated with dignity and respect.

A review of disability and poverty commissioned by JRF found that poverty among disability people is consistently underestimated – in part this reflects inadequacy of household income and benefit payments compared to the additional costs of disability; and in part this reflects the extent of the UK’s disability employment gap – with disabled people less likely to be working and more likely to be low paid.
The evidence review identified the value (also noted above) of early intervention including better workplace practices and responsive health systems, and employer policies and practice. Additionally it identified the need for:

- Specialist programmes that can help people return-to-work when they include personalisation rather than sharp targets. Intensive in-work support along with employer subsidies can make a positive difference.
- Changes to the benefits system so that the system doesn’t stop people from being able to work. This includes flexible, portable benefits that allow people to move to areas where there are more (and more suitable) jobs.

Social security provision for disabled people has seen significant changes in recent years. Most recently this has been done with the stated aim of reducing spending, and incentivising people who can work to do so.

The increase in use, severity and duration of sanctions for some Employment and Support Allowance (ESA) claimants has attracted criticism, alongside the perceived capability of ATOS and Maximus staff in delivering assessments fairly and accurately and of Jobcentre Plus staff. Recent research funded by JRF into the causes, scale, trends and experience of destitution in the UK identified a number of triggers pushing people in poverty into destitution. This included benefit delays and sanctions (including delays around decisions for PIP or DLA, delays in work capability assessment, sanctions of people in the ESA group).

From April 2017, the rate at which ESA for people in the WRAG is paid will be reduced to provide disabled people with an ‘incentive’ for them to return to work. There are significant concerns that this change - combined with changes to other benefits - will have a particularly adverse impact on many disabled people.

Under Personal Independence Payment (PIP), the criteria for this assessment has changed considerably meaning that many people are now being assessed in the lower categories of severity and thus ineligible for the benefit. This has had the impact of people in receipt of DLA, both losing their entitlement to DLA/PIP and also to other provisions/support which had previously enabled people to remain in work.

The key test is whether recent reforms succeed in supporting disabled people into appropriate and sustainable work that pays and providing adequate support for people who cannot work. If the reforms result in people moving into insecure, poorly paid work, this risks exacerbating many disabled people’s circumstances and health and reducing the employment gap without also addressing unacceptably high levels of poverty among disabled people.

- Reorienting the welfare system to support people into sustainable, quality jobs, and providing a personalised employment support service that supports people to move into, sustain and progress in work.
• Making use of local levers to drive change such as the use of public procurement to create jobs for those furthest away from the labour market.

Reforms to the social security system

We believe there is a strong case for a fundamental review of the social security system in relation to disabled people and people with long-term health conditions, and that such a review should involve disabled people as experts by experience.

Changes are needed so that the social security system provides support to help disabled people into work. Despite an intense policy focus on reforming disability benefit systems over recent decades, improvements in employment for disabled people have often failed to materialise, and poverty levels continue to be high among disabled people.

Most disabled people want to work. Currently the WCA is used to determine whether or not disabled people and people with health conditions are expected to look for work, make preparatory steps towards work, or are not expected to work at all. Benefit payments and conditionality are varied accordingly.

The WCA has been subject to sustained criticism from the Government’s Independent Reviewer as well as disabled people’s organisations and organisations supporting sick and disabled people. It has become a major source of stress for people undergoing the assessment, and the high rate of appeals and overturned decisions indicates a system that is failing. The Independent Reviewer has also questioned whether the assessors are adequately trained and whether a wide enough range of professionals are involved in the process.

We recommend that the Independent Reviewer’s recommendations are adopted in full, particularly in relation to the adequacy of training provided to assessors carrying out the WCA. If the WCA continues, the goal should be to move to an approach that incorporates a ‘real world’ and personalised assessment of types of work that reflect each individual’s capabilities, skills, experience and circumstances, developing a rounded picture of the individual, and assessing the employment support they may need to return to work, if work is possible.

The Work and Health Programme

JRF welcomes the government’s announcement of a new Work and Health Programme. Many disabled people and people with a long-term health condition want to work and – with important caveats about the quality of work – there is general acceptance that work is good for health and social participation.

Joining up employment support with condition management and occupational health services is crucial, but evaluation of the Work Programme finds advisers lack the skills and knowledge to be able to do this. Better outcomes will require more creative
experimentation with different types of support combined with more specialist advisers and a commitment to personalised support. Co-location and joint working between employment support specialists and clinical teams has been shown to work for some people. Evidence also shows how the role of a personal adviser in building motivation and confidence, access to work experience, intermediate labour markets, individual placement support and subsidised employment can all be effective; these are important lessons for the new Work and Health Programme.xiv

**Delivery of high quality, personalised, specialist programmes to help people get work and the introduction of supported employment programmes to help people stay in work**

High quality, personalised, specialist programmes can help people return to work when they include personalisation rather than sharp targets. A voluntary approach to pre-employment support, including a combination of work-focused interviews, ongoing support from experienced advisers and access to a range of employment-related support, is likely to be more effective xv.

The introduction of supported employment that combines intensive long-term in-work support and employer subsidies – in particular, the Individual Placement and Support model – appears to be effective in supporting people with severe mental health conditions into sustained employment. Disabled people should have access to specialist employment support to maintain their connection to work (in particular those at risk of leaving the workforce prematurely) and enhanced rights to take leave or have roles adjusted to accommodate changes in or fluctuations to their conditions.

Evidence (including the 2015 Scope report on ‘Enabling Work’) points towards a more personalised approach, along with work-based learning or experience, as being more effective in enabling disabled people to gain and retain work over the longer-term compared to more stringent interventions focussed on ‘incentivising’ or ‘activating’ (or sanctioning) disabled people. Much more needs to be done to improve the quality and outcomes of employment support programmes.

The nature of the UK’s labour market and long-standing structural inequalities mean that narrowing the employment gap will require concerted and combined effort over a sustained period of time.

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**A greater role for local governments**

Embrace the localism agenda to ensure disabled people are part of future plans for growth
Local areas could do more to use new and existing powers and funding streams to improve employment outcomes for disabled people, and find ways to mainstream this activity. The Northern Powerhouse agenda, the new Mayoralties in cities across the UK, and the devolution of powers across the four nations provide new opportunities to shape an agenda for inclusive growth – where economic growth improves the prospects of people and places, bringing benefits to people and places in poverty as well as to the wider locality.

There is scope to mainstream the challenge of narrowing the disability employment gap through integrating this into the planning and economic development policies of local authorities. For example, a number of local areas have used the development of major new employment sites as an opportunity to ensure newly created jobs benefit young unemployed people and the longer term unemployed in the local area. This approach could be adapted to place greater emphasis on increasing the employment rate of disabled people.

**Tackle unemployment through public procurement**

Since the introduction of the Social Value Act, those commissioning or buying public services can secure added economic, social or environmental benefits for their local area. This means the £242 billion spent by the UK public sector on procurement in 2013/14 could be put to work in reducing poverty.

JRF’s report ‘Tackling Poverty through Public Procurement’ published in 2014 found that there was significant scope to address poverty and get people working again using public procurement. We recommend that the Government use public procurement to create one job with training for every £1m in contract value spent on works and services, with the jobs targeted at those facing greater barriers to the labour market including disabled people and people with long-term health conditions.

Service providers (and potential service providers) can be supported to respond to this challenge through the provision of links to existing training and job-search providers in the local area, learning from the experience of delivering opportunities through the planning process. Providing this sort of support would minimise the impact on contract costs.

JRF estimates that if this model were applied to just half of the pipeline of UK Government capital spending it would create 64,000 entry level jobs with training a year. If applied half of all public sector procurement in 2013/14 it would have created 121,000 entry level jobs with training. JRF has developed a set of model clauses that can be used at each stage of the procurement process in order to make the delivery of jobs with training condition of contract while adhering to EU law.\(^\text{xvi}\) The model is already been piloted by local authorities across the UK in projects totalling £760m.\(^\text{xvii}\)
There is scope to consider how this – and the growing interest in the role of core cities, city-regions and regional powerhouses – can better be used to contribute to narrowing the disability employment gap and delivering a prosperous and poverty-free UK.

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About the Joseph Rowntree Foundation

The Joseph Rowntree Foundation is an endowed foundation funding a UK-wide research and development programme.

Since 2010, we have supported research into the nature, scale and scope of forced labour in the UK – a comprehensive collection of independent studies on forced labour, including research into business models and supply chains, specific industries and locations, and experiences of labour exploitation.

All research published by JRF, including publications in the references, is available to download from www.jrf.org.uk

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2 Morris, J., (2011) Rethinking Disability Policy, JRF
4 LOS Wave 1 2009-11 and LOS Wave 1 2009-11, Appendix Table 27 and EHRC 2010
5 Baumberg 2011
6 Waddell et al, 2009
7 Young and Bhaumik 2011
8 Black and Frost 2011
11 DWP SG survey
12 Harrington; Litchfield; charity reports.
13 Reform
15 Evaluations of New Deal for Disabled People and Pathways to Work