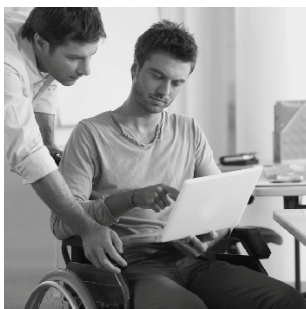


# RETHINKING DISABILITY AT WORK

Recommendations, polling data and key statistics

April 2017



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# About the Centre for Social Justice

Established in 2004, the Centre for Social Justice is an independent think-tank that studies the root causes of Britain's social problems and addresses them by recommending practical, workable policy interventions. The CSJ's vision is to give people in the UK who are experiencing the worst multiple disadvantages and injustice every possible opportunity to reach their full potential.

The majority of the CSJ's work is organised around five 'pathways to poverty', first identified in our ground breaking 2007 report *Breakthrough Britain*. These are: family breakdown; educational failure; economic dependency and worklessness; addiction to drugs and alcohol; and severe personal debt.

Since its inception, the CSJ has changed the landscape of our political discourse by putting social justice at the heart of British politics. This has led to a transformation in government thinking and policy. For instance, in March 2013, the CSJ report *It Happens Here* shone a light on the horrific reality of human trafficking and modern slavery in the UK. As a direct result of this report, the Government passed the Modern Slavery Act 2015, one of the first pieces of legislation in the world to address slavery and trafficking in the 21st century.

Our research is informed by expert working groups comprising prominent academics, practitioners and policy-makers. We also draw upon our CSJ Alliance, a unique group of charities, social enterprises and other grass-roots organisations that have a proven track-record of reversing social breakdown across the UK.

The 12 years since the CSJ was founded have brought it much success. But the social challenges facing Britain remain serious. In 2017 and beyond, we will continue to advance the cause of social justice so that more people can continue to fulfil their potential.

# With thanks to



The Rachel Charitable Trust provides grants for organisations who are providing social welfare activities, particularly in the relief of poverty.

# Members of the CSJ working group

**Vicky McDermott**  
**Papworth Trust (chair)**

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Vicky McDermott is CEO of Papworth Trust, which is the leading disability charity in the East of England. She took up her post with Papworth Trust in May 2014. She is responsible for leading an organisation of over 600 staff with a broad portfolio across accessible housing, social care, disability employment, day services and policy. She is also Chair of the Care and Support Alliance where she leads more than 90 charities in campaigning for improved adult social care across England.

Vicky joined Papworth Trust from the NHS Business Services Authority, where she led the transformation of the NHS pension scheme and advised Government ministers on a range of issues. Prior to working in healthcare, Vicky worked in the private sector for BT, where she was responsible for transformation and customer involvement. While at BT, she also managed the BT Volunteering programme for the North East of England. Vicky was born and raised in North Yorkshire but now lives in Northumberland.

**Ben Baumberg**  
**University of Kent**

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Ben is the Principal Investigator of the 'Rethinking Incapacity' project funded by the Economic and Social Research Council ([www.rethinkingincapacity.org/about-the-project](http://www.rethinkingincapacity.org/about-the-project)), and a Senior Lecturer and Co-Founder of the Q-Step centre at the University of Kent.

He has researched issues around disability, work and the benefits system for a decade, and is currently finalising a series of research papers on issues including benefits conditionality, disability assessment, public opinion, measuring the disability employment rate and effective policies (see [www.benbgeiger.co.uk](http://www.benbgeiger.co.uk)). He has also worked with groups ranging from disabled people's organisations to the Department of Work and Pensions, where he spent several months on secondment in 2015–16.

**Martin Davies**  
**United Response**

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Martin is Interim Director of Employment at United Response. Martin has been tasked with shaping and developing the national charity's specialist employment provision for people with learning disabilities. United Response supports 3,000 people through a wide range of supported living, outreach and employment services.

After a 20-year career in the construction industry, Martin spent a further 20 years in the employment support sector, where he has specialised in disability employment, with a particular passion for learning disabilities. As CEO of Pluss, Martin transformed the specialist disability employment service into a national provider. He also co-founded the British Association for Supported Employment (BASE).

**Annie Kohanek**  
**Shaw Trust**

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Annie leads on public policy at Shaw Trust, a national charity providing employment opportunities, skills development training and health and well-being services to disabled individuals across the UK. Shaw Trust also operates charitable social enterprises and retail shops, and works alongside Shaw Education Trust, which runs a diverse chain of academy schools.

Annie's policy expertise focuses on education and employment, as well as disability rights. She has conducted several evaluations of the Department of Work and Pensions' delivery of the Work Programme, with a view to informing the upcoming Work and Health Programme. She is passionate about social justice, having previously worked in homelessness and housing policy.

**Claire Maydew**  
**Marks and Spencer (M&S)**

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Claire is M&S's Diversity and Inclusion Manager. Since joining M&S in 2006, Claire has worked in various roles across sustainability and HR, leading employee and community engagement, employability for excluded groups, diversity and inclusion.

Recent programmes include Marks & Start Logistics (a programme supporting people with disabilities and health conditions into work) and Movement to Work (a collaboration of employers to tackle youth unemployment). Claire is now working across M&S to create an inclusive culture that embraces diversity in all its forms and at all levels.

**Kirsty McHugh**  
**Employment Related Services Association**

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Kirsty is CEO of the Employment Related Services Association (ERSA), the membership body for providers of employment support. She has held this role since 2010, over which time she has overseen a fivefold increase in members and a major expansion of services. ERSA campaigns for excellent employability provision, whether in schools, for young people or for the long term unemployed. ERSA operates across the UK, with dedicated networks in Scotland, Greater Manchester and London.

Prior to working at ERSA, Kirsty was Director of Regeneration and Partnerships at Business in the Community, where she oversaw the charity's pro bono and volunteering networks, as well as its national regeneration strategy. Kirsty currently sits on the Investment Committee of Impetus-Private Equity Foundation, is on the panel for the Big Lottery Fund's Building Opportunities fund and is a trustee of an international enterprise charity.

**Declan O'Mahony**  
**Motability**

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Declan took up his appointment as Director of Motability in January 2009, having joined Motability in 2003. He is responsible to the Board of Governors for the day-to-day management of this national charity, which directs and oversees the performance of the Motability Car and Powered Wheelchair and Scooter Schemes. The Motability Scheme currently leases vehicles to over 600,000 disabled people across the UK.

Declan has extensive experience of the motor industry having worked, in his earlier career, for General Motors Europe as Strategic Business Development Director as well as for Vauxhall Motors in the roles of Financial Controller, Marketing Director and Retail Strategies Director.

**James Scales**  
**Centre for Social Justice**

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James is the author of Rethinking Disability at Work. He joined the CSJ as a researcher and is currently head of the CSJ's Education Policy Unit. James is a qualified lawyer; prior to joining the CSJ, he practised at Dentons, an international law firm, where he specialised in employment law. He is committed to improving lives through social policy and has a particular interest in education and labour market policy.

His academic background blends law, economics and politics. He has a First Class degree from the University of Bath, and a Master's degree from the University of Cambridge, where he graduated with Distinction and won the course prize for the top performing student.

**George Selvanera**  
**Business Disability Forum**

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George is Director of Strategy and External Affairs at Business Disability Forum (BDF) and with a long career in management consulting in the UK and internationally, George also has his own business providing consultancy and advisory services. At BDF, George's recent work includes leading large-scale research projects; preparing guidance for business about more accessible products and services, as well as best practice in retaining employees with disabilities and health conditions; and securing disability-smart outcomes from work with third party suppliers.

With a passion for early intervention, George's voluntary roles have included chairing networks of children's centres and evaluating school-based strategies for improving the mental health and wellbeing of children and young people.

**Joe Shalam**  
**Centre for Social Justice**

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Joe joined the CSJ's policy team as a Research Assistant in 2016. He has contributed to several research projects at the CSJ, including this report and policy papers on education and employment. His policy interests reflect his goals to improve education opportunities for society's most disadvantaged, understand community breakdown and diversify the UK labour market.

Prior to joining the CSJ, Joe graduated from the University of Oxford with Distinction, having completed a Master's on parliamentary politics in the late eighteenth century. He completed his undergraduate degree at UCL.

**Lord Kevin Shinkwin**

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Kevin Shinkwin has been a member of the House of Lords since November 2015, following more than 20 years spent working in public affairs at different charities. These included Macmillan Cancer Relief, as it then was, Cancer Research UK and The Royal British Legion, where he worked closely with parliamentarians from all parties and from the Crossbenches.

A committed meritocrat, he is passionate about maximising opportunities for disabled people to compete, contribute and excel. He believes that only then will we challenge the enduring culture of low expectation. He is himself disabled and sits on the Conservative benches.

**Emma Stone**  
**Joseph Rowntree Foundation**

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Emma is the Director of Policy and Research at the Joseph Rowntree Foundation (JRF). JRF is an independent organisation working to inspire social change through research, policy and practice. In 2016, JRF published its comprehensive, all-ages, evidence-based strategy "We can solve poverty in the UK". JRF is building on this, working with private, public and voluntary sectors, individuals and communities to inspire debate and action, and to develop solutions.

Outside work, Emma is a Trustee of Y Care International which works with young people and the YMCA movement globally, creating opportunities through enterprise and employment.



# Chair's foreword

In most areas of society disabled people are significantly under-represented. One of the most acute areas of under-representation is the workplace, where the gap between the employment of disabled people and non-disabled people has remained static for a number of years.

This report seeks to explore the underlying issues behind this and suggests a number of ways to narrow the gap.

One of the key findings of the report is that the disability employment gap is partly driven by the large number of disabled people who fall out of employment. We explore why this is the case, with a focus on busting some of the myths and misconceptions surrounding the employment of disabled people.

We go on to look at how employers can be supported and encouraged to employ disabled people, highlighting the many benefits that disabled people bring to the workplace.

The report then analyses the relationship between out-of-work benefits and employment support, before exploring some of the challenges faced by people with learning disabilities and mental health, and the ways we can improve support for these individuals.

I would like to thank the members of the working group for their engagement, input and wisdom, which have informed this hugely relevant and insightful report. Special thanks to James Scales and his colleagues at the CSJ for many hours of work and a real passion in seeking to develop relevant and practical solutions to this very real social injustice.

**Vicky McDermott**

Papworth Trust

Chair of the working group

## chapter 1

# Introduction

We have the world's fifth largest economy and a robust, fluid labour market. We have one of the most nuanced and respected legal systems in the world. We have a proud history of progressive social reform and have led the world on inclusion.

And yet millions of disabled people in the UK are not able to enjoy the financial, health and emotional gains associated with employment. By letting this happen, we have undermined our economy and we have shredded the social fabric of our society.

It is time to change this. There is a compelling case for hiring disabled people and yet only 9 per cent of employers recognise this. The new apprenticeships levy will double the amount of funding available for apprenticeships and disabled people should share the spoils of this large investment. We spend almost £250 billion a year on public procurement but hardly any of the decisions made to spend this enormous budget actively encourage the recruitment of disabled individuals.

There is a fantastic support network for employers but it is not being used as much as it could. Access to Work is a world class support programme that covers the additional costs of hiring disabled people, yet only 25 per cent of employers know what it is. In Fit for Work, we have a national occupational health service – free at the point of delivery – and yet it was used just 9,000 times in 18 months. We need to unlock these schemes' full potential so that the 300,000 people who fall out of work each year for health reasons keep their jobs.

But we must also transform how we assess and provide employment support to those who are out of work. The current method is fundamentally flawed and a more sophisticated assessment would allow us to provide fluid, personal and effective employment support. We must also ensure that more people who would benefit from contracted-out support programmes can access them, and we can pay for this through the savings we make when people return to work.

We should make the most of local opportunities to integrate services and provide wrap-around support to deal with the many other challenges people face in their lives. And we need to tailor support programmes to specific impairment types, which vary considerably in their natures and the challenges they present.

This report provides ways of meeting all these challenges, and more, offering a clear blueprint for a more inclusive, productive and robust labour force – one in which everybody, no matter what health challenges they face, can achieve their full potential.



## chapter 2

# In work

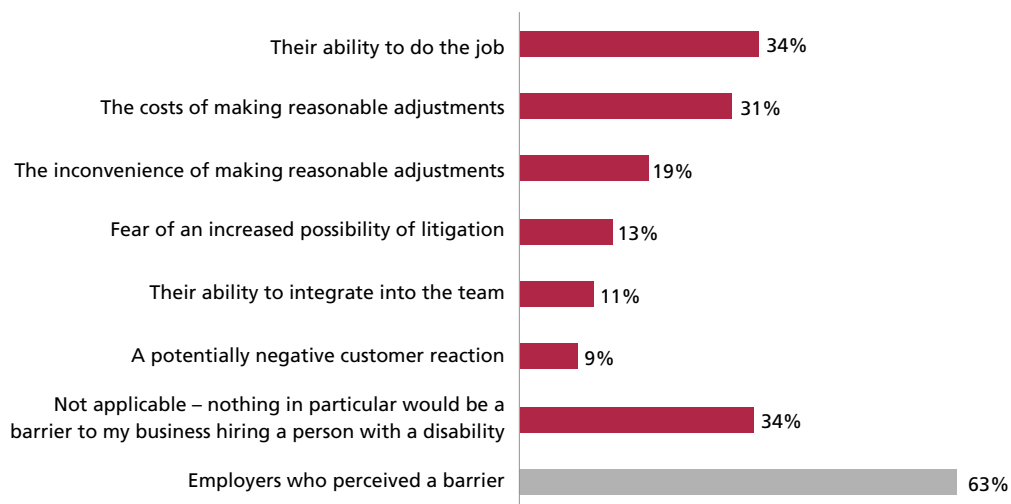
Some employers are leading the way in recognising the strengths disabled individuals bring to their workforces, building healthy working environments and managing illness well. Others lag behind. The key challenge is to provide these employers with the knowledge and skills they need to become more confident about disability and to illuminate the business case for employing disabled individuals.

**Just 47.9 per cent of disabled people are employed, compared to 80.1 per cent of non-disabled people – to halve the gap between these two figures, around 1 million disabled people will need to find employment.**

**The UK's disability employment gap is higher than that found in 21 other European countries.**

### 2.1 Gauging attitudes, concerns and misunderstandings

Figure 1: Perceived barriers to employment (employers), 2017



Source: CSJ/YouGov

## 2.2 Making apprenticeships work for disabled people

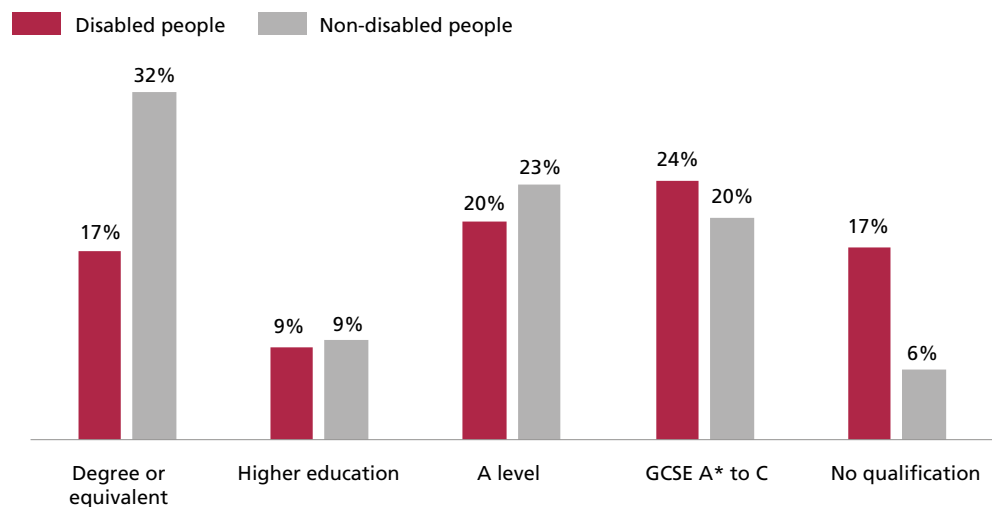
### Recommendation 1

By allowing people to grow their skills and knowledge, apprenticeships increase employability. The new apprenticeships levy will allow the Government to double investment in apprenticeships to £2.5 billion by 2020, relative to 2010 levels. This is an exciting opportunity to create new employment opportunities for disabled people who, on average, have fewer qualifications than non-disabled people.

Current funding plans provide financial support for employers and training providers who train 19–24-year-old care leavers, or those who have Education, Health and Care plans (EHC plans). But not all employers know what an EHC plan is and the process individuals have to go through to obtain EHC plans is not always straightforward. In addition, these two brackets do not capture all young people with disabilities.

Eligibility for financial support should be broadened so that it includes care leavers, people with EHC plans and disabled people as defined by the Equality Act 2010. Additional costs arising from this would be met through the apprenticeships levy.

Figure 2: Highest qualifications held – disabled/non-disabled, 2016



Source: DWP

### Recommendation 2

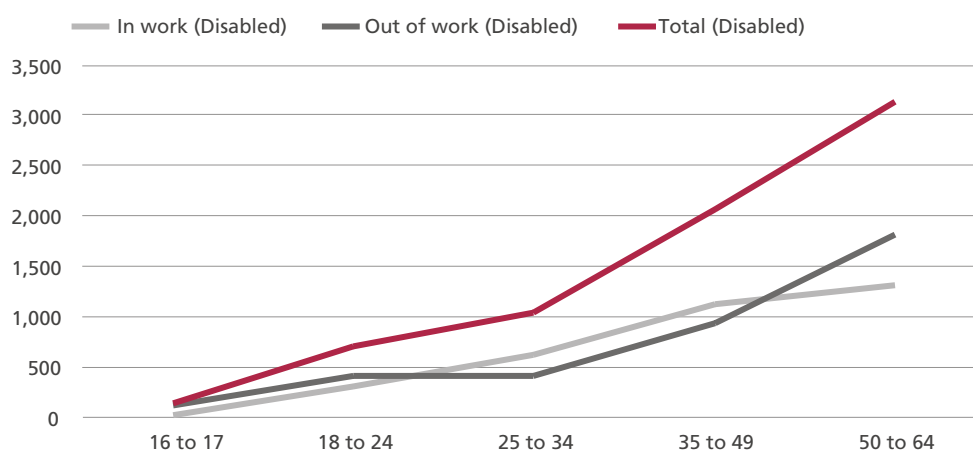
We know that cost is another commonly perceived obstacle for employers when it comes to hiring disabled people. It is important to signal to employers that they can make cost-neutral decisions about disabled people and focus on their strengths, skills and attitudes.

Under current funding plans, employers and training providers who qualify for support will receive £1,000 to cover the additional costs associated with supporting apprentices who qualify for this help.

This figure should be revisited. The costs of supporting disabled people with different impairments vary substantially, as do funding bands for apprenticeships; the relative value of contributing £1,000 towards costs will therefore differ from case to case. It would be better to have a more flexible system of support that adjusts to specific needs and would instead cover the costs of making reasonable adjustments.

**Disability correlates strongly with increasing age and the demographic balance of our population is tilting towards older age.**

Figure 3: Number of disabled people by age (thousands), 2016



Source: DWP

### Recommendation 3

Over-25s now account for 44 per cent of all apprenticeships starts. Although experienced, employed individuals are commercially attractive to employers when starting apprenticeships, the same cannot be said of the long-term unemployed.

In any event, reasonable adjustments apply regardless of age. And apprenticeships are vehicles for reskilling and changing careers later in life, which might be necessary after developing disabilities.

Under the new funding rules, the only incentive that relates specifically to disability, and is not age restricted, is for training providers, who will be paid up to £150 per month for any additional costs attached to training disabled people. But apprentices typically spend a significant amount of their time at their employers' premises. It is reasonable, therefore, that employers are also given the support they need to accommodate certain disabilities in the workplace.

The Government should better incentivise employers to take on 25+ year-old disabled apprentices by providing the same support to employers as suggested in recommendation 2 to cover the costs of reasonable adjustments. Any additional costs arising from this change would be met through the new apprenticeships levy.

**Only 9 per cent of employers think there is usually a strong business case for hiring a disabled person.**

#### Recommendation 4

The new digital apprenticeships service, which goes live in April 2017, provides a superb opportunity to communicate the benefits of, and assuage the fears about, recruiting disabled apprentices. The service is employer focused, allowing them to set up accounts, get information about funding, choose the apprenticeships they want to run, find suitable training providers and post apprenticeship opportunities.

The service should market these benefits confidently. It could include case studies, performance data and other information about the business case for taking on disabled apprentices, as well as clearly signposting the support that is available to deal with any financial costs. Disabled people and disabled people's organisations should be consulted to improve the information and communication messaging, as well as ensuring that the online service is fully accessible.

## 2.3 Using public procurement to open opportunity

#### Recommendation 5

In 2013/14, public authorities spent £242 billion on procurement – an enormous amount of money, which could be used more proactively to boost employment opportunities for disabled people. The Public Services (Social Value) Act in 2012 provides such a vehicle but is not used as much as it could be for this purpose.

After the UK leaves the EU, the Act should be revised so that commissioners are obliged to consider social value when buying all goods and services at the pre-procurement stage. To increase understanding of how the Act could be used to support disabled people, statutory guidance should be updated to include disability-focused examples.

**33 per cent of local councils routinely consider social value when they procure contracts.**

#### Recommendation 6

Measures should exist to secure bidders' commitment to employing disabled people. But hiring quotas are not the right solution. Many disabled people reject quotas because of their stigmatising effect and experiences in other countries suggest that quotas can cause unintended consequences.

Imposing quotas also sets the wrong tone about the reasons for hiring disabled people and compounds the idea, already prevalent in society, that hiring disabled people is burdensome – a duty rather than a realisation of acumen and work ethic. There is a strong business case for hiring disabled individuals and the public debate should focus on promoting awareness of these facts.

A better alternative would be to ask bidders to set their own targets regarding the number and type of roles they would make available for disabled people. Procurers should then assess the nature and viability of these commitments and award weighted scores, which

should be considered as part of an overall quality standard in the contract award scoring mechanism. This scoring system should be tapered so that the weight placed on scores for larger employers is higher.

In the case of large contracts, to secure maximum points in the category of ‘supply chain management’, bidders should outline demonstrable commitment to increasing opportunities for disabled people in their supply chains.

The commitments outlined above would have more impact if they were reviewed throughout the lifecycle of the contracts concerned. A power to review should therefore be included in each contract management framework.

**Disenfranchisement from economic opportunity wrecks social cohesion and exposes our intellectual failure to solve structural employment problems.**

#### Recommendation 7

To support recommendation 6, the Government should introduce a commitment to increase opportunities for disabled people in all local and national best practice guidelines for public procurement. The Cabinet Office should also drive employment opportunities for disabled people as part of its existing responsibility to increase the quality of public procurement practices across Government.

## 2.4 Building better working environments

**Between 2011 and 2014, more employees were able to work flexibly and access occupational health services, but access to employer-provided stress management training and counselling fell.**

#### Recommendation 8

Several studies show that adapting working environments and consulting employees are instrumental in enabling disabled people to either maintain or obtain jobs.

Many employers are unaware of the presence of mental health conditions among their employees, or how simple adjustments in the workplace could help support people with mental health conditions.

The West Midlands Combined Authority (WMCA) recently proposed trialling a tax incentive (a “Wellbeing Premium”) for employers who introduce techniques that are known to help employees stay in work, including line manager training and board-level responsibility for mental health. Tax relief would peel away as employers realised commensurate gains in productivity and reduced sickness absence.

The CSJ supports this measured approach to increasing employers’ awareness of the benefits of tackling mental health conditions in the workplace.



By encouraging more employers to realise these benefits, employers, the Exchequer and employees all stand to gain. The trial should be granted and, if successful, used as a blueprint for expansion to other parts of the country.

**33 per cent of employers have hired a disabled person in the last 12 months.**

#### Recommendation 9

Awareness campaigns like Barclays' "This is Me" drive, which destigmatised mental health conditions, can serve as powerful catalysts for similar practices on a broader scale, particularly when they are delivered by highly visible organisations.

The Government should work with key local figures, including prominent local employers, in other big cities to promote similar initiatives. The increasing preponderance of mayors provides a good opportunity to engage in this way.

**Employees with mental health conditions are less likely to discuss their health with employers than those with physical conditions.**

#### Recommendation 10

Investors in People (IIP) offers accreditation to companies who meet its assessment criteria for best practice when it comes to managing people.

Although organisations that obtain IIP are already likely to be good employers, the IIP assessment criteria does not specifically measure the extent to which employers have created disability-friendly working environments.

A previous variant of the IPP standard comprised ten, not nine, performance indicators and so there is a precedent for another indicator.

Around 14,000 companies in the UK have managed to attain IIP status. As a popular and respected accreditation, the IPP accreditation should be used as a way of focusing employers' minds on disability, and should be revised to include a specific component on disability-focused working environments.

## 2.5 How to avoid falling out of work

#### Recommendation 11

83 per cent of disabled people acquire their disabilities while they are in work and approximately 300,000 people a year fall out of work due to health conditions. As susceptibility to disability increases with age, and our workforce continues to get older, more people will develop disabilities while working and risk losing their jobs.

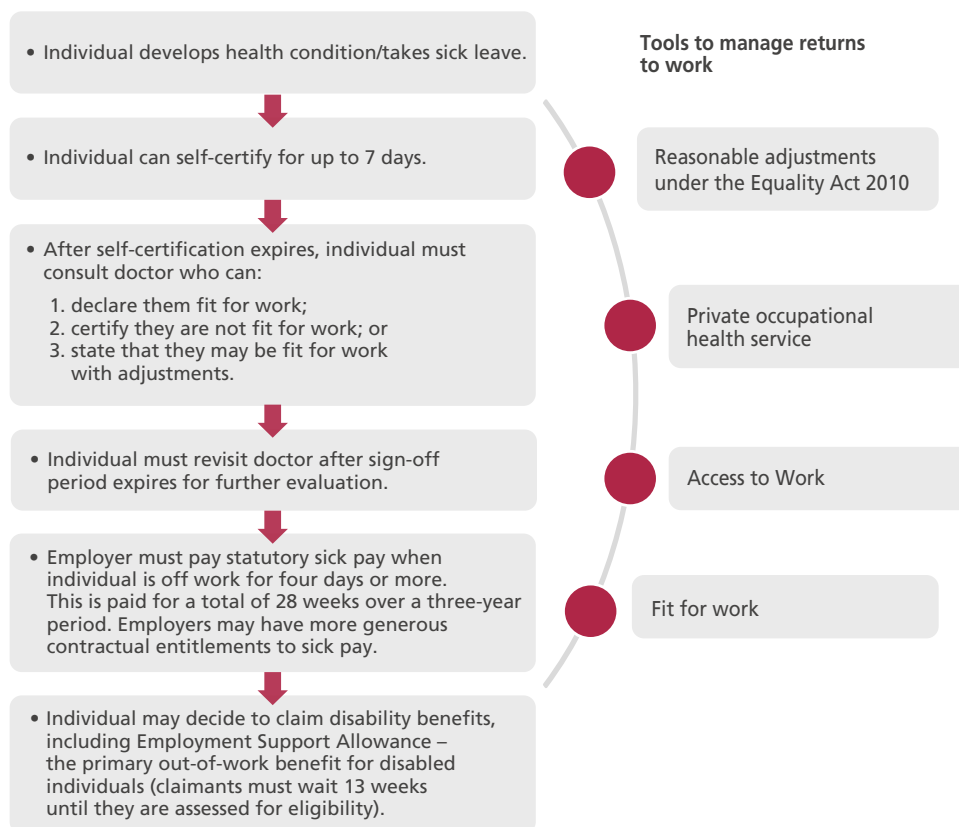
However, there is not enough constructive engagement between employer and employee during sickness absence. Once an employee becomes ill for seven consecutive days, he or she must provide his or her employer with a 'fit note'. Fit notes certify that individuals are

either “not fit for work” or “may be fit for work taking account of the following advice,” allowing clinicians to suggest basic adjustments that could support returning to work.

Used properly, the fit note system could catalyse more productive early engagement. GPs broadly endorse the logic that led to the introduction of fit notes. However, they seldom use the aspect of the fit note that was designed to prompt early engagement between employers and employees.

GPs’ lack of training on sickness certification and occupational health are barriers to their use of fit notes. A compulsory module for GPs on occupational health, including sickness certification, should be introduced as a core component of continuing professional development.

Figure 4: Main points of interface between employers and employees during sickness absence



### Recommendation 12

There are 40,000 physiotherapists in the UK who already treat work as a health outcome. As many physiotherapists provide occupational health services to businesses, they are more familiar with employment contexts than GPs are. In this context, and as GPs have heavy workloads, it makes sense to allow physiotherapists to issue fit notes.

### Recommendation 13

It is important that policy makers are able to track the use of fit notes so that they can monitor the efficacy of the fit note system and refine it if necessary.

The fit note questions that existed in the 2010 and 2012 General Practitioner Worklife Survey should therefore be reintroduced, and commensurate ways of doing the same for new fit note providers (including, for instance, physiotherapists) should be introduced.

**An estimated 9,000 people were referred to Fit for Work between March 2015 and September 2016.**

### Recommendation 14

Fit for Work offers employees, employers and GPs free work-related health advice to help reduce sickness absence. It also offers employers and GPs the chance to refer employees for free occupational health assessments, subject to employee consent.

There is a substantial shortfall in uptake for Fit for Work; an estimated 9,000 people were referred to the service between March 2015 and September 2016.

There is a real need for Fit for Work and it has enormous potential. Research shows that occupational health interventions reduce sickness absence, improve employee morale and improve work outcomes, and yet only 51 per cent of employees have access to occupational health support through their employers. Fit for Work pilots were also very promising and employees appear to be positive about the service.

But Fit for Work cannot realise this potential if GPs do not play their part. To do this, GPs need to be aware of the benefits of occupational health. Only 10.4 per cent of GPs have received training in work and health in the last year and only 62.4 per cent of GPs feel confident that they could deal with issues surrounding returning to work.

GPs also know very little about the welfare system (only 27.6 per cent of GPs believe that their knowledge of benefits is current) which sometimes fuels distrust of employment support programmes.

GPs' lack of training on occupational health and the welfare system are barriers to their use of Fit for Work. A compulsory module for GPs on these subjects should be introduced as a core component of continuing professional development.

**Around 300,000 people a year fall out of work due to health conditions – early intervention is key and return-to-work programmes are more likely to succeed when implemented early.**

### Recommendation 15

The Quality and Outcomes Framework provides a vehicle through which GPs might be incentivised to focus more on using Fit for Work.

The Framework should be refined to include an incentive for GPs to use Fit for Work. This could take the form of a “successful referrals” metric, which rewards GPs for referrals that lead to sustained job outcomes.

This would help boost referrals and reinforce work as a health outcome. It would also help generate feedback loops regarding the efficacy of the service and therefore encourage higher uptake.

**51 per cent of employees have access to occupational health support through their employers.**

### Recommendation 16

The contract for Fit for Work will soon be up for renewal. This presents an excellent opportunity to evaluate the service and address its design faults. In any new design, employers should be able to engage more in the service and inform the factual matrix used by specialists to assess potential returns to work.

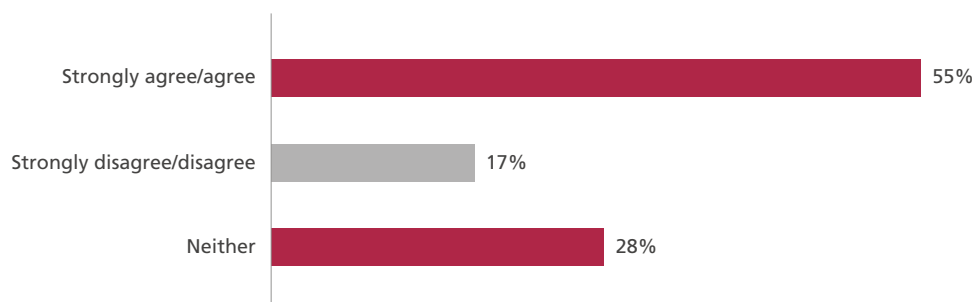
Bureaucracy surrounding the referral process should also be trimmed and specialists should be given more discretion to deliver shorter reports, in line with best practice among private providers.

**Just 25 per cent of employers know what Fit for Work is and understand the help that they can get from this service.**

### Recommendation 17

Fit for Work should be rebranded. At its heart, it is a national occupational health service – free at the point of delivery. It should be named to reflect just that. The awareness campaigns proposed in this report should be built on this new brand.

Figure 5: “Providing an employee does not already have their own occupational health schemes, after 3 weeks of them being absent due to sickness, employers should be required to have a short, non-binding conversation with a Fit for Work advisor about the employee,” 2016



Source: CSJ/YouGov

### Recommendation 18

Fit for Work cannot succeed if employers do not know about the service or engage with it.

To address this, the Government should introduce a duty for employers who do not have private occupational health services to have an early, non-binding conversation with Fit for Work where employees have been absent for three weeks.

CSJ/YouGov polling tested the viability of this proposal, revealing very encouraging responses from business – just 17 per cent of employers disagreed with it.

Our recommendation recognises that the UK has a flexible labour market and therefore advocates a lighter touch approach, while acknowledging that employers have important parts to play in improving job retention.

**Only 45 per cent of employers understand clearly what it means to make reasonable adjustments for disabled people under the Equality Act 2010.**

### Recommendation 19

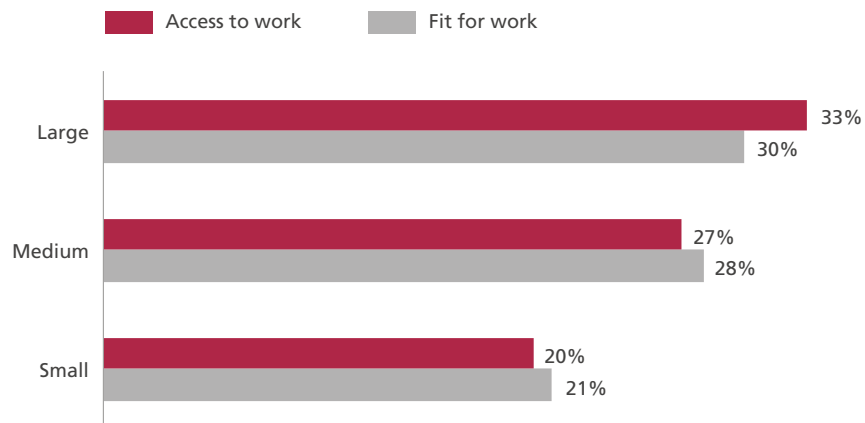
For many disabled people, reasonable adjustments in the workplace can make the difference between keeping and losing a job. But many businesses still find it hard to know what reasonable adjustments in the workplace mean, and need better support to understand this.

The Fit for Work service should be adapted to provide employers with advice on their obligations, including the likely scope and nature of reasonable adjustments.

As the infrastructure for the service already exists, there would be no need for significant financial outlay. A small team of employment lawyers and disability consultants with expertise in workplace adjustments could deliver a basic advisory service. The suggestions we make in recommendation 18 would improve awareness and use of the Fit for Work service, which means a broad audience could be reached.

**Just 25 per cent of employers know what Access to Work is and understand the help they can get from this service.**

Figure 6: Awareness of schemes by company size, 2017



Source: CSJ/YouGov

### Recommendation 20

Access to Work is a publicly funded employment support programme that helps disabled individuals to remain in, or obtain, work by providing a range of financial and practical support.

Access to Work is widely respected. It has performed excellently and is associated with 90 per cent retention rates. Various estimates suggest that the scheme provides value for money. And it plays a broader educational role by assuaging employers' fears about the costs of recruiting disabled people.

It is staggering that, while Access to Work was introduced in 1994, still only 25 per cent of employers have heard of it and understand the help it provides. Access to Work could transform thousands more lives, if only more employers knew about it.

There is a clear need to raise awareness of Access to Work, and indeed Fit for Work which also suffers from the same deficiency in awareness.

National media campaigns are expensive and do not always reach target audiences. Instead, DWP should work with local actors to promote grassroots events for local businesses. Local Chambers of Commerce have ready-made, thriving local networks of businesses. A series of local events on Fit for Work and Access to Work could prompt a viral effect in the dissemination of knowledge about both schemes.

DWP should sponsor a nationwide roll-out of local events, to be delivered by local Chambers of Commerce and local enterprise partnerships (LEPs), that promote Fit for Work and Access to Work. It should also fund a helpline to answer subsequent queries.

**31 per cent of employers see the cost of making reasonable adjustments as a barrier to hiring disabled people.**

### Recommendation 21

DWP should make it possible for disabled individuals to have Access to Work assessments even if they do not have firm employment offers. Once assessed, they should have a time-limited provisional agreement with DWP that they could present to prospective employers.

### Recommendation 22

Once employed, individuals who have secured Access to Work support should be able to take this support with them to other jobs. This 'Access to Work passport' would enable people to move more fluidly in the labour market.

### Recommendation 23

Access to Work's Workplace Mental Health Support Service helps 97 per cent of clients to remain in their jobs six months after having joined the programme. This is exceptional.

However, the budget for this service relative to the rest of Access to Work is less than 2 per cent. DWP should expand Access to Work's dedicated mental health service so that it reflects more proportionately the fact that mental health conditions account for 28 per cent of the national disease burden in England.

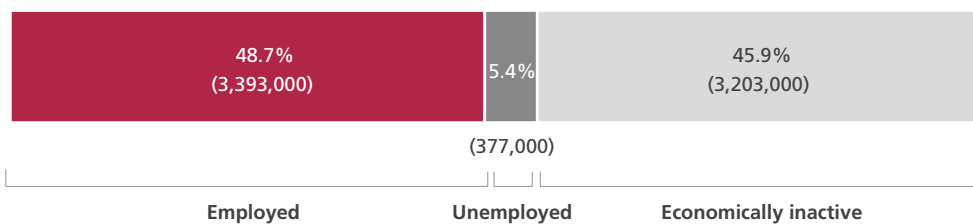
## chapter three

# Out of work

For many unemployed disabled people, work could provide a route to a much brighter future. Disabled people should have every opportunity to realise the many positive aspects employment brings. Under the existing framework of employment support, however, many individuals, each with valuable skills, rich insights and frustrated ambitions, are unable to find a way through.

### 3.1 The current system is failing to support disabled people into employment

Figure 7: Economic activity of disabled people, 2016



Source: Labour Force Survey

**2 million people in the UK cite long-term health conditions as the source of their economic inactivity, of whom 637,000 want to work.**

**Alongside the 377,000 disabled people who are registered as unemployed and are looking for work, this means that just over 1 million disabled people who do not currently work want to find employment.**

**If most of the 300,000 people who fall out of work each year due to ill health keep their jobs, and the jobless disabled people who want to work find employment, *we could halve the disability employment gap.***

Disabled people who are out of work can claim one of three main out-of-work benefits. Individuals who are able to work straight away without much specific employment support can claim Jobseekers' Allowance (JSA). This is the standard benefit that non-disabled people claim when they become unemployed.

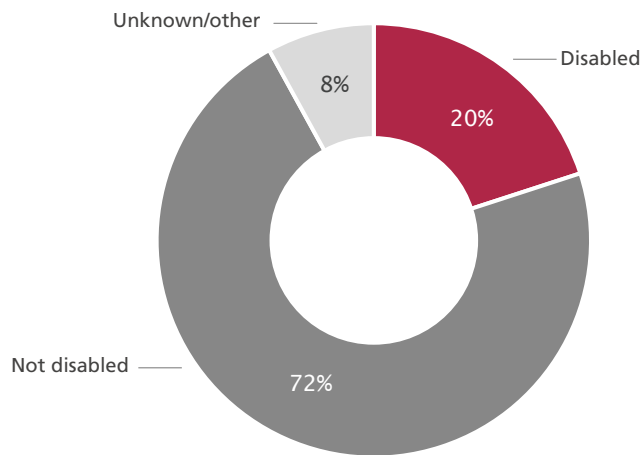


People whose impairments prevent them from returning to work straight away are eligible to claim Employment and Support Allowance (ESA). There are two types of ESA: the first is the ESA Work Related Activity Group (WRAG), which was designed to support people who have limited capability for work but have a reasonable prospect of doing so with the right support. (Under Universal Credit, the equivalent group is Limited Capability for Work Group.)

Disabled people with the most severe barriers to work, who are deemed to have limited capability for work or any work-related activity, are placed in the ESA Support Group. (Under Universal Credit, this equivalent is the Limited Capability for Work and Work-Related Activity Group.)

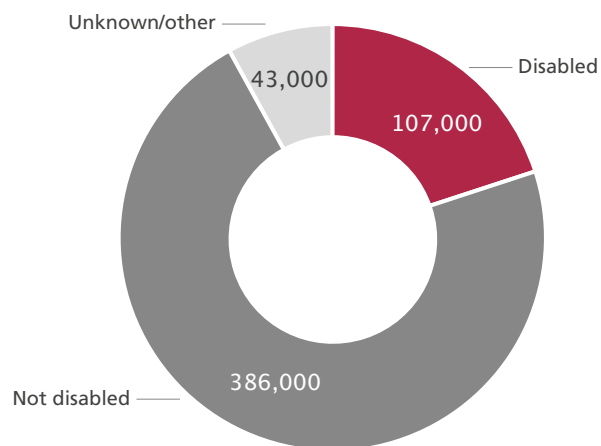
**Employment and Support Allowance and connected benefits cost £19 billion a year, while the Exchequer loses £21 billion–£29 billion a year in foregone tax and national insurance revenue due to health-related joblessness.**

Figure 8: People claiming JSA, 2014



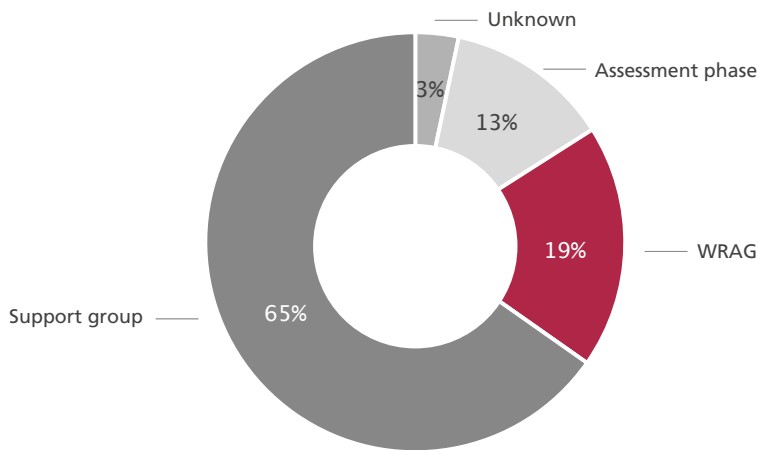
Source: Freedom of information request – DWP

Figure 9: Estimated number of people claiming JSA, 2016



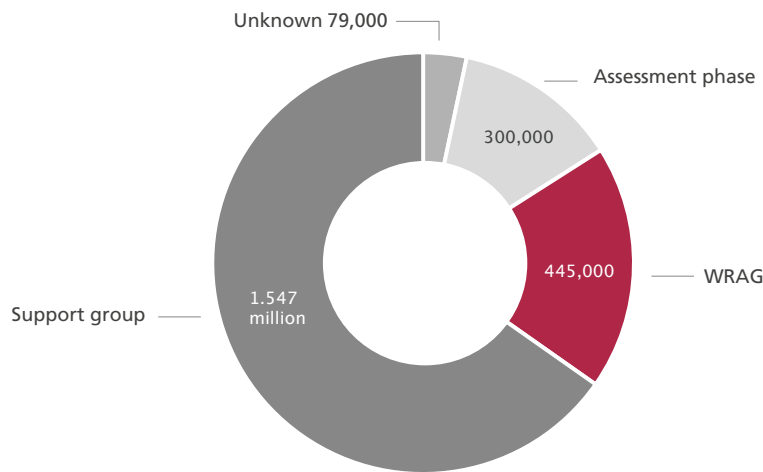
Source: Estimate based on DWP data

Figure 10: ESA composition, 2016



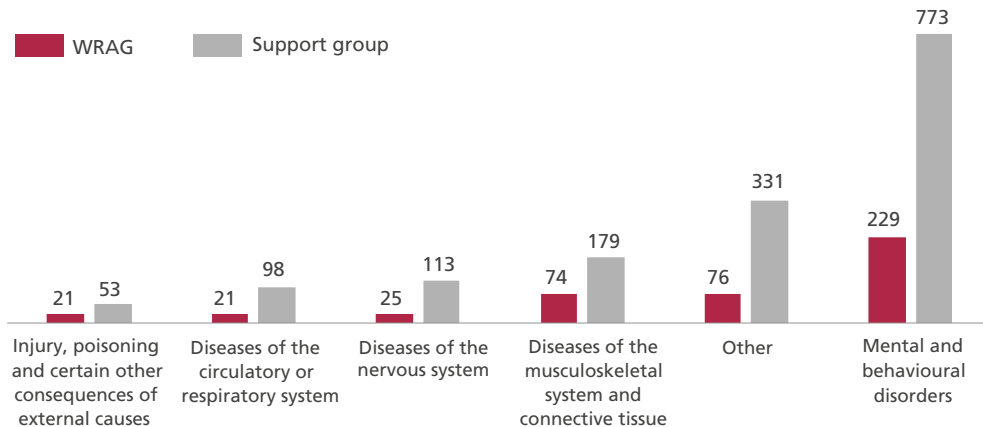
Source: DWP

Figure 11: Number of ESA claimants, 2016



Source: DWP

Figure 12: ESA caseloads (thousands), 2016



Source: DWP

## 3.2 Introducing a radical new approach to assessment

### Recommendation 24

The underlying logic of ESA WRAG was to provide employment support to disabled people who had realistic chances of working. But the reality sits in stark contrast with this objective: just over 1 per cent of people in the ESA WRAG group leave this group every month.

One of the main weaknesses of the current benefits system is the assessment used to determine out-of-work disability benefits. The Work Capability Assessment (WCA) is heavily blemished with design problems and procedural shortcomings, and as it only tests functional capability, it struggles to accurately determine the many other barriers disabled people might face in the jobs market.

The WCA also attempts, simultaneously, to assess benefit eligibility and work capability. This is damaging because it conflates entitlement to benefits with the employment support people are eligible to receive, and some individuals do not get the employment support they need. Lastly, the two ESA bands are very broad, capturing a wide range of conditions, challenges and needs; this approach lacks the sophistication and fluidity needed to accurately assess individual support needs.

Given its many problems and irreconcilable objectives, the WCA should be overhauled and replaced with a new assessment procedure.

Instead of trying to determine both financial eligibility and work capability in the same assessment, a new approach should evaluate these elements independently of one another.

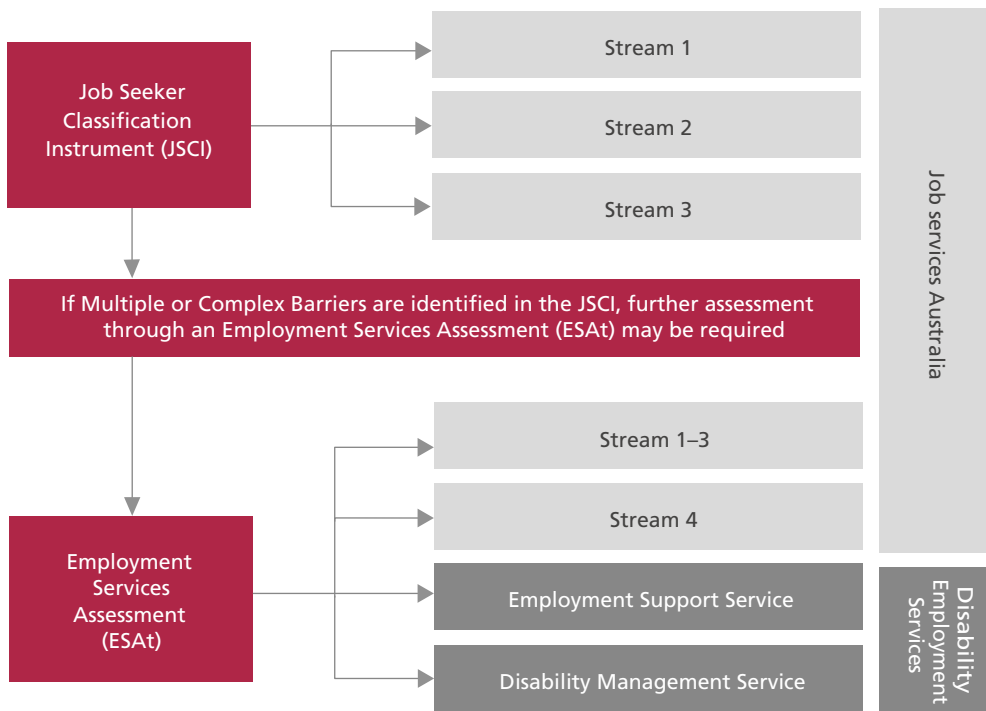
In the long term, DWP should introduce a similar diagnostic tool to the one currently used in Australia, which would determine support needs and the assistance that flows from this. It should consult extensively to determine the design and should involve disabled people in the process of building this new model.

Such a tool allows a more dynamic and personalised approach to welfare. It would identify an individual's risk of becoming long-term unemployed by statistically modelling a wide range of personal characteristics and circumstances that are known to influence employment prospects.

It would also locate a wide range of barriers; introduce more consistency; identify complex problems early on, which we know is crucial in maximising people's chances of returning to work; and channel resources where they are most needed.

We envisage a model that draws more on contracted-out employment support, but a diagnostic tool would also complement a caseworker heavy model.

Figure 13: Australian Job Seeker Classification Instrument (JSCI)



Source: Loxha A, Morgandi M

### 3.3 Delivering effective employment support

#### Recommendation 25

It is crucial that disabled people who are out of work can access effective employment support. There are currently two nationally commissioned employment support programmes. The Work Programme was designed to provide support for the longer term unemployed on JSA and ESA WRAG claimants. Work Choice was designed specifically to help disabled people with more complex issues.

The Work Programme has delivered encouraging outcomes for people on JSA but has not worked as well for people on ESA. Work Choice has been very successful in helping ESA claimants back to work and serves as a cogent example of how targeted, specialist employment support can make a real difference to people’s lives.

The Work Programme and Work Choice will be replaced by a new Work and Health Programme in 2017. We are concerned that this programme will not be able to support enough unemployed disabled individuals, particularly those with more complex needs who are further away from the labour market.

It is estimated that a little over half the number of disabled people who previously participated in contracted-out employment support will be able to do so between 2017 and 2020. In addition, the people who access the new programme are likely to have fewer complex

needs: 62 per cent of people who started Work Choice (the nearest proxy for the Work and Health Programme) in 2014/15 were claiming JSA.

The funding model for the new Work and Health Programme should be reconsidered, and should follow a similar DEL/AME switch as the one initially proposed for the Work Programme. This would allow the programme to be funded through savings from future benefit spending, and would let the programme flow to a more natural point of success rather than limiting it to an artificial ceiling.

**“There is a broad consensus across multiple disciplines, disability groups, employers, unions, insurers and all political parties, based on extensive clinical experience and on principles of fairness and social justice. When their health condition permits, sick and disabled people (particularly those with ‘common health problems’) should be encouraged and supported to remain in or to (re)-enter work as soon as possible.”**

Waddell, G and Burton, A

#### Recommendation 26

People with the most complex and challenging needs should not be written off. 52 per cent of people in the ESA (Support Group) want to work and 6 per cent say they can work. As there are currently 1.547 million people in the Support Group, 6 per cent is actually a very large number (92,820).

For any individuals in the Support Group who want to work, doubt their ability to do so, or may find that they can achieve their aspirations with the right support, employment support should be available.

Individuals in the Support Group should be able to undertake a period of “safe experimentation”. Under this measure, individuals would be able to take steps back to work, for instance by volunteering, undertaking work trials or trying paid employment. If, before a reasonable amount of time had expired (for instance, the length of a typical probation) employment broke down, individuals would be able to reclaim their Support Group status without having to reapply for it.

#### Recommendation 27

As the new Work and Health Programme will be leaner than the two programmes it replaces, Jobcentre Plus (JCP) work coaches will play more prominent roles in managing disabled people’s out-of-work needs.

The Government introduced the Universal Support delivered locally (USdl) programme to support individuals with the transition to Universal Credit, as well as help them access other local services that meet complex needs. Currently, it is limited to helping claimants with the transition to digital and financial support.

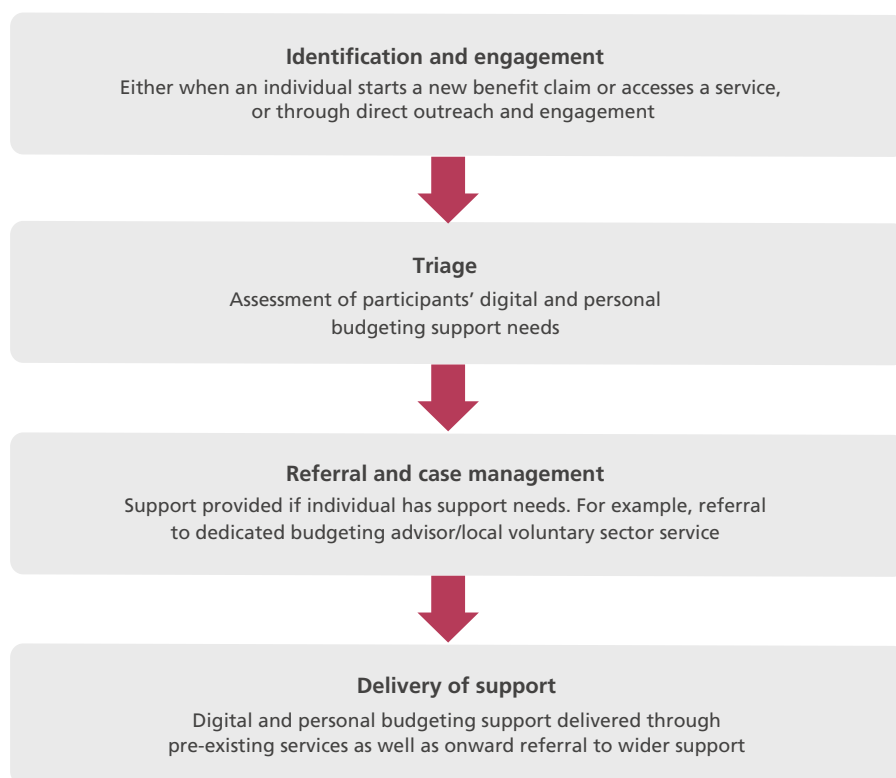
USdl is a sound initiative, but it needs refining to maximise its impact. Its main problems include a lack of knowledge, communication and teamwork between services. To address these problems, services should co-locate – as far as this is practicable – and should consult disabled people who use support services about the most suitable contexts within which to co-locate.

The co-location of JCPs with other local services would allow different parties to develop working relationships, as well as increase mutual understanding of the services each offers, and it would promote better cross-pollination of ideas.

### Recommendation 28

USdl also lacks a homogenous system of sharing data, which prevents claimants from accessing different services. To address this problem, the DWP should clarify local partners' rights in accessing claimant data, and it should introduce an encrypted data system across all services to help different providers access relevant claimant data.

Figure 14: Universal Support delivered locally



Source: DWP

### Recommendation 29

Given the importance of trust and inter-personal relationships in delivering appropriate support, individuals should have access to personal case managers when using USdl.

### Recommendation 30

USdl is an excellent model but its potential is currently underutilised. Its success rests on its ability to address the various different challenges that individuals might face. This includes helping claimants with digital skills and financial literacy, but it also includes a whole lot more. USdl should be broadened beyond digital and financial needs to address other challenges including, for example, poor health, skills deficits, debt and housing needs.

### Recommendation 31

The main measure of performance in JCPs is the number of people who stop receiving any given benefit. The risk of measuring success in this way is that case workers help individuals who least need help. In addition, the current performance measure does not provide strong incentives for work coaches to place people into sustainable jobs, which is bad for claimants and the economy.

Universal Credit provides an exciting opportunity to change the way JCPs measure performance. Its Real-Time Information (RTI) system allows JCPs to track employment outcomes and sustainability of employment. DWP should introduce a new performance measure that captures sustainability of employment outcomes and steps taken to bring individuals closer to the labour market.

**Suitable work is strongly linked to better health and the personal costs of lack of employment can be devastating.**

### Recommendation 32

For new performance measures to carry real weight, however, DWP will also need to change the way that it rewards strong performance. DWP should revise the current payment structure used in JCPs so that pay rises are contingent on performance. The new performance measure outlined in recommendation 31 would allow JCPs to reward best practice, but it needs to be accompanied by an organisational structure that allows incentives to operate fluidly. Performance targets should flex according to local labour markets so that coaches working in more challenging jobs markets are not placed at a disadvantage.

### Recommendation 33

By targeting support on the basis of need, work coaches would be able to allocate resources more efficiently and channel attention where it is most effective. They would also minimise the risk of offering resources to individuals who would find employment anyway. DWP should allow work coaches discretion to adjust the length of time they spend with claimants according to need. These decisions could be informed by a new, more nuanced assessment, as outlined in recommendation 24.

### Recommendation 34

To varying degrees, the welfare system in the UK has always been based on a blend of mutual responsibility between state and individual. The state provides a safety net for those who need it but where they can, individuals take responsibility for addressing the problems that stop them from working.

In the current system, the state uses two main levers to calibrate this relationship: conditionality and sanctioning. Conditionality refers to the idea that individuals receiving benefits must fulfil certain work-related tasks in exchange for financial support, while sanctioning is the process of removing benefits if individuals do not adhere to those conditions.

Conditionality has long played an important part in the welfare system. It is widely endorsed as a means of ensuring fairness in the system, and of striking a reasonable balance between support and individual responsibility. And recent upwards trends in employment demonstrate that it has played its part in enabling thousands of job seekers to move into work.

However, too little is understood about the effect of conditionality and sanctioning on people with complex needs and there are currently no studies that evaluate the impact of sanctions on ESA claimants. DWP should build on the data it already has and should conduct an evaluation of conditionality and sanctioning on disabled people, including its impact on people with different impairments.

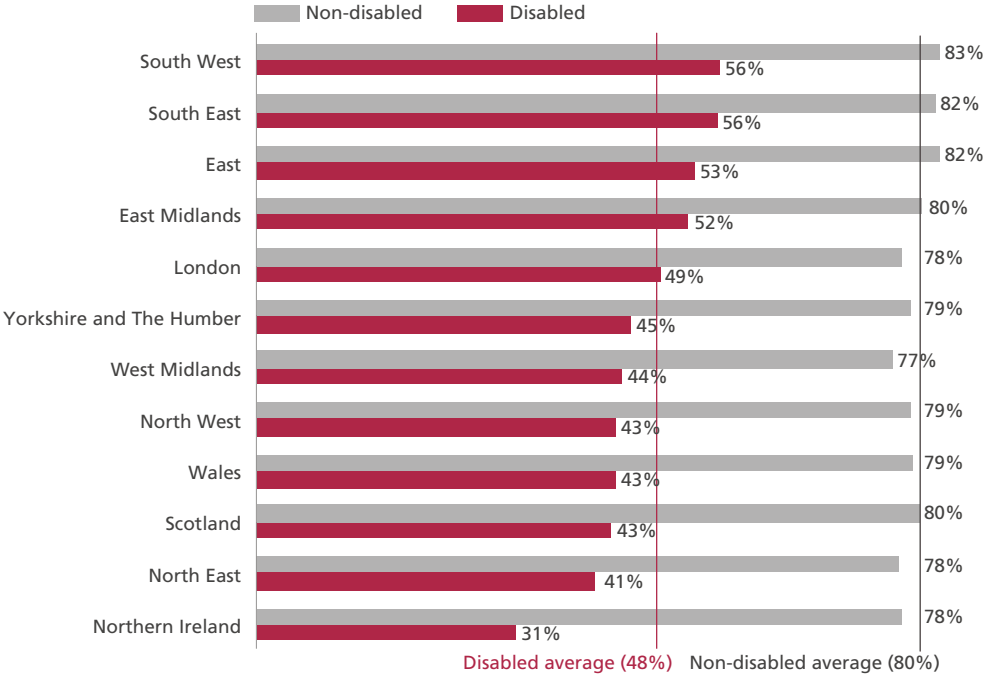
**Recommendation 35**

Work coaches should assess individuals’ financial positions before imposing sanctions to determine whether sanctioning is likely to result in significant hardship.

**Recommendation 36**

There should be more flexibility to allow claimants to count actions to resolving other barriers (for instance, those relating to housing problems) as steps towards finding employment.

Figure 15: Employment rate by region, 2016



Source: Annual Population Survey



### Recommendation 37

Local actors are well placed to co-ordinate wrap-around support for disabled individuals who have complex needs including, for example, debt, housing, health, education or addiction. By commissioning programmes, local actors could also pool their budgets more easily and promote better data sharing.

Local providers also offer a secondary line of support for people who have not enrolled onto nationally commissioned support programmes, or those who have been supported through these programmes but have not found employment. In addition, as the new Work and Health Programme will be significantly smaller than the two programmes it replaces, JCP advisors will need to be able to access alternative sources of employment support locally. And local authorities are well positioned to monitor local economies, which could be used to tailor employment support packages.

Not all local authorities or local providers will have the capacity, or the appetite, to acquire responsibility for commissioning employment support programmes. However, to build that evidence base in the first place, local actors should be given the opportunity, and time, to thrive where conditions are right for them to do so – that is to say, where there is strong appetite to assume responsibility, where capacity exists to do so and where ideas have been clearly considered. DWP should encourage innovation where these conditions exist.

In 2016/17 the budget for the Jobcentre Plus Flexible Support Fund was set at £76.7 million. Given its potential to catalyse productive local partnerships, there is merit in evaluating the Fund to better understand how money is used, gauge whether it remains underutilised and identify opportunities to create local partnerships.

In the meantime, District Managers should promote the fund to potential local partners, including local authorities, clinical commissioning groups (CCGs), LEPs and third sector organisations. Once there is better intelligence on the use of the Fund, DWP should consider further investment in line with likely productive uptake.

### Recommendation 38

One of the European Social Fund (ESF)'s key objectives is to support employment for people from disadvantaged groups, and disabled people are a priority group. Between 2014 and 2020, the UK was due to receive €4.9 billion from the ESF.

To help the many charities, voluntary organisations and local authorities that rely on ESF funds, the Government should, as soon as practicable, provide further clarity on the likely trajectory of substitute funds after any current contracts expire.

It should also ensure that all existing ESF funds that are used to support disabled people are matched thereafter. This money would be allocated from a portion of the funds the UK currently contributes towards the EU budget.

### 3.4 Dismantling barriers for individuals with learning disabilities

#### Recommendation 39

Supported internships are study programmes for people with special educational needs and disabilities who are in their final years of college. They rely on partnerships between employers, education providers and, in theory, employment support providers. Individuals complete their internships at employers' premises and are offered personalised in-work support to manage specific needs. Supported internships offer promising routes into work for people with learning disabilities and in some areas have led to employment rates of 65 per cent.

The funding streams for supported internships are partly drawn from education budgets and from Access to Work. Employment support specialists report that some colleges prefer to offer in-work support themselves to save costs. DfE and DWP should jointly evaluate supported internships to measure the prevalence of education providers' contributions towards supported internships, and the impact that in-house employment support has on performance outcomes.

If it is clear that the volume of internships, or their quality, has been compromised, DWP and DfE should create a ring-fenced funding stream for supported internships. By protecting the funds, they would be able to control the volume of supported internships and improve standards. Employment support providers would also be better placed to scale their programmes according to need.

**At 5.8 per cent, people with learning disabilities have the lowest employment rate of any impairment group.**

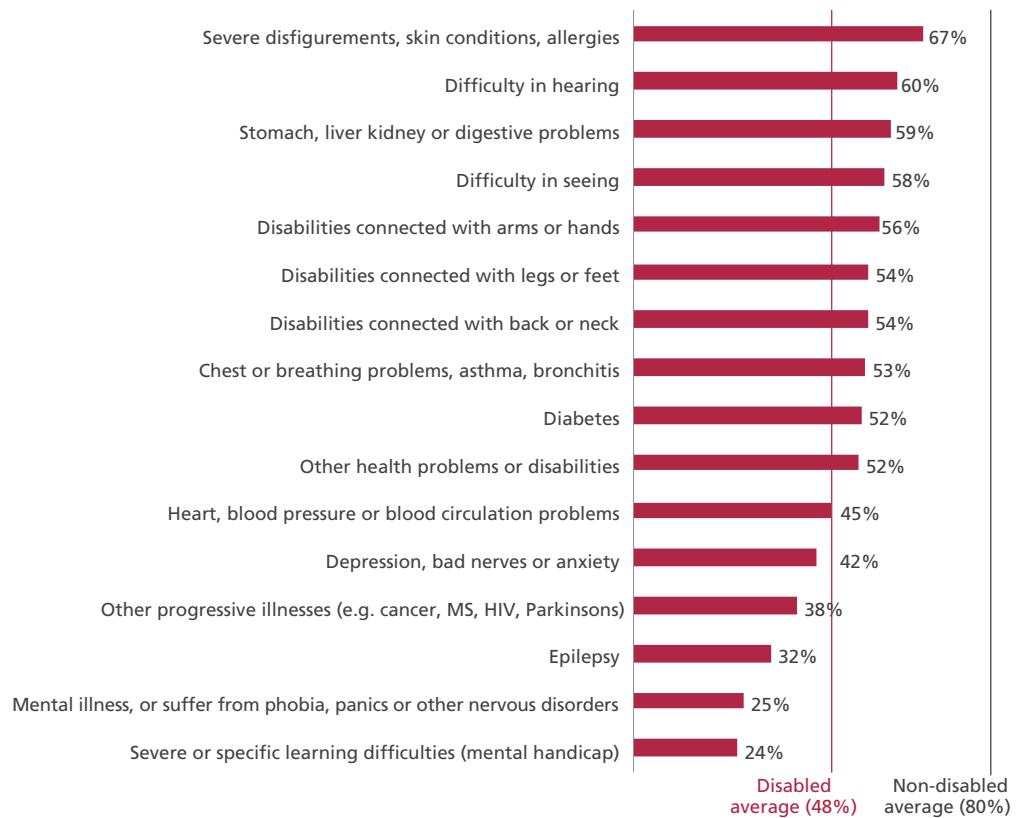
#### Recommendation 40

The Specialist Employability Support (SES) programme provides disabled people with work-focused mentoring and training if they cannot access other specialist employment support programmes like Work Choice. The contracts for the SES programme will soon expire. DWP should use this opportunity to evaluate the programme's performance outcomes and, if these are robust, should expand it.

People with learning disabilities have by far the lowest employment rates out of any impairment type – just 5.8 per cent. And we know that 65 per cent of people with learning disabilities want to work. An expansion of the SES should therefore be focused on people with learning disabilities.

There is a precedent for awarding contracts based on specific impairment types. A DWP market engagement event prior to the start of the programme confirmed that it would comprise six contracts, including one that was designed for visual impairment and one for hearing impairments. A specific contract should be created for people with learning disabilities.

Figure 16: Disability employment rate by impairment, 2016



Source: Labour Force Survey

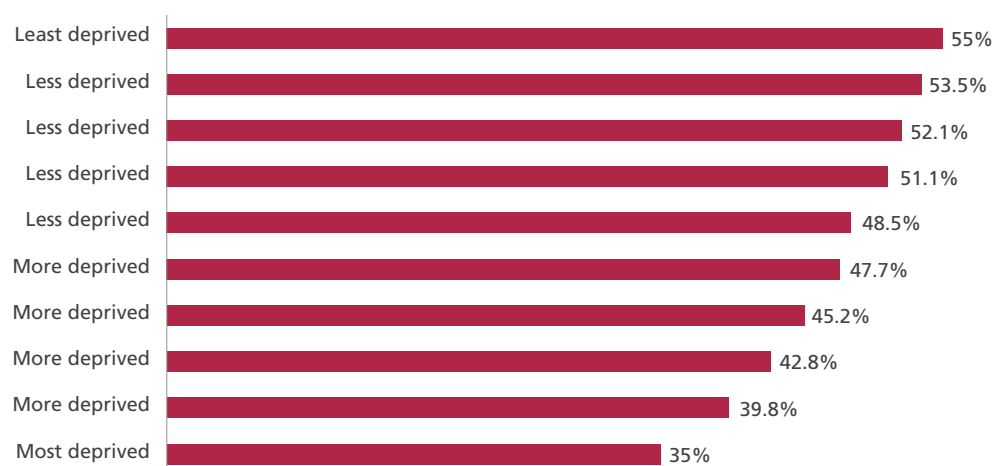
### 3.5 Tackling obstacles for people with mental health conditions

#### Recommendation 41

Improving access to psychological therapies (IAPT) is a programme that increases access to talking therapies approved by the National Institute of Health and Clinical Excellence (NICE) in England. IAPT is an evidence based, cost-effective programme that is improving the lives of thousands of individuals. The Government recognises this and has pledged to increase current access to IAPT, which is estimated to be around 15 per cent of individuals who suffer from depression or anxiety, to 25 per cent by 2020/21.

This is highly encouraging and the Government should ensure that beyond this, there is a coherent match between demand for IAPT and its supply. To do this, it will be necessary to track utilisation for newly rolled out IAPT services and model likely future demand, with a view to scaling the programme further to broaden access past 2020/21 if demand is expected to rise beyond 25 per cent.

Figure 17: IAPT recovery rates by deprivation decile, England, 2016



Source: NHS

#### Recommendation 42

The clear and incremental association between somebody's socioeconomic position and his or her likelihood of recovering from the same IAPT treatment is striking. And it is powerful. It exposes a broader truth – and one that runs throughout this report: to tackle any social problem, we must look beyond the initial facts that present themselves. For over a decade now, the CSJ has argued that generalised proposals fail to tackle social problems and that we must explore the wider patchwork of life circumstances that fuel these problems in the first place.

IAPT is a ground-breaking and successful programme that has improved the lives of thousands of people by helping them to manage common mental health conditions. But it cannot solve these alone. There is less use in providing people with talking therapies if they come home to family breakdown, addiction, lack of employment or debt problems. Without tackling these problems too, mental problems are likely to persist. What these people need, along with programmes like IAPT, is wrap-around support to tackle all the challenges they face in life.

One prominent challenge is debt. Given the strong connection between debt and poor mental health, helping people to alleviate their financial difficulties would help improve their mental health, which would in turn help people to stay in jobs or find employment. As the organisation Money and Mental Health has sensibly argued, the IAPT data set should be adapted so that screening for financial problems and referring to suitable advice services is a routine exercise for health providers. The Government should pilot these changes and should consider embedding specialist debt advice in the same way that it currently does with employment advisors.

Figure 18: Individual Placement and Support (IPS) principles



Source: Centre for Mental Health

### Recommendation 43

Individual Placement and Support (IPS) is a form of employment support, originally designed in the United States in the 1990s, which helps people with severe and enduring mental health conditions back into work. The evidence suggests that IPS works impressively well, and that it provides good value for money. The UK should aim to be a world leader in the provision of IPS and should provide universal coverage to those who need it.

The Government has pledged to double current access to IPS by 2020/21. This is highly encouraging, but it needs better data capture to make fully informed investment decisions about how to scale IPS. The NHS should carry out a comprehensive assessment of IPS services to capture the number of people who currently access IPS; how many people with severe mental health conditions could benefit from it; and geographical variations in access. It should also measure how IPS services are commissioned and the routes into IPS services for patients. And its assessment should gauge the quality of IPS offerings.

After its initial assessment, the NHS should build a living database and work with CCGs and other providers to build a comprehensive, fluid map of coverage. This should be used by decision makers at national and local levels to inform investment strategy, with a view to providing full IPS coverage to people with severe mental health conditions. Despite the costs of initial outlay, the returns to the Exchequer appear to be strong and the changes to individual lives are immeasurable.

#### Recommendation 44

The Government should also explore the feasibility of using other variants of the IPS model. To be clear, this does not mean that IPS core principles should be compromised in any way. The evidence suggests that under-resourced IPS trials perform poorly. However, a randomised controlled trial recently found that a refined version of IPS (9 months rather than 18 months) was “equally effective to IPS and only minimal extra employment [was] gained by persisting beyond 9 months”.

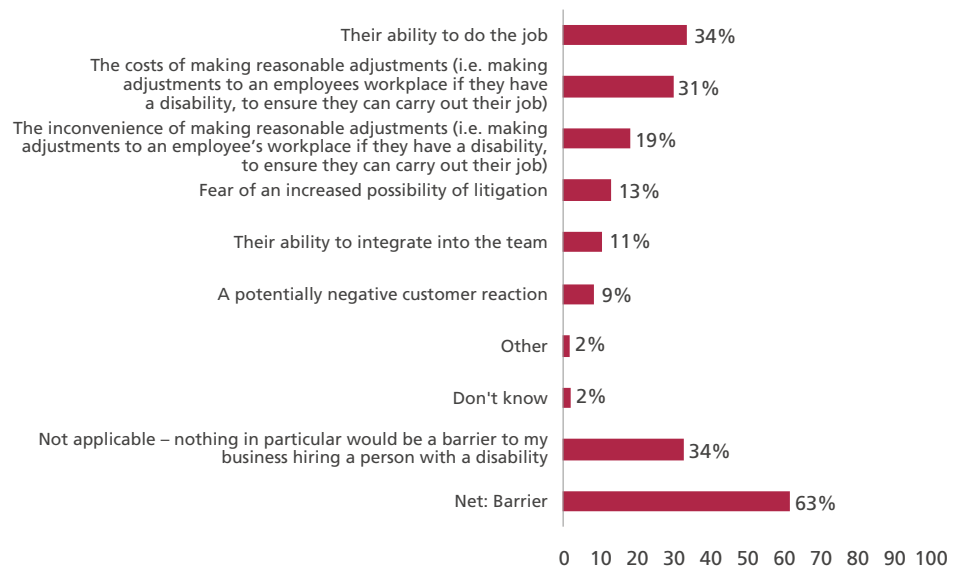
The Government should commission further trials to explore the efficacy of other IPS models. Adapted models should only be introduced if there is robust evidence that they do not compromise outcomes.

IPS is not just a support model that benefits people with severe mental health conditions. We know that it also helps people with learning disabilities find work, with similarly impressive results. And there are exciting new opportunities to expand IPS even beyond these impairments.

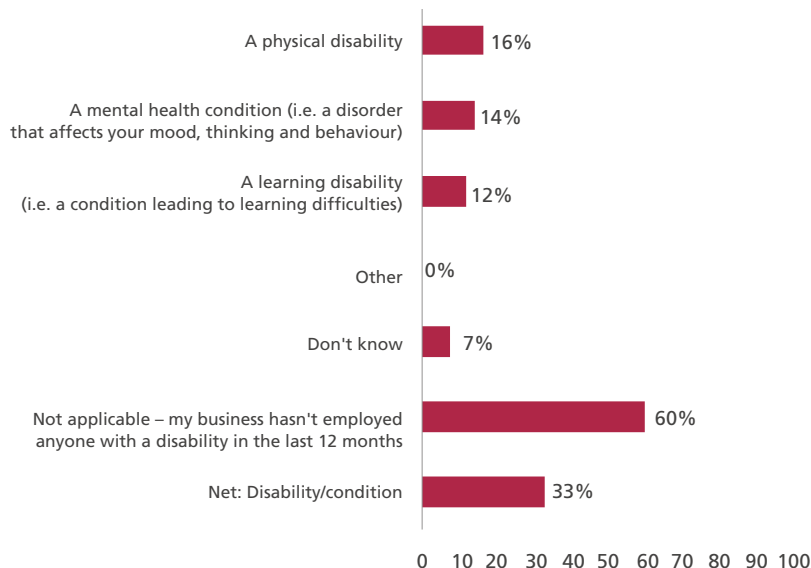
The NHS is currently trialling IPS for common mental health conditions and even physical impairments. The Government should invest strongly in these trials and develop the evidence base as soon as practicable. The rewards for doing so are potentially transformative: if IPS works as well for other conditions as it does for people with severe mental health conditions and learning disabilities, we could have a new blueprint for the future of employment support.

# CSJ/YouGov polling summary

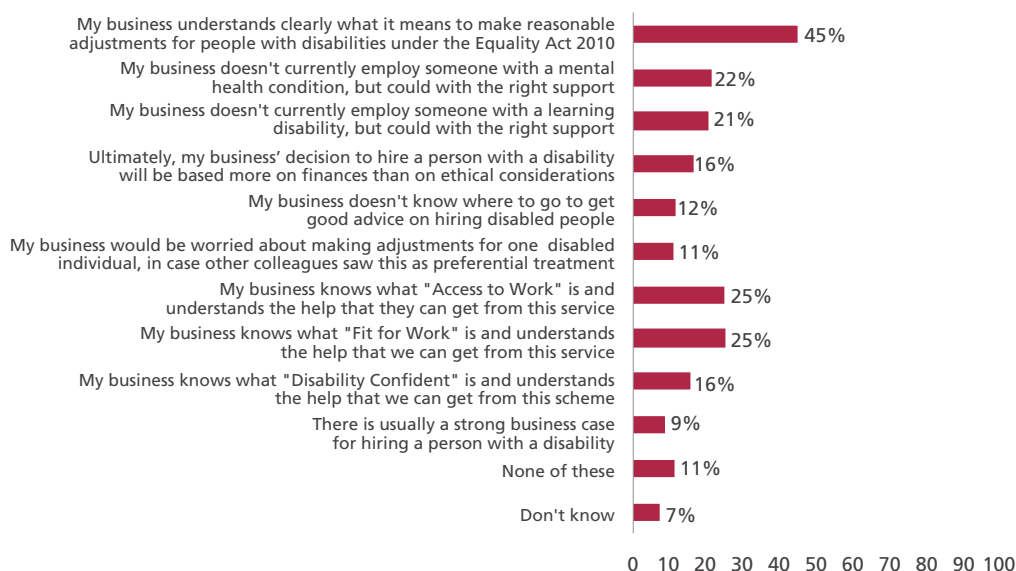
Question 1: Which, if any, of the following do you think would be barriers to your business hiring a person with a disability? (Please select all that apply, if nothing in particular would be a barrier to your business hiring a person with a disability, please select the "Not applicable" option.)



Question 2: Thinking about ALL the employees your business hired within the last 12 months (i.e. since the end of January 2016). If your business hasn't employed anyone with a disability in the last 12 months, please select the "Not applicable" answer option. Which, if any, of the following types of disabilities did any of these new employees have? (Please select all that apply, if your answer doesn't show in the list, please type it in the "other" box.)

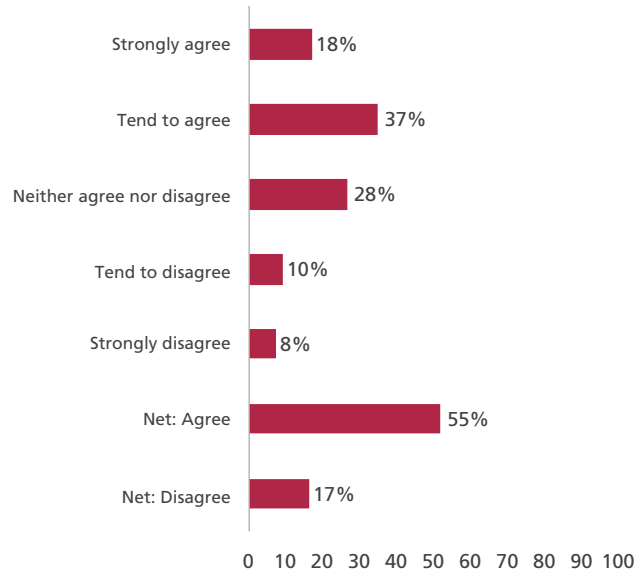


Question 3: Which, if any, of the following statements do you agree with? (Please select all that apply.)

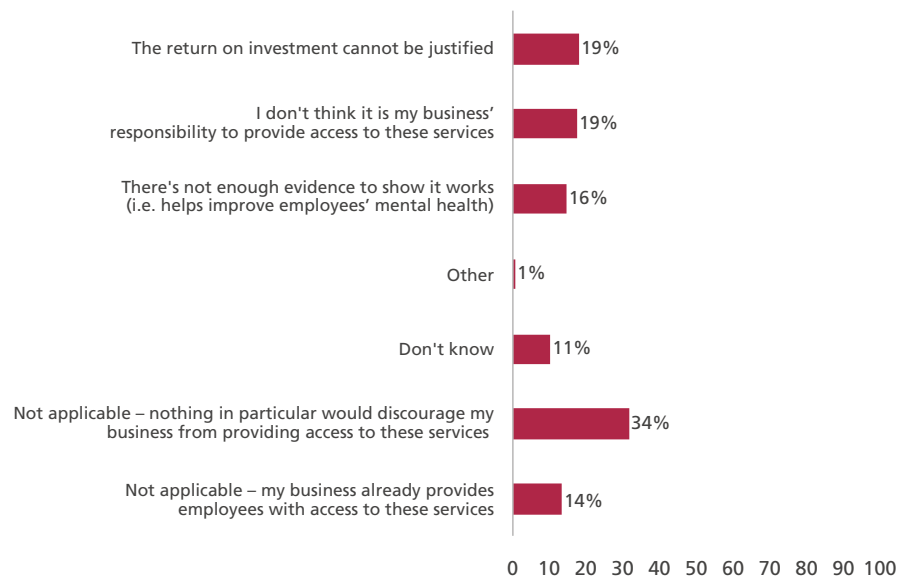




Question 4: "Providing an employee does not already have their own occupational health schemes, after 3 weeks of them being absent due to sickness, employers should be required to have a short, non-binding conversation with a Fit for Work advisor about the employee."



Question 5: Which, if any, of the following reasons would discourage you from providing employees with access to talking therapies and/or counselling services to improve their mental health? (Please select all that apply, if your answers do not show in the list, please type them in the "other" box.)



Figures are from YouGov Plc. Total sample size was 502 senior decision makers with major decision-making responsibility for human resources in private sector businesses. Fieldwork was undertaken between 27 January and 2 February 2017. The survey was carried out online.



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