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Work and Pensions Committee

Disability employment gap

Seventh Report of Session 2016–17

*Report, together with formal minutes relating
to the report*

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Work and Pensions Committee

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Summary

The Government is aiming to halve the disability employment gap—the difference between the employment rates of disabled and non-disabled people. We welcome this new emphasis on work, where appropriate, for disabled people. This shift, away from a primary concern with benefit levels, towards employment opportunities and the benefits of working, should be seen as an important change in how government views the role of disabled people in our economy and society. The ambition of the Government's target is clear. At current employment levels, halving the gap would require over one million more disabled people to be in work. Achieving this will require a clear focus on the role that employers and in-work support must play, as well as careful consideration of the necessary role of benefits.

The Government will struggle to achieve its objective if it cannot bring employers on board, and enhance in-work support. Employment opportunities must be opened up to more disabled people and employers helped to see how taking on disabled people, and retaining employees who become disabled, could be good for their businesses. Some employers may need additional financial support and incentives to take on disabled people, and a great many could benefit from access to more practical, tailored, specialist advice at the point of need. Finding out what works best for employers will require experimentation. Some evidence already exists via the Access to Work scheme. The Department should also continue to enhance its focus on improving retention rates and reducing exits from work due to ill-health. Both of these steps are crucial to sustainably closing the gap.

The development of the DWP and Department of Health's Work and Health Unit is a welcome step, acknowledging that responsibility for improving disabled people's employment rates extends beyond the DWP. To achieve the Government's ambitions, however, a more co-ordinated and strategic approach to working across Departmental boundaries will be needed. The Government should, therefore, produce a Disability Employment Strategy that aims to bring together and develop the initiatives it has already announced across Departments, and to make our country a world leader in disability employment. A key focus of the Strategy should be promoting the employment of disabled people to businesses and other key external stakeholders, building on the Department's existing Disability Confident campaign.

Tackling the gap and supporting over a million more disabled people into and in work will also require substantial, sustained and specialist practical support for disabled people themselves, including those who are currently out of work. Even with this in place, there will be no quick solutions. For those who have more complex barriers to work, there are doubts over whether Jobcentre Plus (JCP) is equipped, culturally or practically, to offer the support that is required—but there are many specialist organisations that could play a great part. Within JCP, the Department should also devote greater attention to protecting disabled benefit claimants from hardship related to sanctions, which may push them further from work. It should develop a code of conduct for Work Coaches on applying sanctions to disabled claimants, incorporating

its existing safeguarding guidance and additional guidance on how to consider the impact on a claimant's physical and mental health when deciding whether to make a sanction referral.

We welcome the DWP's intention to reform the Work Capability Assessment which, for too long, has been a source of stress and anxiety for disabled people. As part of this process, the Department has committed to ending re-assessment of people with some severe conditions. It must clarify which groups of people this will apply to, and when it expects the change to be introduced. We also welcome the Department's commitment to improving its offer to claimants in the Employment and Support Allowance (ESA) Support Group, but emphasise that this must be implemented on a voluntary basis.

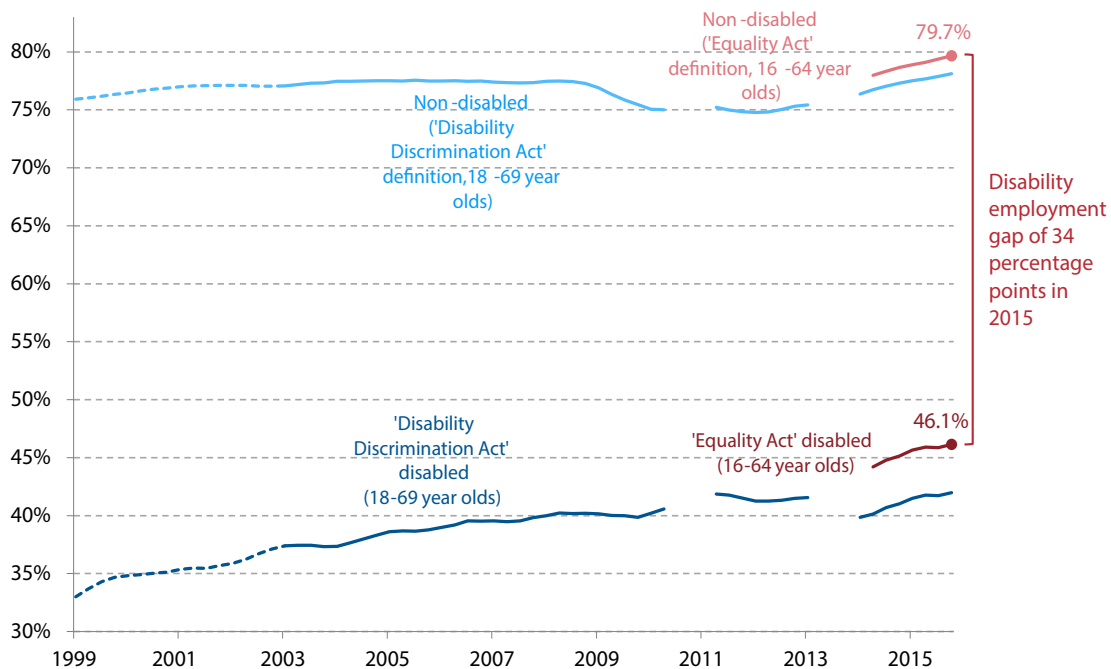
The Government intends to introduce a new, lower rate of benefit payment for new claimants in the ESA Work-Related Activity Group (WRAG) than is currently in place, aligning this with the rate of Jobseeker's Allowance. This was legislated for in March 2016, and will generate fiscal savings. There is a risk, however, that it will affect disabled people's quality of life and likelihood of moving into work. The living costs that disabled people accrue as a result of their disabilities vary, depending on factors including impairment type and severity, and their individual circumstances. If the Department is to press ahead with this change, it must ensure that prior to its introduction it has set out a clear plan for identifying where new claimants have additional, unavoidable living costs relating to their conditions that they will struggle to meet with the new payment level, and how it will ensure that these costs are covered.

Recent years have seen an increase in the number of disabled people in work, but too many disabled people are still being left behind in the labour market. Many employers still fail to recognise fully the abilities and value of disabled staff, and disability all too often means dropping out of work entirely. At a time when low unemployment should increase employer demand for disabled people, the Government has a chance to introduce incentives and programmes to make sure that it achieves its goal. The Department acknowledges that improving disabled people's employment rates must be a priority. It must now ensure that its programmes, resources and planning match its ambition.

1 Introduction

1. Despite some recent progress, disabled people still have much lower employment rates than those without disabilities. In mid-2016 in the UK, 49% of disabled people aged 16–64 were in work, compared with 81% of non-disabled people. The disability employment gap—the difference between the employment rates of disabled and non-disabled people—therefore stood at 32 percentage points. This is an improvement of two percentage points since 2013; there were 550,000 more disabled people in work in mid-2016 than in 2013.¹ The gap has however widened from 30 percentage points in 2010, largely reflecting improvement in the non-disabled employment rate (see Figure 1, below). The UK fares poorly in international comparisons, and has a disability employment gap above the European Union average (see Figure 2, below).

Figure 1: Disabled and non-disabled employment rates, UK, 1999–2015

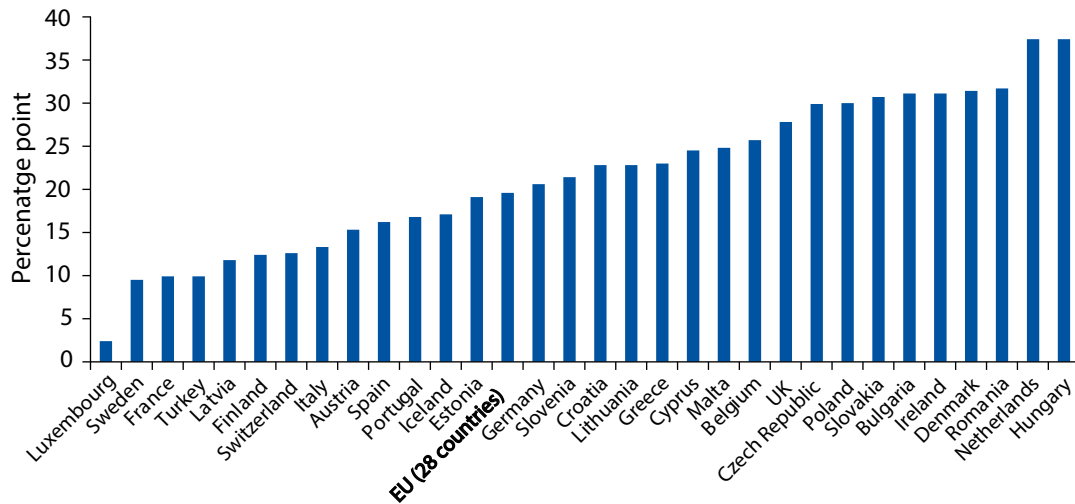


Source: Resolution Foundation, *Retention Deficit*, June 2016. Note: Annual rolling averages, historical dashed lines represent trends based on age 18–59 (women)/64 (men). Breaks represent changes in the survey questions or methods.

1 ONS, [Table A08: labour market status of disabled people](#), November 2016. Data refer to July – September 2016. Due to change in the LFS survey question on disability in 2013 it is not possible to directly compare data prior to this.

Figure 2: The UK fares poorly in international comparisons of the disability employment gap

Gap in the employment rate between those report a disability and those who do not, aged 15–64: 2011²



Source: Jones, M. [Disability and labour market outcomes](#), IZA World of Labor, April 2016

2. The Government has set itself the goal of achieving “full employment” in this parliament.³ Achieving this will require making substantial progress on reducing the disability employment gap. The 2015 Conservative manifesto pledged to halve the gap, and a subsequent press release from the Department for Work and Pensions (DWP/The Department) suggested this would be achieved by 2020.⁴ The commitment to improving disabled people’s employment rates was subsequently re-stated in the 2015 Autumn Statement, and by the current Secretary of State for Work and Pensions, Rt Hon Damian Green MP.⁵

The scale of the challenge

3. Halving the gap would require an extra 1.2 to 1.5 million disabled people to be in employment.⁶ Of the 3.5 million disabled people who are currently out of work, the majority are economically inactive—either not looking for, or not currently available for work (see Figure 3, below). Two million of the 3.5 million cite their health or disability as their main reason for being out of work, suggesting that a further 1.5 million are disabled

2 From the European Union Labour Force Survey, 2011. 2011 is the most recent year for which data is available. The Resolution Foundation notes that “disability is defined slightly differently in this data – capturing those with ‘long-standing difficulty in basic activities’”. The EU-LFS covers all EU countries, alongside Norway, Sweden and Iceland. Data refers to self-reported disability: in some countries, social and economic factors may make respondents more or less likely to report having a disability. 2011 is the last year for which data is available. Luxembourg’s very low employment gap can be explained, in part, by the country requiring employers to recruit a certain quota of disabled people or face fines.

3 Conservative Party, [2015 manifesto](#), May 2015, p.17

4 Conservative Party, [2015 manifesto](#), May 2015, p.19; DWP, [Press release: First Disability Confident city sets out bold employment ambition](#), June 2015

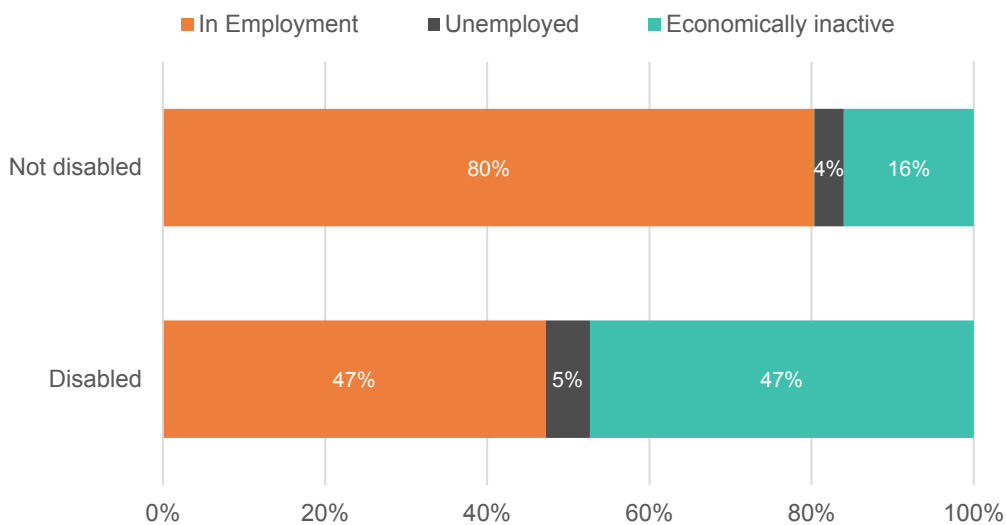
5 HM Treasury, [Spending review and Autumn Statement](#), Cm 9162, November 2015, para. 1.130; [HC Deb 31 October 2016, c666-667](#) (Damian Green)

6 Oakley, M. [Closing the gap: creating a framework for tackling the disability employment gap in the UK](#), Social Market Foundation, March 2016; Gardiner, L. and Gaffney, D. [Retention deficit](#), Resolution Foundation, June 2016. The lower estimate assumes that there is no corresponding increase in the non-disabled employment rate, while the higher number takes into account both population growth and improvements in the employment rate of non-disabled people.

but do not cite their disability as their main reason for being inactive.⁷ Research by Shaw Trust, a provider of employment support for disabled people, indicated that a higher proportion of disabled people who are economically inactive want to work, compared to their non-disabled counterparts.⁸ One part of the challenge is, therefore, to consider how those who are disabled and unemployed or economically inactive, but who could work given the correct support and working environment, can be helped to do so.

Figure 3: Many more disabled people than non-disabled people are economically inactive

Proportion of disabled and non-disabled people who are employed, unemployed, or economically inactive, October-December 2015



Source: Learning and Work Institute, [Halving the Gap](#), July 2016

4. Reducing the disability employment gap is not simply a matter of getting currently unemployed disabled people into work. The Government must also look to stem the flow of people from work into unemployment due to ill-health. This is because:

- There is substantial evidence that being in appropriate employment is good for health, and that having a disability need not necessitate dropping out of work;⁹
- 83% of people who have a disability acquire it while they are in work;¹⁰
- Some 400,000 people leave the workforce after developing a disability or work-limiting condition each year;¹¹
- More people will work into older age in future. As older people are more likely to be ill or disabled, the prevalence of illness and disability in the working-age

7 Shaw Trust ([DEG0058](#))

8 Shaw Trust ([DEG0058](#))

9 For overviews see: Black, C. [Working for a Healthier Tomorrow](#), The Stationary Office, March 2008 and Waddell, A. and Burton, A.K. [Is Work Good for Your Health and Wellbeing?](#) The Stationary Office, 2006

10 DWP, <https://www.gov.uk/government/collections/disability-confident-campaign>, November 2016

11 Pluss ([DEG0040](#)), Shaw Trust ([DEG0058](#))

people will increase. 15% of people aged 16–24 have at least one health condition that limits their day-to-day activities in some way. This increases to 42% of people aged 45 to 64, and 57% of people aged 65 to 74.¹²

This suggests there is a major role for in-work support for disabled people. It also illustrates a need for support for employers to help their employees to stay in work, to proactively address causes of ill-health at work, and to bring about cultural change on work and disability.¹³ This imperative has been recognised in a number of Government reviews on work and health: notably Dame Carol Black’s *Working for a Healthier Tomorrow* and the subsequent *Review of Sickness Absence*, and Liz Sayce’s review, *Getting in, Staying in and Getting on*.¹⁴

Employment support for disabled people

5. Since 2010–11, disabled people who are out of work and in receipt of benefits have been eligible for both the Work Programme and Work Choice schemes, which are the Department’s main welfare-to-work programmes. Those claiming Jobseeker’s Allowance (JSA) and in the Employment and Support Allowance (ESA) Work-Related Activity Group (WRAG) can be mandated to take part in the Work Programme (although different conditions apply to their participation), or can choose to take part in Work Choice if eligible.¹⁵ Those in the ESA Support Group (60% of all ESA claimants) cannot be mandated to take part in any programme, but can volunteer to take part.¹⁶ The Work Programme has performed poorly for ESA claimants. While around one in four JSA claimants obtain a job after referral to the Work Programme, the same can only be said of one in seven new ESA claimants and one in sixteen in the ESA “Other” category, which includes former Incapacity Benefit claimants.¹⁷ Work Choice delivered much better outcomes: 59% of individuals referred to it in 2014–15 moved into sustained employment. It is, however, a much smaller programme, and we have previously reported concerns that it was poorly targeted towards those disabled people with the most significant barriers to work.¹⁸ The DWP also has some initiatives and programmes aimed at disabled people who are in

12 Public Health England and The Work Foundation, [Health of the Working Age Population](#), p.3

13 Disability Rights UK ([DEG0041](#)), The Work Foundation ([DEG0094](#)), Professor Ralph Fevre and Dr Deborah Foster ([DEG0066](#)), British Association for Supported Employment ([DEG0033](#)), Association of British Insurers ([DEG0072](#)), College of Occupational Therapists ([DEG0063](#)), National Autistic Society ([DEG0060](#)), Action for M.E. ([DEG0031](#)), Council for Work and Health ([DEG0091](#)), MS Society ([DEG0062](#)), Pluss ([DEG0040](#)), Joseph Rowntree Foundation ([DEG0085](#)), Scope ([DEG0069](#)), Business Disability Forum ([DEG0042](#)), Local Government Association ([DEG0049](#)), Equality and Human Rights Commission ([DEG0089](#)), Learning and Work Institute ([DEG0086](#)), Action on Hearing Loss ([DEG0038](#))

14 Black, *Working for a Healthier Tomorrow*; Black, C. and Frost, D. [Health at Work: An Independent Review of Sickness Absence](#). Cm. 8205, Department for Work and Pensions, November 2011; Sayce, L. [Getting in, Staying in and Getting on: Disability employment support fit for the future](#). Cm 8081, June 2011

15 Work Choice is a specialist programme for disabled people, whereas Work Programme is available to all claimants, irrespective of health conditions. The Department does not collect data on how many JSA claimants have a disability. A summary of the differences between JSA, ESA-WRAG and the ESA Support group is contained in Chapter 2, Box 2 of this report.

16 DWP, [Improving Lives: The Work, Health and Disability Green Paper](#), October 2016, para. 83. Whether a claimant is eligible for JSA or ESA, and which group (WRAG or Support Group) they are placed in if found eligible for the latter, is determined through a Work Capability Assessment. The different outcomes and requirements of claimants are explained in Box 2, Chapter 3 of this report.

17 DWP, [Work Programme quarterly statistics to March 2016](#), June 2016

18 DWP, [Work Choice official statistics](#), May 2016; Work and Pensions Committee, *Welfare to Work*, 2nd Report of Session 2015–16, HC 363, para 43

work or about to move into work, and their employers. These include the long-established Access to Work scheme, and the newer Fit for Work service and Disability Confident campaign.

6. Existing welfare-to-work provision, and much of the additional support available to employers and to disabled people in work, operates throughout England, Scotland and Wales. The Welsh and Scottish Governments provide some of their own initiatives, including support for employers.¹⁹ Support may also be commissioned locally—for example, through local authorities. Provision to devolve welfare-to-work services is contained in the Scotland Act 2016. Provision is devolved in Northern Ireland.

7. The Government has announced and begun to implement further measures and changes to existing programmes that relate to disability employment, including:

- The introduction of a new, smaller Work and Health Programme to replace both Work Choice and the Work Programme from late 2017, and corresponding changes in the support provided to disabled people through Jobcentre Plus;²⁰
- Updating and enhancing the Disability Confident campaign, from 2016;²¹
- Funding of £60 million per year from 2017–18, rising to £100 million per year by 2020–21 for practical employment support for disabled people, to be spent according to advice from representatives of disability charities and organisations;²²
- Investing £43 million up to 2019–20 in trialling ways to provide specialist support for people with common mental health conditions, via the Work and Health Joint Unit;²³
- Decreasing the ESA-WRAG benefit payment and Universal Credit equivalent, bringing it in line with the JSA rate from April 2017. The Government states this will remove “financial incentives that could otherwise discourage claimants from taking steps back to work”;²⁴
- Investment in support to help people with specific conditions: for example, a £280,000 investment over two years in a social enterprise to support people with learning disabilities and autism;²⁵ and
- Carrying out a consultation on several of aspects of employment support, including the Work Capability Assessment, detailed in *Improving Lives: The Work, Health and Disability Green Paper* (the green paper), published in October 2016.²⁶

19 For example, the Scottish Government runs the [Healthy Working Lives](#) scheme to support employers and disabled people in work, and the Welsh Government provides the [Workboost Wales](#) service. Some DWP-led provision, such as Fit for Work, is not available in Scotland.

20 Spending on the Work and Health Programme, which will cater for some disabled claimants, will be only half of that spend on disabled people alone in Work Programme and Work Choice. Work and Pensions Committee, [The Future of Jobcentre Plus](#), 2nd Report of Session 2015–16, HC 57, November 2016. Para. 57–73.

21 [Q172](#) (Penny Mordaunt). Disability Confident provides guidance and resources to employers, as well as an accreditation scheme.

22 Murphy, C. and Keen, R. [Abolition of the ESA Work-Related Activity Component](#), November 2016, p.18

23 [HL Deb 29 February 2016, c594](#). The Work and Health Unit is a joint initiative between DWP and the Department of Health.

24 Murphy, C. and Keen, R. [Abolition of the ESA Work-Related Activity Component](#), p.3

25 DWP, [Government backs social project in helping disabled people into work](#), December 2016

26 DWP and DH, [Improving lives](#)

The scope and aims of our inquiry

8. In our report on The Future of Jobcentre Plus we made recommendations on several aspects of DWP support that relate to disabled people, particularly those who are out of work. These are summarised in Box 1, Chapter 3. In this inquiry we sought to build on these recommendations. We also aimed to look more widely at employment retention support for disabled people, support for employers to help reduce exits from work due to ill-health, and to consider how the Department can help bring about cultural change and encourage employers to take on more disabled people. We are grateful to everyone who has contributed to the inquiry. In the text our conclusions are set out in **bold**, and our recommendations, which require a government response, are set out in ***bold italic***.

2 Keeping sight of the target and a strategy for reaching it

A timeline for halving the gap

9. The 2015 Conservative Party manifesto stated “we will aim to halve the disability employment gap”, by transforming “policy, practice and public attitudes”.²⁷ The manifesto did not set a deadline for achieving this. A DWP press release in June 2015 did, however, state that the Government “aims to halve the gap between the disabled employment rate and the overall employment rate by 2020”.²⁸ Questioned on whether the gap would indeed be halved by 2020, Penny Mordaunt MP, Minister of State for Disabled People, Health and Work (the Minister) denied that this had ever been the intention. She told us: “I know a couple of MPs have suggested that it was a 2020 target. It was clearly not a 2020 target”.²⁹ The Department has clarified that it has a “10 year vision” for reform leading to halving the gap, telling us that “tackling [the gap] is a long-term project”.³⁰

10. Witnesses told us that halving the gap is an ambitious aim, and doing so by 2020 would have been highly challenging.³¹ Liz Sayce, Chief Executive of Disability Rights UK, for example, told us that:

The ambition is good and a bit like, ‘Would you say is it achievable for women to achieve equality?’ or something. Of course it is achievable. The question is the timeline.³²

David Finch, Senior Economic Analyst at the Resolution Foundation think-tank, thought that “around 10 years” might be a more realistic timescale.³³ Others pointed out that this would depend on the Department substantially accelerating its current rate of progress. Steve Sherry, Chief Executive of Royal British Legion Industries, which runs its own employment support services, cited research that showed that “at the current rates it might be achieved in 200-plus years”.³⁴

Measuring and reporting on progress

11. The Office for National Statistics (ONS) Labour Force Survey (LFS) is the main survey that the Department uses in assessing the size of the disability employment gap, including in its green paper.³⁵ The LFS measures self-reported disability.³⁶ The Department told us

27 Conservative Party, [2015 manifesto](#), p.19

28 DWP, [Press release: First Disability Confident city sets out bold employment ambition](#), June 2015

29 [Q109](#) (Penny Mordaunt)

30 DWP and DH, [Improving lives](#), para. 11; DWP ([DEG0083](#))

31 Learning and Work Institute ([DEG0086](#)), Disability Rights UK ([DEG0041](#)), Leonard Cheshire Disability ([DEG0039](#)), Joseph Rowntree Foundation ([DEG0085](#)), Remploy ([DEG0075](#)), Scope ([DEG0069](#)), Papworth Trust ([DEG0043](#)), Business Disability Forum ([DEG0042](#)), British Association for Supported Employment ([DEG0033](#)), United Response ([DEG0030](#))

32 [Q35](#) (Liz Sayce)

33 [Q2](#) (David Finch)

34 [Q52](#) (Steve Sherry)

35 DWP and DH, [Improving lives](#), para. 22

36 The current LFS question on disability asks: “Does your condition or illness reduce your ability to carry out day-to-day activities? Answers: Yes, a little; Yes, a lot; and Not at all”. See Ben Baumberg Geiger, Melanie Jones and Victoria Wass ([DEG0023](#)) for previous wordings of the question.

that it would report on its progress towards halving the gap as required in the Welfare Reform and Work Act 2016. This sets out an obligation for the Secretary of State to report annually on the Department's progress towards "full employment". It stated its first report will "set out a conceptual framework for full employment and the measures which will be used to monitor progress towards that aim".³⁷ The Department has repeatedly declined to set interim targets or milestones. It has argued that setting targets relating to a single measure such as the gap, measured through the LFS, would not necessarily accurately reflect the success or failure of policy.³⁸ The Minister pointed out, for example, that the gap could be narrowed by a decrease in non-disabled people's employment rates, but this would hardly be a desirable outcome.³⁹ Some witnesses agreed with this point.⁴⁰ The Minister told us that "over time" the Department would "develop some more meaningful measures over and above the Labour Force Survey", and would look to map the support available in different local areas with a view to identifying what works in supporting disabled people into work. Beyond this, it was unclear what the new measurements might be and when they would be introduced.⁴¹

12. The Employment-Related Services Association (ERSA), a membership body for employment support providers, told us that targets that are too broad can incentivise unhelpful behaviour amongst service providers, particularly in relation to helping more disadvantaged people.⁴² Others argued they could be helpful: the Trade Union Congress (TUC) explained that targets have a place "insofar as they help monitor progress or where there is a shortfall".⁴³ We also received evidence suggesting that even where there is disagreement about the role of targets, consistent, detailed measuring and reporting in the shorter and medium-term is necessary given the long-term nature of the goal. Breakthrough UK, a disabled people-led organisation that provides employment support, told us that "what gets measured, gets done".⁴⁴ Victoria Wass, of Cardiff University Business School, stated that:

The measures that we have are not robust, they are not very strong. Unless we do have a better measure, we will not know whether we have made progress or not.⁴⁵

37 DWP ([DEG0083](#))

38 [Q110](#) (Penny Mordaunt), [HC Deb 31 October 2016, c675](#) (Damian Green)

39 [Q110](#) (Penny Mordaunt)

40 Ben Baumberg Geiger, Melanie Jones and Victoria Wass ([DEG0023](#))

41 [Q108](#) (Penny Mordaunt), [Q136](#) (Penny Mordaunt)

42 ERSA ([DEG0087](#)). See also: Salford Welfare Rights and Debt Advice Service ([DEG0064](#)), Joseph Rowntree Foundation ([DEG0085](#)), Local Government Association ([DEG0049](#)), Dimensions UK ([DEG0018](#)), People First Scotland ([DEG0007](#))

43 Trade Union Congress ([DEG0055](#)). See also: START Ability Services ([DEG0079](#)), Association of British Insurers ([DEG0072](#)), College of Occupational Therapists ([DEG0063](#)), Inclusion Scotland ([DEG0061](#)), National Autistic Society ([DEG0060](#)), Inclusion London ([DEG0059](#)), Disability Rights UK ([DEG0041](#)), Action for M.E. ([DEG0031](#)), Salvation Army ([DEG0027](#)), Blind in Business ([DEG0017](#)), Gary Denton ([DEG0015](#))

44 Breakthrough UK ([DEG0053](#)). See also: Scope ([DEG0069](#)), ENABLE Scotland ([DEG0029](#)), Salvation Army ([DEG0027](#)), Dimensions UK ([DEG0018](#)), Remploy ([DEG0075](#)), Council for Work and Health ([DEG0091](#)), Aspiacent CIC ([DEG0077](#)), British Association for Supported Employment ([DEG0033](#))

45 [Q2](#) (Victoria Wass)

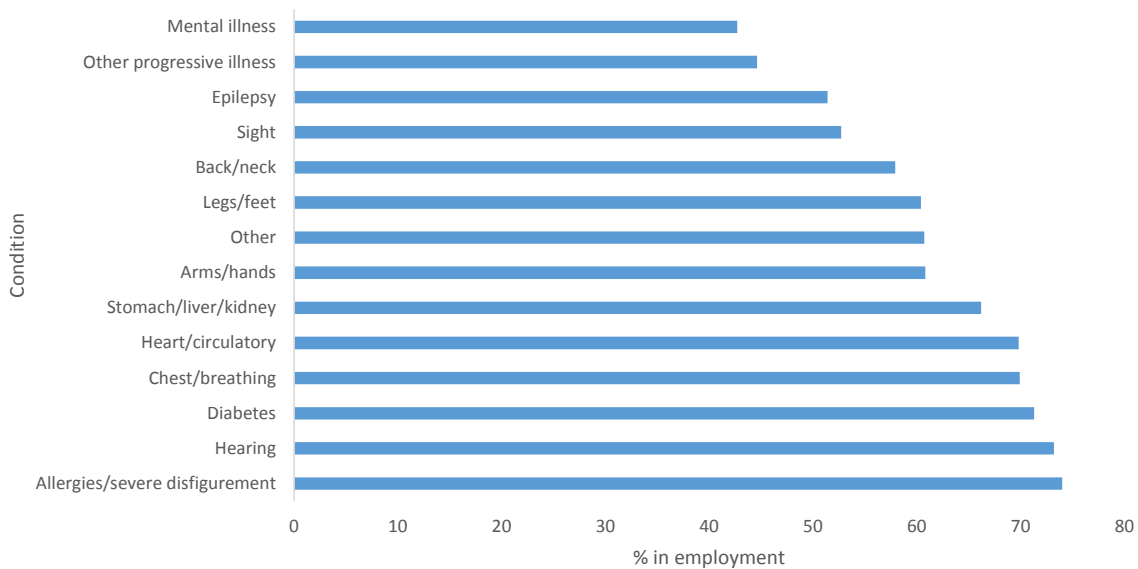
Suggestions for measures that the Department should report on included:

- Employment gaps for different conditions, as these vary widely (see Figure 4, below);⁴⁶
- Multiple measures of disability: for example, those that focus on physical or mental difficulties in performing specific day-to-day tasks, as opposed to the current LFS question;⁴⁷
- Other employment gaps, such as in disabled people’s job satisfaction and experiences of the quality of work, including sustainment;⁴⁸
- The proportion of disabled people employed in different companies and sectors.⁴⁹

Victoria Wass, along with Ben Baumberg Geiger and Melanie Jones, also academics with an interest in disability and labour market policy, told us that it is difficult to assess progress towards closing the gap if the survey questions change. The LFS question changed in 2010 and 2013. Any further changes would “make tracking the Government’s aspirations almost impossible”.⁵⁰

Figure 4: Employment rates vary widely between people with different conditions

Variations in Employment Rates by Condition, Q4 2014



Source: DWP, [Labour Force Analysis of disabled people by region and main health problem](#)

13. The Department has to date chosen not to set absolute targets for reducing the disability employment gap, on the basis that it is sensitive to change for reasons

46 Remploy ([DEG0075](#)), Inclusion Scotland ([DEG0061](#)), National Autistic Society ([DEG0060](#)), United Response ([DEG0030](#)), ENABLE Scotland ([DEG0029](#)), Royal National Institute of Blind People ([DEG0025](#)), Blind in Business ([DEG0017](#)), People First Scotland ([DEG0007](#)), Equality and Human Rights Commission ([DEG0089](#)), Scope ([DEG0069](#))

47 Ben Baumberg Geiger, Melanie Jones and Victoria Wass ([DEG0023](#))

48 Ben Baumberg Geiger, Melanie Jones and Victoria Wass ([DEG0023](#)), Inclusion Scotland ([DEG0061](#)), Employment Related Services Association (ERSA) ([DEG0087](#)), Scope ([DEG0069](#))

49 Equality and Human Rights Commission ([DEG0089](#)), College of Occupational Therapists ([DEG0063](#))

50 Ben Baumberg Geiger, Melanie Jones and Victoria Wass ([DEG0023](#))

other than the impact of policy. We understand this rationale. Clear reporting and measures of progress are, however, essential to keeping the goal of halving the gap in focus and ensuring transparency over whether and where progress is being made. This is especially so because halving the gap—and indeed, going beyond this where possible—is an ambition that will, in all likelihood, not be achieved by 2020. It is a long-term ambition that requires long-term thinking and a consistent approach. The Department can do much to lay the ground for this by introducing clear expectations, and detailed measurements and reporting standards now. Only through measuring outcomes will it be possible to identify and spread good practice.

14. *We recommend the Department commit to gather data and report on a range of measures, including, but not limited to, those using the Labour Force Survey. It should report on measures of disabled people’s experiences of the quality of work, surveys using questions that give specific examples of mental or physical difficulties in carrying out day-to-day actions in determining whether an individual is “disabled”, and progress on reducing employment gaps for different conditions. It should also conduct research into how difficulties associated with different conditions have been surmounted.*

15. *As the Labour Force Survey is likely to remain the most widely-used measure of disability and the clearest means of tracking the Government’s progress, we recommend the ONS and DWP commit together to not making further changes to the Labour Force Survey question on disability for the next ten years, to enable consistent tracking over time.*

A disability employment strategy

16. Witnesses emphasised that efforts to narrow the disability employment gap cannot come from DWP alone.⁵¹ Karen Walker-Bone, of Arthritis Research UK, told us that that the Department of Health, in particular, should be “more responsible for work”.⁵² This draws on evidence of a positive relationship between being in appropriate work, and good health, which was widely observed by witnesses.⁵³ The DWP told us working across Departments in recognition of this relationship is the purpose of the Work and Health Unit, which is sponsored by the DWP and Department of Health, and was allocated £115 million of funding in the 2015 Spending Review.⁵⁴ The establishment of the Unit was welcomed by many witnesses.⁵⁵

17. We heard, however, that a broader cross-departmental approach is needed. Some of the challenges that disabled people face in moving into and progressing in work go beyond the DWP’s remit. For example, to be able to move between jobs in different parts of the country, disabled people may need support in finding accessible housing, or transferring

51 Disability Rights UK (DEG0041), Scope (DEG0069), Remploy (DEG0075), Council for Work and Health (DEG0091), Macmillan Cancer Support (DEG0068), MS Society (DEG0062), Centrepoint, Crisis, ERSA, Homeless Link, St Mungos, The Salvation Army (DEG0036), Learning and Work Institute (DEG0086), CareTrade Charitable Trust (DEG0029), Lampard School (DEG0082)

52 Q91 (Karen Walker-Bone)

53 Disability Rights UK (DEG0041), Leonard Cheshire Disability (DEG0039), Joseph Rowntree Foundation (DEG0085), College of Occupational Therapists (DEG0063), Council for Work and Health (DEG0091), MRC/CSO Social and Public Health Sciences Unit, University of Glasgow (DEG0073), Essex County Council (DEG0051), Royal British Legion Industries (DEG0046), The Work Foundation (DEG0094), MS Society (DEG0062), Lampard School (DEG0082)

54 DWP (DEG0083)

55 Remploy (DEG0075), Macmillan Cancer Support (DEG0068)

a care package from one local authority to another.⁵⁶ Difficulty in navigating and accessing these services can result in disabled people being unable to take up employment opportunities. Remploy told us:

The ambition is more likely to be achieved if it is a shared objective across government. The basis of this should be strong and clear messaging across all department and agencies that halving the disability employment gap is a Government priority and that work is a positive outcome.⁵⁷

Disability Rights UK concurred that delivering the target “will require cross department interventions”. The Department of Health, Department for Education, Department for Communities and Local Government, and Department for Business, Energy and Industrial Strategy (BEIS) were all identified as having important roles to play, alongside the DWP.⁵⁸ Some of these Departments already have initiatives underway that relate to closing the gap. For example, BEIS and DWP commissioned the Paul Maynard Taskforce on improving access to apprenticeships for young disabled people in 2015. Witnesses told us that a wider strategic approach would be necessary to co-ordinate, focus and enhance initiatives across Departments that relate to closing the gap. Scope called for a “national strategy for supporting disabled people to enter and sustain employment”. This could be led and co-ordinated through the Office for Disability Issues or Equality and Human Rights Commission (with appropriate funding), or by an external tsar with a cross-departmental remit.⁵⁹ Breakthrough UK contended that the “lack of an effective, well thought through disability employment strategy and plan is at the root of the continuing employment gap”.⁶⁰ The DWP produced its own strategy on disability and health, in 2013. This, however, focused on programmes within the Department.⁶¹

18. Achieving the Government’s ambitions on the disability employment gap will require a sustained commitment from a range of different agencies, Departments and external stakeholders beyond the DWP. Businesses have a vital leadership role to play, and bringing in health and education services is also of great importance. It is important that efforts are co-ordinated to ensure that all of those involved are working consistently towards the same goal. We recommend that the Government publish a Disability Employment Strategy, building on the outcome of the green paper consultation. This would bring together the initiatives already announced that relate to halving the gap, build on them, and ensure that this seen as a shared, long-term objective and priority across all relevant Departments. It should then commission an annual report on progress towards meeting its strategic goals, drawing on the improved monitoring that we recommend.

56 START Ability Services ([DEG0079](#))

57 Remploy ([DEG0075](#))

58 Remploy ([DEG0075](#)), Macmillan Cancer Support ([DEG0068](#)), Disability Rights UK ([DEG0041](#)), Learning and Work Institute ([DEG0086](#)), CareTrade Charitable Trust ([DEG0029](#)), Council for Work and Health ([DEG0091](#)), Centrepoint, Crisis, ERSA, Homeless Link, St Mungos, The Salvation Army ([DEG0036](#)),

59 Disability Rights UK ([DEG0041](#)), College of Occupational Therapists ([DEG0063](#))

60 Scope ([DEG0069](#)), Breakthrough UK ([DEG0053](#)). See also: Remploy ([DEG0075](#)), Disability Rights UK ([DEG0041](#)), MS Society ([DEG0062](#)), Professor Ralph Fevre and Dr Deborah Foster ([DEG0066](#)), Pluss ([DEG0040](#)), Local Government Association ([DEG0049](#))

61 DWP, [Disability Confident Britain: The Disability and Health Employment Strategy, one year on](#), December 2014

3 Supporting disabled people into work

19. Our previous report on *The Future of Jobcentre Plus* examined some aspects of support for disabled people who are unemployed.⁶² Box 1 provides a summary of our key recommendations as they relate to disabled people. We revisited a number of these issues, including the need for skilled Work Coaches and for JCP to build strong partnerships with the third sector, while taking evidence from the Minister.⁶³

Box 1: Conclusions and Recommendations from the Future of Jobcentre Plus

The skills of Work Coaches: JCP is moving towards a generalist Work Coach model, where Coaches take mixed caseloads of claimants and do not specialise in helping specific groups. Many disabled claimants will have complex needs, however, that require knowledge, understanding, and dedicated help to overcome. We heard there is a clear case for allowing some Work Coaches to specialise in directly supporting disabled claimants. We recommended that the additional skills required for this role should be reflected in the creation of a new front-line role, with progression to a Senior Work Coach pay grade.

Partnership working through JCP: JCP will be the gateway for ensuring the right people are referred to the right support at the right time. To ensure that disabled people's needs are met, it must ensure that it works with local organisations to address the broader social and health issues which affect claimants' employability. We recommended the Department take steps to promote the discretionary Flexible Support Fund for this purpose, and gather data on how it is used to support partnership working in individual Jobcentres in order to measure whether it is being used effectively.

We also heard support for integrating part of the health budget into the DWP's budgets to help JCP address the full range of barriers to work experienced by disabled people. We recommended that JCP districts be allocated their own health budgets for the remaining financial years during this Spending Review period, with the expectation that this would be spent on developing stable partnerships to address health-related barriers to work.

The Work and Health Programme: We were disappointed that DWP's plans for the Work and Health Programme did not involve expanding on Work Choice's successes in supporting disabled people into work. Our recommendations focused on getting the best results from the smaller contracted-out service. We welcomed the announcement that participation would be voluntary for most disabled claimants, but sought clarity from the Department on how mandation would apply to long-term unemployed disabled people. We also recommended that the Department should focus on specialist providers in commissioning the new scheme.

62 Work and Pensions Committee, [The Future of Jobcentre Plus](#)

63 [Q117-128, Q167](#) (Penny Mordaunt)

The Work Capability Assessment

20. The Work Capability Assessment (WCA) determines eligibility for ESA, or the equivalent components of Universal Credit (see Box 2, below). It has been subject to controversy in previous Parliaments. Our predecessor Committee found that it “frequently fails to provide an accurate assessment of the impact of the claimant’s condition on their fitness for work or work-related activity”. They noted that a high proportion of WCA decisions were overturned on appeal or at the Mandatory Reconsideration stage (with associated costs to the Department), and called for a “fundamental redesign” of the ESA application process.⁶⁴ We heard continued concerns of deep flaws in the Work Capability Assessment. The British Association for Supported Employment, a trade association for supported employment providers, told us that these were of such severity that the WCA required a “fundamental overhaul”.⁶⁵

Box 2: The Work Capability Assessment

The Work Capability Assessment determines whether prospective ESA claimants have “limited capacity to work”. Most claimants fill in a detailed health questionnaire and attend a face-to-face assessment with an external contractor. The final decision is made by a DWP “decision maker”. There are three possible WCA outcomes:

- (1) Claimants who are found not to have limited capability for work are ineligible for ESA. They are found “fit for work” and may claim JSA instead.
- (2) Claimants who are eligible for ESA may be found to have “limited capability for work”, but to be capable of some work-related activity. They are placed in the Work-Related Activity Group (WRAG) and have to fulfil some conditions to receive ESA, such as attending work-focused interviews.
- (3) Claimants who are found to have limited capability for both work and work-related activity are placed in the Support Group. Support Group claimants are not subject to conditionality.

Data on the proportion of claimants in each group is shown in Figure 5.

21. The green paper raises the issue of reforming the WCA, building on reforms already carried out as a result of five annual reviews of its operation.⁶⁶ It proposes a model that uses the WCA solely to assess eligibility for financial support. Decisions about the type of employment support that someone is required to engage with would be made by “trained Work Coaches” who could “have full discretion” to make case-by-case decisions on initial support programmes. The Work Coach could then “adjust requirements and goals dependent on changes in a person’s condition or circumstances”.⁶⁷ The Minister downplayed the importance of Work Coaches in providing direct support, telling us that

64 Work and Pensions Committee, [Employment and Support Allowance and the Work Capability Assessment](#), 1st Report of Session 2014–15, HC-302, July 2014, p.3. Around 1 in 4 decisions where the outcome is disputed result in the WCA decision being overturned. See: DWP, [Employment and Support Allowance: Work Capability Assessments, Mandatory Reconsiderations and Appeals](#), September 2016.

65 British Association for Supported Employment ([DEG0033](#)). See also: Citizen’s Advice Scotland ([DEG0047](#)), Disability Benefits Consortium ([DEG0045](#)), Joseph Rowntree Foundation ([DEG0085](#))

66 The last such review was completed in 2014. See Litchfield, P., [Work Capability Assessment independent review: year five](#), DWP, November 2014

67 DWP and DH, [Improving lives](#), para. 132–133

they provide “the hub for our own layers of support, but also other support that is available in the community”.⁶⁸ Work Coaches would be able to call on support from Disability Employment Advisers, JCP Community Partners,⁶⁹ occupational health professionals, and JCP work psychologists.⁷⁰ Nevertheless, the model proposed suggests that Work Coaches would make the final decision on appropriate conditionality.

22. The Work Foundation, a research organisation focusing on work and health, supported the idea of separating the financial and support-based elements of the WCA.⁷¹ We heard support in principle for a more flexible approach to determining disabled people’s support needs and providing support in JCP, recognising that within each benefit category there are claimants with a wide range of conditions.⁷² Set against this, however, we heard that determining an individual’s support needs is a highly skilled job—one for which generalist Work Coaches may not be appropriately qualified. The Disability Benefits Consortium, an organisation of over 60 charities, told us that Work Coaches without specialist knowledge may lack understanding of the barriers that a disability or health condition can create. This may lead them to apply conditionality that is “inappropriate or unmanageable for claimants”.⁷³ Shaw Trust told us that their roundtable research with Work Programme and Work Choice participants had identified a “clear, singular voice on the importance of advisers who are knowledgeable or empathetic to an individual’s health condition”. They recommended that such advisers should be “a key force” in addressing disability unemployment. Several other providers and charities concurred.⁷⁴

23. ESA claimants are currently subject to reassessments at intervals throughout their claims, to determine whether they are still eligible for their benefit, and which claimant group they should be placed in. The Department has announced that it will no longer require ESA claimants who have been diagnosed with “the most severe health conditions and disabilities from which they will never recover” to face re-assessment after their initial award is made. It has not, however, set a date for introducing this change.⁷⁵ Neither has it given full details of which impairment groups or conditions will exempt claimants from reassessment.

24. We welcome the Department’s decision to exempt some severely disabled claimants from repeated reassessment for ESA. This will reduce pressure on disabled people (and their families, carers and so on). It should also reduce assessment costs for the Department and waiting times for assessments. We invite the Department to set out in response to this report both when it intends to introduce this change, and the criteria it will use to identify claimants that will be exempt.

68 Q140 (Penny Mordaunt)

69 The green paper explains that around 200 new Community Partners, who will have personal and professional experience of disability, will be placed in Jobcentres to help build JCP staff capability and identify appropriate sources of local support for disabled claimants. See DWP and DH, [Improving lives](#), para. 88

70 DWP and DH, [Improving lives](#), pp. 42–43, DWP ([DEG0083](#))

71 The Work Foundation ([DEG0094](#))

72 Scope ([DEG0069](#)), ENABLE Scotland ([DEG0029](#)), CareTrade Charitable Trust ([DEG0029](#)), Blind in Business ([DEG0017](#)), ERSA ([DEG0087](#)), START Ability Services ([DEG0079](#))

73 Disability Benefits Consortium ([FJP0054](#))

74 Disability Benefits Consortium ([FJP0054](#)), Rethink Mental Illness ([DEG0037](#)), National Autistic Society ([DEG0060](#)), Shaw Trust ([DEG0058](#)), Scope ([DEG0069](#)), ENABLE Scotland ([DEG0029](#)), ERSA ([DEG0087](#)), Macmillan Cancer Support ([DEG0068](#)), Salford Welfare Rights and Debt Advice Service ([DEG0064](#)), MS Society ([DEG0062](#))

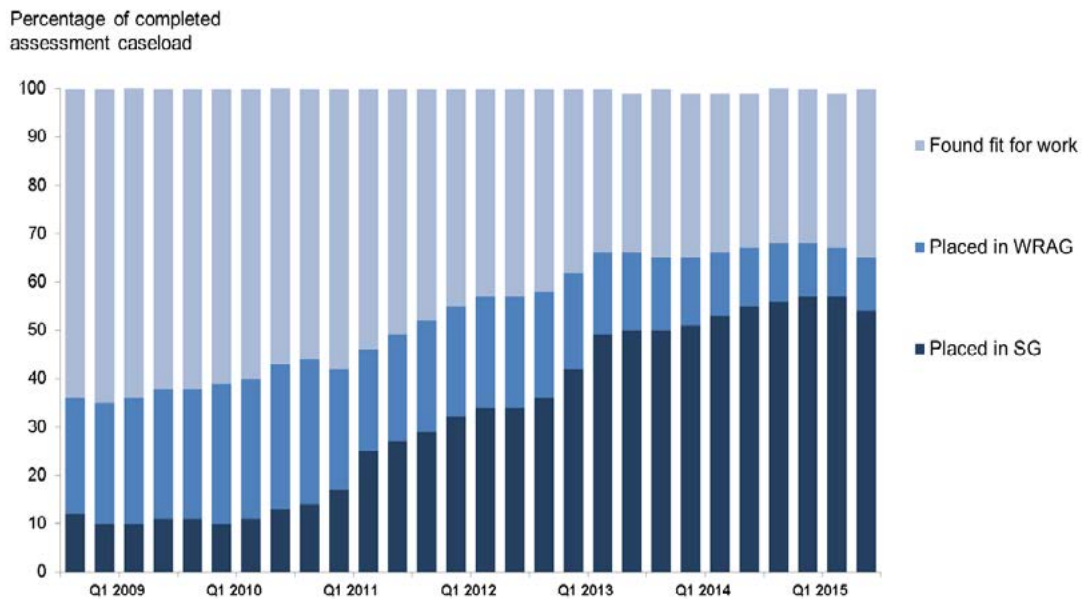
75 DWP, [Improving Lives](#), para. 148–150

Supporting disabled people who are further from work

25. The green paper also considers how the Department can best support disabled people who are some distance from employment, including those in the Support Group. Recent years have seen an increasing proportion of claimants found eligible for ESA, and placed in the Support Group, reflecting reforms to the WCA process. Six in ten applicants are now found eligible, compared to three in ten in 2009 (see Figure 5). A survey by the Department conducted in 2013 suggested that 52% of those in the Support Group wanted to work. Just 5% were actively seeking work, however, and 60% felt that getting a job would be bad for their health.⁷⁶ The Minister told us that the Department is looking to provide more return to work support for claimants who have been “parked in the Support Group”, and is “very conscious” that it has to do more to help them to work where they would like to do so.⁷⁷ The green paper asks for views on whether targeted support should be offered, what should be provided and by whom. Allied to this, it asks how contact with people in the Support Group should be maintained. It suggests, for example, introducing light touch interventions such as “a ‘keep-in-touch’ discussion with Work Coaches” on a voluntary or mandatory basis.⁷⁸

Figure 5: Increasing proportions of claimants are being placed in the Support Group

Outcome of initial WCA by date of claim start, Great Britain



Source: DWP, [Employment and Support Allowance: outcomes of Work Capability Assessments](#), July 2016

26. Kennedy Scott, a provider of the Department’s Specialist Employment Support programme for disabled people, agreed that “more thought needs to be given as to how we can help the ESA Support Group to progress and succeed”.⁷⁹ We also heard from an individual with personal experience of disability, who told us that the Support Group should not be allowed to function as a “scrap heap” for society.⁸⁰ Currently, those in the

76 DWP, [A survey of disabled working age benefit claimants](#), July 2013, p.26, 35, 38

77 [Q138](#) (Penny Mordaunt)

78 DWP and DH, [Improving Lives](#), para. 37

79 Kennedy Scott ([DEG0056](#))

80 Name withheld ([DEG0044](#))

Support Group can engage with return-to-work support on a voluntary basis. Sense, a charity supporting people who are deafblind, told us that very few people who are currently in the Support Group are aware that they can volunteer for this support. Many are concerned that doing so would affect their benefit entitlement.⁸¹ A voluntary “keep in touch” discussion could ensure that people in the Support Group are kept well informed of the support available to them. We heard that the frequency of contact between disabled claimants and JCP should be determined by the claimants’ individual requirements.⁸²

27. A November 2016 report by the National Audit Office concluded that the Department has limited evidence on how people respond to the possibility of receiving a sanction (which it uses to enforce conditionality), and has carried out little of its own research to examine the impact of its use of sanctions in the UK.⁸³ Witnesses told us that even light-touch conditions can be very challenging for some disabled people (with those in the Support Group likely to have more severe conditions than others). For example, the National Autistic Society told us that “complying with mandatory activity such as attending interviews at the Job Centre can be particularly difficult for autistic people, who may struggle to communicate face-to-face”. They therefore recommended that “mandation and the threat of benefit sanctions should only be used as a last resort”.⁸⁴ We previously recommended that participation in return-to-work support should be voluntary for disabled people. In our Future of Jobcentre Plus report we cited evidence that voluntary engagement is more likely to lead to success in finding and staying in work, while mandation can be counter-productive.⁸⁵ We heard some evidence suggesting that disabled people (whether in the WRAG or Support Group) should be exempt from conditionality altogether. This reflected concerns over the Department’s lack of understanding about the effects and consequences of sanctions. Witnesses suggested sanctions might cause disabled claimants to disengage from support, pushing them further away from work and undermining trust between claimants and advisers. We heard evidence of the deleterious effects of sanctions on the health of those with mental health conditions, in particular.⁸⁶

28. The Work Capability Assessment is fundamentally flawed. The Department should quickly begin the process of reforming it. We are pleased that the Department is looking at how it can take a more flexible, personalised approach to providing unemployed disabled people—including those with the greatest needs—with support. We are, however, concerned that the Work Capability Assessment model proposed in the Department’s green paper would place more responsibility on Work Coaches than is appropriate for their current levels of expertise, particularly in terms of re-assessing and varying conditionality over time. We reiterate the recommendation from our Future

81 Sense ([DEG0065](#)). See also: United Response ([DEG0030](#)), RNIB ([DEG0025](#)), Name withheld ([DEG0044](#)),

82 Remploy (FJP0080), National Autistic Society (FJP0052), Crisis (FJP0060)

83 National Audit Office, [Benefit Sanctions](#), November 2016

84 National Autistic Society ([DEG0060](#)). See also: Disability Rights UK ([DEG0041](#)), Trade Union Congress ([DEG0055](#)), Inclusion Scotland ([DEG0061](#)), Inclusion London ([DEG0059](#)), ERSA ([DEG0087](#)), Citizen’s Advice Scotland ([DEG0047](#)), Rethink Mental Illness ([DEG0037](#)), Joseph Rowntree Foundation ([DEG0085](#)), MS Society ([DEG0062](#)), Scope ([DEG0069](#)), Centrepoint, Crisis, ERSA, Homeless Link, St Mungos, The Salvation Army ([DEG0036](#)), Name withheld ([DEG0021](#)), Catherine Scarlett ([DEG0010](#)), Mencap ([DEG0084](#)), MRC/CSO Social and Public Health Sciences Unit, University of Glasgow ([DEG0073](#))

85 Work and Pensions Committee, [The Future of Jobcentre Plus](#), 2nd Report of Session 2015–16, HC 57, November 2016, para. 64–66

86 Mind and the Royal College of Psychiatrists (FJP0067), Citizen’s Advice Scotland ([DEG0047](#)), Inclusion Scotland ([DEG0061](#)), Inclusion London ([DEG0059](#)), Rethink Mental Illness ([DEG0037](#))

of Jobcentre Plus report concerning developing a front-line, senior disability specialist role for Work Coaches. If Work Coaches are to be handed much more discretion over setting conditionality, it is imperative that they do so from a well-informed position.

29. Disabled people who want to work and feel they might be able to do so with some assistance should have access to support wherever possible, irrespective of the type and level of benefit that they are claiming. It is important that Work Coaches encourage claimants to access programmes and resources where appropriate, and that individuals feel that they are able to take steps towards work without risking their benefit entitlement. A “keep in touch” discussion could help claimants who would like to take steps towards work to access support, while ensuring that they understand that this will not affect their benefit entitlement. We are concerned, however, about the green paper’s suggestion of applying conditionality to people in the ESA Support Group. *We recommend that the Department does not immediately proceed with the idea of mandating contact between Support Group claimants and JCP. There is limited evidence to support this being a helpful approach, and some evidence that it is counter-productive. We recommend that any steps to engage the Support Group are introduced on a voluntary basis, and are led by the needs of individual claimants. We also re-iterate our previous recommendation, supported by Government, that participation by disabled people in contracted-out DWP employment support programmes should be voluntary and free from the risk of sanctions. This should extend to JCP programmes for the Support Group.*

Protecting vulnerable disabled claimants

30. The Department has safeguarding procedures in place relating to some ESA claimants, intended to ensure that “no sanction is imposed inappropriately”; for example because a vulnerable ESA claimant has not fully understood the mandatory requirements of them and the consequences of noncompliance.⁸⁷ It has also trialled a Yellow Card scheme, whereby claimants would be given 14 days to produce evidence of “good reason” for non-compliance before receiving a sanction.⁸⁸ The Benefit Claimants Sanctions (Required Assessments) Bill proposes to extend DWP safeguards.⁸⁹ It would require the Department to take into account claimants’ mental and physical wellbeing (amongst other factors) in deciding whether to impose a sanction, and to assess automatically whether they would qualify for hardship payments. We heard such an approach could be beneficial for some disabled claimants: particularly those with mental health conditions. Witnesses told us that there is a substantial risk that imposing sanctions on such claimants can increase stress, and lead to a deterioration in their health. Rethink Mental Illness, a mental health charity, explained:

The evidence base for [sanctions] effectiveness in changing behaviour for people with mental health problems is not well-established. Putting people

87 Department for Work and Pensions, [Work Programme Universal Credit provider guidance](#), 2016, para. 4.8

88 The Yellow Card trial concluded in September 2016. A final report on the initiative is expected in April 2017. HC Deb 18 November 2018, cW52337

89 A Private Member’s Bill introduced by Mhairi Black MP in December 2016

with mental health problems under pressure to engage with support or employment that they find unhelpful or inappropriate for them will be detrimental.⁹⁰

This could make moving into work more difficult, undermining the objective of the policy.

31. The Department must ensure that in attempting to ensure that disabled people comply with the conditions of their benefits, it is not inadvertently harming their work prospects. Sanctions, where applied, should be a means to an end rather than an end in themselves. We heard that inappropriate sanctions can cause significant hardship, which in turn can affect the health of disabled claimants and make a return to work less, not more likely. *The Department must consider how it can enhance the protection that it offers to disabled claimants. Drawing on the outcome of the green paper consultation on the Support Group, and the Yellow Card trial, we recommend the Department develop a Code of Conduct for Work Coaches on applying sanctions to disabled people. This should incorporate existing safeguarding advice on protecting vulnerable ESA claimants. It should also include guidance on how to consider the impact on a disabled claimants' mental and physical wellbeing when deciding whether to make a referral for a sanction.*

The ESA-WRAG group

32. ESA is currently paid at £73.10 a week, plus £36.20 (for claimants in the Support Group) or £29.05 (for people in the WRAG group). £73.10 is also the JSA rate for a single person aged 25 or over.⁹¹ From April 2017, new ESA claimants who are placed in the WRAG will not receive the additional £29.05 a week. Instead they will receive £73.10 per week only. This will align the rate of ESA for those in the WRAG with the rate of JSA—although different conditionality requirements will continue to apply to WRAG claimants (see Box 2, above). The same reduction applies for new claimants of the Limited Capability for Work Element of Universal Credit (the equivalent to the WRAG). As the policy will only apply to new claims, current claimants whose circumstances do not change will not see their benefit payments cut as a result. There will be no cash losers: losses are notional, based on what claimants would have been entitled to in the existing regime. A number of groups are protected from the reduction in the event of a change in circumstances and will continue to receive the pre-April 2017 amount:

- a) Existing claimants of incapacity benefit, severe disablement allowance, and income support claimants who have not yet been transferred to ESA, but following assessment are placed in the WRAG;
- b) Those who are in the support group prior to April 2017, but who are subsequently re-assessed and placed in the WRAG;
- c) Those in the WRAG who move into work after April 2017, but subsequently move back into the WRAG within 12 weeks of starting work; and
- d) Customers migrating from the ESA-WRAG to the Universal Credit equivalent.

90 Rethink Mental Illness ([DEG0037](#)). See also: Scope ([DEG0069](#)), Trade Union Congress ([DEG0055](#)), Centrepoint, Crisis, ERSA, Homeless Link, St Mungos, The Salvation Army ([DEG0036](#)), Mind and the Royal College of Psychiatrists (FJP0067), Citizens Advice Scotland (FJP0066)

91 Murphy, C. and Keen, R. [Abolition of the ESA Work-Related Activity Component](#), p.3

In total the Department expects the reduction from the previous benefit rate to affect around 500,000 families by 2020–21.⁹² The Department has not yet clarified how or whether transitional protection will apply in the event of other changes of circumstances: for example, if a claimant is reassessed and placed on JSA, but then subsequently moved back into the WRAG. *We recommend that the Department clarify in response to this report whether and how transitional protection will apply to current ESA claimants who experience a change of circumstances aside from those set out in Welfare Reform and Work Act 2016 regulations.*

33. The measure was announced in the 2015 Summer Budget as a means of removing “perverse incentives” in the ESA system that might discourage claimants from returning to work.⁹³ The Government’s impact assessment explained the rationale further:

This measure is intended to provide the right incentives and support to enable those who have limited capability, but who have some potential for work to move closer to the labour market and when they are ready, back into work. Aligning the rate of benefit paid to new claims for Employment and Support Allowance and Universal Credit with limited capability for work with the standard rate paid to claimants who are fully capable of work from April 2017 will remove the financial incentives that could otherwise discourage claimants from taking steps back to work.⁹⁴

The impact assessment also stated that the reduction will contribute to making the welfare system “fair and affordable”.⁹⁵ The current Secretary of State confirmed that, while the Department is not looking for any new savings from the welfare budget or benefits, it has “no plans to reverse anything that has already been legislated for” under the previous leadership.⁹⁶ When the reduction was announced, it was expected to achieve savings of £640 million per year by 2020–21, or £1.4 billion in total between 2017–18 and 2020–21. Subsequently, this was revised down in the 2016 Budget. The measure is now expected to save £450 million per year by 2020–21, or £1 billion in total (see Table 1, below), over the same period.

Table 1: Forecast savings from changes to ESA-WRAG, £ millions, nominal terms

	2017–18	2018–19	2019–20	2020–21
Summer budget 2015	55	225	445	640
Budget 2016	30	180	345	450

Source: Table 2.2 - Measures announced in Spending Review and Autumn Statement 2015 or earlier which will take effect April 2016 or later

92 [DWP, Welfare Reform and Work Bill: Impact assessment to remove the ESA Work-Related Activity component and the UC Limited Capability for Work element from new claims](#), July 2015, p.3

93 [HC Deb 8th July 2015, c333](#)

94 [DWP, Welfare Reform and Work Bill: Impact assessment to remove the ESA Work-Related Activity component and the UC Limited Capability for Work element from new claims](#), July 2015, p.5–6

95 [DWP, Welfare Reform and Work Bill: Impact assessment to remove the ESA Work-Related Activity component and the UC Limited Capability for Work element from new claims](#), July 2015, p.4

96 [HC Deb 31 October 2016, c676](#) (Damian Green)

34. Alongside the changes, the Department has announced “new funding for additional support to help claimants return to work”, including:

- a) £60 million per year from 2017–18, rising to £100 million per year in 2020–21, for “additional practical support”.⁹⁷ The Department told us this would add up to a total of £330 million from 2017–2021.⁹⁸ A task force of representatives of disability organisations and charities has been set up to advise on how this is best spent. One possible use is the JCP “Personal Support Package” proposed in the green paper. However, this will not be fully in place until after the green paper consultation closes, in February 2017;⁹⁹
- b) An extra £15 million per year for the JCP Flexible Support Fund, to be set aside for those with limited capability for work;¹⁰⁰ and
- c) Removing the 52 week “permitted work” limit for those in the WRAG.¹⁰¹

35. We heard significant concerns about the impact of the lower rate of payment on disabled people’s quality of life. Disabled people often experience higher day-to-day living costs. These extra costs are part of the reason why people who are designated not to be capable of work often receive higher rates of benefit. The MRC/CSO Public and Health Sciences Unit, based at the University of Glasgow, explained:

Sick and disabled people frequently have extra living costs associated with their health conditions, such as a need for increased heating, higher transport costs or adaptive aids. Equivalised income scales which take account of the extra costs of disability find that the income required to sustain a given standard of living is substantially higher than that required by non-disabled people, a shortfall which is not covered by current benefit levels.¹⁰²

We note that the requirement to undertake work-related activity can in itself incur costs which may be higher for disabled people: for example, if a disabled claimant needs to travel to attend courses and training, or additional meetings at JCP.

36. Macmillan Cancer Support suggested that these higher living costs were especially important given the duration of many ESA-WRAG claims.¹⁰³ As of February 2016, 68% of claimants in the WRAG had been there for between 2 and 2.5 years; whereas almost

97 [HC Deb 24 February 2014, c28281W](#)

98 [Q183](#) (Alex Skinner)

99 The Personal Support Package will be offered via JCP, and will include an “enhanced menu” of tailored support provision for disabled people. See DWP and DH, [Improving lives](#), para. 77

100 [HL Deb 29 February 2016, c593](#)

101 [HL Deb 29 February 2016, c594](#). The removal of the permitted work limit means that ESA-WRAG claimants can work for up to 16 hours per week indefinitely, without their benefit entitlement being affected. Previously, if they had undertaken such work for longer than 52 weeks, they would have experienced a loss or reduction in benefits.

102 MRC/CSO Social and Public Health Sciences Unit, University of Glasgow ([DEG0073](#)). “Current benefit levels” refers to ESA rates prior to the 2017 reduction. See also: Ben Baumberg Geiger ([Q31](#)), Leonard Cheshire Disability ([DEG0039](#)), Breakthrough UK ([DEG0053](#)), Macmillan Cancer Support ([DEG0068](#)), Citizen’s Advice Scotland ([DEG0047](#)), Mencap ([DEG0084](#)), Citizen’s Advice Derbyshire Districts ([DEG0088](#)), Essex County Council ([DEG0051](#)), Advice Nottingham ([DEG0052](#)), Brawn, E., [Priced out: ending the financial penalty of disability by 2020](#), Scope, April 2014; Zaidi, A. and T. Burchardt, “Comparing incomes when needs differ: equalization for the extra costs of disability in the UK”, [Review of Income and Wealth](#) 51(1), 2005

103 Macmillan Cancer Support ([DEG0068](#)). See also; National Autistic Society ([DEG0060](#)), Breakthrough UK ([DEG0053](#)), Disability Rights UK ([DEG0041](#))

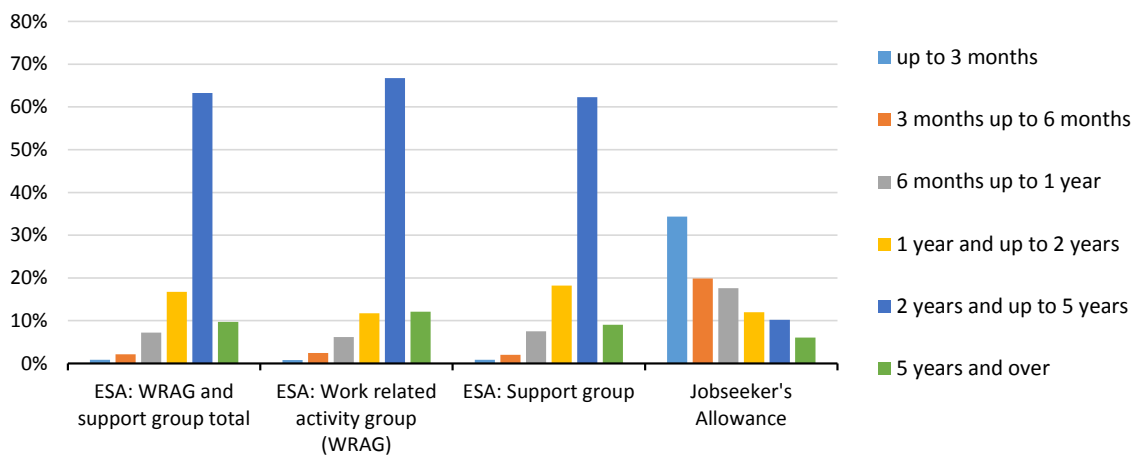
60% of JSA claimants move off that benefit within six months (see Figure 6, below).¹⁰⁴ As well as typically facing higher living costs than JSA claimants, WRAG claimants will also tend to have to get by on benefits for longer periods of time. The Equality and Human Rights Commission, and others, noted that the cumulative effect on disabled people’s living standards and quality of life had not been taken into account in the Government’s impact assessment.¹⁰⁵ The Department did tell us, however, that it recognises this issue and is looking at ways that it can help affected claimants with their day-to-day living costs, including transport and energy costs.¹⁰⁶ The Minister, discussing a recent report by Scope on disabled people’s living costs, explained:

I very much welcome the work Scope has done. Historically, Governments have had little detail about what disabled people have had to, and are choosing to, spend their money on. Scope has yet formally to launch its latest report—I do not want to steal too much of its thunder—but has done a valuable service in identifying certain key areas where costs for disabled people are considerably higher. This is not just clothing, transport and equipment, but, as the hon. Lady mentioned, energy and insurance, too.¹⁰⁷

Figure 6: The majority of ESA WRAG claims are several years long:

ESA and JSA claimants by duration of claim, Great Britain, May 2016

Excludes claimants in the ESA assessment phase and of unknown phase



Source: ONS Nomis - DWP benefits; Jobseekers Allowance claimant count

37. We also heard evidence on the effects on work incentives of reducing the WRAG payment, which are the Government’s rationale for introducing the change. Kennedy Scott, an employment service provider, recognised the justification behind reducing WRAG payments in terms of improving employment incentives:

It is a major problem that many in the ESA WRAG group become “committed” to their benefit—hard-won through the Work Capability

104 Disability Rights UK (DEG0041)
 105 Equality and Human Rights Commission (DEG0089), Essex County Council (DEG0051), United Response (DEG0030), Parkinson’s UK (DEG0024), Mencap (DEG0084), Inclusion London (DEG0059), Disability Benefits Consortium (DEG0054), Rethink Mental Illness (DEG0037)
 106 Q185 (Penny Mordaunt), Q199-202 (Penny Mordaunt)
 107 HC Deb 13 October 2016, c555

Assessment process—and do not want to risk going into work, falling out, and losing this higher rate of entitlement. More simply, it is also the case that the higher the benefit is, the less the incentive to work.

However, Kennedy Scott’s submission continued to make the apparently contrary case:

The greater the poverty a jobseeker is living in, the harder to find sustainable work. And this cut in entitlements may well lead to that outcome. Poverty leads to unstable housing, mental health conditions, worsening physical health, debt, and, at best, can provide a major distraction from the business of finding work.¹⁰⁸

The overwhelming majority of submissions we received concurred with the second sentiment; the effect of the reduced rate of payment could be to make it less, not more likely, that those affected would quickly return to work.¹⁰⁹ Mencap, a learning disability charity, stressed that expectations of a quick return to work were unrealistic for many in the WRAG group, as those in the WRAG by definition had been assessed as having limited capability for work.¹¹⁰

38. A number of submissions cast doubt on the evidence used by the Department to justify the claim that the reduction would increase incentives to work. United Response, a charity that provides employment support to disabled people, noted that a 2005 OECD report cited by the Minister in relation the effect of reducing welfare benefit levels on improving work incentives made no reference to disabled people.¹¹¹ The Minister also told us about a study by Barr et al. which related to “benefit levels being a factor in getting people into work”.¹¹² However, the study in question concluded:

While there was some evidence indicating that benefit level was negatively associated with employment, there was insufficient evidence of a high enough quality to determine the extent of that effect. Policy makers and researchers need to address the lack of a robust empirical basis for assessing the employment impact of these welfare reforms as well as potentially wider poverty impacts.¹¹³

39. Some witnesses, in opposing the reduction, offered ideas on how the impact might be offset. For example, the reduction might be “paused” until such time as the additional support promised is fully operational, or the Government might commit to reinvesting a greater amount of the money saved in additional employment support.¹¹⁴ Witnesses making these suggestions, however, also put on record their opposition to the reduction.

108 Kennedy Scott ([DEG0056](#))

109 [Q31](#) (David Finch), Disability Benefits Consortium ([DEG0054](#)), Rethink Mental Illness ([DEG0037](#)), RNIB ([DEG0025](#)), Advice Nottingham ([DEG0053](#)), Citizen’s Advice Scotland ([DEG0047](#)), Citizen’s Advice Derbyshire Districts ([DEG0088](#)), Salford Welfare Rights and Debt Advice Service ([DEG0064](#)), MRC/CSO Social and Public Health Sciences Unit, University of Glasgow ([DEG0073](#)), Papworth Trust ([DEG0043](#)), Twist Partnership ([DEG0054](#)), Disability Rights UK ([DEG0041](#))

110 Mencap ([DEG0084](#)), Trade Union Congress ([DEG0055](#)), Citizen’s Advice Scotland ([DEG0047](#)), Disability Benefits Consortium ([DEG0045](#)), Leonard Cheshire Disability ([DEG0039](#)), Action for M.E. ([DEG0031](#))

111 [HC Deb 20 October 2016, c49724W](#), United Response ([DEG0030](#)). See also: Disability Rights UK ([DEG0041](#)), Parkinson’s UK ([DEG0024](#)), Scope ([DEG0069](#)), Inclusion London ([DEG0059](#)), Disability Benefits Consortium ([DEG0045](#)), [Q31](#) (George Selvanera)

112 [Q185](#) (Penny Mordaunt). See also: [HC Deb 17 November 2016, c462](#)

113 Barr, B. et al. “To what extent have relaxed eligibility requirements and increased generosity of disability benefits acted as disincentives for employment? A systematic review of evidence from countries with well-developed welfare systems”. *Journal of Epidemiology and Community Health*, December 2010

114 [Q94](#) (Danielle Hamm), [Q92](#) (Diane Lightfoot), Essex County Council ([DEG0051](#))

40. We welcome the announcement of additional employment support for people in the ESA-WRAG group, including the consultation on introducing a more comprehensive package of support in Jobcentre Plus. We have heard concerns, however, about the decision to align the rate of ESA for new WRAG claimants with the current rate of JSA. Where new ESA claimants have unavoidably higher living costs related to their conditions, this may leave them with lower disposable incomes than JSA claimants. ESA claimants are not expected to find work as quickly as JSA claimants, having been assessed as having limited capacity for work, and are likely to need support for longer. Even meeting the conditions of their benefits by participating in work-related activity can incur expenses that are higher than those of non-disabled claimants. It is imperative, therefore, that alongside the JCP support package the Department provides additional financial support to people in the WRAG where it has identified that the new, lower rate will leave them unable to meet essential living costs related to their conditions and benefit obligations.

41. The Government expects the new, lower rate for the ESA-WRAG to enhance incentives to work. The evidence is, at best, ambiguous. We heard substantial concerns about the possible impact of the new rate on disabled people's capacity to look for and move into work. Ensuring that a financial support package is in place may go some way to mitigating this risk. We remain concerned that the Department's rationale for its decision rests on limited evidence. Furthermore, the employment support-related mitigating strategies proposed are untested and dependent on the discretion and skills of JCP staff. In the case of the proposed "Personal Support Package", they are unlikely to be fully implemented by the time the reduced rate is introduced.

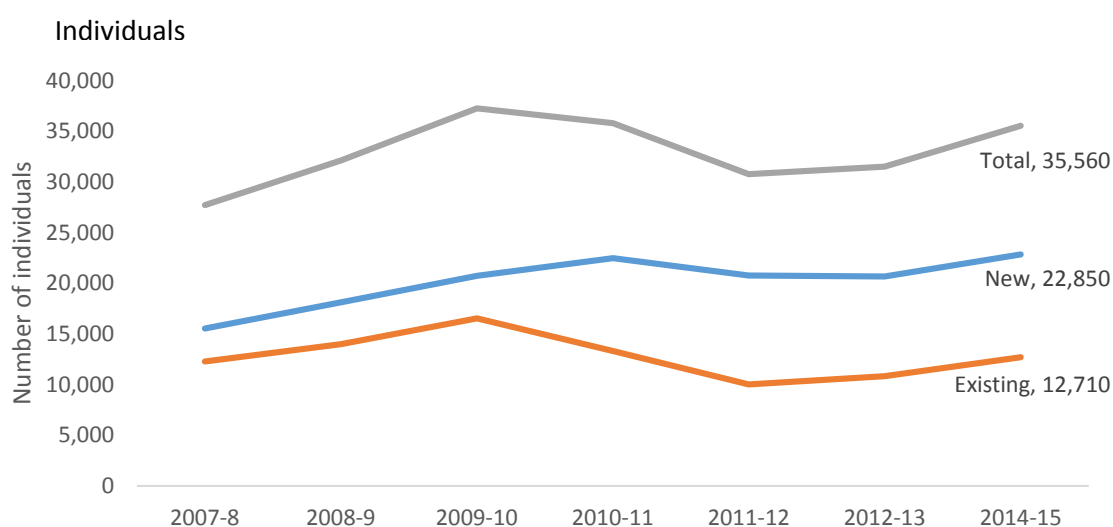
42. *We welcome the Department's acknowledgement that disabled people may have unavoidably higher living costs related to their health conditions, and its commitment to helping ESA-WRAG claimants who receive the new, lower rate of payment to meet these costs. Having made this commitment, the Department must ensure that it spends its money wisely, effectively targeting support towards those in need. This requires greater clarity than has been forthcoming on how the Department intends to do this. If the Department is to press ahead with this change, it must ensure that prior to its introduction it has set out a clear plan for identifying where new claimants have additional, unavoidable living costs relating to their conditions that they will struggle to meet with the new payment level, and how it will ensure that they are able to meet these costs. This will require dedicated financing, beyond the remit of current discretionary support available through Jobcentre Plus (for example, via the Flexible Support Fund). We recommend the Government set out its approach in response to this report, prior to implementing the new, lower rate. Failure to do this could undermine both the Government's case that there will be positive behavioural change amongst claimants and the savings that it expects to make.*

Access to Work

43. Disabled people who are in employment, or who have accepted an offer of employment, can apply for support from Access to Work. This funds adjustments to enable them to carry out their jobs. The number of people using Access to Work increased over the last Parliament (see Figure 7, below). The Department told us that the increase in funding announced in the 2015 summer Budget would help a further 25,000 disabled people to access the programme, in addition to the 35,000 already accessing it.¹¹⁵ It has also commissioned independent research into how participation in Access to Work can be increased by 65% by 2020.¹¹⁶

44. We received a substantial amount of persuasive evidence suggesting the emphasis on improving participation is much needed, given limited awareness of the scheme among both employers and claimants. A previous DWP-commissioned review referred to Access to Work as the Government’s “best kept secret”.¹¹⁷ A wide range of witnesses including charities, employment support providers and research organisations told us that better promotion, especially to employers, was necessary to ensure that all those who could benefit from the scheme are aware of its existence.¹¹⁸

Figure 7: Number of Access to Work claims per year, 2007–8–2014–15



Source: DWP, [Access to Work: official statistics](#), April 2016, p.14

45. Many witnesses told us that Access to Work should be expanded even further, suggesting it could play a substantial role in improving disability employment rates.¹¹⁹ The

115 DWP (DEG0083)

116 DWP (DEG0083)

117 Sayce, L. [Getting in, getting on: disability employment support fit for the future](#). DWP, Cm 8081, June 2011, p. 55

118 Inclusion Scotland (DEG0061), Breakthrough UK (DEG0053), MS Society (DEG0062), National Deaf Children’s Society (DEG0057), Essex County Council (DEG0051), Royal British Legion Industries (DEG0046), ENABLE Scotland (DEG0029), UnLtd (DEG0028), RNIB (DEG0025), Dimensions UK (DEG0018), Signature (DEG0008), The Work Foundation (DEG0094), Council for Work and Health (DEG0091), Equality and Human Rights Commission (DEG0089), Joseph Rowntree Foundation (DEG0085), Scope (DEG0069), ERSA (DEG0087), Papworth Trust (DEG0043), Business Disability Forum (DEG0042), College of Occupational Therapists (DEG0063), National Autistic Society (DEG0060), Sense (DEG0065), Action on Hearing Loss (DEG0038)

119 Learning and Work Institute (DEG0086), Scope (DEG0069), College of Occupational Therapists (DEG0063), Inclusion Scotland (DEG0061), Salford Welfare Rights and Debt Advice Service (DEG0064), Mencap (DEG0084), Result CIC (DEG0078), Arthritis Research UK (DEG0070)

Business Disability Forum, which helps businesses to become disability-friendly, told us that it is a “world class labour market intervention”. As well as benefitting the individual user, it also benefits other people by countering employer assumptions about the costs and challenges of employing disabled people.¹²⁰ We heard various estimates of the balance of costs and benefits of Access to Work. The Learning and Work Institute told us that the overall benefits to society outweigh the costs by a factor of three to one.¹²¹ Inclusion Scotland suggested that for every £1 spent on the scheme, the Treasury receives £1.60 back in tax receipts.¹²² The DWP has never carried out a cost-benefit analysis of Access to Work; it has, however, recognised external analyses of the programme’s cost-effectiveness in its own reports.¹²³ The Business Disability Forum recommended that it should make doing so a priority.¹²⁴ If it can be shown to generate such high returns, there may be a case for expanding it.

46. The evidence that we received on Access to Work was not, however, free of criticism. Some witnesses told us that they were concerned about caps on spending per individual, which could prevent those who require more expensive support from accessing it.¹²⁵ Many told us that the application process could be improved. Would-be beneficiaries who are out of work cannot apply to Access to Work until they have an offer of employment, and the process of applying and receiving equipment can take a very long time. For example, CareTrade Charitable Trust, which works with people with autism, told us that one application it had supported had taken six months to be approved.¹²⁶ Given this, United Response told us that it would be helpful if unemployed people could receive an “agreement in principle” from JCP to pay for support, minimising delays to them moving into work.¹²⁷ Similarly, witnesses including Disability Rights UK told us that the length of time taken to process Access for Work applications can present a barrier to it being used for some of its intended purposes. These include accessing paid short-term internships and work experience placements.¹²⁸

47. Mark Elliott, Director of Development at Leonard Cheshire Disability, a disability charity, also explained that lack of portability in Access to Work awards can result in disabled people tending to stay in the same jobs. They may, therefore, struggle to progress in the modern labour market. Portability of award, he explained, “would make a significant difference” to disabled people’s prospects in work.¹²⁹ The Minister told us that the Department is looking at this issue, which in part results from the equipment awarded through Access to Work being given to the employer rather than the individual.¹³⁰

120 Business Disability Forum ([DEG0042](#)). See also: Equality and Human Rights Commission ([DEG0089](#))

121 Learning and Work Institute ([DEG0086](#))

122 Inclusion Scotland ([DEG0061](#))

123 DWP, [Specialist disability employment programmes: Government response to the Liz Sayce’s independent review of specialist disability employment programmes, Getting in, Staying in and Getting On](#). Cm 8106, June 2011, para. 10

124 Business Disability Forum ([DEG0042](#))

125 Learning and Work Institute ([DEG0086](#)), Scope ([DEG0069](#)), Business Disability Forum ([DEG0042](#)), Inclusion London ([DEG0059](#)), Salford Welfare Rights and Debt Advice Service ([DEG0064](#)), MS Society ([DEG0062](#))

126 CareTrade Charitable Trust ([DEG0026](#)). See also: RNIB ([DEG0025](#)), United Response ([DEG0030](#)), Kennedy Scott ([DEG0056](#)), Muscular Dystrophy Trailblazers UK ([DEG0022](#)), Dimensions UK ([DEG0018](#)), Blind in Business ([DEG0017](#)), Gary Denton ([DEG0015](#)), Mencap ([DEG0084](#)), Sight for Surrey ([DEG0080](#)), Aspiendent CIC ([DEG0077](#)), Sense ([DEG0065](#)), Papworth Trust ([DEG0043](#)), Salford Welfare Rights and Debt Advice Service ([DEG0064](#))

127 United Response ([DEG0030](#)), [Q91](#) (Diane Lightfoot, Danielle Hamm), [Q96](#) (Mark Elliott)

128 Disability Rights UK ([DEG0041](#)), Inclusion Scotland ([DEG0061](#)), National Autistic Society ([DEG0060](#)), Blind in Business ([DEG0017](#)), Muscular Dystrophy UK Trailblazers ([DEG0022](#)), [Q100](#) (Karen Walker-Bone)

129 [Q91](#) (Mark Elliott)

130 [Q177](#) (Penny Mordaunt)

48. Access to Work is a highly-valued scheme. It could be one of the Department's most important tools in improving disability employment rates and helping disabled people to stay in work. Awareness of the scheme, however, remains low, and it is not without room for improvement. The Department should prioritise building on Access to Work's impact to date, focusing on raising awareness and on improving the user-friendliness of the scheme. *We recommend that the Department launch a publicity campaign for Access to Work, targeting disabled people, employers, and its own front-line staff. We further recommend that potential beneficiaries should be permitted to complete pre-eligibility checks in Jobcentre Plus without the requirement to have obtained an offer of employment, and that claimants should be allowed to take their awards, or pending awards, with them if they move jobs.*

49. Given the extensive evidence of the positive effects of Access to Work on disabled people's employment rates and the commitment to extra funding for the scheme, we are surprised that the Department has never sought to quantify its benefits. It may even be self-financing. *We recommend that the Department carry out research into the costs versus benefits of Access to Work, to ensure that any further decisions on funding are made from a strong evidence base.*

4 Working with employers

50. Helping disabled people to become more work-ready is only part of closing the disability employment gap. Disabled people still face considerable challenges in securing employment. We heard that many employers are unsure of their Equality Act 2010 duties, or unwilling to make adjustments for disabled employees.¹³¹ Employers may also hold discriminatory or unhelpful attitudes about disabled people's capabilities, and can struggle to understand how disabled people could fit in to their existing workforce.¹³²

51. An important but easily overlooked element of changing attitudes is encouraging firms to retain staff with disabilities. Disability Rights UK explained "the significance of employment retention as a policy lever cannot be overstated", suggesting it "is potentially more important than back to work programmes" in tackling the gap. The Work Foundation told us that a focus on retention could have the effect of "turning off the tap" of people leaving work and requiring state support.¹³³ This points to a greater role for supporting employers to make adjustments, and to understand the practical challenges and potential benefits of employing disabled people.

Disability Confident

52. The Disability Confident campaign was launched under the Coalition Government in 2013. It initially focused on influencing employer attitudes to disability, through signing up organisations as "members" or "partners". In May 2016 there were 124 partners listed on the Department's website, and, the Department told us, "over 500" campaign members.¹³⁴

53. Mike Adams of the Essex Coalition of Disabled People, which provides a range of services to employers, told us that this kind of campaign was needed. He explained:

There is huge anxiety still in 2016 around etiquette and how to approach a disabled person. For me that is anathema to everything, but that is reality. Therefore what [employers] talk about is a conversational fear, worries about offending disabled people so, on the whole, they decide not to. That needs to change.¹³⁵

We heard concerns, however, about the extent to which a campaign focused on attitudes would translate to employers actually taking on more disabled people. Witnesses told us

131 The Equality Act 2010 requires employers to make "reasonable adjustments" for disabled employees. This might include changing the way in which employment is structured, removing physical barriers, and/or providing extra support to disabled employees or job applicants. See: Muscular Dystrophy UK Trailblazers ([DEG0022](#)), Professor Ralph Fevre and Dr Deborah Foster ([DEG0066](#)), Scope ([DEG0069](#)), College of Occupational Therapists ([DEG0063](#)), Macmillan Cancer Support ([DEG0068](#)), Equality and Human Rights Commission ([DEG0089](#)).

132 [Q103](#) (Diane Lightfoot, Danielle Hamm)

133 Disability Rights UK ([DEG0041](#)), The Work Foundation ([DEG0094](#)), Professor Ralph Fevre and Dr Deborah Foster ([DEG0066](#)), British Association for Supported Employment ([DEG0033](#)), Association of British Insurers ([DEG0072](#)), College of Occupational Therapists ([DEG0063](#)), National Autistic Society ([DEG0060](#)), Action for M.E. ([DEG0031](#)), Council for Work and Health ([DEG0091](#)), MS Society ([DEG0062](#)), Pluss ([DEG0040](#)), Joseph Rowntree Foundation ([DEG0085](#)), Scope ([DEG0069](#)), Business Disability Forum ([DEG0042](#)), Local Government Association ([DEG0049](#)), Equality and Human Rights Commission ([DEG0089](#)), Learning and Work Institute ([DEG0086](#)), Action on Hearing Loss ([DEG0038](#))

134 DWP ([DEG0083](#))

135 [Q36](#) (Mike Adams). See also: [Q56](#) (Dan Brooke)

that the campaign would do little to address ingrained discrimination by employers.¹³⁶ Disability Rights UK noted that it was possible to be awarded Disability Confident accreditation “without actually employing a disabled person”.¹³⁷ Analysis of members also revealed that many of the campaign partners operated in areas related to disability employment: for example, in supporting disabled people to find work. Such employers could be expected to be both relatively well-informed about employing disabled people already, and to perceive a business benefit to accreditation.¹³⁸

54. We heard that the campaign needed a greater focus on employer behaviour and on employer responsibilities under the Equality Act, and would need to sign up a greater number and wider range of employers to make a noticeable impact.¹³⁹ Mike Adams told us that putting forward a stronger and wider business case for employing disabled people through the campaign could play a key role in achieving both of these objectives.¹⁴⁰ Scope, a disability charity, recommended that in the medium to longer-term, the Government should use insights from an evaluation of Disability Confident to develop its strategy for engaging employers.¹⁴¹

55. The Minister told us that the Department had recently relaunched Disability Confident. She explained the new scheme “has some teeth to it” and will function more like a “kite mark”.¹⁴² To reach the higher levels of accreditation, for example, businesses must be independently audited. She also told us that Disability Confident businesses will be given preference in government procurement; a move endorsed by some of our witnesses.¹⁴³ The Department has also created a Disability Confident “Business Leaders Group”, intended to encourage “every business to take a proper look at the relationship between work and health, and what that means for their business and productivity”.¹⁴⁴ The College of Occupational Therapists had told us that buy-in from senior business leaders was essential, suggesting that Disability Confident could develop into a series of “spin off campaigns by individual professions and employment/professional bodies”.¹⁴⁵

136 Sense ([DEG0065](#)), Professor Ralph Fevre and Dr Deborah Foster ([DEG0066](#)), Trade Union Congress ([DEG0055](#)), Breakthrough UK ([DEG0053](#)), Salford Welfare Rights and Debt Advice Service ([DEG0064](#))

137 Disability Rights UK ([DEG0041](#))

138 Professor Nicholas Bacon ([DEG0074](#))

139 Professor Nicholas Bacon ([DEG0074](#)), Association of British Insurers ([DEG0072](#)), David Gillon ([DEG0071](#)), Sense ([DEG0065](#)), Pluss ([DEG0040](#)), College of Occupational Therapists ([DEG0063](#)), Inclusion Scotland ([DEG0061](#)), National Autistic Society ([DEG0060](#)), Breakthrough UK ([DEG0053](#)), Salford Welfare Rights and Debt Advice Service ([DEG0064](#)), Kennedy Scott ([DEG0056](#)), National Deaf Children’s Society ([DEG0057](#)), Lampard School ([DEG0082](#))

140 [Q37, Q48](#) (Mike Adams), See also: Scope ([DEG0069](#)), Twist Partnership ([DEG0054](#)), United Response ([DEG0030](#)), Kennedy Scott ([DEG0056](#)), Essex County Council ([DEG0051](#)), Result CIC ([DEG0078](#))

141 Scope ([DEG0069](#)). See also: Action on Hearing Loss ([DEG0038](#)), Professor Nicholas Bacon ([DEG0074](#)),

142 “Kitemark” is a UK product and service safety qualification mark.

143 Learning and Work Institute ([DEG0086](#)), Disability Rights UK ([DEG0041](#)), Joseph Rowntree Foundation ([DEG0085](#))

144 [HC Deb 31 October 2016, c667](#) (Damian Green); See also DWP ([DEG0083](#))

145 College of Occupational Therapists ([DEG0063](#)), ERSA ([DEG0087](#))

Figure 8: Sample Disability Confident promotional poster



disability confident

make it your business

Employers tell us recruiting and promoting disabled employees is one of the best business decisions they've ever made.

Their diverse talents, creativity and insights into a fast-growing customer demographic help build sustainable growth.



For more information visit:
www.gov.uk/dwp/disabilityconfident

Source: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/416296/poster-disability-confident-make-it-your-business-mar-2015.pdf

56. The Government has little prospect of halving the disability employment gap unless employers are fully committed to taking on and retaining more disabled people. The relaunched Disability Confident, the Government's flagship campaign to promote disability employment to employers, needs to address many of the criticisms of the original campaign. It is currently too early to assess its impact. Much of whether it is successful, however, will depend on it developing a high profile, reaching and signing up large numbers of employers, and being seen as a valuable accreditation for businesses—including those who might not otherwise engage. *To assess whether Disability Confident is meeting its objective of increasing disability employment, and to learn lessons for future employer engagement strategies, we recommend that the Department commission an evaluation of the campaign before 2020. This should take into account what changes members display in their hiring and employee retention behaviour, as well as establishing whether it is attracting a broad spectrum of employers.*

The role of advice, guidance and financial incentives

57. The DWP’s main employer advice scheme is “Fit for Work”. Fit for Work offers occupational health assessments for employees who have been, or are expected to be, off work sick for a minimum of four weeks. It also offers a health at work advice telephone service for employers. Fit for Work was created in response to the recommendations of the two reviews on health and work led by Dame Carol Black in 2008 and 2011. It is intended to encourage “early positive intervention” to prevent employees from spending long periods of time on sick leave, or leaving work entirely.¹⁴⁶ DWP has not yet published statistics on its performance. The Learning and Work Institute suggested, however, that take-up of the service has been quite low.¹⁴⁷

58. Alongside Fit for Work, the green paper consults on the prospect of creating a “one-stop shop” for employers. The Minister told us this might look to consolidate “some of the evidence on the business case for change, as well as practical information [...] case studies, examples of reasonable adjustments [and] running awareness sessions”.¹⁴⁸ The Minister told us that such a model could develop to provide opportunities for third-sector organisations who wanted to expand their work with employers.¹⁴⁹

59. Witnesses told us that though there are many such third-sector organisations already providing valuable support to some employers in recruiting and retaining disabled people,¹⁵⁰ wider employer awareness of the support that is on offer is often quite low.¹⁵¹ We also heard that there is a lack of easily accessible resources to direct employers towards organisations providing support in their local areas.¹⁵² Witnesses told us, therefore, that a “one-stop shop” or “hub” of information and guidance could be very useful.¹⁵³

60. We heard, however, that simply giving employers information, case studies and generic guidance was unlikely to have a significant impact on recruitment and retention behaviour. ERSA emphasised that helping employers to access support and advice at a local level through such an initiative would be particularly important. They told us the employment support sector is likely to become more diffuse with the end of the large, centrally contracted Work Programme. They anticipate a shift towards greater localised provision.¹⁵⁴ Signposting towards sources of practical information and support (which could be provided by local third-sector organisations) would be vitally important to ensuring that the service on offer to employers is useful.

146 Black, [Working for a Healthier Tomorrow](#), Pp. 77–79; Black and Frost, [Health at Work: An Independent Review of Sickness Absence](#). Para. 9–10.

147 Learning and Work Institute ([DEG0086](#)). A survey by [Jelf Employee Benefits](#) suggested that just 3% of employers had made a referral to the service.

148 DWP and DH, [Improving lives](#), para. 168; Q167 (Penny Mordaunt)

149 [Q167](#) (Penny Mordaunt)

150 See, for example, [Q87](#) (Karen Walker-Bone), [Q71](#) (Roy O’Shaughnessy), [Q67](#) (Peter Bacon) National Autistic Society ([DEG0060](#)), Breakthrough UK ([DEG0053](#)), ERSA ([DEG0087](#)), Macmillan Cancer Support ([DEG0068](#)), Kennedy Scott ([DEG0056](#))

151 Learning and Work Institute ([DEG0086](#)), Leonard Cheshire Disability ([DEG0039](#)), Scope ([DEG0069](#)), Association of British Insurers ([DEG0072](#)), ENABLE Scotland ([DEG0029](#)), Macmillan Cancer Support ([DEG0068](#)), MS Society ([DEG0062](#)), Essex County Council ([DEG0051](#)), National Deaf Children’s Society ([DEG0057](#)), Royal British Legion Industries ([DEG0046](#)), Papworth Trust ([DEG0043](#))

152 Local Government Association ([DEG0049](#)), College of Occupational Therapists ([DEG0063](#)), Essex County Council ([DEG0051](#)), Action on Hearing Loss ([DEG0038](#)), Papworth Trust ([DEG0043](#)), Action on

153 Sense ([DEG0065](#)), British Association for Supported Employment ([DEG0033](#)), ERSA ([DEG0087](#)), Muscular Dystrophy UK Trailblazers ([DEG0022](#)),

154 ERSA ([DEG0087](#))

The Business Disability Forum told us:

The most successful initiatives are those which provide targeted, practical and bespoke help to employers and to disabled people looking for and staying in work. Our headline recommendation is that there is much more for Government to do in making this type of support sufficiently and readily available to all employers and disabled people looking for work.¹⁵⁵

Some witnesses linked this back to the need to make better use of existing expertise in the third sector, suggesting the Department formally commission support for employers in making adjustments, retaining disabled employees, and developing healthy workplaces generally.¹⁵⁶

61. Financial support, such as that provided through Access to Work, is clearly important to helping disabled people move into and stay in work. We heard, however, that being able to access specialist, and if necessary, condition-specific, bespoke, practical advice is at least as important for employers who are seeking to take on or manage disabled employees. There is no shortage of organisations offering such support—but often employers are not aware of what is available, especially locally. We recommend that the Department proceed with implementing a “one-stop shop” for employers, which should be linked to Disability Confident. A central feature of this should be signposting towards local, specialist services (including those that deal with specific impairment types) that offer support on making adjustments and on other aspects of employment retention.

62. Publicity, guidance and support can only go so far, however. The evidence that we heard on Disability Confident suggested that ultimately, many employers will not seek out disabled employees unless they can see that it is in their business interests to do so. The Department has experimented on a small scale with providing financial incentives and support to employers to take on disabled people. In 2012, it announced a wage subsidy scheme associated with Work Choice, available to employers who recruited an 18–24 year old disabled person from the programme.¹⁵⁷ The Department’s evaluation of the scheme found that there did not appear to be clear evidence of its benefits, and recommended that a review of further evidence might be conducted to see if financial incentives should form part of the future delivery model.¹⁵⁸ More recently, in February 2016, the Department launched the Small Employer Offer pilot in three Jobcentres. After being members of the scheme for three months, employers can apply for a “Small Employer Payment”, which provides for measures such as training or mentoring related to disabled employees. Since January 2015, there has also been a tax exemption of up to £500 (per year, per employee), on medical treatments recommended by the Fit for Work service.¹⁵⁹

63. Some witnesses told us that it was important to be careful about the message sent out through offering incentives. This was especially so where they related to employing

155 Business Disability Forum ([DEG0042](#)), [Q14](#) (George Selvanera). See also: Sense ([DEG0065](#)), Rethink Mental Illness ([DEG0037](#)), Shaw Trust ([DEG0058](#)), Joseph Rowntree Foundation ([DEG0085](#)), Remploy ([DEG0075](#)), Local Government Association ([DEG0049](#)), START Ability Services ([DEG0079](#)), Inclusion London ([DEG0059](#)), Action for M.E. ([DEG0031](#)), Breakthrough UK ([DEG0053](#)), United Response ([DEG0030](#)), Macmillan Cancer Support ([DEG0068](#)), Essex County Council ([DEG0051](#)), Papworth Trust ([DEG0043](#)), CLIC Sargent ([DEG0035](#))

156 [Q87](#) (Karen Walker-Bone), [Q48](#) (Mike Adams), [Q25](#) (Victoria Wass), Inclusion London ([DEG0059](#))

157 [HC Deb 23 May 2012](#)

158 DWP, [Evaluation of the Work Choice specialist disability employment programme](#), July 2013, p.21

159 DWP, [Fit for Work: guidance for employers](#), December 2014

disabled people in general, rather than to specific additional support costs. Jane Cordell, Director of Result CIC, a coaching and training company, told us that such systems, if not carefully targeted, can reinforce stereotypes of disabled people being a “burden”, and leave individual disabled people feeling “a bit like a prize—a victim of a shoot-out or something; my head on a stick—I bring my employer money”.¹⁶⁰

64. We also heard more positive views of incentives, however, and several witnesses suggested these could be an important lever in improving disability employment rates. Dan Brooke, Chief Marketing and Communications Officer for Channel 4, told us:

I think financial incentives would also undoubtedly be effective. For example, some form of tax break for employing, up to a certain threshold, x% of your workforce that is disabled—that would motivate us an employer to employ even more disabled people, no question.¹⁶¹

Jane Cordell told us that the more disabled people are visible in workplaces and feel able to disclose their conditions openly, the greater the likelihood of creating a “virtuous circle” effect. Disability would become “such a boring issue that nobody notices it”, contributing to further reducing the barriers to work for disabled people.¹⁶² We received no firm, detailed proposals on how to take this forward, however. Concurring with the tentative conclusion of the DWP’s own evaluation of the Work Choice wage subsidy, Mencap told us that the Department should “undertake a review of the incentives for employers to take on disabled people and those with health conditions”.¹⁶³ We also heard suggestions of possible international case studies that the Department might consider to see if any of the lessons were transferrable.¹⁶⁴ For example, Ben Baumberg Geiger drew our attention to the Netherlands, where employers are required to “show that they have done everything possible” to keep a disabled person in work, or pay their sick pay for two years. This could go as far as finding them a different job in the company or its wider supply chain.¹⁶⁵

65. Witnesses emphasised the need to match the highly ambitious nature of the Government’s aim to halve the gap with a similarly ambitious policy approach. The Department previously told us that its approach to employment support in Jobcentre Plus is intended to be experimental, trying out new models of provision in order to find out “what works”.¹⁶⁶ We also heard that there are numerous schemes already running across the UK that might provide indications of what works best in supporting employers.

160 [Q42](#) (Jane Cordell). See also [Q42](#) (Liz Sayce).

161 [Q56](#) (Dan Brooke). See also: [Q55](#) (Roy O’Shaughnessy), [Q56](#) (Steve Sherry), [Q47](#) (Mike Adams), Learning and Work Institute ([DEG0086](#)), Disability Rights UK ([DEG0041](#)), Remploy ([DEG0075](#)), Scope ([DEG0069](#)), College of Occupational Therapists ([DEG0063](#)), Inclusion Scotland ([DEG0061](#)), National Autistic Society ([DEG0060](#)), Breakthrough UK ([DEG0053](#)), Salford Welfare Rights and Debt Advice Service ([DEG0064](#)), Mencap ([DEG0084](#)), Royal British Legion Industries ([DEG0046](#))

162 [Q48](#) (Jane Cordell): See also Result CIC ([DEG0078](#)), Trade Union Congress ([DEG0055](#)), Equality and Human Rights Commission ([DEG0089](#))

163 Mencap ([DEG0084](#))

164 [Q42](#) (Mike Adams). Some European countries use financial incentives to a greater extent than others. For a summary, see: <http://www.disability-europe.net/dotcom>

165 Q21 (Ben Baumberg Geiger)

166 Work and Pensions Committee, [The Future of Jobcentre Plus](#), para. 40

Steve Sherry, of Royal British Legion Industries, told us that a wider experimental approach was needed:

You should have some ambitious, radical and different programmes out there and see what really does work. Otherwise we will just be doing more of the same. If we do more of the same, we will get more of the same, which is not good enough.¹⁶⁷

66. We welcome the Department's measures to support employers of disabled people, such as the Small Employer Offer and the Fit for Work tax exemption scheme. We also recognise that where some forms of incentives, such as wage subsidies, have been trialled in the past, there has not been concrete evidence of success. Financial incentives could, however, encourage employers to undertake desirable behaviour, which in turn might encourage others and create a virtuous circle. It is clear that there is a great deal of interest in the role incentives for employers could play in tackling the disability employment gap, even if it is currently far from clear what sort of financial support package might work best in Britain.

67. We recommend the Department test a range of approaches to incentivising employers, using a collection of small trials. These should test, for example, the impact of wage subsidies, incentives such as relief on National Insurance Contributions, and commissioning external organisations to provide support and guidance directly to employers. The Department's evaluations should consider the effects on different industries and different sizes of business. In finding out what does work, the Department must also be open to discovering what does not. Sticking to the same safe strategies will continue to bring the same results.

68. For too long, disabled people who want to work have lacked the support to enable them to do so. Developing a health condition or disability while in work has, too often, meant dropping out. Once unemployed, disabled people have faced obstacles both obtaining and staying in work. The large pool of unemployed disabled people who want to work is, however, a fantastic opportunity for the economy. We are pleased that the Government has recognised the imperative of halving the disability employment gap. We do not underestimate the scale of the challenge it now faces in making this vision a reality. The Government is aiming to achieve a reduction in the disability employment gap of a magnitude much greater than that seen in recent decades in the UK. Now is not the time for a cautious approach.

Conclusions and recommendations

1. The Department has to date chosen not to set absolute targets for reducing the disability employment gap, on the basis that it is sensitive to change for reasons other than the impact of policy. We understand this rationale. Clear reporting and measures of progress are, however, essential to keeping the goal of halving the gap in focus and ensuring transparency over whether and where progress is being made. This is especially so because halving the gap—and indeed, going beyond this where possible—is an ambition that will, in all likelihood, not be achieved by 2020. It is a long-term ambition that requires long-term thinking and a consistent approach. The Department can do much to lay the ground for this by introducing clear expectations, and detailed measurements and reporting standards now. Only through measuring outcomes will it be possible to identify and spread good practice. (Paragraph 13)
2. *We recommend the Department commit to gather data and report on a range of measures, including, but not limited to, those using the Labour Force Survey. It should report on measures of disabled people’s experiences of the quality of work, surveys using questions that give specific examples of mental or physical difficulties in carrying out day-to-day actions in determining whether an individual is “disabled”, and progress on reducing employment gaps for different conditions. It should also conduct research into how difficulties associated with different conditions have been surmounted.* (Paragraph 14)
3. *As the Labour Force Survey is likely to remain the most widely-used measure of disability and the clearest means of tracking the Government’s progress, we recommend the ONS and DWP commit together to not making further changes to the Labour Force Survey question on disability for the next ten years, to enable consistent tracking over time.* (Paragraph 15)
4. Achieving the Government’s ambitions on the disability employment gap will require a sustained commitment from a range of different agencies, Departments and external stakeholders beyond the DWP. Businesses have a vital leadership role to play, and bringing in health and education services is also of great importance. It is important that efforts are co-ordinated to ensure that all of those involved are working consistently towards the same goal. *We recommend that the Government publish a Disability Employment Strategy, building on the outcome of the green paper consultation. This would bring together the initiatives already announced that relate to halving the gap, build on them, and ensure that this seen as a shared, long-term objective and priority across all relevant Departments. It should then commission an annual report on progress towards meeting its strategic goals, drawing on the improved monitoring that we recommend.* (Paragraph 18)
5. We welcome the Department’s decision to exempt some severely disabled claimants from repeated reassessment for ESA. This will reduce pressure on disabled people (and their families, carers and so on). It should also reduce assessment costs for the Department and waiting times for assessments. *We invite the Department to set out in response to this report both when it intends to introduce this change, and the criteria it will use to identify claimants that will be exempt.* (Paragraph 24)

6. The Work Capability Assessment is fundamentally flawed. The Department should quickly begin the process of reforming it. We are pleased that the Department is looking at how it can take a more flexible, personalised approach to providing unemployed disabled people—including those with the greatest needs—with support. We are, however, concerned that the Work Capability Assessment model proposed in the Department’s green paper would place more responsibility on Work Coaches than is appropriate for their current levels of expertise, particularly in terms of re-assessing and varying conditionality over time. *We reiterate the recommendation from our Future of Jobcentre Plus report concerning developing a front-line, senior disability specialist role for Work Coaches. If Work Coaches are to be handed much more discretion over setting conditionality, it is imperative that they do so from a well-informed position.* (Paragraph 28)

7. Disabled people who want to work and feel they might be able to do so with some assistance should have access to support wherever possible, irrespective of the type and level of benefit that they are claiming. It is important that Work Coaches encourage claimants to access programmes and resources where appropriate, and that individuals feel that they are able to take steps towards work without risking their benefit entitlement. A “keep in touch” discussion could help claimants who would like to take steps towards work to access support, while ensuring that they understand that this will not affect their benefit entitlement. We are concerned, however, about the green paper’s suggestion of applying conditionality to people in the ESA Support Group. *We recommend that the Department does not immediately proceed with the idea of mandating contact between Support Group claimants and JCP. There is limited evidence to support this being a helpful approach, and some evidence that it is counter-productive. We recommend that any steps to engage the Support Group are introduced on a voluntary basis, and are led by the needs of individual claimants. We also re-iterate our previous recommendation, supported by Government, that participation by disabled people in contracted-out DWP employment support programmes should be voluntary and free from the risk of sanctions. This should extend to JCP programmes for the Support Group.* (Paragraph 29)

8. The Department must ensure that in attempting to ensure that disabled people comply with the conditions of their benefits, it is not inadvertently harming their work prospects. Sanctions, where applied, should be a means to an end rather than an end in themselves. We heard that inappropriate sanctions can cause significant hardship, which in turn can affect the health of disabled claimants and make a return to work less, not more likely. *The Department must consider how it can enhance the protection that it offers to disabled claimants. Drawing on the outcome of the green paper consultation on the Support Group, and the Yellow Card trial, we recommend the Department develop a Code of Conduct for Work Coaches on applying sanctions to disabled people. This should incorporate existing safeguarding advice on protecting vulnerable ESA claimants. It should also include guidance on how to consider the impact on a disabled claimants’ mental and physical wellbeing when deciding whether to make a referral for a sanction.* (Paragraph 31)

9. *We recommend that the Department clarify in response to this report whether and how transitional protection will apply to current ESA claimants who experience a change of circumstances aside from those set out in Welfare Reform and Work Act 2016 regulations. (Paragraph 32)*
10. We welcome the announcement of additional employment support for people in the ESA-WRAG group, including the consultation on introducing a more comprehensive package of support in Jobcentre Plus. We have heard concerns, however, about the decision to align the rate of ESA for new WRAG claimants with the current rate of JSA. Where new ESA claimants have unavoidably higher living costs related to their conditions, this may leave them with lower disposable incomes than JSA claimants. ESA claimants are not expected to find work as quickly as JSA claimants, having been assessed as having limited capacity for work, and are likely to need support for longer. Even meeting the conditions of their benefits by participating in work-related activity can incur expenses that are higher than those of non-disabled claimants. It is imperative, therefore, that alongside the JCP support package the Department provides additional financial support to people in the WRAG where it has identified that the new, lower rate will leave them unable to meet essential living costs related to their conditions and benefit obligations. (Paragraph 40)
11. The Government expects the new, lower rate for the ESA-WRAG to enhance incentives to work. The evidence is, at best, ambiguous. We heard substantial concerns about the possible impact of the new rate on disabled people's capacity to look for and move into work. Ensuring that a financial support package is in place may go some way to mitigating this risk. We remain concerned that the Department's rationale for its decision rests on limited evidence. Furthermore, the employment support-related mitigating strategies proposed are untested and dependent on the discretion and skills of JCP staff. In the case of the proposed "Personal Support Package", they are unlikely to be fully implemented by the time the reduced rate is introduced. (Paragraph 41)
12. *We welcome the Department's acknowledgement that disabled people may have unavoidably higher living costs related to their health conditions, and its commitment to helping ESA-WRAG claimants who receive the new, lower rate of payment to meet these costs. Having made this commitment, the Department must ensure that it spends its money wisely, effectively targeting support towards those in need. This requires greater clarity than has been forthcoming on how the Department intends to do this. If the Department is to press ahead with this change, it must ensure that prior to its introduction it has set out a clear plan for identifying where new claimants have additional, unavoidable living costs relating to their conditions that they will struggle to meet with the new payment level, and how it will ensure that they are able to meet these costs. This will require dedicated financing, beyond the remit of current discretionary support available through Jobcentre Plus (for example, via the Flexible Support Fund). We recommend the Government set out its approach in response to this report, prior to implementing the new, lower rate. Failure to do this could undermine both the Government's case that there will be positive behavioural change amongst claimants and the savings that it expects to make. (Paragraph 42)*

13. Access to Work is a highly-valued scheme. It could be one of the Department's most important tools in improving disability employment rates and helping disabled people to stay in work. Awareness of the scheme, however, remains low, and it is not without room for improvement. The Department should prioritise building on Access to Work's impact to date, focusing on raising awareness and on improving the user-friendliness of the scheme. *We recommend that the Department launch a publicity campaign for Access to Work, targeting disabled people, employers, and its own front-line staff. We further recommend that potential beneficiaries should be permitted to complete pre-eligibility checks in Jobcentre Plus without the requirement to have obtained an offer of employment, and that claimants should be allowed to take their awards, or pending awards, with them if they move jobs.* (Paragraph 48)
14. Given the extensive evidence of the positive effects of Access to Work on disabled people's employment rates and the commitment to extra funding for the scheme, we are surprised that the Department has never sought to quantify its benefits. It may even be self-financing. *We recommend that the Department carry out research into the costs versus benefits of Access to Work, to ensure that any further decisions on funding are made from a strong evidence base.* (Paragraph 49)
15. The Government has little prospect of halving the disability employment gap unless employers are fully committed to taking on and retaining more disabled people. The relaunched Disability Confident, the Government's flagship campaign to promote disability employment to employers, needs to address many of the criticisms of the original campaign. It is currently too early to assess its impact. Much of whether it is successful, however, will depend on it developing a high profile, reaching and signing up large numbers of employers, and being seen as a valuable accreditation for businesses—including those who might not otherwise engage. *To assess whether Disability Confident is meeting its objective of increasing disability employment, and to learn lessons for future employer engagement strategies, we recommend that the Department commission an evaluation of the campaign before 2020. This should take into account what changes members display in their hiring and employee retention behaviour, as well as establishing whether it is attracting a broad spectrum of employers.* (Paragraph 56)
16. Financial support, such as that provided through Access to Work, is clearly important to helping disabled people move into and stay in work. We heard, however, that being able to access specialist, and if necessary, condition-specific, bespoke, practical advice is at least as important for employers who are seeking to take on or manage disabled employees. There is no shortage of organisations offering such support—but often employers are not aware of what is available, especially locally. *We recommend that the Department proceed with implementing a "one-stop shop" for employers, which should be linked to Disability Confident. A central feature of this should be signposting towards local, specialist services (including those that deal with specific impairment types) that offer support on making adjustments and on other aspects of employment retention.* (Paragraph 61)
17. We welcome the Department's measures to support employers of disabled people, such as the Small Employer Offer and the Fit for Work tax exemption scheme. We also recognise that where some forms of incentives, such as wage subsidies, have

been trialled in the past, there has not been concrete evidence of success. Financial incentives could, however, encourage employers to undertake desirable behaviour, which in turn might encourage others and create a virtuous circle. It is clear that there is a great deal of interest in the role incentives for employers could play in tackling the disability employment gap, even if it is currently far from clear what sort of financial support package might work best in Britain. (Paragraph 66)

18. *We recommend the Department test a range of approaches to incentivising employers, using a collection of small trials. These should test, for example, the impact of wage subsidies, incentives such as relief on National Insurance Contributions, and commissioning external organisations to provide support and guidance directly to employers. The Department's evaluations should consider the effects on different industries and different sizes of business. In finding out what does work, the Department must also be open to discovering what does not. Sticking to the same safe strategies will continue to bring the same results.* (Paragraph 67)
19. For too long, disabled people who want to work have lacked the support to enable them to do so. Developing a health condition or disability while in work has, too often, meant dropping out. Once unemployed, disabled people have faced obstacles both obtaining and staying in work. The large pool of unemployed disabled people who want to work is, however, a fantastic opportunity for the economy. We are pleased that the Government has recognised the imperative of halving the disability employment gap. We do not underestimate the scale of the challenge it now faces in making this vision a reality. The Government is aiming to achieve a reduction in the disability employment gap of a magnitude much greater than that seen in recent decades in the UK. Now is not the time for a cautious approach. (Paragraph 68)

Formal Minutes

Monday 23 January 2017

Work and Pensions Committee

Frank Field, in the Chair

Heidi Allen Richard Graham

Mhairi Black Steve McCabe

Ms Karen Buck Craig Mackinlay

James Cartlidge Royston Smith

Neil Coyle

Draft report (*Disability employment gap*), proposed by the Chair, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 68 read and agreed to.

Resolved, That the Report be the Seventh Report of the Committee to the House.

Ordered, That the Chair make the Report to the House.

Ordered, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

[Adjourned till Monday 30 January at 3.30 p.m.]

Witnesses

The following witnesses gave evidence. Transcripts can be viewed on the [inquiry publications page](#) of the Committee's website.

Monday 4 July 2016

Question number

Ben Baumberg Geiger, Senior Lecturer, University of Kent, **Victoria Wass**, Reader, University of Cardiff Business School, **David Finch**, Senior Economic Analyst, Resolution Foundation, and **George Selvanera**, Director of Strategy and External Affairs, Business Disability Forum

[Q1–32](#)

Liz Sayce OBE, Chief Executive, Disability Rights UK, **Mike Adams OBE**, Chief Executive, Essex Coalition of Disabled People, and **Jane Cordell**, Director, Result CIC

[Q33–49](#)

Wednesday 13 July 2016

Peter Bacon, Bid Director, Kennedy Scott, **Dan Brooke**, Chief Marketing and Communications Officer, Channel 4, **Roy O'Shaughnessy**, Chief Executive Officer, Shaw Trust, **Steve Sherry OBE**, Chief Executive, Royal British Legion Industries

[Q50–80](#)

Mark Elliott, Director of Development, Leonard Cheshire Disability, **Danielle Hamm**, Associate Director of Campaigns and Policy, Rethink Mental Illness, **Diane Lightfoot**, Director of Policy and Communications, United Response, and **Karen Walker-Bone**, Director, Arthritis Research UK-MRC Centre for Musculoskeletal Health and Work

[Q81–106](#)

Monday 28 November 2016

Penny Mordaunt MP, Minister of State for Disabled People, Health and Work, Department for Work and Pensions, **Tracey Waltho**, Director, Work and Health Unit and Office for Disability Issues, Department for Work and Pensions, and **Alex Skinner**, Director, Disability Employment and Support Directorate, Department for Work and Pensions

[Q107–204](#)

Published written evidence

The following written evidence was received and can be viewed on the [inquiry publications page](#) of the Committee's website.

DEG numbers are generated by the evidence processing system and so may not be complete.

- 1 Action for M.E. ([DEG0031](#))
- 2 Action on Hearing Loss ([DEG0038](#))
- 3 Advice Nottingham ([DEG0052](#))
- 4 Arthritis Research UK ([DEG0070](#))
- 5 Aspiacent CIC ([DEG0077](#))
- 6 Association of British Insurers ([DEG0072](#))
- 7 Barry Davies ([DEG0001](#))
- 8 Blind in Business ([DEG0017](#))
- 9 Breakthrough UK ([DEG0053](#))
- 10 British Association for Supported Employment ([DEG0033](#))
- 11 Business Disability Forum ([DEG0042](#))
- 12 CareTrade Charitable Trust ([DEG0026](#))
- 13 Carol Beaumont ([DEG0009](#))
- 14 Catherine Scarlett ([DEG0010](#))
- 15 Centre for Health and Inequalities Research, Department of Geography, Durham University ([DEG0019](#))
- 16 Centrepont, Crisis, ERSA, Homeless Link, The Salvation Army, St Mungo's ([DEG0036](#))
- 17 Citizens Advice Derbyshire Districts ([DEG0088](#))
- 18 Citizens Advice Scotland ([DEG0047](#))
- 19 CLIC Sargent ([DEG0035](#))
- 20 College of Occupational Therapists ([DEG0063](#))
- 21 Department for Work and Pensions ([DEG0083](#))
- 22 Dimensions (UK) Ltd ([DEG0018](#))
- 23 Disability Benefits Consortium ([DEG0045](#))
- 24 Disability Rights UK ([DEG0041](#))
- 25 Dr Ben Baumberg Geiger, Professor Melanie Jones, Dr Victoria Wass ([DEG0023](#))
- 26 ENABLE Scotland ([DEG0029](#))
- 27 Equality and Human Rights Commission ([DEG0089](#))
- 28 ERSA ([DEG0087](#))
- 29 Essex County Council ([DEG0051](#))
- 30 Inclusion London ([DEG0059](#))
- 31 Inclusion Scotland ([DEG0061](#))
- 32 Joseph Rowntree Foundation ([DEG0085](#))
- 33 Kennedy Scott Ltd ([DEG0056](#))

- 34 Lampard School ([DEG0082](#))
- 35 Learning and Work Institute ([DEG0086](#))
- 36 Leonard Cheshire Disability ([DEG0039](#))
- 37 Local Government Association ([DEG0049](#))
- 38 Macmillan Cancer Support ([DEG0068](#))
- 39 Mencap ([DEG0084](#))
- 40 Mr David Gillon ([DEG0071](#))
- 41 Mr Gary Denton ([DEG0015](#))
- 42 MRC/CSO Social and Public Health Sciences Unit, University of Glasgow ([DEG0073](#))
- 43 Mrs Sandra Williams ([DEG0005](#))
- 44 MS Society ([DEG0062](#))
- 45 Muscular Dystrophy UK Trailblazers ([DEG0022](#))
- 46 Name withheld ([DEG0011](#))
- 47 Name withheld ([DEG0020](#))
- 48 Name withheld ([DEG0044](#))
- 49 Name withheld ([DEG0090](#))
- 50 Name withheld ([DEG0021](#))
- 51 National Autistic Society ([DEG0060](#))
- 52 National Deaf Children's Society ([DEG0057](#))
- 53 Papworth Trust ([DEG0043](#))
- 54 Parkinson's UK ([DEG0024](#))
- 55 Pat's Petition ([DEG0012](#))
- 56 Paul Milton ([DEG0093](#))
- 57 People First (Scotland) ([DEG0007](#))
- 58 Pluss ([DEG0040](#))
- 59 Professor Nicolas Bacon ([DEG0074](#))
- 60 Professor Ralph Fevre and Dr Deborah Foster ([DEG0066](#))
- 61 Refractory Epilepsy and Anxiety ([DEG0006](#))
- 62 Remploy ([DEG0075](#))
- 63 Result CIC ([DEG0078](#))
- 64 Rethink Mental Illness ([DEG0037](#))
- 65 RNIB ([DEG0025](#))
- 66 Royal British Legion Industries ([DEG0046](#))
- 67 Salford Welfare Rights and Debt Advice Service ([DEG0064](#))
- 68 Scope ([DEG0069](#))
- 69 Sense ([DEG0065](#))
- 70 Shaw Trust ([DEG0058](#))
- 71 Sight for Surrey ([DEG0080](#))

- 72 Signature ([DEG0008](#))
- 73 START Ability Services ([DEG0079](#))
- 74 Stephen Dean ([DEG0002](#))
- 75 The Council for Work and Health ([DEG0091](#))
- 76 The Salvation Army ([DEG0027](#))
- 77 The Twist Partnership ([DEG0054](#))
- 78 The Work Foundation ([DEG0094](#))
- 79 Trade Union Congress ([DEG0055](#))
- 80 United Response ([DEG0030](#))
- 81 UnLtd ([DEG0028](#))
- 82 VoiceAbility ([DEG0092](#))
- 83 Women's Resource Centre ([DEG0034](#))

List of Reports from the Committee during the current Parliament

All publications from the Committee are available on the [publications page](#) of the Committee's website.

The reference number of the Government's response to each Report is printed in brackets after the HC printing number.

Session 2015–16

First Report	Pension freedom guidance and advice	HC 371 (Cm 9183)
Second Report	Welfare to work	HC 363 (HC 720)
Third Report	A reconsideration of tax credit cuts	HC 548
Fourth Report	Benefit delivery	HC 372 (HC 522)
Fifth Report	The local welfare safety net	HC 373 (HC 924)
Sixth Report	Understanding the new state pension – interim report on pension statements	HC 550
Seventh Report	Communication of state pension age changes –interim report	HC 899
Eighth Report	Communication of the new state pension	HC 926 (HC 229)
Ninth Report	Support for the bereaved	HC 551 (HC 230)
Tenth Report	In-work progression in Universal Credit	HC 549 (HC 585)
Eleventh Report	Automatic enrolment	HC 579 (HC 610)
First Special Report	Progress with automatic enrolment and pension reforms: Government and Financial Conduct Authority responses to the Committee's Fourth Report of Session 2014–15	HC 375
Second Special Report	Improving Access to Work for disabled people: Government response to the Committee's Second Report of Session 2014–15	HC 386
Third Special Report	Benefit Sanctions: Beyond the Oakley Review: Government Response to the Committee's Fifth Report of Session 2014–15	HC 557
Fourth Special Report	Pension freedom guidance and advice: Financial Conduct Authority Response to the Committee's First Report of Session 2015–16	HC 719
Fifth Special Report	Welfare-to-work: Government Response to the Committee's Second Report of Session 2015–16	HC 720
Sixth Special Report	The local welfare safety net: Government Response to the Committee's Fifth Report of Session 2015–16	HC 924

Session 2016–17

First Report	BHS	HC 54
Second Report	The future of Jobcentre Plus	HC 57
Third Report	Intergenerational fairness	HC 59
Fourth Report	Concentrix	HC 720
Fifth Report	Support for ex-offenders	HC 58
Sixth Report	Defined benefit pension schemes	HC 55
First Special Report	Communication of the new state pension: Government Response to the Committee's Eighth Report of Session 2015–16	HC 229
Second Special Report	Support for the bereaved: Government Response to the Committee's Ninth Report of Session 2015–16	HC 230
Third Special Report	Benefit delivery: Government Response to the Committee's Fourth Report of Session 2015–16	HC 522
Fourth Special Report	In-work progression in Universal Credit: Government Response to the Committee's Tenth Report of Session 2015–16	HC 585
Fifth Special Report	Automatic enrolment: Government Response to the Committee's Eleventh Report of Session 2015–16	HC 610
Sixth Special Report	Intergenerational fairness: Government Response to the Committee's Third Report of Session 2016–17	HC 964
Seventh Special Report	The future of Jobcentre Plus: Government Response to the Committee's Second Report of Session 2016–17	HC 965