



## Chapter 4

# Sustainable employment for disabled people and people with health conditions

We are aiming to reduce the number of people on incapacity benefits by one million from 2005 levels.

In return for support and security on benefits, it is right that people take up the opportunities we offer.

Pathways to Work has helped more than 69,000 people into work so far; from April 2008 Pathways to Work will be available to everybody in Great Britain.

Employment and Support Allowance will replace Incapacity Benefit for new customers, including the robust new Work Capability Assessment, focusing on what people can do, not what they can't.

In the future we will apply Pathways to Work and the Work Capability Assessment on a mandatory basis for new incapacity claimants and will begin extending them to existing claimants, starting with those under 25.

We will transform the support available to help disabled people and people with health conditions remain in work, reducing the chances of long-term benefit dependence.

## Chapter 4 – Sustainable employment for disabled people and people with health conditions

Health and work are fundamentally linked. Health conditions and disabilities can create problems for people obtaining and retaining work, yet people with these conditions often want to and can flourish in work. We also know that work is generally good for health and can have a positive effect.

Since 1997 there has been a revolution in our offer to disabled people and people with health conditions. We have moved from a system that abandons people to a life on benefits to one which helps people realise their aspirations. We have overhauled the failing system which told people they were incapable of work and invested heavily in programmes that help people move into work.

*“I felt, but who would want me to work for them? Going through the doors into the Jobcentre was a big step. It’s good because I’ve got something to get up for. I’m bubbly again, back to the way I was many years ago.”*

An individual with severe depression, now working as a sales assistant

The success of our programmes is demonstrated by sustained falls in the number of people on incapacity benefits, after consistently large increases over the last two decades. The caseload more than trebled between 1979 and 1997, but we have now turned the corner and the numbers on benefit have fallen year on year for the last 13 consecutive quarters to stand at the lowest they have been for eight years. However, in order to support the aspiration of an 80 per cent employment rate we intend to go much further and reduce the numbers of people on incapacity benefits by a million from their 2005 levels.

In January 2006 we set out our plan for the next stages of reform. To meet our and our customers’ aspirations we recognised the need to introduce a new benefit which removed perverse incentives to not move into work, offer substantially more back to work support to those on incapacity benefits, and to do more to help people develop the skills they need to retain their jobs and not move onto benefits.

### What we are doing:

- From April 2008 everyone on incapacity benefits in Great Britain will have access to the Pathways to Work Programme.
- From April 2008 the Return to Work Credit of £40 per week tax free for a year will be available to everyone eligible who moves into work of more than 16 hours per week and earns less than £15,000 per year.
- From October 2008 incapacity benefits will be replaced for new customers by Employment and Support Allowance with a revised medical assessment and an additional payment to our most severely disabled customers.
- Employment and Support Allowance customers will be screened to identify skills needs.
- A consultation has been launched with proposals designed to improve the effectiveness of some of the specialist support the Department for Work and Pensions provides to help disabled people enter and/or retain employment.
- A range of initiatives are being taken forward across Government to support healthcare professionals and employers in helping to keep people in work. This has included the piloting of an education programme for GPs on health and work; development of a training module to help GPs handle fitness for work discussions; and a training module for nurses on their role in supporting people to remain in and return to work.
- An independent review of the health of our workforce is being carried out, which will help steer future activity to reduce the number of people falling out of work.

## Supporting people back into work – Pathways to Work

In 2003 we recognised that to help more people into work we needed to move beyond an approach that expected almost nothing of customers receiving financial support through incapacity benefits. Our subsequent approach was based on the principle that, in return for our offer of financial and employment support, customers should have a responsibility to engage with us. However, this would not be at the expense of programmes that offered further support on a voluntary basis such as the New Deal for Disabled People. The result was the first Pathways to Work pilot.

Independent research has shown that Pathways works, helping people into sustained jobs: new customers in Pathways areas are over seven percentage points more likely to have a job after 18 months than people in non-Pathways areas.

*"I got to the stage that I couldn't leave the house. I didn't want to live. Now the alarm clock goes off and I'm like, yes – I'm, going to work. It's a good feeling."*

Individual who had stress and depression, now working as a domestic cleaner

In light of this success with new customers, we have moved to invest in more areas. From April, Pathways to Work support, including the Return to Work Credit, will be available to everyone in Great Britain on incapacity benefits. This will be mandatory, initially, for new customers, and from 2009 we will extend this mandatory engagement to existing customers under the age of 25. However, all customers will have access to Pathways to Work on a voluntary basis.

Pathways to Work for new customers is built on the foundation of Work Focused Interviews where new Incapacity Benefit customers meet with dedicated personal advisers to discuss their work ambitions, their barriers to work, and the support that is on offer. Personal advisers offer customers access to a wide range of support including the groundbreaking voluntary condition management programmes which enable people to understand and manage their health conditions or disabilities.

The tax free Return to Work Credit of £40 per week for up to 52 weeks provides added security for those making the move into work.

### **An example of someone with a health condition returning to work**

Jim, 50, works for himself as a builder. He develops back and leg pain that means he begins to really struggle with his day-to-day activities, and eventually he can no longer work. His GP agrees that Jim is unable to do his normal work, but encourages him to try to remain as active as possible to help his condition.

Jim contacts Jobcentre Plus and makes a claim for Employment and Support Allowance.

Jim is awarded Employment and Support Allowance at the assessment phase rate.

He attends his first Work Focused Interview, where he meets his personal adviser and gains further understanding of the support available to him. The Work Focused Interview focuses on exploring Jim's work history, skills and experience, and initiating an action plan for how he can help prepare himself to return to work.

Soon after, Jim completes a face-to-face Work Capability Assessment. Jim's work focused health-related assessment indicates that, although manual labour as a builder is not currently a feasible work option for him, he can undertake office work.

At the next Work Focused Interview, Jim and his personal adviser discuss support he may wish to take up, focusing on condition management and the development of new skills. Jim and his adviser agree an action plan reflecting their discussion. After taking part in an administrative skills course, Jim is successful in finding a job in the office of a large builders merchants. Access to Work funding is secured to make reasonable adjustments for Jim – including purchasing a specialist chair to support his back – and during the first year of working he receives a £40 weekly Return to Work Credit to supplement his earnings in the new job.

Pathways will be extended across Britain. In 40 per cent of the country Jobcentre Plus is already delivering Pathways to Work, and we are working with private and third sector providers to deliver Pathways to Work in the remaining 60 per cent of the country. Building on the approach taken in the successful New Deal for Disabled People, we will be rewarding our contractors based on their success in moving people into work, with an element of the payment linked to sustaining employment to the six-month point. We believe this approach, combined with flexibilities allowed by the contracts, will develop new and innovative forms of support for our customers.

We will carefully monitor the performance of Pathways to Work in all areas throughout the duration of the contracts, rewarding success and spreading best practice where appropriate. We will be looking at the development of the flexible New Deal in developing our approach for Pathways to Work in the future, and will integrate skills screening and referral to a Skills Health Check for those who need one into the programme. Our future approach to contracting, both for Pathways and other programmes, will be shaped by careful evaluation of this wave of contracts.

We have piloted an intervention of three Pathways to Work mandatory Work Focused Interviews with existing customers and in the future we will look to apply this more active approach to existing incapacity benefits claimants as well as new ones. In particular we believe at this stage it is vital to engage early in claimants' lives so we can make a real difference to their future. Therefore, we will be introducing mandatory Pathways interviews and the new Work Capability Assessment for **existing customers who are under 25, starting in 2009**.

We are also going further to ensure skills needs are integrated into the benefits system. Employment and Support Allowance claimants will be subject to a skills screen early in the claim. However, we recognise that, for many people, overcoming health-related barriers is vital and our approach to these customers will reflect that.

## A new benefit – Employment and Support Allowance

To underpin our new approach for our customers, from October 2008 we are introducing the new Employment and Support Allowance. This will replace incapacity benefits for new customers with an integrated contributory and income-related allowance. It will simplify the system of claiming benefit for claimants whilst embedding the principles we have established in Pathways to Work.

Full entitlement to the benefit will be dependent on attending Work Focused Interviews for all customers except the most severely sick and disabled. In the future, in line with available evidence and as resources allow, we will also require customers to undertake some work-related activity. Where a claimant fails to engage without good cause, their benefit will be reduced by an amount up to the level of the work-related activity

component of the benefit. This embeds the principles of Pathways at the heart of the new benefit so that it is clear to claimants that engagement from them is required in return for the financial and back-to-work support we are offering. This activity could include addressing skills needs as a step towards returning to work.

We will screen all new Employment and Support Allowance customers soon after the start of the claim. Where appropriate we may direct a customer to attend a mandatory Skills Health Check at some point later in their claim, to help them acquire the skills they need to move them closer to the labour market and help them back to work. Once in work, we will encourage the individual to further develop their skills and potential, for example through accessing Train to Gain provision. Providing the right support at the right time is crucial in helping those previously labelled as incapable of work to achieve their potential and reach their personal job and career goals.

We recognise that skills needs have to be addressed in a way that complements measures taken to overcome health problems which, in many cases, may be a critical barrier preventing a customer from returning to work.

For people who are the most severely sick and disabled we will provide an additional payment recognising that they face greater barriers to work. We will not require them to engage with Work Focused Interviews or activity although, of course, they will be able to volunteer.

In addition, we will be taking people's parenting responsibilities into consideration so that disabled parents are supported into work that fits with their family priorities. In 2005-06 the risk of a child living in poverty was 42 per cent (after housing costs) when they lived with a disabled adult.

Fundamental to the integrity of the benefit is the introduction of the new **Work Capability Assessment** to assess people's eligibility for the benefit. We worked with independent experts and stakeholders to update the current Personal Capability Assessment, to make it a more accurate, robust and fair test of limited capability for work. The new assessment focuses on activities relevant to today's workplace: some activities in the current test have been removed as they are no longer relevant (for example an inability to walk more than 400 metres) while others have been added (for example the ability to use a computer keyboard or mouse). The test of mental function has been revised to make it fairer and to assess conditions such as learning disabilities as well as mental illness.

An integral part of the new Work Capability Assessment is the new work focused health-related assessment which will look at a person's aspirations for returning to work, their capability, and how any health-related barriers to work could be addressed.

The new Employment and Support Allowance reflects our vision of what the benefits system should do for claimants. It will provide financial support to some of the most vulnerable people in our society whilst ensuring the system retains the support of the public by applying a fair but rigorous test of eligibility.

## Helping people achieve their full potential – improving specialist disability employment services

Whilst Pathways to Work and the New Deals are able to offer support to a wide range of customers, we recognise that some of our customers require more intensive specialist disability employment support. For this reason we are committed to retaining a wide range of specialist disability employment provision designed to help people with higher support needs gain or retain employment. These programmes can make a vital difference to our customers both in order to support some into work, and also to help them to not fall out of work and onto benefits in the first place.

We know that these specialist services, such as Work Preparation, WORKSTEP, Access to Work and Disability Employment Advisers help transform the lives of many thousands of disabled people every day – people who would otherwise struggle to get a job or could be at risk of losing one they already have. However, we also know from talking to disabled people and their representatives, from independent research and from analysis by the National Audit Office, that there is scope to improve the service currently offered.

On 3 December 2007 we launched a consultation on our proposals to make our specialist provision:

- more flexible – to better meet the needs of individual disabled people and their employers;
- more joined up and cohesive – to produce better transitions into work;
- better focused on helping people achieve their potential – to help more individuals reach a point where they can maintain their employment independently, and for those that require long-term support to develop their skills on the programme; and
- more consistent, by introducing service-wide quality standards that support all customers to achieve their full employment potential regardless of the area in which they live.

We continue to welcome views from stakeholders on improving specialist disability employment services.<sup>29</sup>

Through such changes we want to be able to achieve better value for money to enable us to help more people more effectively.

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<sup>29</sup> *Helping people achieve their full potential: improving specialist disability employment services* (December 2007) <http://www.dwp.gov.uk/resourcecentre/des-consultation.asp>

## Remploy

Additionally, on 29 November 2007 we announced a plan to modernise Remploy. The plan includes 15 fewer factory closures than originally proposed by Remploy on 22 May 2007 and the continuation of 55 Remploy factories (providing additional work can be obtained). The company will also quadruple the number of disabled people they support into mainstream work, through their Employment Services Business. They will be placing 20,000 disabled people into work by year five of their modernisation plan.

## Changing the culture – helping people to remain in work

Annual inflows to incapacity benefits have been falling for the last 10 years: from around one million in 1997 to around 600,000 currently. However, we must further reduce the number of people falling out of work onto benefits.

This will require a change of culture across society: by healthcare professionals and the providers of health services, by employers, line managers, and by individuals themselves. The 2006 Green Paper and the 2005 Health, Work and Well-being Strategy set out the first phase of our work across government, including the devolved administrations in Scotland and Wales, to bring about this change. Helping to lead this work is Professor Dame Carol Black, the Government's first ever National Director for Health and Work. Dame Carol is currently carrying out a comprehensive review of the health of the working age population. This review, which will report to Ministers early in the New Year, will identify those areas that need more attention, make recommendations to the Government and help steer our strategy over the coming years.

Healthcare professionals, and in particular GPs, can play a key role in supporting their patients to remain in or return to work. Yet most healthcare professionals currently receive little training on these issues. As such, we have been taking forward a range of initiatives, in partnership with professional medical bodies, to advise and support healthcare professionals. For example, we have:

- piloted an education programme giving GPs simple messages about health and work issues;
- produced an online learning tool on handling difficult consultations with patients about return to work; and
- developed an online learning module for nurses on health and work and their role in supporting people to remain in or return to work.

This programme builds on groundbreaking independent research, commissioned by the Department and published in September 2006, showing for the first time that work is good for health and well-being<sup>30</sup>.

<sup>30</sup> Waddell and Burton, 2006. *Is work good for your health and well-being?*

Alongside this work we are currently reviewing the statutory medical certificate (the 'sicknote') to ensure that it:

- is simple for GPs to complete;
- assists GPs in giving advice to their patients; and
- provides more helpful information for employers.

We have also been testing the impact of placing Jobcentre Plus advisers in GP surgeries, through our Pathways Advisory Service pilots. We have committed to expanding these pilots, trebling their capacity, to ensure that we learn as much as possible about the impact of this innovative joint working.

Employers are critical to this agenda too. We need employers who are prepared to employ disabled people and people with health conditions, who protect and promote their employees' health and who support staff to stay in work when they are having health problems. However, we also need to be committed to helping them to do so. The recently concluded review of the Statutory Sick Pay scheme showed that, rather than wanting radical reform, employers would like more help from Government in managing attendance more effectively and facilitating vocational rehabilitation.

Our next phase of work will focus heavily on ways of providing more practical advice and support to employers, especially for smaller businesses. For example, we have set up a new task group to identify the most effective types of vocational rehabilitation support and the barriers that currently stop employers from providing such services. We are also going to pilot a new advice service for employers to help them manage and support people with mental health conditions to remain in or return to work.

Mental health and employment has emerged as a key challenge for Government – with mental health conditions the single biggest cause of people taking sick leave or claiming incapacity benefits. Significant steps have been taken in the past year – for example:

- the recent announcement by the Department of Health of the significant expansion of their Improving Access to Psychological Therapies programme; and
- Shift's *Action on Stigma* Campaign, which has developed resources to help line managers deal with employees with mental health conditions.

However, we want to go further still and have announced our intention to develop a National Strategy on Mental Health and Work, to ensure that there is a coordinated response across Government to the challenges faced by people of working age with mental health problems, improving their employment chances.

## Milestones

- Early 2008** Publication of the review of the health of Britain's working age population led by the National Director for Health and Work, Dame Carol Black.
- April 2008** Pathways to Work available across Great Britain to anyone on incapacity benefits, including the Return to Work Credit of £40 per week tax free for a year – available to everyone eligible who moves into work.
- October 2008** Introduction of Employment and Support Allowance.
- 2009** Introduction of mandatory Pathways to Work interviews and the new Work Capability Assessment for existing Incapacity Benefit customers who are under 25.