

# Impact Assessment

**Title: Equality Impact Assessment for 'Helping people achieve their full potential: Improving Specialist Disability Employment Services' (Relevant paragraphs extracted from Impact Assessment on White Paper 'Raising Expectations and increasing support: reforming welfare for the future' published on-line in December 2008 ( [www/dwp.gov.uk/raisingexpectations](http://www.dwp.gov.uk/raisingexpectations) )**

**Version: 1**

**Date: February 2009**

**Related Publications: 'No one written off: reforming welfare to reward responsibility'; 'Helping people achieve their full potential: Improving Specialist Disability Employment Services – Summary of Responses' and 'Raising expectations and increasing support: reforming welfare for the future'**

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1. DWP is fully committed to promoting equality - each policy section below has a dedicated equality impact assessment and the Department takes very seriously the legal requirement to assess the impact of policy (including potential unintentional outcomes) on the grounds of race, disability and gender.
2. This Equality Impact Assessment is a living document and will be regularly reviewed and updated as the proposals are developed in further detail to ensure that all potential equality impacts are identified and understood. Comprehensive and robust evaluation will be at the heart of the proposals so that any unforeseen policy and equality impacts are identified and shape future policy developments.

## **Additional funding for Access to Work**

### ***Introduction and Policy Rationale***

#### What is the current policy?

3. Access to Work can pay up to 100 per cent of the cost of workplace adjustments to help a disabled person take up or retain paid work. Application for support is made by **individual disabled people** (not employers) who are entering, or already in, paid work including self-employment. Help can take the form of adapting premises or equipment, providing special computers or other items of kit, providing a support worker or paying for the additional costs incurred by a disabled person in travelling to and from work. Employers are required to share Access to Work costs (equipment and adaptations only) in respect of disabled people they have employed for at least 6 weeks.

#### What is the change in policy?

4. The Government will double the budget for Access to Work, expanding availability to more people who would be unable to work without it. In doing so, we will examine how we can tailor Access to Work support more effectively to ensure that support goes to a wide range of customers, including people with fluctuating conditions.

#### Reason for change in policy.

5. The change is part of the rights and responsibilities agenda through which we will offer support for paid work instead of benefits for worklessness. Through the changes proposed in 'No one written off: reforming the welfare state to reward responsibility', the additional funding will enable greater numbers of disabled people to achieve the choice, control and independent living which other groups take for granted, and so promote equality of opportunity for disabled people. Also, we will be able to ensure that the design of provision better helps groups which

have previously lacked support, including customers with fluctuating mental health conditions for whom Access to Work currently is less well equipped to provide help. We will be able to help greater numbers of PSA16 customers – adults in contact with secondary mental health services and those with moderate to severe learning disabilities. This could in turn help to promote positive attitudes on the part of employers and the wider public towards disabled people, particularly those with mental health conditions and learning disabilities. For the first time, significant numbers of people will have the support they need to move off incapacity benefits.

### Estimated Costs and Benefits: Access to Work

| <i>Economic Costs</i>   | <i>Economic Benefits</i>   | <i>Fiscal Benefits</i>  | <i>Wider Benefits</i>   |
|---|--|---|---|
| Programme and running costs, including additional Jobcentre Plus staffing. Payments for ongoing support, such as support workers and travel to work. Payments for one-off support, such as workplace adaptations. | It is estimated that approximately 27,000 people will be supported in work between 2008/09 and 2013/14 as a result of this policy. The benefit of higher economic output is estimated as the gross wages from additional employment offset by individuals' losses of non-market time from moving into employment <sup>1</sup> . Furthermore, there will be gains to the economy from a reduced tax burden <sup>2</sup> . | Estimated savings from more people moving into work and reduced numbers of people claiming incapacity benefits/ESA and, increased income and indirect tax and National Insurance contributions. Estimates are net of increases in other benefits and in-work support. | Creates choice and control, supports independent living and prevents social and economic exclusion. |
| <b>- £119 million</b>   | <b>£412 million</b>  | <b>£256 million</b>   |   |

6. Administrative evidence has shown that for every pound the Government invests in Access to Work, there is a benefit of £1.67, from savings on benefit expenditure and increased tax revenue.<sup>3</sup>
7. All costs and benefits are presented as Net Present Values in 2008/09 prices, and include costs and benefits occurring between 2008/09 and 2013/14.
8. The administrative costs of the policy are included in both the Economic Costs, which are the costs to the economy as a whole, and the Fiscal Costs/Benefits which are costs and savings to the Exchequer.
9. *Positive numbers represent benefits. Negative numbers are costs*
10. **The Economic Impact of this policy (Net Present Value) is £293 million**

<sup>1</sup> Estimated to be 25% of the increase in disposable income received when moving from benefits to employment. Greenberg and Knight (2007) DWP Working Paper No. 40, *Review of the DWP Cost Benefit Framework and how it has been applied* (London – CDO)

<sup>2</sup> Estimated to be 25% of the change in fiscal transfers (Fiscal Costs/Benefits above). Boardman, Greenberg, Vining and Weimer (2006), *Cost-Benefit Analysis: Concepts and Practice* (London – Pearson)

<sup>3</sup> Based on an analysis of administrative evidence - *A comparative Cost Benefit Analysis of DWP's Employment Programmes 2008*

## **Re-shaping and providing additional funding for the successor to WORKSTEP and other specialist disability employment programmes**

### **Introduction and Policy Rationale**

#### What is the current policy?

11. We have a suite of separate specialist disability employment programmes. The main programme is WORKSTEP, a supported employment programme, aimed at disabled people facing the most significant or complex barriers to finding and keeping a job, who with the right support can work effectively. During 2006/07, around 3,500 disabled people were supported through the Programme by around 180 provider organisations. Supported employees on WORKSTEP work either in jobs in the open labour market, via supported placements, or within supported businesses, established to employ disabled people. WORKSTEP aims to help people progress to unsupported employment where this is the right option for them. Work Preparation helps disabled people to address employment-related issues associated with their disability and prepare to enter work. This might include confidence building, identification of suitable types of work and work experience. The Job Introduction Scheme can pay a wage subsidy of £75 per week to an employer for up to thirteen weeks when they employ a disabled person.

#### What is the change in policy?

12. From October 2010, we will introduce a single programme to replace the current suite of separate programmes. The improved provision will be through modular provision which is more flexible, and represents a movement away from 'one size fits all' and has a greater focus on job entry for those who can move into unsupported work. Our proposals are for less prescriptive and more flexible provision with a greater focus on those who need specialist support. They will incorporate improved progression to unsupported employment and a greater focus on job entries for customers who reach the stage at which they could work without support.

#### Reason for change in policy

13. Existing provision is insufficiently geared to job entry. There are insufficient incentives built into the system to encourage those who reach the stage where they could work without support to move to be helped to find suitable unsupported work. Disability Employment Advisers do not always monitor customers' progress on provision and help customers to make decisions which will improve their chances of moving into work. Our provision is insufficiently flexible and not well adapted to the specific support needs of each individual.
14. Our provision has been subject to a public consultation, prior to which we consulted extensively with stakeholders. Our new provision takes account of suggestions we received to create the support most likely to help customers move into and stay in work.

| <i>Economic Costs</i>  | <i>Economic Benefits</i>   | <i>Fiscal Costs/Benefits</i>   | <i>Wider Benefits</i>   |
|--|--|--|---|
| Programme and running costs, including provider contract costs and additional Jobcentre Plus staffing.<br><br><b>- £20 million</b> | It is estimated that approximately 3,000 people will be supported in work from 2008/09 as a result of this policy. The benefit of higher economic output is estimated as the gross wages from additional employment offset by individuals' losses of non-market time from moving into employment <sup>4</sup> . Furthermore, there will be gains to the economy from a reduced tax burden <sup>5</sup> .<br><br><b>£27 million</b> | Estimated savings from more people moving into work and reduced numbers of people claiming incapacity benefits/ESA and, increased income and indirect tax and National Insurance contributions. Estimates are net of increases in other benefits and in-work support.<br><br><b>£7 million</b> | Creates choice and control, supports independent living and prevents social and economic exclusion. |

15. Administrative evidence has shown that for every pound the Government invests in WORKSTEP, there is a benefit of £0.82, from savings on benefit expenditure and increased tax revenue.<sup>6</sup>
16. All costs and benefits are presented as Net Present Values in 2008/09 prices, and include costs and benefits occurring between 2008/09 and 2013/14.
17. The administrative costs of the policy are included in both the Economic Costs, which are the costs to the economy as a whole, and the Fiscal Costs/Benefits which are costs and savings to the Exchequer.
18. *Positive numbers represent benefits. Negative numbers are costs*

**The Economic Impact of this policy (Net Present Value) is £7 million**

<sup>4</sup> Estimated to be 25% of the increase in disposable income received when moving from benefits to employment. Greenberg and Knight (2007) DWP Working Paper No. 40, *Review of the DWP Cost Benefit Framework and how it has been applied* (London – CDO)

<sup>5</sup> Estimated to be 25% of the change in fiscal transfers (Fiscal Costs/Benefits above). Boardman, Greenberg, Vining and Weimer (2006), *Cost-Benefit Analysis: Concepts and Practice* (London – Pearson)

<sup>6</sup> Based on an analysis of administrative evidence - *A comparative Cost Benefit Analysis of DWP's Employment Programmes 2008*

## **Equality Impact Assessment**

### **Gender**

#### *Risk, Mitigation and Opportunity to Promote Equality*

##### **Additional funding for Access to Work**

19. There is a risk that Access to Work will continue to help greater numbers of women (56 per cent of all those helped in 2006/2007) than men. This is despite men comprising a majority (52 per cent) of people of working age. The programme has traditionally helped greater numbers of women largely because it has tended to provide relatively more support to people working for large and public sector employers, with large concentrations of female staff. In addition, Access to Work can operate as a job retention measure, and people working for large service sector employers are more likely to believe that they can remain in work with support than people doing physically more demanding work (e.g. construction, heavy manufacturing, driving) where men predominate. In mitigation, we will continue to collect information about the gender breakdown, and try to redress any unacceptable gender imbalance. The Government commissioned a full evaluation of Access to Work carrying out fieldwork in 2007/08. This is a three stranded evaluation encompassing a General Evaluation of the programme, an evaluation of the Change in funding of Access to Work provision in Ministerial Government Departments, and an evaluation of Access to Work and Individual Budget Pilots. The final reports of all three strands will be published in early 2009. Doubling the budget for Access to Work presents an opportunity to promote equality. We expect to support greater numbers of disabled people in work, and this increased capacity gives us the opportunity to redress the current gender imbalance in use of Access to Work.

##### **Re-shaping and providing additional funding for the successor to WORKSTEP and other specialist disability employment programmes**

20. There is a risk that our reforms do not provide us with the assurances we need that people have access to the support it provides irrespective of their gender. Men have historically outnumbered women by more than two to one on WORKSTEP. This may be because some customers of WORKSTEP joined the programme when it was the former Supported Employment Programme, with a stronger emphasis, compared with WORKSTEP, for factory-based provision, which would have attracted relatively more men. Another factor is that, in the past, more men than women worked. Our proposals are for less prescriptive and more flexible provision with a greater focus on those who need specialist support, presenting an opportunity to promote equality. The Department has recently commissioned A Baseline Survey of WORKSTEP customers which will encompass a quantitative and qualitative survey. The fieldwork is due to take place in the first half of 2009 and is due to report in late summer 2009. The results of this survey will form a baseline for a future evaluation of the reformed programme. We are committed to producing a full evaluation strategy for the new programme by early 2010, in time for implementation when the new programme is introduced.

### **Disability**

#### *Risk, Mitigation and Opportunity to Promote Equality*

##### **Additional funding for Access to Work**

21. There is a risk that the additional funding for Access to Work does not reach groups of disabled people who need the support it can provide. Access to Work makes an important contribution for disabled people by supporting them in paid work of their choice. In mitigation, our management information will alert us to particular groups of disabled people who are under-represented, and tell us if greater numbers within groups we want to target – including customers whose barrier to paid work is a mental health condition – are receiving help from the programme. Whilst the increase in funding for Access to Work has been welcomed, some responses noted a general lack of information about Access to Work and the funding available to support it. It was further suggested that it is not widely understood that Access to Work is

also there to support those with mental health conditions. We are addressing this through piloting further assistance for people with mental health problems, with the involvement of Mind<sup>7</sup>. There is a risk that those with mental health problems are not as able to access the available help as people with other types of health conditions. The increased funds represent both mitigation of this risk and an opportunity to improve communications with claimants and employers to make sure that everybody is aware of the available assistance, and to explore ways to increase the availability of Access to Work for people with mental health conditions.

22. Also, we will be able to ensure that the design of provision better helps groups which have previously lacked support, including customers with fluctuating mental health conditions for whom Access to Work currently is less well equipped to provide help. We will be able to help greater numbers of PSA16 customers – adults in contact with secondary mental health services and those with moderate to severe learning disabilities. This could in turn help to promote positive attitudes on the part of employers and the wider public towards disabled people, particularly those with mental health conditions and learning disabilities.

### **Re-shaping and providing additional funding for the successor to WORKSTEP and other specialist disability employment programmes**

23. There is a risk that a better resourced and reformed programme does not target the support it provides at groups of disabled people with the greatest need for the support it provides. Around 8 per cent and 36 per cent of customers on WORKSTEP are people whose disability is, respectively, poor mental health or a learning disability. Both groups are disadvantaged by particularly poor work opportunities.
24. The new programme, which was consulted on earlier this year<sup>8</sup>, will be less prescriptive and more flexible than current arrangements, with a greater focus on those who need specialist support. Our proposals help to promote equality through incorporating improved progression to unsupported employment and a greater focus on job entries for customers who reach the stage at which they could work without support.
25. The Department has recently commissioned A Baseline Survey of WORKSTEP customers which will encompass a quantitative and qualitative survey. The fieldwork is due to take place in the first half of 2009 and is due to report in late summer 2009. The results of this survey will form a baseline for a future evaluation of our reformed programme. We are committed to producing a full evaluation strategy for the new programme by early 2010, in time for implementation when the new programme is introduced.

### **Ethnicity**

#### *Risk, Mitigation and Opportunity to promote equality*

#### **Additional funding for Access to Work**

26. Although Access to Work is available on equal terms to all who meet the eligibility requirements, there is a risk that the additional budget may reinforce under-representation of some groups of customers (for example Asian women). In mitigation, the Green Paper made clear that we would use the additional funding as an opportunity to examine the scope of the programme. This presents an opportunity to promote equality by examining how we can tailor Access to Work support more effectively to ensure that support goes to a wide range of customers. Improvement of arrangements for retrieval of the information we collect about race and usage of Access to Work will better enable us to monitor racial representation and take remedial action where appropriate.

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<sup>7</sup> Announced 8<sup>th</sup> October 2008

<sup>8</sup> DWP (2008) *Summary of Responses: Helping people achieve their full potential: Improving Specialist Disability Employment Services*

<http://www.dwp.gov.uk/resourcecentre/des-consultation.asp>

## **Re-shaping and providing additional funding for the successor to WORKSTEP and other specialist disability employment programmes**

27. There is a risk that our reforms do not provide us with the assurances we need that people have access to the support it provides irrespective of their race. We are aware that that 50 per cent of customers on WORKSTEP have not been recorded within any ethnic group, which means that our management information is not completely representative. Of the half who have been recorded, 96 per cent of customers on WORKSTEP are shown as 'white' compared with 89 per cent in the wider working age population. We are currently assessing options for improved data collection and retrieval in order that we can be more effective in monitoring the ethnic breakdown of the successor to WORKSTEP, which is due to commence from late 2010. This will involve working with partners and stakeholders to agree what data needs to be retained and how to improve the way we collect and store it.
28. The current over-representation of the white population probably reflects past entry patterns, reinforced by low turnover. Our proposals are for less prescriptive and more flexible provision with a greater focus on those who need specialist support. In addition, the greater turnover which we expect as a direct consequence of incentivising providers to help far greater numbers of those who can to move off the programme and into unsupported work will help to promote equality.
29. However we will be monitoring whether more needs to be done to address the under-representation of ethnic minority groups on existing programmes to ensure that we promote race equality as these reforms roll out. The Department has recently commissioned A Baseline Survey of WORKSTEP customers which will encompass a quantitative and qualitative survey. The fieldwork is due to take place in the first half of 2009 and is due to report in late summer 2009. The results of this survey will form a baseline for a future evaluation of the reformed programme. We are committed to producing a full evaluation strategy for the new programme by early 2010, in time for implementation when the new programme is introduced.

## Age

### *Risk, Mitigation and Opportunity to Promote Equality*

#### **Additional funding for Access to Work**

30. There is a risk that the way Access to Work is targeted reinforces existing imbalances in the opportunities available for older workers. In mitigation, Access to Work can support people in paid work irrespective of their age, and there is no upper age limit for agreeing new or ongoing support. We envisage that the additional budget for Access to Work can help greater numbers move into paid work from long-term benefits. This presents an opportunity to promote equality by examining how we can tailor Access to Work support more effectively to ensure that support goes to a wide range of customers. We collect information about the age breakdown of Access to Work customers, and will be aware, and can act on, any unacceptable age imbalance. The Government commissioned a full evaluation of Access to Work carrying out fieldwork in 2007/08. This is a three stranded evaluation encompassing a General Evaluation of the programme, an evaluation of the Change in funding of Access to Work provision in Ministerial Government Departments, and an evaluation of Access to Work and Individual Budget Pilots. The final reports of all three strands will be published in early 2009.

## **Re-shaping and providing additional funding for the successor to WORKSTEP and other specialist disability employment programmes**

31. There is a risk that a better resourced and reformed programme does not target the support it provides at older customers. In mitigation, in recent years there has been a steady increase in the proportions of WORKSTEP customers who are in age groups over 40 years. We expect the reforms to make it easier for us to accelerate this trend presenting an opportunity to promote equality.

32. The Department has recently commissioned A Baseline Survey of WORKSTEP customers which will encompass a quantitative and qualitative survey. The fieldwork is due to take place in the first half of 2009 and is due to report in late summer 2009. The results of this survey will form a baseline for a future evaluation of the reformed programme. We are committed to producing a full evaluation strategy for the new programme by early 2010, in time for implementation when the new programme is introduced.