

# Disability employment policy in the UK

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## Structure of presentation

- Describe the process of labour market activation which has taken place in the UK over the last 15 years
- Trace how this has evolved in relation to disability benefits
- Focus on the Pathways to Work approach as an example
- Describe other changes relating to disability employment policy and welfare reform which are currently or imminently taking place in the UK

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## Labour market activation in the UK

- 1996 – introduction of JSA – unemployed people required to actively seek work
- 1998 – New Deal programmes initially to help young people and long term unemployed find work – then extended to people on ‘inactive benefits’ (lone parents and disabled people)
- 2001 – NDDP – first national back-to-work help for people on disability benefits (voluntary)
- 2001 – new claimants for Incapacity Benefit (IB) required to have a Work Focused Interview

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## Development of Pathways to Work

- Built on experience of activating lone parents (NDLP) and disabled people (NDDP)
- Important things seemed to be initial WFI, ongoing relationship with a well-trained adviser and access to a menu of support
- Both NDLP and NDDP effective but voluntary, so take-up relatively low
- Pathways to Work pilot design included an 'activation' element (new claimants to IB required to have an initial WFI)

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## Pathways to Work - Pilot

- Introduced in 7 Jobcentre Plus districts in 2003/4 (10 per cent of UK)
- Aimed at new and repeat claimants for Incapacity Benefit (IB)
- An initial compulsory WFI, followed by up to 5 further WFIs
- ongoing support from an IB Personal Adviser
- access to a menu of provision (including NDDP, Condition Management Programmes, Return to Work Credit, access to a range of specialist disability employment support)

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## Pathways to Work – national coverage

- Pilot gradually extended/expanded
- By Dec 2006, in place in JCP districts in 40 per cent of UK
- In 2007 first phase of Provider-led PW was introduced
- April 2008 – second phase of PL PW introduced
- Provider-led Pathways covered remaining 60 per cent of UK

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## Other key developments in welfare reform also took place...

- In October 2008, the Employment and Support Allowance (ESA) was introduced to replace IB
- Underpinning this change was the concept that for all but the most severely disabled, ESA would be a temporary benefit, with 'conditionality' requirements attached to it
- A new assessment process – the Work Capability Assessment (WCA) was introduced to replace the PCA, to test peoples' eligibility for ESA

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## Lessons learned from Pathways

- Early qualitative research suggested that the model could be very effective on an individual level
- Early impact analysis of benefit exits and into work outcomes was promising, but not borne out as programme extended
- Important to consider the 'added value' rather than the overall impact
- When contracting support, it is important to incentivise providers to help those who need it most and discourage 'cherry-picking'
- PW finished at end April 2011. The new government launched the Work Programme as a single employment programme for all 'client groups'
- The vision is that it is less complex and more focused on outcomes

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## Where are we now

- Lessons learned from Pathways have been incorporated into the Work Programme and Work Choice – evaluation is underway of both of these
- We have held a public consultation on another disability benefit – the Disability Living Allowance which was unsustainable in its current form. It will be replaced by Personalised Independence Payments (PIP) in April 2013.
- Eligibility will be via a ‘Gateway’ assessment which focuses on individual needs, but is not work–focused like the WCA. DWP informally consulted on draft assessment criteria over the summer and will publish a second draft of these later this year.
- In effect the gateway criteria are being tightened for both in-work and out-of-work disability benefits.
- We have commissioned a review of specialist disability employment support, and held a public consultation on the Review’s findings and recommendations. The government’s response to the consultation will be published early in 2012
- In 2013, the government is introducing Universal Credit – a single benefit which will ‘make work pay’. It will replace existing benefits and reduce the poor work incentives and complexity associated with them. The amount received under UC will depend on needs and circumstances.

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## Wider context

- In the light of concerns from some disability organisations and lobby groups about the WCA, a review was commissioned to examine the process (Harrington Review)
- Concern about the high proportion of mental health conditions among IB/ESA claimants (around 40 per cent) has led to the launch of a Mental Health and Work strategy (Dame Carol Black)
- Disability employment rate seems not to have gone down during the economic downturn (48% for disabled people compared with 77% for non-disabled; Source: ONS, Sept 2011) BUT has not increased either
- Furthermore, overall disability employment rate masks some extremely low rates for some types of disability/health condition.....

The employment rate of some groups is extremely low. Estimates of extreme disadvantage suggest that there are around 250,000 people severely affected by a learning disability or mental health condition, of whom less than 20% are in work.

**Employment rate of working age DDA disabled people by disability / health condition**

