

WHAT WORKS AND LOOKING AHEAD

UK Policies and Practices Facilitating Employment of Disabled People

prepared by

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Contents

Acknowledgements

Executive Summary

I	Context	1
	A. Background.....	1
	B. Demographic Data and Trends	2
	C. Evidence on Inequalities.....	3
	D. Data and Trends on Incapacity Benefits Reciprocity.....	5
II	Empirical Evidence of What Works and Doesn't Work	7
	A. Government Interventions for Incapacity Benefits Recipients	7
	1. Increasing Financial Incentives to Work and Tackling Benefit Disincentives	7
	a. Tax credits.....	7
	b. Permitted work.....	9
	c. Voluntary work	10
	d. Removing disincentives in the benefit system.....	10
	2. Individualised Assistance and Case Management Programmes	11
	a. Disability Employment Advisers	11
	b. New Deal for Disabled People Personal Adviser Service pilot.....	12
	c. New Deal for Disabled People National Extension	13
	d. Work focussed interviews at the point of making a benefit claim: ONE	14
	e. Mandatory work focused interviews at the point of making a benefit	17
	claim: Jobcentre Plus Pathfinders	
	f. Support to personal advisers in identifying the work-related capabilities	17
	of incapacity benefits recipients: the Capability Report	
	g. Interventions to support incapacity benefits recipients in retaining	18
	employment	
	B. Other New Deal Programmes.....	19
	1. New Deal for Lone Parents	19
	2. New Deal 50 Plus.....	21
	3. New Deal for Partners.....	22
	4. New Deal 25 Plus.....	22
	5. New Deal for Young People	24
	C. Increasing the Skills and Employability of Disabled People	25
	1. Government Work Preparation Programmes	25
	a. The Work Preparation programme for disabled people.....	25
	b. Residential training for disabled people	26
	c. Work Based Learning for Adults	27
	d. Combined medical and vocational rehabilitation	28
	2. Non-governmental Programmes	29
	3. Transitional Employment.....	29
	4. The Jobs Gap and Demand-led Approaches	30

D.	Government Programmes for Adapting Work and Workplaces	31
1.	Access to Work	31
E.	Disability Discrimination Legislation	33
1.	Measuring Discrimination.....	33
2.	Cases Brought Under the Act.....	34
3.	Disabled People’s Awareness of the DDA	34
4.	Employer Awareness, Knowledge and Behaviour.....	35
a.	Employer awareness and knowledge of the Disability Discrimination Act 1995	35
b.	Changes in employers’ practices	36
c.	Obstacles to adherence to the Act	37
F.	Interventions Directed at Employers	37
1.	Interventions by Employment Advisers.....	37
2.	Rewards and Wage Subsidies	39
a.	Rewards for recruiting disabled people	39
b.	Compensation for reduced productivity.....	40
3.	Promotion of Good Employment Practices.....	40
G.	Employer Initiatives	40
III	Looking Ahead	41
A.	Anti-discrimination Legislation.....	41
B.	Reforms to Promote Movement from Incapacity Benefits to Employment.....	42
C.	Job Retention and Rehabilitation Pilot.....	43
IV.	Considerations for Research and Policy.....	44
1.	The Problem of Definitions of Disability	44
2.	Assessing Programme Impact	45
3.	The Programme Mix.....	46
4.	Gaps in Research	46
5.	User Involvement in Research.....	47
6.	Involving Disabled People in Policy Development.....	47
	References	49
	Appendix A	58
A.	Incapacity Benefits	58
1.	Entitlement	58
a.	National Insurance contributions on earnings.....	58
b.	The medical tests.....	59
2.	Rates of Payment.....	60
B.	New Tax Credits.....	61
	Key Facts and Figures	61
C.	The Disability Discrimination Act 1995	62
1.	Definitions	62
2.	Coverage.....	62
3.	Unlawful Discrimination	63
4.	Pursuing a Claim of Discrimination	63
5.	Changes to the Act.....	63
D.	Work-based Learning for Adults.....	64
	Appendix B Charts	65

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Executive Summary

I Background

There is unprecedented policy commitment to raise the employment level of disabled people, as part of a wider strategy to tackle poverty, social exclusion, discrimination and welfare dependency. Government is committed to evidence-based policy making, and this paper brings together detailed evidence from robust and high quality research on ‘what works’.

Who are disabled people?

Surveys give different results depending on how questions are asked. In the survey referred to most (the Labour Force Survey) 20 per cent of people aged 25-59 report a health problem or disability that limits their daily activities and/or the type or amount of work they can do. This drops to 16 per cent when we count just those with a work-limiting disability. Disability is not ‘all or nothing’: analysis of another survey shows that spells of disability last less than two years among over half of those whose daily activities become limited in adulthood.

Some labour market inequalities between disabled and non-disabled people aged 25-59

- Around 85 per cent of non-disabled people are in employment compared with 40 to 50 per cent of disabled people. Employment rates are lower for disabled women than for men.
- Disabled people are twice as likely as non-disabled people to have no qualifications, yet unqualified non-disabled people are almost three times as likely to be in employment. The gap narrows for disabled people with higher levels of qualification but does not disappear.
- Durations of employment are very similar for the two groups but disabled people who have had a job are likely to stay out of work for longer.

Incapacity benefits: some data and trends

- Following a tripling of numbers in receipt of incapacity-related benefits (insurance and social assistance benefits, and national insurance credits) from the late 1970s to the 1995 reforms, growth in the caseload has slowed and the rate of entry to benefits is falling. But nearly one in two have been on the insurance benefit for more than five years.
- The fastest growth in the last five years has been among women and people under 50.
- People with mental disorders now make up more than one third of incapacity-related benefits recipients, compared with one fifth in 1995; half have episodes of depression.

II What Works and Doesn’t Work?

Increasing financial incentives to work and tackling benefit disincentives

Policy aims to remove some of the disincentives resulting from the interface between benefits, earnings and tax and to introduce new incentives which, it is hoped, will influence attitudes and behaviour and smooth the path from incapacity benefits to work. Central to the policy is a means-tested in-work benefit, known as the *Disabled Person’s Tax Credit*, originally conceived as an incentive to leave incapacity benefits for paid work. From April 2003, a new integrated and extended Tax Credit supersedes this and credits for other lower paid groups.

- We don’t yet know if the Disabled Person’s Tax Credit has worked as an incentive to leave incapacity benefit for full-time employment. We do know that the in-work benefit it replaced (Disability Working Allowance) did not.
- Disability Working Allowance had similar rules to the Tax Credit. Its main role proved to be helping people to sustain work while still claiming the benefit.

- Reasons for not claiming the Tax Credit might include not knowing about it or how it works, and the need for expert help to work out entitlements.

Permitted work rules should make it easier to try paid work as a stepping-stone to leaving benefit. Now people on incapacity benefits can work for up to 26 weeks (within an hours and earning limit) or up to 52 weeks if with an employment adviser.

- The rules are new and research is underway. People’s experiences of the old, more restrictive ‘therapeutic work’ rule were that it helped their condition and quality of life, and could be an early step on the long road off benefits.
- Key questions are whether the time limits are a disincentive to trying out permitted work, how people make the bridge to full-time employment and whether the rules are changing old views that people on incapacity benefits may not work.

There is no *direct* evidence that the possibility of being little or no better off financially is the *main* disincentive to leaving incapacity benefits for employment. Uncertainty about the financial consequences of doing so, because of ‘benefits traps’ and complex interactions between benefits, and fear of not being able to return to benefit can be major disincentives.

- *Better-off calculations* can influence views about working.
- *Linking rules* now allow return to the same level of benefit within one or two years. But the incentive effects are reduced if people don’t know about them, fear they will hard to put into practice and meet administrative problems in using them.

The New Deal for Disabled People

The New Deal for Disabled People Personal Adviser Service was piloted as a case management programme for people on incapacity-related benefits, with a personal adviser guiding the participant and drawing on a range of services to improve employability and secure employment. Pilots were provided by the public employment service and by not-for-profit and private organisations. Reaching out to people on incapacity benefits was a big policy shift. Previously there was no dedicated service, although they could approach Disability Employment Advisers with a long history of one-to-one support to disabled people and drawing in services to suit their needs (there is no up-to-date research on what they do.)

- A quarter of participants took up paid employment. It was not possible to determine whether employment outcomes would have been different in the absence of the programme, but a high proportion of participants said they would have got the job without the service.
- Take up was not high: three per cent of those eligible for the programme came forward after getting an invitation letter and a similar number got in touch through other organisations or on their own initiative.
- People appreciated advisers who listened and understood, and were happy with the amount of time spent with them and the pace of the programme. Advisers found a new ‘innovation fund’, to be spent on one-off needs, to be helpful.

The New Deal for Disabled People National Extension differed in some ways: choice of provider; outcome related funding; and eligibility for everyone on incapacity benefits (not just long-term benefit recipients). Take up is low so far but twice as high among new claimants undergoing a Jobcentre Plus compulsory work focussed interview. People with shorter benefit durations are more likely to enter employment. The funding regime is to some extent leading to a focus on people closer to the labour.

Compulsory work focussed interviews when making a benefit claim

ONE piloted combining delivery of benefits to people of working age with work-related advice. People applying for a benefit were allocated a personal adviser to deal with their claim and discuss their options for work and any barriers. At first people claiming benefits other than Jobseeker's Allowance (the unemployment benefit) could choose whether to take part but latterly all benefit groups have had to attend a first meeting with a personal adviser as a condition of receiving benefit.

- ONE did not lead to an increase in employment for people on incapacity benefits, or for jobseekers and lone parents. Taking part did not increase the likelihood of incapacity benefits recipients looking for work or of moving off benefit.
- The message that ONE could help with work or training did not always get through to people. Only one in five people claiming incapacity benefits remembered discussing this, and there was very little follow up to first interviews.
- Advisers sometimes avoided offering work-related advice to incapacity benefits recipients, were not confident about engaging with people with ill health or impairments and felt they did not know enough about external specialist support services.

ONE was the forerunner of Jobcentre Plus, which brought the Employment Service and the Benefits Agency into a single organisation. The first *Jobcentre Plus Pathfinders* have been established and the network will be complete by 2006. Early findings are that personal advisers can be anxious about asking personal questions on health conditions or impairments, worry about upsetting people on incapacity benefits by introducing the topic of work, assume they are not able to work or not interested, and talk about work only with people they see as interested and motivated. Like ONE advisers, they feel they lack the skills to address more complex benefits issues. A lot more training has been recommended.

The New Deals

New Deal programmes are directed at longer-term unemployed people on Jobseeker's Allowance (JSA) (the *New Deal for Young People* and the *New Deal 25 Plus*); at lone parents and people aged 50 plus regardless of benefit status (the *New Deal for Lone Parents* and the *New Deal 50 Plus*); and at dependent partners of people receiving JSA and non-JSA benefits including incapacity benefits (the *New Deal for Partners*). People are, or will be, required to take part in these programmes if they are claiming a benefit or are a dependent of a claimant; the New Deal 50 Plus is the only exception. All programmes are guided by a personal adviser.

- The impact on disabled participants has not always been built into research designs, and findings on access and service delivery are sometimes fragmented.
- In all New Deals, apart from the New Deal for Young People, at least one in three participants are disabled – many more in the New Deal for Partners.
- Disabled lone parents and young people face multiple barriers to taking up employment, and ageism is the main barrier for people aged 50 plus.
- Where employment outcomes are known disabled people fare just as well as non-disabled people, except young people with mental health problems. Specialist advice and support is a gap for disabled lone parents and is helpful to advisers dealing with unemployed people, especially those with mental health problems. Young people with multiple disadvantages need more personalised, intensive and flexible support than currently provided.
- Otherwise, what works for programme participants as a whole appears to work equally well for disabled people.

Work preparation programmes

- Judged by the proportions in paid jobs 13 weeks after finishing the programme, mainstream *Work Based Learning for Adults* produces better results for disabled people than the smaller specialist *Work Preparation*. In the former programme disabled people are just as likely as non-disabled people to take up employment; participants are mainly on JSA. We don't know what happens to leavers who do not get jobs or enter other programmes. Better follow-up services may be needed.
- The little we know about what works in *Work Preparation* suggests that giving a choice of modules and working in groups may be better than more standardised approaches.
- '*Demand-led*' projects work hand in hand with an employer to devise short courses so that potential recruits are prepared for interview and understand what the employer wants. One project found higher retention rates than through normal agencies.
- Limited data on the small *Residential Training for disabled people* programme indicates rather low levels of sustained employment after leaving this longer programme. Colleges with good networks were better placed to help find jobs in home areas but people wanted much more support from colleges once they had left.
- *Combined medical and vocational rehabilitation* is a big gap. An innovative group-based project for people with chronic back pain produced promising results. Similar multi-disciplinary initiatives are to be evaluated by randomised control trials.

Adaptations: Access to Work

Grants towards the costs of workplace adaptations and special aids and equipment are available through *Access to Work*. The employee makes the application, Access to Work advisers look for solutions to needs, the employer purchases what is recommended and Jobcentre Plus reimburses a proportion or all of the cost. The programme also pays for support workers. Disabled people are also helped with costs of taxis or drivers to work if they cannot use public transport.

- The main effect of *Access to Work* is to support job retention. Help with costs of travel to work is particularly effective in sustaining employment. Help with substantial costs of adaptations to premises and of support workers promotes both recruitment and retention.
- Employers value grants from *Access to Work* towards expensive IT equipment that involves upgrading costs, and having the costs of support workers met. If employers had to arrange and pay for one-off items of equipment - which many were willing to do - the support might be less well tailored to the employee's needs, less comprehensive or of lower quality, and there might be delays in putting it in place.
- The programme disproportionately helps people in professional jobs and people with sensory impairments.

The Disability Discrimination Act (DDA)

- Analyses of survey data on earnings and employment rates suggest that *discrimination* exists, as did comparison group studies of job applicants well before the Act was introduced in 1996. But changes in rates of discrimination have not been tracked.
- Public awareness of rights not to be discriminated against on grounds of disability is low and people bringing cases under the Act tend to rely on advice on appropriate jurisdictions. Less than ten per cent of cases involve recruitment.
- Employer knowledge of the employment provisions of the Act is often sketchy or inaccurate, especially among small employers, and there is no absolutely clear evidence of growth in employer awareness since the Act was introduced.

- Positive changes in employer behaviour over the last ten years may be attributed to increasing awareness of disability, though there is no proven association with the Act.
- Health and safety considerations can be a barrier to recruitment and retention.

Help for employers

- Employers can value *interventions by employment advisers* that help them to find the best person for the job and make it easier to engage a new staff member - as long as their selection processes are not compromised. Advisers should understand the business and what the job involves. Good experience of an employment adviser and of employing disabled people can lead to employers approaching advisers when they have vacancies. Adviser input can raise receptiveness to employing disabled people but much remains to be done to change negative stereotypes.
- *Financial incentives* are not a big part of UK policy. The short-term payment in the very small *Job Introduction Scheme* can be attractive to small employers finding it hard to recruit to low waged or part-time jobs but not worth the effort for larger employers. It can lighten concerns about the effects of the applicant's health problem or disability when backed by support from a Disability Employment Adviser.

Employer initiatives

We know little about the effects of what employers do outside the framework of the DDA. For example, we lack reliable evidence on the impact of equal opportunities or diversity policies. Limited evidence on *management of long-term sickness absence* suggests effective practices are: keeping in touch with and consulting the absent employee; clear roles and responsibilities for co-ordination; training on procedures and how to implement them; availability of occupational health advice; and speedy medical and vocational rehabilitation. Trade Union research emphasised investigation of work-related causes of long-term sickness absence and a non-disciplinary approach.

III Looking Ahead

A stronger DDA

From next year employers of all sizes will be covered by the DDA. There is still much to be done among employers already covered to raise understanding of its employment provisions, to tackle complacency and to eradicate unhelpful stereotypes of disability. The challenge is greatest where small employers are concerned: most brought within the Act when the threshold was reduced to 15 did not know they were covered; a tiny minority of currently exempt employers have plans to make changes to improve access or to make it easier to recruit or retain disabled staff; and use of external information or advice on employing disabled people is very limited among small employers.

More help for people on incapacity benefits

Pilots in seven areas will include: for new claimants, a compulsory series of work focused interviews; new teams of specialist advisers to work with people on incapacity benefits; improved referral routes to specialist employment services including to the New Deal for Disabled People job brokers; and a new means-tested Return to Work Credit (£40 per week for 52 weeks). More support to those moving from incapacity benefits to Jobseeker's Allowance will include tailored help from advisers with specialist skills.

The research shows that mainstream advisers were uncomfortable dealing with incapacity benefit claimants and that people welcome advisers who know what it like to live with a health problem or impairment. But increasing disability awareness among mainstream advisers has not been tested. The Employment Credit in the New Deal 50 Plus was more vital to disabled than non-disabled people, but its expiry could cause distress leading to ill health.

The Job Retention and Rehabilitation pilot

The Job Retention and Rehabilitation pilot is a randomised trial of interventions designed to help people off sick to stay in employment. Health interventions, workplace interventions and a combination of the two are being tested. Contracted providers come from outside the National Health Service and Jobcentre Plus. Potential beneficiaries are expected to come forward in response to outreach by the providers, for example through advertising and promoting the service to GPs (physicians). Evidence suggests it may be hard to engage GPs.

IV Key Considerations for Research and Policy

- Differences in programme eligibility criteria and inconsistent research definitions make it hard to gauge the success of interventions in contributing to the policy aim of raising the employment levels of disabled people. Applying the Labour Force Survey definitions consistently in survey research would allow us to measure participation among those meeting the DDA definition (the policy benchmark) as well among those whose health or impairment limits the amount or type of work they can do.
- There are indications that some interventions work, or might be made to work, but more research is needed to assess their impact in raising employment levels. It is essential to design new interventions so that impacts can be evaluated.
- Impact evaluations should examine sustainability of employment.
- Follow up of disabled people leaving programmes would help to explain non-employment outcomes.
- Outcomes from mainstream programmes should be monitored to identify any aspects of programme design that disadvantage disabled participants.
- Some interventions specifically designed for disabled people are very small scale. Even if their impact could be improved, they would make only marginal differences to employment rates.
- Key considerations are the appropriateness and usefulness of parallel programmes, and how to determine circumstances in which specialist programmes might be more effective. Many disabled people face multiple barriers. This suggests programmes combining service elements rather than a multiplicity of isolated programmes.
- Gaps in research include understanding of why disabled people do not take up work incentives, take cases under the DDA or use voluntary employment programmes.
- We need to understand more about how employers behave, both within and outside the regulatory framework of the DDA.
- Finally, involving disabled service users in research and ordinary disabled people in setting policy agendas would help to orientate policy and practice closer to disabled people's concerns.

I Context

A. Background

This paper has been prepared in the context of an unprecedented policy commitment to raise the employment levels of disabled people¹ in the United Kingdom². Key developments include increasing financial incentives to take up paid work and removing disincentives to doing so; extending publicly funded employment services to disabled people previously not expected to work as a condition of benefit receipt; regulations laid before the Westminster Parliament to extend coverage of the Disability Discrimination Act 1995 to employers of all sizes and so bring more disabled people within the scope of the Act; and pilots of health and workplace interventions to support return to work among employees.

These developments are part of a wider strategy to tackle poverty, welfare dependency and social exclusion. Employment is key to the strategy, supported by reforms of the tax and benefits system to ensure that ‘work pays’. Old divisions between government agencies responsible for delivery of benefits and support with job seeking have been removed with the creation of Jobcentre Plus. Joining their parent organisations into a single Department for Work and Pensions (DWP) increases policy coherence.

While public expenditure on incapacity benefits (see Appendix A.A for an explanation of the system) is a continuing concern for the Government, it would be unfair to assume that activation measures (such as the requirement to participate in work-focussed interviews when claiming benefit) have been brought in only to save on benefits costs. The guiding principle is ‘work for those who can and security for those who cannot’, recognising that for some people work is ruled out by severe ill health. An often cited survey suggests that a substantial minority of incapacity benefit recipients would like to work, in circumstances right for them, and Government has declared a will to enable them to do so. The recent ‘Green Paper’, setting out proposals for helping people on incapacity benefits into employment, recognises gains to physical and psychological well being through participating in productive activity, and emphasises that everyone who wants to work has a right to do so and to fulfil their potential.³ A potential skills gap and an ageing population are additional influences on Government policy to bring more disabled people into the labour market.

In the UK there has in recent years been extensive evaluation of labour market programmes. Government is committed to ‘evidenced-based’ policy-making⁴, and this paper attempts to draw together the evidence from robust and high quality research on ‘what works’ in employment-related programmes involving disabled people.

This paper focuses on the perspective of Government, and of DWP in particular. Less attention is given to the policy agendas of other stakeholders - disabled people, employers and their organisations.

¹ The term accepted by organisations of disabled people.

² The United Kingdom of Great Britain (England, Scotland and Wales) and Northern Ireland. Most of this paper relates to Great Britain.

³ Secretary of State for Work and Pensions, 2002.

⁴ Cabinet Office Performance and Innovation Unit, 2000.

B. Demographic Data and Trends

The three main surveys give different results because of how they are designed and the questions used. In two GB-wide surveys, 15 per cent (FRS) and 17 per cent (GHS) of the population aged 25-59 have a longstanding health problem or disability that limits their activities. In a UK-wide survey (LFS) 16 per cent have a work-limiting disability - that is, a health problem or disability they expect to last for over a year that limits the type or amount of work they might do. If we count in people who have no work-limiting disability but are limited in day-to-day activities, the LFS disability prevalence rate rises to 20 per cent.

In the UK there are a number of surveys that can be used to indicate the proportion of the population who might be disabled. The surveys have slightly different designs and ask slightly different questions about disability. Those most often used are the Labour Force Survey, covering the UK, and the Family Resources Survey and the General Household Survey which cover Great Britain only. They tend to produce estimates of disability prevalence based on self-assessment rather than medical assessment.

The Labour Force Survey (LFS) is a quarterly survey of approximately 60,000 households. It asks a wide range of questions about current and previous labour market status, although it has less detail on incomes. In contrast to the other two surveys it has a five-wave structure which makes it possible to carry out longitudinal analysis, but which also causes problems due to different groups of people having different probabilities of leaving the survey between waves. The LFS asks if people have any 'health problems or disabilities' that they expect will last for more than a year. From this it asks a number of questions that can be used to identify people who have a current limiting disability: these are people whose health problem limits their day to day activities and/or the amount or kind of work they might do.⁵ It also covers people who have a progressive illness that does not currently limit their activities. In addition it asks people what is their main health problem or disability.

Some but not all people defined as LFS-disabled as described above say they have a health problem or disability that affects the kind and/or amount of paid work they might do, known as a 'work limiting disability'. To ease comparison with US survey data, LFS data in Tables 1 and 2 below also show work-limiting disability prevalence and employment rates.

The Family Resources Survey (FRS) is an annual survey of approximately 25,000 households. It has extensive information on incomes, although it has less data on labour market activity than the LFS. It asks if the respondent has any longstanding illness, disability or infirmity and whether that limits their activities in any way.

The General Household Survey (GHS) is an annual survey of some 9,000 households asking questions about a range of topics including demographics, lifestyles, health and labour market activity. It asks the respondent if they have a longstanding illness, disability or infirmity that limits their activities in any way. The big advantage of the GHS is that it has a consistent set

⁵ In contrast to the other two surveys, the LFS asks whether health conditions or disabilities limit day-to-day activities without medication or treatment.

of questions back to the late 1970s. In contrast, the LFS questions only go back to 1998 in their current form, while the FRS questions only go back to 1995.

Disability prevalence rates from these surveys show a range from 15 to 20 per cent for people aged 25-59 (this age range was selected to ease comparison with US data). Except in the FRS, which shows the lowest rate, disability is more prevalent among women than men. It is interesting that the prevalence rate for work-limiting disability in the LFS is four points lower than the overall LFS rate.⁶

Table 1 Disability prevalence rates 2001/02

	Prevalence rates (aged 25-59)		
	Male (%)	Female (%)	All (%)
Labour Force Survey (Autumn 2001)	19	21	20
Labour Force Survey – Work Limiting Disability (Autumn 2001)	15	17	16
General Household Survey	17	18	17
Family Resources Survey	15	15	15

It is important to acknowledge the dynamics of disability. Disability is not a fixed characteristic. Longitudinal analysis of a fourth survey, the British Household Panel Survey, showed that over half of those who become limited in daily activities as adults have spells lasting less than two years but most who remain disabled after four years continue to be disabled.⁷ Intermittent patterns of disability, particularly due to mental illness, are common. Analysis of the LFS⁸ showed that after nine to 12 months, 37 per cent of those who became disabled according to the Disability Discrimination Act 1995 (DDA) definition no longer report disability (see Appendix A.C for the definition - essentially those who report an impairment affecting their everyday activities). This is an interesting finding given that DDA disability is generally expected to last at least 12 months.⁹

C. Evidence on Inequalities

Estimates of employment rates among disabled people aged 25-59 range from 40 to 50 per cent, compared with around 85 per cent among non-disabled people. Rates are lower for women than for men. Disabled people in this age range are over twice as likely as non-disabled people to have no qualifications yet unqualified non-disabled people are nearly three times as likely to be in employment. Amongst people with higher levels of qualification the gap narrows but does not disappear. Disabled people are less well represented in professional, managerial and technical posts but differences are not substantial overall. Durations of employment are very similar but disabled people who have had a job are likely to stay out of work for longer than non-disabled people. Disabled adults tend to be in households with lower incomes.

⁶ It is possible that the difference may be partly explained by the fact that absence of medication is mentioned explicitly in the question on limits on day-to-day activities, but not in questions on work limitations.

⁷ Burchardt, 2000.

⁸ Burchardt, 2003.

⁹ Changes in reported status may reflect changes in subjective judgements at point of interview.

These national surveys allow us to compare the employment, unemployment and economic activity rates of disabled and non-disabled people.

Table 2 Disabled and non-disabled by economic activity (2001/02) (people aged 25-59)

		Labour Force Survey (autumn 2001)	Labour Force Survey – Work Limiting Disability	General Household Survey	Family Resources Survey
		(%)	(%)	(%)	(%)
Employed	Disabled	50	41	49	40
	Not disabled	86	86	85	84
ILO unemployed	Disabled	4	4	3	3
	Not disabled	3	3	3	3
Economically inactive	Disabled	46	55	47	40
	Not disabled	11	11	12	13

Note: Figures may not sum to 100 per cent because of rounding.

Table 2 shows that employment rates among disabled people aged 25-59 range from 40 to 50 per cent, compared with around 85 per cent among non-disabled people. Employment rates are considerably lower among disabled women than men: 36 per cent and 47 per cent respectively of those with an LFS work-limiting disability; and 45 per cent and 56 per cent of all LFS disabled.

A closer analysis of the LFS (all LFS disabled) shows a lot of variation in the prevalence of disability and in the propensity of disabled people to be in work. Data refer to autumn 2002 and to people aged 25-59. Key points are as follows.

- The prevalence of disability among people aged 25-59 varies considerably across the *regions*, from around 17 per cent in the South East of England to 27 per cent in the North East of England. The employment rates also vary considerably: the South East having 64 per cent of disabled people in employment, compared with 43 per cent in the North East.
- The *main health problem or disability* is also associated with a variation in employment rates. For instance, people with chest/breathing problems (about 11 per cent of the LFS disabled) have an employment rate of 69 per cent; people with back/neck problems (about 19 per cent of the LFS disabled) have an employment rate of about 50 per cent; and people with depression (about seven per cent of the LFS disabled) have an employment rate of about 27 per cent.
- Disabled people are more likely to have no *qualifications* than their non-disabled counterparts. Around 28 per cent of disabled people have no qualifications compared with 13 per cent of the rest of the population aged 25-59: this holds across all age groups. The employment gap between the disabled and non-disabled groups narrows at higher levels of qualification but does not disappear. For people with no qualifications the employment rate is 26 per cent for disabled people and 73 per cent for the rest of the population. For people with at least one 'A'-level the proportions are 67 per cent and 91 per cent respectively.

- For people in employment there are some differences in the *type of post* held by the disabled group although at a broad level they are not substantial. For instance, 37 per cent of disabled people in work hold a professional, managerial or technical post compared with 45 per cent for non-disabled people; and 13 per cent of disabled employees are in elementary occupations compared with nine per cent of non-disabled people.
- Interestingly, although disabled people are less likely to be in employment, they tend to have similar *durations* in employment. For instance, 54 per cent of disabled people in employment have been with their current employer for more than five years compared with 51 per cent of non-disabled employees.
- When disabled people are out of work, they are more likely to be further removed from the labour market. For instance, of those disabled people who are out of work (and who have had a job) 81 per cent have not worked for two years, and 61 per cent have not worked for at least five years: for non-disabled people the equivalent figures are 53 per cent and 38 per cent. The labour market position of disabled people is not static, however. Over the course of a year more than 300,000 of the out-of-work disabled group will move into some form of paid work.¹⁰

Other analysis of the LFS¹¹ has focussed on employment retention following onset of disability amongst those who are disabled according to the DDA definition. Looking at characteristics associated with leaving employment following onset of DDA disability, there is a strong association with having mental health problems. Being aged 45 or over is a significant risk factor, as is living in a region with low labour demand. Otherwise, most factors associated with increased risk of leaving employment are common to the general population: lack of educational qualifications, short job tenure and poor employment protection.¹²

Other sources show that disabled adults tend to be in households with lower incomes: in 2000/2001, 20 per cent of disabled working age adults were in households with incomes (after housing costs) below half of the median, largely because disabled people are more likely to be in workless households. For non-disabled adults the equivalent proportion was 11 per cent.¹³

D. Data and Trends on Incapacity Benefits Reciprocity

Following a tripling of the number of claimants of incapacity-related benefits from the late 1970s to 1995 the rate of growth has slowed and the rate at which people are coming onto benefits is falling. But the proportion on the insurance benefit (IB) for long periods is increasing: nearly one in two have been on IB for more than five years. The fastest growth in the last five years has been among women and people under 50. People with mental disorders as the main disabling condition now make up more than one third of people on such benefits, compared with one fifth in 1995; half have episodes of depression.

¹⁰ Spring 2002 Longitudinal LFS data.

¹¹ Burchardt, 2003.

¹² That is, in a small workplace, being female or in part-time employment, and in manufacturing or construction industries.

¹³ Based on equivalised income on the 2000/01 Family Resources Survey. Households Below Average Income 2000/01.

There has been a rapid growth in the number of claimants of incapacity-related benefits¹⁴ since the late 1970s. (See Appendix A.A for an explanation of the benefits.) On a like-for-like basis, the number rose from around 700,000 in 1979 to 2.3 million in 1995, and nearly 2.6 million in 2002¹⁵ (see Chart 3 in Appendix B). Although the rate of growth slowed considerably after reforms in 1995 there are still more than 2.7 million claimants of all incapacity benefits.¹⁶ Growth is not mirrored by an equivalent increase in ill health in the general population, although inactivity rates associated with ill health have risen substantially.¹⁷ Structural changes in the economy may have contributed to the increase in the caseload, but the link is not straightforward as there is a cyclical element in employment rates for disabled people (with a limiting longstanding illness or disability) (see Chart 2 in Appendix B) which is much less apparent in trends in the benefits caseload. It is quite likely that a loosening in the administration system contributed to the growth, and possibly a tightening in the unemployment benefit regime. A possibly relevant influence is the substantially increased value of the then insurance benefit during the 1980s relative to unemployment benefits and potential earnings in work, especially for older men. The fall in the value of Incapacity Benefit (IB) in the 1995 reforms (and to a lesser extent in the 2001 reforms) may have contributed to the fall in inflows. Although this is not proven there is some support from the fact that from the mid 1990s there were larger flows onto IB by older males, that is, those who would have received larger payments before the reforms.

Around 60 per cent of incapacity benefits recipients are male, with half aged 50 or over (see Chart 4 in Appendix B). However in recent years the fastest growth has been amongst younger claimants and women. In the five years to 2002, the number of female claimants has grown by 11 per cent compared with less than one per cent for men. Likewise the number aged under 50 rose by seven per cent compared with an increase of two per cent for people aged 50 to state pension age.¹⁸

In recent years there has been a shift in the main disease types. By late 2002 people with mental disorders as their main condition made up more than a third of recipients compared with slightly more than a fifth in 1995. Of these about a half had depressive episodes. Musculo-skeletal cases now make up 20 per cent of the caseload, while people with circulatory/respiratory diseases make up ten per cent as do people with diseases of the nervous system¹⁹ (see Charts 5 and 6 in Appendix B).

The change in disease type composition is reflected in the pattern of inflows. Since 1997 numbers coming onto incapacity benefits have fallen from roughly 800,000 a year to 600,000-650,000. This fall has occurred across all of the main disease types except mental disorders, which have risen from about 150,000 new claims a year in 1995/96 to nearly 200,000 in 2001/02.²⁰

Although inflows are falling, people are staying on IB for longer. About 60 per cent of people flowing onto IB will leave the benefit within a year (although a considerable number will

¹⁴ From here on we refer to incapacity-related benefits as incapacity benefits.

¹⁵ Post 1995 these figures relate to Incapacity Benefit (excluding the short-term lower rate), Credits Only cases and Severe Disablement Allowance. Up to 1995 they cover Invalidity Benefit, Credits Only cases and Severe Disablement Allowance.

¹⁶ The 2.7m cited includes IB short-term lower rate.

¹⁷ Nickell, 2003, with reference to males only.

¹⁸ Five per cent sample of Incapacity Benefit administrative records, November 2002.

¹⁹ Five per cent sample of Incapacity Benefit administrative records, May 1995 to November 2002.

²⁰ *Ibid.*

move onto other benefits). Thereafter less than ten per cent will leave within the second year, and fewer than five per cent will leave in the third year. As a result IB claimants tend to have long durations on benefit. More than 70 per cent of claimants have been on benefit for more than two years, and nearly a half on it for more than five years.²¹

II Empirical Evidence of What Works and Doesn't Work

In Part II we examine the research evidence on the effectiveness of interventions for incapacity benefits recipients (section A); the 'New Deal' programmes, which include disabled people (section B); specialist and generic work preparation programmes including non-governmental projects (section C); and programmes for adapting work and workplace for disabled people (section D). We draw on the best evidence available, though this rarely includes robust assessments of programme impact. In section E we examine the impact of disability discrimination legislation and in section F interventions directed at employers. Part II concludes with a review of what we know about employer initiatives (section G).

A. Government Interventions for Incapacity Benefits Recipients

Active help and encouragement to people receiving incapacity benefits to enter, re-enter or remain in employment is a key element of the strategy to raise employment levels among disabled people. In this section we look at measures where incapacity benefits recipients are a target group. In the sections that follow we report on the effectiveness of some interventions that *may* include, but are not specifically targeted at, incapacity benefits recipients.

1. Increasing Financial Incentives to Work and Tackling Benefit Disincentives

One plank of the government's policy is remove some of the obstacles or disincentives resulting from the interface between benefits, earnings and tax and to introduce new incentives which it is hoped will influence attitudes and behaviour and smooth the path from incapacity benefits to work. Central to the policy are in-work benefits, now replaced by tax credits, originally conceived as an incentive to disabled people take up work.

a. Tax credits

Working Families' Tax Credit and *Disabled Person's Tax Credit*, introduced in October 1999, have been key components in the government's strategy to 'make work pay'. The tax credits are means-tested and top up earnings. They are paid through the wage packet and are administered by the taxation body (the Inland Revenue). They replaced Family Credit and Disability Working Allowance, which were administered through the social security system. The eligibility criteria for Disabled Person's Tax Credit were very similar to those for Disability Working Allowance but the former is more generous. From April 2003 the tax credits are superseded by a new integrated and extended tax credit.

²¹ Five per cent sample of Incapacity Benefit administrative records, November 2002.

We don't know if *Disabled Person's Tax Credit* works as an incentive to leave incapacity benefits for work but the pattern of awards so far suggests it does not. The benefit the tax credit replaced had a minimal effect on movement from incapacity benefit to employment, and its main role was to sustain people in work for extended periods. We don't know why people do not claim the tax credit but reasons might include lack of knowledge on how it works and the need for expert help to work out entitlements, as well as other barriers not addressed by the tax credit.

Disability Working Allowance was introduced in 1992 as an incentive to take up paid work. The effect on movement from an incapacity benefit to employment was minimal: in the two and a half year evaluation period only two per cent of incapacity benefits recipients moved off those benefits into full-time work, almost all without the help of Disability Working Allowance.²² Most people were not receiving an incapacity benefit immediately prior to claiming Disability Working Allowance. The research evidence suggested that its main role was to sustain people in work for extended periods; around two-fifths of those still in a job two and a half years after they first claimed said they would not be in a job without the benefit.

The number of recipients of Disabled Person's Tax Credit stood at 37,500²³ in October 2002, rather over twice that for Disability Working Allowance when the tax credit was introduced in October 1999. It is hard to comment on this increase, as the tax credit is more generous than its predecessor. It is not possible to say how far the tax credit reached the target population, there being no way of measuring take up because of the very complex eligibility criteria. A study of disabled workers in supported employment found reasons for not claiming Disability Working Allowance included lack of understanding of the benefit and its purpose, difficulties in locating reliable sources of advice, the complexity of the claim process, and fear of loss of benefit if the job did not work out.²⁴ Disabled Person's Tax Credit was designed to overcome such problems, although its rules remained almost unchanged. Limited evidence is available from a small qualitative study of financial incentives for incapacity benefit recipients in which tax credits were not a main focus of enquiry.²⁵ Findings suggest general awareness that there are ways of boosting low earnings but people had out-of-date information, and the potential impact of tax credits as an encouragement to move into work was limited by lack of knowledge and the need for expert help to work out entitlement. Having the tax credit paid through the wage packet is suspected to be a disincentive to claiming among people who do not wish their employer to know they are disabled, especially those with mental health problems, but there is no research evidence. Inland Revenue has commissioned as yet unpublished research with beneficiaries.²⁶

We do not know the effects of the tax credit in moving people off incapacity benefits into work, and for the moment all we can say is that data on new awards show that incapacity benefits accounted for less than half of the main qualifying benefits (an almost identical picture obtained with Disability Working Allowance). It may be acting as a longer-term wage

²² Rowlingson and Berthoud, 1996.

²³ Inland Revenue, 2002.

²⁴ Zarb *et al.*, 1996.

²⁵ Corden and Sainsbury, 2001.

²⁶ Qualitative research with recipients carried out by the Social Policy Research Unit and a survey of recipients by the Institute for Employment Studies.

supplement, as did Disability Working Allowance, as indicated by the fact that 70 per cent of awards over the three year period to October 2002 were renewals following on immediately from a six-month award.²⁷ It remains to be seen whether the new tax credit system introduced in April 2003 will increase the numbers of disabled people taking up the credit (see Appendix A.B for information on the new tax credits).

b. Permitted work

The ‘*permitted work rules*’ were introduced in April 2002. These rules replace the much more restrictive and little used ‘*therapeutic work*’ provision.²⁸ The new rules should make it easier for incapacity benefits recipients to try some paid work as a stepping-stone towards leaving benefit for full-time employment. As before, there is a limit to hours that can be worked (16 hours per week) and an earnings limit (equivalent to 16 times the hourly adult minimum wage) but, importantly, a doctor’s approval is no longer needed. There is a time limit of 26 weeks with an extension of a further 26 weeks if a Jobcentre Plus adviser or job broker (see A.2c below) is supporting the person, though no time limit for people working with permanent support and supervision from an agency. Alternatively, anyone in receipt of an incapacity benefit can work indefinitely for maximum earnings of £20 per week.

The *Permitted Work Rules* are new and research is underway. People’s experiences of the old, more restrictive therapeutic work rule were that it helped their condition and quality of life, and could be the first step on the road off incapacity benefit. We don’t yet know if the new rules help moves off incapacity benefits, if the time limits are a disincentive or how people make the bridge to full-time work. Nor do we know if the rules are influencing beliefs that people on incapacity benefits have been deemed incapable of work.

People in a small qualitative study experienced therapeutic work as helpful in improving or stabilising their condition, improving quality of life, bringing in extra income and allowing them to take an early step on the road off incapacity benefits.²⁹ Use of the permitted work rules is currently being studied.³⁰ Key questions for policy relate to the impact of the time limits on the overall policy of helping people to move off incapacity benefits. Do they deter people from trying permitted work? How do people respond to having to take part in a labour market programme in order to take advantage of the rules for further 26 weeks? How do people make the bridge to full-time employment when the time limits expire?

Unlike therapeutic work, permitted work has been publicised among incapacity benefit recipients, who have received explanatory letters. Promotion may change beliefs that paid work and benefit receipt are incompatible. It may also influence benefits staff who sometimes have been found to hold that view.³¹ The rules need to be explained with care to avoid distress among people who feel under pressure to work but unable to do so.³²

²⁷ Inland Revenue, 2002.

²⁸ Therapeutic work provision allowed for approval of work up to an earnings limit if a doctor advised it would help to improve a condition or prevent or delay deterioration. It was not much used: surveys suggested between four and six per cent of incapacity benefits recipients (Dorsett *et al.*, 1998; Arthur *et al.*, 1999).

²⁹ Corden and Sainsbury, 2001.

³⁰ By the Institute for Employment Research with MORI for DWP.

³¹ Corden and Sainsbury, 2001; Corden *et al.*, draft report; Legard *et al.*, 2002.

³² Corden *et al.*, draft report.

c. Voluntary work

We don't know the effects of the removal of limits on unpaid voluntary work. People need to know what the possibilities are and be confident that their benefits will not be affected.

There is now no limit to the amount of unpaid *voluntary work* that people on incapacity benefits may do. Volunteering is one way in which people who feel unable to hold down paid employment can make a contribution to society and regain self-esteem, as well as a stepping-stone towards paid work, and fits well with the government's aim of combating social exclusion. Jobcentre Plus has not publicised the possibility of doing voluntary work nearly as vigorously as permitted work, although advisers are known to suggest it as a first step towards paid work.³³ Without advice, people may rule out the option because they are unaware of the range of possibilities.³⁴ Permission must be granted, as for permitted work, and there may be lingering fears that doing voluntary work will jeopardise benefit receipt.³⁵ A survey of voluntary organisations found that almost a third had lost volunteers in receipt of incapacity benefits because of such fears³⁶, though this may be an over-estimate of the extent of the problem.

d. Removing disincentives in the benefit system

There is no *direct* evidence that the possibility of being little or no better off financially is the *main* disincentive to leaving incapacity benefits for employment. Uncertainty about the financial consequences of doing so, because of 'benefits traps' and complex interactions between benefits, and fear of not being able to return to benefit are thought to be major disincentives. Better-off calculations can influence views about working. Rules now allow return to the same level of benefit within one or two years but the incentive effects are reduced if people don't know about them, fear they will be hard to put into practice and meet administrative problems in using them.

The fear of not being able to return to incapacity benefit if employment does not work out is a widely reported disincentive.³⁷ A *52-week linking-rule*, in place since 1998, allows a person to return to the same level of benefit (see Appendix A.A for benefit levels) if they become incapable of work within a year of leaving their benefit for work or training. A 104-week linking rule applies where there is entitlement to Disabled Person's Tax Credit. Use depends on people notifying the administration that they have started work or training within one month of ceasing to be entitled to incapacity benefits. A small qualitative study found that the incentive effect of the 52-week linking rule is reduced by lack of awareness, some anxiety that the rule will be hard to put into practice, and experience of problems in trying to use it.³⁸

³³ Arthur *et al.*, 1999; Thomas and Griffiths, 2002.

³⁴ Corden and Sainsbury, 2001.

³⁵ Hedges and Sykes, 2001.

³⁶ Reported in Home Office, 1995.

³⁷ For example, Loumidis *et al.*, 2001; Woodward *et al.*, draft report.

³⁸ Corden and Sainsbury, 2001.

There is no direct evidence from many years' research that the *main* disincentive to leaving incapacity benefit for paid employment is the possibility of being little or no better off financially.³⁹ The 'benefit trap', where a working person is little or no better off as a result of earning additional income because they pay more tax and receive less benefit, is often thought to be a major disincentive but this is hard to demonstrate.⁴⁰ A related disincentive factor is complex interactions between benefits, which make it hard for an individual to work out the financial consequences of leaving an incapacity benefit for paid work. Possible loss of Disability Living Allowance (an extra costs of disability benefit) after a review and benefit traps associated with housing costs are key hypothetical disincentives.⁴¹ There is some evidence that people interested in moving towards work from incapacity benefits value informed advice about tax credits and that '*better-off calculations*' can influence views about working.⁴²

2. Individualised Assistance and Case Management Programmes

Individually tailored help, case-managed by a 'personal adviser' has been, to differing degrees, a feature of the New Deal programmes, and is now the practice in mandatory 'work-focussed interviews' in new Jobcentre Plus offices where people making a benefit claim may join an dedicated adviser's caseload to explore and pursue work-related options. While a relatively new way of working for Jobcentre Plus, individualised assistance supported by an employment coordinator, key worker or personal adviser is well developed amongst independent sector providers of services to disabled people. Within Jobcentre Plus, Disability Employment Advisers (DEAs) have a long history of providing one-to-one support to disabled people and drawing in services to suit their needs. In this section we look first at DEA services. We move on to the New Deal for Disabled People, a new programme for incapacity benefit recipients, which in its initial pilot phase also supported job retention, and then to new interventions at the point of claiming an incapacity benefit.

a. Disability Employment Advisers

Disability Employment Advisers (DEAs) are the mainstay of Jobcentre Plus support for disabled people and Jobcentre Plus personal advisers rely on them for specialist advice for people who need extra help. The only evidence on 'what works' in the DEA service dates from a 1996 survey of clients at a time when DEAs dealt with fewer incapacity benefit recipients than now.⁴³ The climate of DEAs' work since has changed, and we should be cautious about applying the findings to today.

A survey of clients of *Disability Employer Advisers* in 1996 found rates of movement into work were not high and most who did find work felt they would have done so without the DEA's help. There appeared to be a mismatch between need for support with job search and the service offered, with an over-emphasis on promoting pre-employment programmes. But DEAs' understanding of disability-related problems was highly rated.

³⁹ In a survey of people eligible for the New Deal for Disabled People, uncertainty about being better off in work than on benefits was among the *least* salient barriers (Woodward *et al.*, draft). In Part I section D it was suggested that the fall in the relative value of IB may be one factor influencing the fall in inflows.

⁴⁰ It has been estimated that only about 25 per cent of people on incapacity benefit would be at least £40 better off if they moved into work of 30 hours a week paid at the National Minimum Wage, although the introduction of the Working Tax Credit will improve this (Secretary of State for Work and Pensions, 2002).

⁴¹ Turton, 2001.

⁴² Arthur *et al.*, 1999.

⁴³ Beinart, 1997.

This was a GB-wide survey of people who had received a DEA assessment six months prior to being surveyed in 1996, one in five of whom were in work when assessed. A quarter of respondents had found paid work in the six months since their DEA assessment; two-thirds of those said they would have got the job without the DEA's help or advice. Over respondents as a whole, a slightly higher proportion (seven per cent) were in paid work at the time of the interview compared with six months previously, and rather more (10 per cent) were taking part in education and training programmes. There were no significant differences between proportions receiving Incapacity Benefit at these two points in time, although there was movement in the sample in both directions. The findings suggest some mismatch between the types of advice given and people's requirements. The main service shortfall was advice on looking for jobs or on available jobs, and help with job search activities generally (received by around one in four). About three in four said their DEA had talked with them about government employment-related programmes, but take up was low perhaps because four in ten had already attended at least one such programme. Respondents rated highly their DEA's understanding of their disability-related problems.

b. New Deal for Disabled People Personal Adviser Service pilot

Similar to other 'New Deal' labour market programmes introduced by the Labour Government since 1997 (see section B of this Part), the New Deal for Disabled People Personal Adviser Service pilot was a case management programme with a personal adviser guiding the participant and drawing on a range of services to improve employability and secure employment. Reaching out to people in receipt of incapacity benefits was a major policy shift. Previously people not required to seek work as a condition of benefit receipt were not a target group, although they could use the services of DEAs. Under the new pilot programme, people in the twelve pilots areas were encouraged by letter, advertising and outreach to approach a newly established service. Six of the 12 providers were set up by the Employment Service (now Jobcentre Plus) and the other six were not-for-profit or private providers of employment services for disabled people.

Personal advisers provided individually tailored support including confidence building, help to identify a suitable occupation, benefits advice and 'better-off calculations', help to access training and education, support with job search and liaison with employers. In practice the emphasis was not solely on employment outcomes, and where people were not ready to take up paid work they might be helped into voluntary work. Personal advisers sometimes emphasised a 'holistic' approach, to help sort out other problems in people's lives.⁴⁴

A quarter of participants in the *New Deal for Disabled People Personal Adviser Service pilot* took up paid employment. It was not possible to determine whether employment outcomes would have been different in the absence of the programme, but a high proportion of participants surveyed said they would have obtained their employment without the service. Three per cent of people eligible for the programme came forward after getting an invitation letter and a similar number were referred by other organisations or got in touch themselves. Participants generally appreciated advisers who listened and understood, and were happy with the pace and the time spent on them.

⁴⁴ Arthur *et al.*, 1999.

The Personal Adviser Service pilot was extensively evaluated.⁴⁵ Take up was not high. Three per cent of eligible participants (that is, people in receipt of an incapacity benefit for at least six months) responded to a letter of invitation and a similar number self-referred or were referred from other agencies. It was not possible to detect any statistical effect of the pilot programme on movement into paid work by comparing the relative outcomes of participants and non-participants, because of small numbers in the latter sample taking up work. All that can be said is that a quarter of participants surveyed, who had a first interview with an adviser four to 17 months previously, said they had since taken up employment. Those with shorter benefit durations were statistically more likely to have done so. A high proportion of participants surveyed (78 per cent) said they would have obtained their employment without contact with the service. Depth interviews showed that most moving into work found the vacancy themselves, although help with job search skills was sometimes acknowledged. An analysis of benefits records could not identify a statistically significant movement off incapacity benefits that could be attributed directly to the pilot across the eligible population as a whole.⁴⁶ Numbers would have had to have been considerably larger to detect any such effect.

Participants generally appreciated advisers who listened and understood, and were happy with the amount of time spent with them and the pace of the programme. Advisers found a new ‘innovation fund’, to be spent on one-off needs, to be helpful.

c. New Deal for Disabled People National Extension

After the pilots, the New Deal for Disabled People was extended across Great Britain⁴⁷ in July 2001 but with some important differences in range of providers, funding and eligibility. Choice of provider was introduced, with services contracted to around 65 public, private and not-for-profit organisations, including some offshoots of the public disability employment service. These providers are known as ‘job brokers’. The extended programme introduced a new funding regime, with the bulk of the funding attached to job entries and jobs sustained for six months along with a small payment to the provider for each registration. Eligibility was extended to include people in receipt of an incapacity-related benefit for less than six months.⁴⁸ Those moving on to such a benefit are told about the job broker services during the mandatory work focussed interviews gradually being introduced by Jobcentre Plus, though applying to a minority of new claims. Existing recipients have been informed through rolling mailshots, and a special mailing including details of Permitted Work.

Early evidence shows take up in the *New Deal for Disabled People National Extension* is low overall but twice as high among people undergoing a compulsory work focussed interview. Recall of the mail shot inviting participation is low. Around one-third of people registered with job brokers move into employment, and one half of those sustain paid employment for six months. People with shorter benefit durations are more likely to enter employment. The funding regime is to some extent leading to a focus on people closer to the labour market.

⁴⁵ Arthur *et al.*, 1999; Loumidis *et al.*, 2001; Redway, 2001.

⁴⁶ Redway, 2001.

⁴⁷ There is a similar programme in Northern Ireland.

⁴⁸ Eligibility was subsequently extended to people in receipt of the extra costs of disability benefit (Disability Living Allowance) and not receiving Jobseeker’s Allowance.

At this stage there is no evidence on the net impact of the programme. The original plan to assess net impact through random allocation to the programme and to a control group who do not receive the service was dropped.⁴⁹ The take up rate has been less than expected, standing at around two per cent of the eligible population, but incapacity benefit claimants who undergo a mandatory Jobcentre Plus work-focussed interview are twice as likely to register as those who do not.⁵⁰ A broad picture of reasons for low take up is now emerging from the first wave of a telephone survey of people eligible to take part, carried out between August and October 2002.⁵¹ Recall of the DWP mail shot inviting participation was low (no doubt reflecting the general low impact of mass mailings), although it was the main source of information about the NDDP. Around half of the sample claimed to have heard of something like the NDDP or to recognise the name of a job broker in their area but around half of those said the NDDP 'wasn't for me' although it was also acknowledged to be worth thinking about. It is interesting here that the NDDP had only slightly higher appeal for the sample who had claimed incapacity benefit only six to eight months before the interview (the 'flow'), even though this group had much higher expectations than the 'stock' sample of working in the future. Amongst those who claimed to be aware of the NDDP or a job broker, the main reason selected for not making contact was being too unwell, but this was cited by only 37 per cent of the flow group compared with 60 per cent of the stock. Nearly one in three of the flow sample said they had not contacted a NDDP provider as they already had a possible job, however.

DWP analysis of administrative data indicates that rather under one-third of people registered with job brokers enter paid work, and half of those sustain paid employment for six months. It also demonstrates that people with shorter benefit durations (those undergoing work-focussed interview or claiming benefit for less than six months) are more likely to enter employment. The average time between registering and getting a job is just under two months.

In-depth studies based on 18 job broker services indicate that the funding regime, whereby job broker are rewarded for job entries, is to some extent influencing job brokers to focus their efforts on people who are more 'job ready'.⁵² There was a pronounced view among Jobcentre Plus staff that the job broker services were duplicating services already available through Jobcentre Plus, although it was sometimes acknowledged that they could provide a more intensive service and could add to the package of support available to a client.

d. Work focussed interviews at the point of making a benefit claim: ONE

The 'ONE' service was introduced in 1999 to pilot combining delivery of benefits to people of working age with work-related advice. It reflected the government's commitment to active case-managed intervention to bring benefit recipients closer to the labour market. ONE brought together the then Employment Service and Benefits Agency in 12 pilot areas in GB. People applying for a benefit were allocated a personal adviser to deal with their benefit claim and discuss their options for work, job readiness and any barriers. Until April 2000 people applying for incapacity benefits (and people on benefits other than Jobseeker's Allowance) could chose whether to take part in an adviser interview. Since that date, all benefit groups

⁴⁹ The impact will be assessed using non-experimental methods, but will not be reported for some time yet.

⁵⁰ DWP NDDP Database Analysis, March 2003.

⁵¹ Woodward *et al.*, draft report.

⁵² Corden *et al.*, draft report.

have been required to attend a first meeting with a personal adviser as a condition of receiving benefit.⁵³

ONE did not lead to an increase in employment for incapacity benefits recipients, jobseekers or lone parents. Nor did it increase the probability of incapacity benefits recipients moving off benefit. Participation did not increase the likelihood of their looking for work, even though they were more likely than non-participants to have received related advice. Only one in five incapacity benefits recipients who took part recalled discussing work or training. There was limited awareness that *ONE* could help in this way. Advisers sometimes avoided offering work-related advice to incapacity benefits recipients, lacked confidence in their ability to engage with people with ill health or impairments and had insufficient knowledge of external specialist support services. Referral to Disability Employment Advisers was well received by participants. Incapacity benefits clients appreciated being treated as an individual, although this was not reflected in employment outcomes.

The *ONE* pilots were subject to extensive evaluation.⁵⁴ Final results on the labour market impact show that *ONE* had no effect in increasing employment. Recently published research⁵⁵ shows no significant differences between pilot and control areas in the proportions of clients in work at the two stages of the survey. This was true of all three main client groups; that is, claimants of the three main incapacity benefits, lone parents claiming income support and unemployed people claiming Jobseeker's Allowance. There were no differences between pilot and control groups in proportions of incapacity benefits clients looking for work, and no evidence of the pilots moving incapacity benefits clients on to Jobseeker's Allowance. Evidence from analysis of administrative benefit records does not suggest that *ONE* changed the probability of leaving benefit for incapacity benefits recipients.⁵⁶

Incapacity benefits clients in the pilot areas were more likely than counterparts in the control areas to report having discussed ways of finding work or training and to have received advice about jobs, and indeed more likely to report they had received *any* advice.⁵⁷ But here there was no evidence that receiving advice through *ONE* increased the odds of being in work. In any case, only one in five incapacity benefits clients recalled discussing ways of finding work or training with a personal adviser (compared with over two in three jobseekers). Bearing on this finding is the limited ongoing contact with the adviser: at a follow-up survey interview only one in six in this group had met with a personal adviser since the survey six months previously, and in most cases this was in relation to a new claim, for which a meeting is compulsory.⁵⁸ People in general did not know they could ask for a meeting, and there was a tendency for personal advisers to 'caseload' the most work-ready of their clients. The work

⁵³ The interview could be deferred to a later time if it was considered that the claimant was not in a position to benefit from it (for example, if coming to terms with a recently acquired impairment) or entirely waived in some circumstances (for example, if suffering from a terminal illness).

⁵⁴ Unless otherwise stated, findings are taken directly from the summary of service delivery findings by Osgood *et al.*, 2003.

⁵⁵ Green *et al.*, 2003.

⁵⁶ Kirby and Riley, 2003.

⁵⁷ Green *et al.*, 2003.

⁵⁸ Green *et al.*, 2003.

focus of ONE had not always been communicated to clients at first contact, and overall few expected ONE to help them in finding work or to contemplate work in the longer-term.

Some start-up advisers were not confident about tackling work issues in any depth with people with long-term illnesses. Personal advisers felt trepidation at the prospect of discussing work with some clients not on Jobseeker's Allowance, and felt ill equipped to deal with clients with emotional or social problems. There were strong convictions among personal advisers that people on incapacity benefits had been classed unfit for work⁵⁹ and it seems that advisers thought job search inappropriate for people on incapacity benefits. Most incapacity benefits clients agreed it was not appropriate for them but there were some instances of disappointment at the lack of work focus.⁶⁰ Where clients reported a definite work focus to the meeting, some felt their adviser failed to appreciate they were not ready for work and felt pressured. But some incapacity benefits clients felt encouraged at the possibility of returning to work, or retraining, with a view to changing their career path. However, people who had discussed training often felt disappointed when discussions led to nothing.⁶¹ In addition to unease about the appropriateness of broaching the topic of work with sick or disabled people, influences on how much advisers discussed work with this group include assumptions that they would need very intensive support on personal and work-related matters⁶², a cultural background of meeting job entry targets and the time needed in the meeting to deal with benefits claims. In 2002, the House of Commons Work and Pensions Committee report of its enquiry into ONE identified the 'failure of personal advisers to engage with incapacity benefits clients' as a 'major shortcoming' of the pilots.⁶³

When asked, there was considerable support among incapacity benefits clients in qualitative studies⁶⁴ for involving specialist advisers or referral to specialist services, assumed to be more knowledgeable and helpful than personal advisers, though people interviewed were previously not aware of these options. People who *had* been referred to a Disability Employment Adviser appreciated their knowledge on rights and entitlements and felt this was the right person for the adviser role. Other research found personal advisers felt they lacked information on specialist community resources to refer people to. There is some evidence that personal advisers felt they did not always have the skills to address complex benefit issues or to explore how far people's individual circumstances affected their ability to work.

The main things clients meeting a personal adviser liked about the ONE service were helpful and understanding staff and more personal treatment.⁶⁵ Early research in the voluntary phase found incapacity benefits clients were significantly more likely than those in the control areas to agree that they had been 'treated as an individual'⁶⁶, and in later research higher assessments of treatment were found amongst incapacity benefit clients receiving help or advice than in control areas.⁶⁷ Although there may be no direct relationship with employment outcomes or increased interest in work, feeling well treated may influence attitudes about the suitability of Jobcentre Plus services should circumstances change.

⁵⁹ Legard *et al.*, 2002.

⁶⁰ Osgood *et al.*, 2002.

⁶¹ Osgood *et al.*, 2002.

⁶² Legard *et al.*, 2002.

⁶³ House of Commons Work and Pensions Committee, 2002.

⁶⁴ Osgood *et al.*, 2002.

⁶⁵ Green *et al.*, 2003.

⁶⁶ Green *et al.*, 2000.

⁶⁷ Green *et al.*, 2003.

e. Mandatory work focussed interviews at the point of making a benefit claim: Jobcentre Plus Pathfinders

Jobcentre Plus is a key part of the Government's strategy for welfare reform. It brings together the services of the Employment Service and the Benefits Agency into one organisation to provide a single point of delivery for jobs and benefits support for people of working age. It builds on the lessons from the ONE pilots. The first 56 Jobcentre Plus 'Pathfinder' offices were established between October 2001 and January 2002 in 17 cluster areas, the aim being to lead the way in demonstrating the new service, culture and organisation of Jobcentre Plus. Further Jobcentre Plus offices were opened in October 2002 and the network will be complete by 2006.

Early findings on how personal advisers in *Jobcentre Plus Pathfinders* deal with incapacity benefits recipients mirror those from the ONE evaluation.

The early evaluations of the Jobcentre Plus Pathfinders⁶⁸ identified problems in serving incapacity benefits clients similar to those met in ONE. One conclusion is the need for a significant amount of training if personal advisers are to engage effectively with them. Personal advisers did not want to cause upset by introducing the topic of work and incapacity benefits clients assumed they were not interested in or able to work. They were particularly anxious about discussing work with people with mental health problems and about asking personal questions about conditions. There were some preconceptions that people on incapacity benefits were not able to work or not interested in talking about work. Only those clients who were interested in work and more motivated had a work focus to their interview. Otherwise there was little or no probing of barriers to work or clients' relationship with the labour market. Although personal advisers saw their role as giving information and signposting people to specialist services, they felt they lacked the knowledge to do so effectively. They felt they could offer rather little to people claiming incapacity benefits other than signposting them to NDDP job brokers they knew rather little about. They also identified gaps in training on tax credits and doing in-work benefit calculations.

f. Support to personal advisers in identifying the work-related capabilities of incapacity benefits recipients: the Capability Report

About one in three of incapacity benefit claimants are called for an examination by a DWP medical services doctor to assess whether they qualify for the benefit (see Appendix A.A). In a pilot, doctors in the NDDP Personal Adviser Service and ONE pilot areas were asked to complete a separate report while they examined the client, which was passed to the personal adviser of people participating in these two programmes. This 'Capability Report' gathered medical information about 'capabilities' for work and was intended to help personal advisers better understand the types of work their clients were capable of.

The usefulness of the *Capability Report* was limited where doctors lacked the necessary occupational knowledge to complete the form, where advisers did not understand how the report should be used and where advisers felt they could access better or more appropriate information in other ways.

⁶⁸ Lissenburgh and Marsh, 2003.

The 2001 qualitative evaluation of the pilot⁶⁹ found its usefulness limited. Doctors felt they lacked the occupational knowledge needed to complete parts of the standard form, notably knowledge about the natures and types of employment, types of workplace, tasks in specific jobs and the feasibility of workplace adjustments. However, doctors were generally very enthusiastic about the new emphasis on the positive and found it personally rewarding. Both doctors and personal advisers had low levels of understanding about how the report should be used in advisers' work with clients. Advisers were making little or no use of it. In ONE areas personal advisers were expected to call clients in for interview on receipt of the Capability Report but they were widely exercising discretion to defer the interview.

Advisers saw the occupational information provided as too general to help them identify work options. Some NDDP advisers disliked the medical model in any case and preferred to rely on clients' own accounts and perceptions, while those who liked to draw on multiple information sources saw it as of potential value. NDDP personal advisers did not see any gap in their information needs that the Capability Report could fill. Clients were marginalized in the process: none had seen their report, nor had their adviser referred to it; and none in the three ONE areas studied appeared to be aware that the doctor had completed one. Some clients thought the Capability Report might be helpful to the adviser or themselves if it gave a clear steer on whether or when work was viable and possible directions. Others felt it would not add anything, and might even be misleading if inaccurate or limited. One potential advantage identified by clients was making it easier to bring up their condition if the adviser did not ask.

While more training and liaison between medical services doctors and personal advisers might improve understanding, the main issues are whether the assessment captures an accurate and sufficiently detailed picture of capability, the different working practices of personal advisers, and their different concepts of disability affecting openness to using medically based information.

g. Interventions to support incapacity benefits recipients in retaining employment

It is not widely acknowledged that some recipients of Incapacity Benefit are still nominally employed. (Employers may keep people on their 'books' once they start claiming Incapacity Benefit after entitlement to Statutory Sick Pay expires or where they claim Incapacity Benefit because they are not entitled to Statutory Sick Pay.) The New Deal for Disabled People Personal Adviser Service pilot had a second aim of supporting job retention. The 12 pilot schemes interpreted the target group in different ways but most focussed on incapacity benefit recipients who had a job to return to rather than people who had not yet claimed an incapacity benefit. The evaluation⁷⁰ found that the job retention aim was accorded much lower priority than helping non-employed people to move towards work. Very small numbers of participants were helped to retain their jobs. Although some pilot services designated staff for the job retention function, most needed multi-functioning personnel who did not necessarily have the skills to negotiate with employers as well as to support the individual. The evaluation concluded that it was not effective to combine the two functions in a single service. New job retention pilots were launched in April 2003, and are discussed in Part III of this paper.

⁶⁹ Legard, *et al.*, 2002.

⁷⁰ Loumidis *et al.*, 2001.

B. Other New Deal Programmes

Other New Deal programmes are designed for people in particular benefit groups (Jobseeker's Allowance in the case of the New Deals for young people and for long-term unemployed people) and for people with other defining characteristics (the New Deals for lone parents, for people aged 50 plus and for partners of unemployed people). People who are disabled, in line with the Disability Discrimination Act 1995 definition, may use programmes for unemployed people. Although these programmes have been extensively evaluated, the impact on disabled people has not always been built into research designs and findings on access and service delivery are sometimes fragmented. A common difficulty is that numbers of disabled people in the research samples are too small to allow separate analysis.

1. New Deal for Lone Parents

New Deal for Lone Parents (NDLP) was the first New Deal programme and the first to tackle joblessness amongst claimants whose claim was not conditional on actively seeking work. It was launched as a prototype in 1997, introduced nationally for new (and repeat) claimants of Income Support in April 1998 and extended to all lone parents on Income Support (IS) later that year. From November 2001 the programme has been open to all lone parents not in work or working less than 16 hours a week. It is now mandatory for new and repeat IS claimants to attend a series of meetings with a personal adviser regardless of the age of their children. 'Stock' claimants increasingly have been called for a mandatory meeting with a personal adviser since 2001, and by April 2004 all with children of any age will be required to attend. DWP has a target to have 70 per cent of lone parents in employment by 2010.

Lone parents receive through their personal adviser an individually tailored package of support. This might include help to identify skills and develop confidence; benefits advice and 'better-off' calculations; help to identify and access training and education; support with job search and liaison with employers; and practical support and information on finding childcare.

Having a health problem or disability was found to reduce the likelihood of joining the New Deal for Lone Parents caseload. But other research found over one in three lone parents attending meetings with an adviser have a longstanding health condition or disability affecting the type or amount of work they can do. Child-related and financial problems, and lack of skills and confidence, are more serious barriers among lone parents. We don't yet know the impact of the programme on employment outcomes for this group. There were negative reactions and low expectations when called for a mandatory interview but also favourable impressions of the meetings and changed views of Jobcentre Plus as a source of help. Specialist support is a gap in provision for this group of lone parents.

A survey of lone parents meeting Personal Advisers found half of the stock and 28 per cent of the flow – 37 per cent overall – described themselves as having a longstanding illness, condition or disability.⁷¹ Most said this affected the type or amount of work they could do.⁷² A survey⁷³ of lone parents on IS and eligible for NDLP found 22 per cent reported a health

⁷¹ Coleman *et al.*, 2002.

⁷² Lone parents with an impairment have very high risk of non-employment according to analysis of the LFS by Berthoud, 2003.

⁷³ Lessof *et al.*, 2003.

condition or disability. Of those, 11 per cent joined NDLP within 16 months compared to 76 per cent of those without a health condition or disability (13 per cent not stated). The sample sizes are too small to allow the net impact for those with a health condition or disability to be compared with non-disabled participants.⁷⁴ Survey findings indicate that the NDLP has to take greater account of the needs of those groups of lone parents more likely to report health problems or disabilities: older parents; long-term IS recipients; lone fathers; and Asian parents on IS.⁷⁵

The NDLP evaluations offer useful material on the effects of the mandatory interview regime on lone parents with a health problem or disability. Two-thirds of people with health problems surveyed in 2001 said the meeting made no difference to how they felt about the future (compared with half overall), maybe because a high proportion of people with health problems said they did not want to work.⁷⁶ Looking at the later mandatory lone parent personal adviser meetings, a qualitative study in 2001⁷⁷ distinguished the reactions of 'sick and disabled' long-term benefit recipients. They were the most likely to say that the personal adviser meeting was inappropriate, mostly because of their ill health. When called for interview there was a common negative response to having to take part, related in part to a high incidence of depression and conditions such as panic attacks and agoraphobia. Beliefs that the meeting was to reduce benefits payments or force people into work often caused considerable anxiety. Although people with health problems and disabilities were among those with the lowest expectations of their personal adviser meeting, they were frequently the most impressed and most changed in their view of the Jobcentre as a source of help. However, a survey in the same year found that although two in three respondents felt they had been treated very well during the meetings, those with a health problem or disability affecting the amount of paid work they could do were less likely than average to say this.⁷⁸

The adequacy of specialist advice and support for disabled people and people with health problems arises again in the NDLP evaluation studies. Participants in 1999 sometimes saw health conditions and disabilities as limiting the range of job options, and specialist help with changing direction to a career that would accommodate their condition would have been useful.⁷⁹ The mandatory adviser meetings seem have provided only limited specialist advice. In the large-scale survey of people who attended such meetings in 2001 little more than one in four who said they had a health problem or disability recalled talking about any related special help or services, and it was unusual to be referred to any specialist scheme.⁸⁰ Qualitative research on lone parent personal adviser meetings found staff identified a need for information on places to refer people with barriers related to health or disability.⁸¹

It should be noted that ill health or disability is only one barrier to employment among lone parents. Child-related barriers, financial barriers and lack of skills and confidence figured

⁷⁴ Administrative data, clearly under-recording disabled participants, show that 3.6 per cent of lone parents starting the programme are marked as disabled, and they account for 3.2 per cent of all jobs gains up to September 2002. Disabled leavers were less likely than non-disabled leavers to be in employment and off Income Support. Dawson *et al.*, 2000; Coleman *et al.*, 2002, noted little consistency in who is marked as disabled.

⁷⁵ Lessof *et al.*, 2001.

⁷⁶ Coleman *et al.*, 2002.

⁷⁷ Thomas and Griffiths, 2002.

⁷⁸ Coleman *et al.*, 2002.

⁷⁹ Dawson *et al.*, 2000.

⁸⁰ Coleman *et al.*, 2002.

⁸¹ Thomas and Griffiths, 2002.

more highly in a survey of participants.⁸² When lone parents on IS and eligible for the NDLP in very large scale postal survey were asked to select reasons why people are limited in the type or amount of training or work they can do that applied to them, having a health condition or disability was *least* commonly selected.⁸³

2. New Deal 50 Plus

New Deal 50 Plus was extended nationwide in April 2000 after being tried out in nine 'Pathfinder' areas. It is available to people aged 50 and over, in receipt of any of the main benefits, including incapacity benefits, and out of work for six months or more. Taking part is voluntary. A personal adviser offers help and support in finding a job, and may offer training to help to do so. A key feature is the £60 a week tax-free employment credit payable for up to 52 weeks (£40 a week for a part-time work) if total personal income does not exceed £15,000 a year. This payment goes directly to the employee. People need not join an advisers' caseload to take advantage of the credit. An in-work training grant of up to £750 is available once work has started, but up-take has been very low, clients do not see much value in the idea and it has proved hard to align with company training.⁸⁴

Although one in three participants of the *New Deal 50 Plus* are disabled, the programme has not attracted many people on incapacity benefits. Disabled people receive rather more support from advisers than non-disabled people, though people who receive adviser support are no more likely to secure employment than those who do not. Ageism on the part of employers is considered the greatest barrier to employment. Disabled people were considerably more likely than non-disabled participants to find the employment credit vital to taking up work. Expiry of the credit could cause distress felt to have a deleterious effect on health.

Around one-third of participants have a health problem or disability which affects their ability to work⁸⁵, a survey finding consistent with administrative records that show that one-third of people taking up the employment credit have a disability. This proportion is not surprising given the age group. Despite a targeting mailing and an advertising campaign, the programme seems to have been unsuccessful in attracting people receiving non-JSA benefits and only just over one in ten claimants of the employment credit are in receipt of any of the three main incapacity benefits.⁸⁶ Most participants heard about the programme through a Jobcentre.⁸⁷

There are no outcome data to allow us to see whether disabled people fare differently in the ND 50 Plus than non-disabled people do. Findings on access and use of the programme show that disabled people were slightly more likely to report they had entered a personal adviser's caseload, more likely to have had six or more interviews and slightly more likely to have received advice about training and education opportunities.⁸⁸ However, there is no statistical

⁸² Coleman *et al.*, 2002.

⁸³ Lessof *et al.*, 2001.

⁸⁴ Atkinson, 2001b.

⁸⁵ Atkinson, 2001a.

⁸⁶ Atkinson, 2001b.

⁸⁷ It should be noted here that prior to the introduction of Jobcentre Plus, there was no requirement for contact between incapacity benefits recipients and the Jobcentre. Since then the contact is at the start of the claim, before eligibility for New Deal 50 Plus takes affect.

⁸⁸ Atkinson and Dewson, 2001.

association between case loading and the likelihood of securing employment.⁸⁹ It is noteworthy that staff are not reported as raising health problems or impairments as a barrier to participation.⁹⁰ While the evaluation reports refer to the limiting effects that ill health or impairment could have on the jobs people were able to consider, ageism on the part of employers comes across as the most significant barrier older people face in the labour market.⁹¹

Disabled people were considerably more likely than non-disabled people to have found the employment credit 'vital'⁹² but otherwise there seem to be few differences in experiences of the New Deal 50 Plus. A relevant issue is the impact of the employment credit coming to an end after a year. While some claimants barely felt the impact and others were coping in the short term, a third group was distressed by their situation and felt their health was suffering. This last group was often on low wages, working part-time and unable to increase their hours.⁹³

3. New Deal for Partners

The New Deal for Partners was introduced in 1999 as a voluntary programme targeted at the dependent partners of people in receipt of Jobseekers' Allowance. It was extended two years later to cover the partners of recipients of incapacity benefits and Income Support. The backdrop was the increasing number of workless households and Government targets to reduce the number of children living in such circumstances. Mandatory work focussed interviews are being introduced for dependent partners who are not themselves claiming a benefit.

The prevalence of long-term health problems and disability is very high amongst workless households: two-thirds of men and one half of women.⁹⁴ Having an impairment increases the risk of being in a workless family by 20 per cent, and having multiple impairments increases the risk further.⁹⁵ Qualitative research highlighted that people who will be brought within the scope of mandatory interviews may not only have a health problem or disability themselves but may also be caring for an ill partner.⁹⁶ The authors concluded that personal advisers will '*need to understand what it means to be a 'carer' or to have an illness or disability*' so that they can actively promote the right kinds of support and be able to offer in-work support.

4. New Deal 25 Plus

The New Deal for long-term unemployed people aged 25 and over (now referred to as New Deal 25 Plus) was introduced nationally in June 1998, and was significantly enhanced from April 2001. Jobseekers now enter a mandatory programme at 18 months unemployment. Disabled people can access the programme early. An initial Gateway period of up to 16 weeks focuses on getting people into work, through weekly interviews with an adviser and a range of other help. Those unable to be helped into work at this stage receive an individually tailored

⁸⁹ Atkinson, 2001b.

⁹⁰ Atkinson *et al.*, 2001b.

⁹¹ Atkinson *et al.*, 2000; Kodz and Eccles, 2001.

⁹² Atkinson, 2001a.

⁹³ Aston *et al.*, 2001; Atkinson, 2001b.

⁹⁴ Bonjour *et al.*, 2002, analysis of LFS.

⁹⁵ Berthoud, 2003, analysis of LFS 1992-2000.

⁹⁶ Sirret *et al.*, 2002.

programme designed to increase their employability. All stages of the programme are compulsory. Subsidised employment may be entered from any stage.⁹⁷

Three in ten participants in the New Deal 25 Plus are disabled and the proportion is growing. Disabled and non-disabled participants are almost equally likely to enter paid employment and disabled people are slightly more likely to enter subsidised employment. This suggests that 'what works' for non-disabled people also works for disabled people. Advisers are positive about specialists, to call on for advice and to refer people to, especially when dealing with people with mental health, alcohol or drugs problems. Disability Employment Advisers seem to be used widely. External specialist services are beginning to be used but advisers may not understand enough about them to make good decisions for the client.

A large proportion of participants are marked on administrative records as disabled. The categorisation depends on self-report of having a disability in accord with the DDA definition. At end September 2002, 30 per cent of those entering the New Deal 25 Plus were self-defined as disabled. The proportion of disabled participants has risen substantially over time⁹⁸ perhaps a result of strategies to boost numbers, which have included advertising for disabled clients for early entry and actively recruiting disabled people.⁹⁹ DWP analysis of administrative data (at February 2002) found that only one-fifth of disabled people had entered the programme through the early entry criteria, however. Disabled clients made up one-third of subsidised employment participants.

Looking at outcomes, according to DWP analysis of administrative data, disabled participants were only slightly less likely than non-disabled clients to enter paid work and significantly more likely to leave for unspecified other benefit destinations.¹⁰⁰

Specialist advisers are viewed very positively by New Deal 25 Plus advisers as they often feel unequipped themselves, especially in dealing with people with mental health, alcohol or drugs problems.¹⁰¹ Disability Employment Advisers seem to be widely used, to refer people with physical impairments and mental health problems and as an information source for advisers.¹⁰² There is some evidence of New Deal 25 Plus fostering the development of external specialist provision, including for people with mental health problems, but there have been concerns about affordability, and personal advisers' limited understanding of what it entails can impact on the quality of decisions they make on the client's behalf.¹⁰³

⁹⁷ In 15 areas of the country, equivalent provision is provided in Employment Zones by private sector contractors paid largely on the basis of job outcomes achieved. Separate discussion of these is omitted for reasons of space.

⁹⁸ Hasluck, 2002.

⁹⁹ Wilson, 2002.

¹⁰⁰ This latter result is unsurprising, as one outcome could be that incapacity benefits were more appropriate than Jobseekers' Allowance.

¹⁰¹ Joyce and Pettigrew, 2002.

¹⁰² Joyce and Pettigrew, 2002.

¹⁰³ Wilson, 2002.

5. New Deal for Young People

The New Deal for Young People (NDYP) is a mandatory programme for people aged 18 to 24 years on Jobseeker's Allowance and out of work for six months or more. Disabled people (meeting the DDA definition of disability) can enter the programme from the first day of unemployment. It is the largest of the New Deal family, introduced nationwide in 1998. An induction phase provides assessment, help with job search, support and advice. Subsequently, there is a range of options: a subsidised job with an ordinary or voluntary sector employer, employment on the environment task force, or the education and training option.

Around one in seven participants in the *New Deal for Young People* (aged 18 to 24) are disabled. Where the health condition or disability *was not* work limiting, employment outcomes were little different from those for non-disabled people: this suggests that features found to be effective in the programme are helpful regardless. But where the health condition or disability *was* work limiting, outcomes were poorer. Young people with multiple disadvantages need more personalised, intensive and flexible support from advisers.

At end September 2002, 14 per cent of people entering the NDYP (and a similar percentage of leavers) were recorded as disabled on administrative records. A nationally representative survey in 1999 found illness or disability previously had been a problem in finding or keeping a job for 17 per cent of respondents.

Outcomes for participants with a work-limiting health problem or disability were found to be poorer than for other young people: they were less likely to be on the subsidised employment option¹⁰⁴; spent less effort on looking for jobs and had an increased likelihood of leaving the NDYP with no job to go to¹⁰⁵. People with mental health problems were less likely to move into employment.¹⁰⁶ Young people on the programme may have multiple disadvantages including ill health or disability and, where provided, dedicated help early in the assessment stage appeared essential.¹⁰⁷ Findings from research with young people with multiple disadvantages and support organisations are that the NDYP needs to incorporate the types of personalised, intensive and flexible support found to be effective practices in the non-governmental organisations studied.¹⁰⁸

It is worth noting that where a long-term health problem or disability was not work limiting, employment outcomes were not significantly different from those who left the programme with no health problem or disability.¹⁰⁹ We might conclude that features found to be effective apply equally to both groups: individually tailored programmes responsive to their needs and aspirations; sensitive and creative personal advisers; timely intervention from the adviser when difficulties arise and help with personal issues; knowledge that sanctions may be imposed if the person leaves without good cause; and sustained follow-through.¹¹⁰

¹⁰⁴ Hasluck, 2000.

¹⁰⁵ Bryson *et al.*, 2000.

¹⁰⁶ Bonjour *et al.*, 2001.

¹⁰⁷ O'Connor *et al.*, 2001.

¹⁰⁸ Lakey *et al.*, 2001.

¹⁰⁹ Bonjour *et al.*, 2001.

¹¹⁰ O'Connor *et al.*, 2001.

C. Increasing the Skills and Employability of Disabled People

1. Government Work Preparation Programmes

To differing degrees the New Deals, ONE and the Jobcentre Plus Pathfinders can increase the skills and employability of participants, particularly the New Deals for unemployed people, but intervention is weighted towards finding and taking up a job. Other government programmes are entirely voluntary and focus principally on intensive preparation for the labour market, although they increasingly offer support in job finding. Two small work preparation programmes are specifically for disabled people and one mainstream programme has a substantial proportion of disabled people among participants. Work preparation programmes have existed for many years and generally complement the new programmes, although the question of duplication has been raised.¹¹¹ They have been evaluated much less extensively than the more recent and higher profile labour market programmes. These programmes are entirely work-focussed. The lack of integration of medical and vocational rehabilitation is a widely acknowledged gap¹¹² and DWP is testing a combined approach.

a. The Work Preparation programme for disabled people

Work Preparation is a long established. It is open to unemployed disabled people (meeting the Disability Discrimination Act definition) regardless of benefit status. It may also support people at risk of losing their job for disability-related reasons, though numbers are small here. Disability Employment Advisers assess needs and refer people to one of around 270 voluntary and private sector providers. Services mainly comprise work placements and personal development. But some providers offer a choice of ‘modules’, in groups or individually, covering confidence building, self-presentation, training in job search techniques, work adjustment training or college courses. The usual programme length is six to eight weeks, though it can last up to 13 weeks and can be as short as a few days. In 2000-01, 11,500 people entered the programme.

An estimated one-fifth of people completing the Work Preparation programme for disabled people are in employment 13 weeks later. But we don't know whether outcomes would differ in the absence of the programme. A modular approach appears to be effective.

One in five do not complete the programme. Of those who do, one-third achieve a positive outcome, defined as employment, training, a further Jobcentre Plus programme, further or higher education and retention at 13 weeks after completion of the programme.¹¹³ Research analysing records in three regions found just under one in five participants were known to have entered employment in 2000-01, although destinations were unknown in over a quarter of cases, and that performance varied across the three regions by type of input and size of provider.¹¹⁴ The analysis suggests that module-based provision including group work is effective in achieving employment outcomes, and the researchers concluded that further research focussing on clients' experiences of this model would shed light on the basis of its success. However, some Jobcentre Plus staff and providers consulted in that study felt that a

¹¹¹ Thornton, 2002.

¹¹² British Society of Rehabilitation Medicine, 2000.

¹¹³ Jobcentre Plus administrative data for 2000-201 cited in Banks *et al.*, 2002.

¹¹⁴ Banks *et al.*, 2002.

longer programme was needed for people with higher support needs and more distant from the labour market, and that programme success should be measured by intermediate outcomes. The high proportion of participants with no positive outcome is a concern, and greater continuity of contact with the Disability Employment Adviser on leaving the programme is recommended.

b. Residential training for disabled people

Residential training has been part of government provision for disabled people for many years but has declined to around 1000 funded places per year at a small number of disability specialist colleges in England, around half of which specialise in services for blind and visually impaired people. These colleges provide guidance, work experience and training towards vocational qualifications, as well as job placement, for a Jobcentre Plus customer for whom there is no suitable local training. Programmes normally last for up to 12 months.

Limited outcome data on the small *Residential Training for disabled people* programme indicate low levels of *sustained* employment following the training but higher levels of more immediate employment than found in Work Preparation. It can be hard for providers to find opportunities in trainees' home areas, and they have no funding for aftercare for those who do not immediately find employment. The provision is less suitable for women, who are grossly under-represented.

Limited outcome information is available from the only recent research on the programme.¹¹⁵ An unrepresentative survey of 150 former trainees found rather over in one four in employment in the first month after completing their training programme, rising to half after 18 months although rather more had experienced an, often prolonged, spell of employment in that period. It could be hard for some providers to find work placements in the trainees' home areas in the absence of personal contacts and networks. Providers were not funded to provide 'aftercare', identified as a gap for people who do not move into employment immediately on leaving the programme and for those who might benefit from mentoring or job coaching on the job, though some providers worked well with partners or networks. There were high levels of dissatisfaction among former trainees in relation to further help from the college once they had left, especially when moving into a job, and some dissatisfaction with support for job placement.

Residential training raises access issues. The provision disproportionately serves disabled people whose homes are in the south of England. According to administrative data, only 17 per cent of trainees were women (in 1997-98), attributed by providers variously to the types of occupational training offered, the 'culture' of some providers and the unsuitability of lengthy residential provision for women with children. Distance-learning elements were rare.

Some trainees in the study felt shorter, more intensive training programmes would be more beneficial than a programme lasting up to a year. But there were high levels of satisfaction with programme content and teaching.

¹¹⁵ Maton *et al.*, 2000.

c. Work Based Learning for Adults

Work Based Learning for Adults (England)¹¹⁶ is aimed mainly at unemployed people aged 25 and over, unemployed for six months or longer and claiming Jobseeker's Allowance (JSA), or claiming a non-JSA benefit including an incapacity benefit. Among groups who can enter the programme from day one of their benefit claim are people recorded as having a disability likely to last for at least a year that puts the person at a significant disadvantage in the labour market.¹¹⁷ Jobcentre Plus took over managing the programme and contracting with providers in April 2001.¹¹⁸ The move brought a shift in focus towards job outcomes and less emphasis on qualifications. The four types of provision are described in Appendix A.D.

Three in ten participants in *Work-based Learning for Adults* programmes are disabled, most on Jobseeker's Allowance. Disabled leavers are just as likely than programme leavers as whole to be in a job thirteen weeks later. There were some indications of inequitable selection practices and other access problems. Jobcentre Plus staff and programme providers mostly felt that provision meets the needs of disabled people, though there was sometimes thought to be a gap in provision for people with severe mental health problems. While work placement on an employer's premises was generally seen as one of the most beneficial elements for people on non-JSA benefits, Jobcentre Plus staff, providers and participants called for a greater focus on training and qualifications in the programme.

Thirty per cent of participants are classed as disabled, the great majority JSA recipients. Non-JSA recipients make up only 15 per cent, and of those only one in four are disabled (most claiming Income Support). Administrative data provide the only outcome information.¹¹⁹ Overall, the proportion of disabled people in a job 13 weeks after leaving the programme is almost identical to that for programme leavers as a whole (29 per cent compared with 28 per cent in the 18 months to April 2001). Disabled people are more likely to engage in the longer occupational training element. While there is no published information on outcomes for different benefit groups, Jobcentre Plus staff and providers in a qualitative study generally felt outcomes for people on incapacity benefits were less positive than those for other non-JSA participants.¹²⁰

Qualitative studies offer scattered evidence related to disabled participants.¹²¹ Access is a common theme. Jobcentre Plus staff did not routinely tell clients about the programme. Instead, they reacted to interest expressed in training or offered the programme to people they assessed to be committed, motivated and suitable. People with social problems related to ill health, disruptive or with a drug or alcohol problem were amongst those thought not to be suitable. On the other hand, staff could be keen to identify people, including disabled people, who met the early entry criteria, as they saw waits to access the programme as demotivating. There were some beliefs among providers that the programme was not suitable for people

¹¹⁶ There is similar provision in Wales and Scotland.

¹¹⁷ Also incapacity benefits recipients taking part in the New Deal for Disabled People and young disabled people aged 18 to 24 on non-JSA qualifying benefits can enter the programme from day one.

¹¹⁸ When the English Training and Enterprise Councils were abolished.

¹¹⁹ Department for Work and Pensions Statistics and Research Work-Based Learning for Adults <http://www.dwp.gov.uk/asd/asd1/wbla/wbla-feb2003.html>; Department for Work and Pensions Statistical First Release 'Jobcentre Plus delivered Government Supported Work-Based Learning for Adults', 27 February 2003.

¹²⁰ ECOTEC and BRMB, 2002.

¹²¹ ECOTEC and BRMB, 2002; Winterbotham *et al.*, 2002; Olsen *et al.*, 2003.

with physical impairments (such as wheelchair users), severe learning difficulties or mental health problems. Delay in starting the programme could be caused by providers needing to put special equipment in place. Staff and providers saw inadequate public transport and unwillingness to travel as general obstacles to take up.

Jobcentre Plus staff and providers generally felt that the programme met the needs of disabled clients well, however, and participants valued retraining in areas better suited to their physical capacities. There was some specialist provision, although a gap in provision for people with severe mental health problems was sometimes identified. People with health problems welcomed flexibility in when they could attend.¹²²

Work placements on employers' premises were viewed as one of most beneficial elements for non-JSA participants, including some disabled people, giving a 'head start' by consolidating skills, building confidence, providing evidence of employability and giving up-to-date work experience. However, there were quite strong feelings amongst Jobcentre Plus staff, providers and participants that work placements limited scope to train for qualifications, and all parties wanted a greater focus on training and qualifications in the programme.¹²³ Follow-up support for people leaving Work Based Learning for Adults appeared to be limited but one study found rather more support where people were in touch with a Disability Employment Adviser.¹²⁴

d. Combined medical and vocational rehabilitation

Jobcentre Plus, in partnership with National Health Service providers, tested an innovative project to assist people who had experienced long-term absence from work as a result of chronic back pain. Group-based programmes combined physical rehabilitation and vocational advice and assistance over a four to six weeks period. There was no control group but the programme was replicated in a second site and achieved very similar outcomes, including employment outcomes higher than had been projected.

Building on this initial project¹²⁵ DWP is supporting a further multi-disciplinary pilot for specific health conditions in collaboration with the National Health Service. This will be evaluated using random allocation of participants to treatment and control groups which will allow outcomes to be compared and the impact of the initiatives to be assessed. (Not reported here are some more descriptive accounts of joint projects, such a job clinic for people with mental health needs provided jointly by a DEA, community health occupational therapist and a hospital placement office¹²⁶.)

¹²² Note the availability of an additional fund that pays for the additional costs incurred by providers in delivering WBLA and New Deal provision to people with special needs.

¹²³ ECOTEC and BRMB, 2002.

¹²⁴ ECOTEC and BRMB, 2002.

¹²⁵ Watson, 2000.

¹²⁶ McCrum *et al.*, 1997.

2. Non-governmental Programmes

2,500 voluntary sector and local authority projects provide at least 6,700 pre-employment or supported employment services for disabled people. We don't know whether some types of service work better than others, or whether individual services produce better outcomes for people who take part than for those who do not. One control group study demonstrated increased psychological well-being and increased confidence to overcome external barriers.

There are large numbers of voluntary sector and local authority-led projects providing pre-employment services for disabled people. A 'mapping' study identified nearly 2,500 employment-focussed projects serving disabled people in GB, and vocational training was provided by over four in ten of these.¹²⁷ Altogether over 6,700 services were identified. An issue for these projects and services is piecing together funding from a range of sources to ensure their continuing viability, and having to meet the reporting demands of different funders. Not surprisingly, there is no comprehensive overview of their effectiveness, although there have been reviews of projects funded under initiatives such as the European Union HORIZON programme and the Jobcentre Plus National Disability Development Initiative.¹²⁸ Projects can rarely afford external evaluation, and research we know of is mainly very small scale. We do not know of any control group evaluations apart from that described below.

Most voluntary sector pre-employment projects aim to equip people with work-related skills. A programme for unemployed people with arthritis, funded through a Jobcentre Plus initiative, took a psychosocial approach. A series of short residential courses along with mentor support aimed to raise participants' awareness of the social construction of disability as well as giving people confidence to develop strategies to overcome the external barriers. A comparison control group study¹²⁹ found significant increases in aspects of psychological well being for the intervention group only, and clear evidence that at six months follow up fewer participants perceived barriers to employment. The model of working with peers seems to have contributed to these results. Such an approach might be adapted for work with people with other conditions that affect employment prospects. A message from the research is that projects must be well resourced to give the levels of emotional support needed to deal with individual change.

3. Transitional Employment

There is increasing interest in 'intermediate labour market' projects that offer a bridge into regular employment through paid work on a temporary contract together with training, personal development and job search activities. They typically offer 'socially useful' work. Projects are targeted at the 'hardest to reach' groups outside mainstream programmes, especially in areas with higher unemployment, and include disabled people although there are no data on their participation rates. The majority of places are for people aged 18 to 25. A study in the late 1990s indicated lower drop out rates and higher job entry and sustained employment rates than in comparison groups in adult training and New Deal programmes.¹³⁰

¹²⁷ Arksey *et al.*, 2002.

¹²⁸ ECOTEC, unpublished, cited in Sutton *et al.*, 2002.

¹²⁹ Barlow *et al.*, 2001.

¹³⁰ Marshall and MacFarlane, 2000.

There is a question mark over the comparability with Jobcentre Plus programmes, however. It has been suggested by proponents that intermediate labour market projects might attract people to the New Deal for Disabled People by offering them meaningful work-based activity. Some projects have arranged for benefit entitlement to be passed to the employer and paid as wages.¹³¹

JobCentre Plus has launched a transitional employment measure operating in 20 pilot areas GB-wide. *StepUP* is delivered in partnership with managing agents in each area and the design takes good practice from the experience of intermediate labour market projects. The initiative aims to increase the employability of individuals and move those who are not job ready closer to the labour market by providing a private, voluntary or public sector job for up to 50 weeks. StepUP is specifically aimed at returners to the New Deal for Young People New Deal 25 Plus, and for these groups it is mandatory, but it is also available on a voluntary basis for Income Support recipients (claiming for 24 out of the previous 30 months). The evaluation aims to establish which type of provision is most effective for this client group, which includes people with low basic skills, drug and alcohol misuse and mental health problems. Familiarisation visits found all partners interviewed were very positive about the support workers provided by the managing agents.¹³²

4. The Jobs Gap and Demand-led Approaches

Whether there is a mismatch between the pool of skills among jobless people and employers' requirements has been a contentious issue in the UK but it does appear that in some parts of the country a lack of appropriate jobs is one of the barriers to employment among the general workforce.¹³³ In 2002, eight per cent of establishments in England reported skill-shortage vacancies.¹³⁴ These were most likely to occur in education, health and social care professional jobs and in skilled trades in construction industry, recruitment difficulties being most extreme in the construction sector. There has been some criticism of Work Based Learning for Adults training for not meeting local skill shortages.¹³⁵

A '*demand-led*' innovation has been to link up with local employers who have taken the initiative to open up their recruitment processes to disabled people. In a partnership between Centrica and Jobcentre Plus, with support from the Employers' Forum on Disability, the partners devised a two to three day Work Preparation course for potential recruits that included understanding of the employer's requirements. Centrica interviewers were trained in the requirements of the Disability Discrimination Act and in specialist support available from Jobcentre Plus. The retention rate was much higher than might have been expected through agency recruitment and the project is being replicated.

This project¹³⁶ is only one example. DWP has embraced this demand-led approach more widely. The '*Ambitions*' project, a joint initiative of Jobcentre Plus and the National Employment Panel, uses a demand-led model drawn from US experience, which aims to get

¹³¹ House of Commons Education and Employment Committee, 2000.

¹³² Early evaluation findings are due to be available in December 2003, with a final report being published in April 2005.

¹³³ House of Commons Education and Employment Committee, 2000.

¹³⁴ Hillage *et al.*, 2002.

¹³⁵ ECOTEC and BRMB, 2002.

¹³⁶ Employers' Forum on Disability, 2001.

unemployed disadvantaged jobseekers into good jobs. It seeks to meet human resource requirements in occupations with skills shortages and to engage expertise from industry in the programme design. The focus is not simply on participants getting *any* job, but to get them into well-paid employment, with real career potential. A separate New Deal for Lone Parents Innovation Fund has had a specific objective of moving people with health problems and disabilities into employment, including demand-led work with industry.

Discussing the likely future imbalance between the demand for skills and supply, a research report from the Learning and Skills Council suggests that in order to recruit workers employers will need to '*adapt jobs to the individuals available*'.¹³⁷ The report argues for a greater emphasis on in-work training and different 'work-life' packages to attract workers. Such developments would advantage disabled people.

D. Government Programmes for Adapting Work and Workplaces

The service interventions discussed above focus on fitting the person to the job rather than adapting the job to the person. There is minimal evidence of work preparation providers, New Deal personal advisers or job brokers telling disabled participants about their rights to reasonable accommodation under the Disability Discrimination Act 1995 or advising them, in advance of finding a potentially suitable job, that work and workplace might be adjusted to take account of impairments.

1. Access to Work

The *Access to Work* programme is for disabled people (meeting the Disability Discrimination Act 1995 definition of disability) who need extra practical support to do a job. It helps employers and self-employed people with the costs of special aids and equipment in the workplace, adaptations to workplace premises and equipment. Jobcentre Plus meets all the costs where a person is taking up a job. Otherwise employers have to pay a contribution. Jobcentre Plus advisers offer guidance on suitable equipment and adaptations, and can purchase needs assessments and technical advice. Access to Work also pays for support workers and communicator support for interviews, and helps disabled people meet the costs of taxis or drivers to work if they cannot use public transport. It is important to note that the disabled person, and not the employer, applies for support.

The main effect of *Access to Work* is to support job retention. Help with costs of travel to work is particularly effective in sustaining employment, and help with substantial costs of adaptations to premises and of support workers promotes both recruitment and retention. The programme disproportionately helps people in professional jobs and people with sensory impairments. Employers valued grants towards expensive IT equipment which would involve upgrading costs, and having the costs of support workers met. If employers had to arrange and pay for one-off items of equipment - which many were willing to do - the support might be less well tailored to the employee's needs, less comprehensive or of lower quality, and there might be delays in putting it in place.

¹³⁷ Learning and Skills Council, 2003.

The main effect of the programme has been to support the continued employment of disabled people already in a job when they applied for help. Over nine in ten users are established in work when they apply. A GB-wide user survey found high levels of agreement that the support met user needs and that continuing in work would be impossible or difficult without it.¹³⁸ A follow-up study estimated the impact of Access to Work by asking users and their employers (87 cases) hypothetical questions about what would have happened without Access to Work support and exploring their responses.¹³⁹ According to users' judgements, the employment impact was very high amongst those receiving help with fares to work, high in the case of alterations to premises and support workers and low where aids and equipment had been provided. Evidence from employers in this research shows that grants under the programme can act as an incentive to hire a disabled person or retain an employee who becomes disabled, where the costs of making an alteration to the premises or of providing on-going human support on the job are substantial and the employer is unwilling to pay. Where an employee needs special aids and equipment to continue to do the job, the availability of grants under the programme does not appear to be a strong factor in retention of the employee. Employers tended to say that if the programme had not been available when the employee applied for support they would have been willing to pay the full costs of aids and equipment, especially for one-off items such as ergonomic equipment or communication aids. There were lower levels of agreement over paying for packages including accessible IT equipment or software, which would involve up-grading costs.

Many of the public, private and voluntary sector employers in the study felt that the organisation would have lacked expertise to assess needs and procure what was needed had the programme not existed. It was not certain that alternatives of the same quality as Access to Work support could have been found. Some employers thought that without Access to Work they would have looked for less expensive equipment or a smaller package of support than recommended. For some, delays would have been unavoidable if they had to negotiate internal funding. It was often uncertain whether adequate funds would have been available in the absence of the programme. Few organisations said they had a ring-fenced budget for adaptations for disabled employees, and where one existed it would be inadequate. Usually equipment had to compete with other demands on often hard-pressed general budgets.

The user survey¹⁴⁰ found the main users are professional, administrative and secretarial employees - who tend to need the ergonomic equipment and assistive technology, which makes up the bulk of Access to Work support, personal readers and communicators. Four in ten users are in professional jobs. People with visual and hearing impairments are considerably over-represented compared with the disabled working population. People with mental health problems and learning difficulties, the groups most excluded from employment, are greatly under-represented. These inequitable patterns of use may be hard to shift. Employers and Jobcentre Plus staff, who are the main conduits of information about the programme, are likely to recommend it to the types of people they have seen benefiting from it, and budget limitations rule out advertising the programme to a wider user group likely to need expensive on-going support.

¹³⁸ Thornton *et al.*, 2001.

¹³⁹ Thornton and Corden, 2002.

¹⁴⁰ Thornton *et al.*, 2001.

E. Disability Discrimination Legislation

The employment provisions of the Disability Discrimination Act 1995 (DDA) came into force in December 1996. They replaced a quota system that had more or less fallen into disuse, and followed a period in which employers were gently encouraged by governments to improve their outlook on employing disabled people through good practice guidance. The Act is detailed in Appendix A.C. In brief, it is unlawful for employers in all sectors (currently those with 15 or more employees but employers of all sizes from October 2004) to discriminate unjustifiably against a disabled job applicant or employee by treating them less favourably than a non-disabled person for reasons related to the person's disability. They have a duty to make reasonable adjustments to physical features of premises or employment arrangements if these substantially disadvantage a prospective or current disabled employee. A failure to do so, without justification, is an act of discrimination. The definition of disability is '*a physical or mental impairment which has a substantial and long-term adverse effect on a person's ability to carry out normal day-to-day activities*'.

Analysis of survey data on earnings and employment rates suggests that *discrimination* exists, as did comparison group studies of job applicants. But changes in rates of discrimination have not been tracked. Public awareness of rights not to be discriminated against is low, and people bringing cases under the *Disability Discrimination Act* tend to rely on their advisers' advice on appropriate jurisdictions. *Employer knowledge* of the employment provisions of the Act is often sketchy or inaccurate, especially among small employers, and there is no clear evidence of growth in *employer awareness* since the Act was introduced. Positive changes in employer behaviour over the last ten years may be attributed to increasing awareness of disability, though there is no direct association with the DDA. Health and safety requirements can be a barrier to recruitment and retention of disabled people.

1. Measuring Discrimination

Whether the Act has had an impact on reducing discrimination against disabled people is not known. Discrimination is hard to measure, and changes over time more so. Discrimination does appear to be a factor in explaining differences in earnings and employment rates between disabled and non-disabled people. Analysis of a longitudinal data set (LFS) showed a large unexplained difference in earnings once differences in personal and job characteristics had been taken into account. With the caveat that the unexplained difference may be due to factors not included in the model, the conclusion is that earnings discrimination cannot be ruled out.¹⁴¹ A second econometric study found substantial unexplained differences in wage and employment participation rates between disabled and non-disabled men. Here only half of the difference in employment rates could be explained by observed differences in productivity-related characteristics.¹⁴²

Two studies in the 1980s and early 1990s by a voluntary organisation measured discrimination directly by comparing responses by employers to two fictitious applications for secretarial jobs.¹⁴³ The education and employment experiences of the two candidates were of

¹⁴¹ Blackaby *et al.*, 1999.

¹⁴² Kidd *et al.*, 2000.

¹⁴³ Graham *et al.*, 1990.

equal weight but one was a person with cerebral palsy that had not restricted their working life. In both studies four in ten employers rejected the disabled applicant but responded positively to the other applicant. Small to medium sized firms were most discriminatory. The non-disabled candidates were 150 per cent more likely to gain a positive reply than the disabled candidate in both studies. This method has obvious advantages over surveys asking about the likelihood of recruiting disabled people that may elicit socially acceptable answers.¹⁴⁴ In-depth questioning, basing discussion on pen-pictures of job applicants, can allow employers to talk about how they might behave in hypothetical situations and why.¹⁴⁵ However, research development work is needed if material generated in this way is to be turned into measures of discrimination.

There is scope for further research to examine changes over time, though associations with the introduction of disability discrimination legislation will be hard to determine.

2. Cases Brought Under the Act

The number of cases brought is one measure of the impact of the Act. It is significant that more cases were brought under the employment provisions of the DDA in its first year than under the separate sex and race discrimination laws – twice and three times as many respectively. The majority of cases are also lodged under other jurisdictions (notably unfair dismissal) and often the DDA was added afterwards as an ‘insurance policy’.¹⁴⁶

Only a small minority of cases brought involve recruitment (nine per cent up to February 2001) and such cases have the lowest success rate at an employment tribunal (20 per cent) with the highest success rate concerning reasonable adjustments (28 per cent).¹⁴⁷ Only one in five cases reach an employment tribunal, however: four in ten are settled by the arbitration and conciliation service and an equal proportion are withdrawn.¹⁴⁸

3. Disabled People’s Awareness of the DDA

Research with employers by far outweighs research with disabled people on the topic of the DDA. Little is known about the depth of people’s knowledge of the Act, the likelihood of their using it and the obstacles to doing so. We also know little about how bringing a case against an employer affects people socially, emotionally or financially, or about the effects on relationships with their employers. Indeed, we seem to lack basic data on the employment position of applicants and what happens to them after the decision or settlement.¹⁴⁹

A representative survey¹⁵⁰ found that nine out of ten people of working age with recent employment experience were aware of rights to be treated fairly at work regardless of race, gender or disability. However, when asked to name *any* employment right only just over one in five of the 1000 surveyed referred spontaneously to anti-discrimination laws (although this is a good result compared with mentions of almost all other rights). Respondents were asked a specific question about disability discrimination legislation: seven in ten said (correctly) that

¹⁴⁴ For example, Dench *et al.*, 1996.

¹⁴⁵ Corden and Thornton, 1997.

¹⁴⁶ Leverton, 2002; Meager *et al.*, 1999.

¹⁴⁷ Leverton, 2002.

¹⁴⁸ Leverton, 2002.

¹⁴⁹ The Disability Rights Commission has commissioned a survey which will explore views and experiences of those who bring a case under the DDA.

¹⁵⁰ Meager *et al.*, 2002.

employers must show that they do not discriminate against people with disabilities; and one in five said (incorrectly) that employers must employ a percentage of people with disabilities. Interestingly, disabled people were less likely than non-disabled people to give the right answer.

There is survey evidence of *awareness* of the DDA, however. A GB-wide representative omnibus survey of adults conducted in 2001 found over six in ten (62 per cent) saying they were aware of the DDA. Disabled and non-disabled respondents were equally likely to have heard of the legislation.¹⁵¹ In a similar survey in 1996 four in ten (42 per cent) had heard of the Act.¹⁵² But a different survey, also carried out in 2001, found disabled people less likely than non-disabled people to say they had heard of it (44 per cent compared with 53 per cent).¹⁵³

Separate questions are whether people would recognise discrimination and take action if they felt they were discriminated against. When a survey¹⁵⁴ presented respondents with a hypothetical example of discrimination relating to refusal of promotion because of the sickness absence record, three in four correctly identified this as unlawful, and disabled people were more likely than non-disabled people to do so. Asked if they would take action if the scenario applied to them, nine in ten respondents said they would. All disabled people would do, but numbers are very small at this level. The authors caution that responses may be biased towards the envisaged socially desirable answer and that responses may not be a good predictor of what they would actually do. Indeed, in-depth studies of people who had brought a case under the DDA found that often it was only at the point that a possible DDA case was being discussed with an adviser that the applicant was aware that they could be defined as disabled, and that applicants' prior awareness of the DDA was generally low. This research found that identifying oneself as disabled and the stigmas and stereotypes attached to the label were felt to be problems by applicants.¹⁵⁵

4. Employer Awareness, Knowledge and Behaviour

Several surveys have covered employers' awareness of the Act, knowledge of its provisions and practices in employing disabled people.¹⁵⁶ Comparing findings over time is very difficult because of differences in the samples (e.g. organisation or establishment based; exclusion of small employers) and the questions asked.

a. Employer awareness and knowledge of the Disability Discrimination Act 1995

Recent information on employers' *awareness* of the Act comes from two telephone surveys. One, carried out in autumn 1998, interviewed senior people with personnel responsibilities at a representative sample of UK organisations.¹⁵⁷ The other, carried out in spring 2001, was a nationally representative survey of establishments with five or more staff and interviewed near equal numbers of line managers and individuals with personnel functions.¹⁵⁸ In both surveys around three-quarters of respondents had heard of the DDA. Only 44 per cent and 38

¹⁵¹ Forthcoming DWP report.

¹⁵² Whitfield, 1997.

¹⁵³ Grewal *et al.*, 2002.

¹⁵⁴ Meager *et al.*, 2002.

¹⁵⁵ Meager *et al.*, 1999.

¹⁵⁶ A further survey, on how employers and service providers are responding to the DDA, is due for publication in the autumn.

¹⁵⁷ Stuart *et al.*, 2002.

¹⁵⁸ Goldstone with Meager, 2002.

per cent respectively said they were aware or very aware of the employment provisions, suggesting a decline in awareness over time, though not too much should be made of this as the populations in the two studies differ. Looking back to an establishment-based survey in 1996, after the Act had been passed into law and around five to eight months before it came into force, 64 per cent of *all* respondents then said they were aware of the ‘provisions’ (that is, not just the employment provisions) of the DDA.¹⁵⁹

Awareness among small employers is lower. A UK-wide telephone survey representative of establishments with fewer than 50 employees, carried out in autumn 2000, found two in three had heard of the DDA and 27 per cent of all respondents were aware or very aware of the employment provisions.¹⁶⁰

A comparison of survey findings reached the cautious conclusion that ‘*After making due allowance for methodological differences there is no clear evidence of a growth in employer awareness of the DDA in general, and the employment provisions in particular, over the period since the Act came into law.*’¹⁶¹

Claiming awareness is not the same as *knowledge*. Claims often turned out to be unjustified when tested with specific questions; for example, over half of ‘very or fairly aware’ respondents in the 1998 survey omitted to mention prohibition of discrimination when asked to volunteer the main DDA provisions. In all three surveys, many respondents wrongly believed they were exempt or, more commonly that they were covered, when the reverse was true.

b. Changes in employers’ practices

The comparative review of survey findings cited above¹⁶² points to shifts in employers’ practices since the early or mid 1990s: a significant growth in the proportion of employers with formal written policies on employment of disabled people; and an increasing proportion reporting they actively encourage employment of disabled people. The review also points out that the proportion of employers reporting that they have disabled employees has risen, possibly reflecting increased awareness of disability among their employees or real growth in employment of disabled people (or both).

A cautious suggestion from the review is that a growing proportion of employers with disabled employees may be making adjustments on their behalf. But one survey found that the majority of organisations were neither making nor anticipating adjustments, mainly because they did not believe any needed to be made or because of a narrow interpretation of disability, and the authors observed an unwarranted degree of ‘complacency’ and a reactive stance.¹⁶³

We cannot assume that developments in employers’ practices are attributable to the DDA, however. A report of a panel survey of 212 predominantly large and public sector employers commented that the DDA was ‘rarely’ a primary reason for introducing a written policy on employment of disabled people; more important reasons given were promoting equal

¹⁵⁹ Unpublished data from disability module of a multi-purpose survey of employers, cited in Goldstone with Meager, 2002.

¹⁶⁰ Meager *et al.*, 2001.

¹⁶¹ Meager in Goldstone with Meager 2002, p93.

¹⁶² Meager in Goldstone with Meager 2002.

¹⁶³ Stuart *et al.*, 2002.

opportunities and eliminating barriers to employing the best person for the job.¹⁶⁴ Other influences may include promotion of the ‘business case’ for employing disabled people, an argument promulgated by the Employers’ Forum on Disability¹⁶⁵ and taken up by government.¹⁶⁶ Evidence of the influence of the business case is limited: one in four respondents to a UK-wide survey of employing organisation agreed that retention of disabled staff was positive for their public image.¹⁶⁷

c. Obstacles to adherence to the Act

There have been concerns that disabled people are not offered jobs and are dismissed from their situations because employers see them as a health and safety risk. An as yet unpublished study commissioned to examine this issue¹⁶⁸ found sources gave differing estimates of the extent of such practices. Occupational health practitioners stood out: nearly half had experience of their organisation deciding not to offer a job to a disabled person on health and safety grounds, and a similar proportion said the organisation had dismissed someone with a disability, ill-health or injury on such grounds. The corresponding proportions reported by large employing organisations, on the other hand, were only one-fifth and one-third. Responses from these postal surveys with low response rates may not be typical. What is most striking is the overriding concern with the health and safety of the person in question rather than other employees or the public. The authors comment on a debate common to the UK and the US on the how far employers should be permitted to be over-protective towards disabled people in this way.

F. Interventions Directed at Employers

Programmes directed at employers comprise interventions by employment advisers, financial incentives and promotion of good practices.

1. Interventions by Employment Advisers

Employers can value *interventions by employment advisers* that help them to find the best person for the job and make the engagement of a new member of staff an easy process, as long as their selection processes are not compromised. It is important for advisers to have a good understanding of the business and what the job involves when supporting candidates. Good experience of an employment adviser and of employing disabled people can lead to employers approaching advisers when they have vacancies. Employers value guidance on adaptations. Adviser input can raise receptiveness to employing disabled people but much remains to be done to change negative stereotypes.

Disability Employment Advisers work with employers to achieve employment placements and support job retention, but there is no evidence from research on the effectiveness of their interventions.

¹⁶⁴ IRS, 2002.

¹⁶⁵ Zadez and Scott-Parker, 2001.

¹⁶⁶ For example, Office of the Deputy Prime Minister, 2002.

¹⁶⁷ Stuart *et al.*, 2002.

¹⁶⁸ Hurstfield *et al.*, unpublished.

One of the aims of the *New Deal for Disabled People Personal Adviser Service pilot* was to influence employers' recruitment and retention practices, and raise the level of employers' disability awareness. Depth interviews with employers tell us something about how the pilot projects helped employers, although not all in the study had experience of employing or offering a work placement to a client of the service.¹⁶⁹ Help in finding suitable people for a post was a key element. Universally employers wanted the best person for the job, reflecting survey and case study findings.¹⁷⁰ They also wanted the engagement of a new member of staff to be a smooth and easy process. They valued screening by personal advisers to make sure applicants had the right qualifications and experience, and would fit in. It was important for advisers to have a good understanding of what the work involved, and telephone contacts or visits were welcomed. Having details about the applicant's situation in advance of an interview was particularly important to employers with limited experience of disability, as was help in identifying what was needed to make the post accessible. It was useful where a personal adviser could arrange Access to Work provision, as employers tended not to be aware of the programme or of the options.¹⁷¹

Positive impacts identified by employers included seeing disabled people as potential employees, raising the level of disability awareness and increasing confidence in employing a disabled person in the future. A number of who had employed clients from the service had started informing the service of their vacancies routinely or asking to be given details of other possible employees.

The *New Deal for Disabled People national extension* has no specific aim to influence employers' recruitment and retention practices. Job brokers are free to decide how to deliver services to help incapacity benefits recipients to find and sustain work. They may choose to 'market' their services to employers, make speculative contacts, follow up advertised vacancies with employers, support a job application, help the employer and employee with any adjustments needed or keep in touch post employment to help with any unforeseen problems. On the other hand, they may have little or no employer contact if they prefer to help people with the skills to get their own jobs.

Given the likely diversity of job broker approaches, it is perhaps not surprising that a qualitative study of employers found them generally unaware that they had hired someone registered as a NDDP participant.¹⁷² Employers interviewed (74 recorded as having a NDDP employee) did not recall much job broker intervention - a cover letter or phone call in response to an advertised vacancy was most widely recalled. People were recruited largely on their own merits without the need for extensive job broker input. Employers generally liked a low-key approach from job brokers that did not compromise their selection processes or criteria. There was little awareness of job broker involvement post recruitment. Where it was reported, the main inputs were guidance on adaptations, which was well received, and monitoring or liaison to identify any unforeseen problems. Job broker clients recruited tended to need little or nothing in the way of adjustments. The authors conclude that there was little evidence of the NDDP influencing employers to behave differently in the future.

¹⁶⁹ Loumidis *et al.*, 2001.

¹⁷⁰ Stuart *et al.*, 2002; Watson *et al.*, 1998.

¹⁷¹ Stuart *et al.* (2002) found only one per cent of 1,754 employers surveyed had received help through Access to Work.

¹⁷² Aston *et al.*, 2003.

The study of the Personal Adviser Service pilot concluded that there remained considerable work to be done with employers in challenging negative stereotypes. A telephone survey of employers in ONE areas asked about the likelihood of taking on people from the three main ONE groups.¹⁷³ It found only 62 per cent of employers said they were ‘quite or very likely’ to recruit ‘people with physical disabilities’ and only 37 per cent ‘people with mental health problems’, compared with 88 per cent saying they were ‘quite or very likely’ to take on lone parents and 78 per cent long-term unemployed people.

2. Rewards and Wage Subsidies

Over the last 60 years the UK has tended to reject financial incentives to employers as contrary to principles that disabled people should be employed on merit and in equal competition.¹⁷⁴ But there is survey evidence that employers would consider employing a disabled person if some financial support were available¹⁷⁵ and some reported enthusiasm for financial incentives for retention and rehabilitation.¹⁷⁶ The incentive effects of Access to Work were discussed in section D of this part.

a. Rewards for recruiting disabled people

One very small¹⁷⁷ scheme, introduced in 1977, offers the employer a reward for taking on a disabled person, regardless of whether extra costs are involved or productivity is reduced. The *Job Introduction Scheme* is intended for situations where an employer would offer the job but has reservations about the individual’s ability to cope for reasons related to their impairment. It applies only to non-governmental vacancies in permanent jobs expected to last at least six months. It provides a weekly payment of £75 for a trial period of six weeks and may in exceptional circumstances be extended to 13 weeks.

What we know about the impact of the *Job Introduction Scheme* on recruitment decisions suggests that the payment can be attractive to small employers finding it hard to recruit to low waged or part-time jobs but not worth the effort for larger employers. It could lighten concerns about the effects of the applicant’s health problem or disability when backed by support from a Disability Employment Adviser.

Rather little is known about the impact of the payment. The only recent study, carried out in 1997, was qualitative and small scale.¹⁷⁸ Access to the scheme was mainly limited to Disability Employment Adviser (DEA) clients, where the DEA judged it would swing the decision in the client’s favour. The money could be attractive to small employers offering low waged or part-time jobs and experiencing recruitment difficulties, but larger employers viewed the total value (then £45 per week) as too low and not worth the administrative effort. With support from a DEA, the Job Introduction Scheme could lighten employers’ concerns about an individual’s impairment or health problem, especially employers with limited experience of recruiting disabled people. But it also could draw attention to a disability of which the employer was unaware and accentuate concern. And the short-term nature of the

¹⁷³ Bunt *et al.*, 2001.

¹⁷⁴ Thornton and Lunt, 1995.

¹⁷⁵ Stuart *et al.*, 2002.

¹⁷⁶ Loumidis, 2001; James *et al.* unpublished.

¹⁷⁷ Number of people helped annually fluctuated between 4,000 and 2,500 in the period 1998/99 to 2000/01.

¹⁷⁸ Atkinson and Kodz, 1998.

payment did not help where there were worries that ill health might lead to sickness absence. Just under half of the 40 employers interviewed indicated they would probably or definitely have taken on the individual without it but as the study was small and not representative this finding should be treated with caution. There are no administrative or survey data on the longer-term effects on employment once the payments cease but the qualitative study found terminations rarely related to a disability or health problem.

b. Compensation for reduced productivity

Financial compensation for reduced productivity was a feature of the Supported Employment Programme. It is being phased out under the revamped programme introduced in April 2001 (known as WORKSTEP) and replaced with support in kind. There is no evidence of the effects of the subsidy in encouraging employers to take on supported employees. An evaluation of the net costs and individual benefits of the Supported Employment Programme¹⁷⁹ had aimed to investigate associations between supported employees' evaluations of the programme and the presence or absence of a wage subsidy, but this proved not to be possible. The new programme aims to increase movement from supported employment into unsupported jobs.¹⁸⁰

3. Promotion of Good Employment Practices

Persuasion has been a consistent feature of the UK policy approach. For instance, employers are encouraged to sign up as a 'Disability Symbol' employer, signifying commitment to guaranteed job interviews to disabled job applicants who meet minimum criteria for a vacancy, annual consultation with disabled employees about work requirements, job retention, improving disability awareness, and checking progress and informing employees of plans. There are some associations between being a 'Disability Symbol' employer and good recruitment and retention practices, but among disabled people knowledge of what the symbol signifies seems to be limited.¹⁸¹ The Employers' Forum on Disability (EFD) also promotes adherence to employment standards amongst its members and enables monitoring.¹⁸²

G. Employer Initiatives

There is very little robust research evidence on employers' actions to promote employment and retention of disabled people outside the policy framework set by the DDA or on what drives them to do so. We know that employers carry out disability awareness training,¹⁸³ conduct disability audits, use employee assistance programmes as a contribution to the management of absence,¹⁸⁴ and adopt 'disability leave' to support employee retention¹⁸⁵ (in partnership with RNIB, a national voluntary organisation). But there is scant evidence on impact. We know a lot from government-sponsored and other research¹⁸⁶ about the prevalence of formal policies, either specifically for disabled people or as part of wider diversity or equal

¹⁷⁹ Beyer, *et al.*, 2003.

¹⁸⁰ The evaluation of the Supported Employment Programme is not reported here nor are studies of non-governmental supported employment programmes, for reasons of space.

¹⁸¹ Sampson, 1998.

¹⁸² For example, Holland (1995) in a postal survey for a Masters thesis examined the extent to which EFD members were implementing the 'Ten Point Action Plan'.

¹⁸³ Cunningham and James, 1999.

¹⁸⁴ Highley-Marchington and Cooper, 1998, cited in James *et al.*, 2000.

¹⁸⁵ Paschkes-Bell *et al.*, 1996.

¹⁸⁶ For example by Equal Opportunities Review and IRS, but samples are not representative.

opportunities policies. But we do not know how these are put into practice - who uses them, in what circumstances and to what effects - and some disabled people have questioned whether written policies are acted upon to support job retention.¹⁸⁷

There are insights from research into how employers manage long-term sickness absence. Effective practices include keeping in regular contact with and consulting the absent employee; clarity on roles within the organisation and responsibility for co-ordination; case-conferences; training on procedures and how to implement them; having occupational health advice available; and providing speedy medical and vocational rehabilitation.¹⁸⁸ A Trades Union Congress study comprised a postal survey of safety representatives at unionised organisations GB-wide, backed by case studies of approaches to rehabilitation by nine employing organisations.¹⁸⁹ Key features of good rehabilitation practice were concluded to be investigation of work-related causes of long-term sickness absence; a non-disciplinary approach to employee health; effective management of return-to-work and good cooperation throughout all levels of the organisation; and a will on the part of the employer to work together with employees and their unions.

A recent review concluded that the weak research base suggests that, although many employers have data that would allow them to identify employees who need rehabilitative support and there is widespread willingness to make workplace adjustments, there are very few workplaces with potential to adopt a meaningful case management approach - because of a combination of absence management procedures, very limited provision of private treatment, and lack of specialist support to line managers from human resource and occupational health specialists.¹⁹⁰

A gap is research on what happens within employing organisations – *‘the dynamic interplay between the organisation and individual factors which influence the operation of return-to-work activities’*¹⁹¹ - to allow us to understand better ‘what works’.

III. Looking Ahead

A. Anti-discrimination Legislation

The Disability Discrimination Act 1995 (DDA) is to be strengthened by regulations to implement the disability provisions of Article 13 of the European Union Employment Directive. Regulations also incorporate some recommendations by the Disability Rights Task Force.¹⁹² The exclusion of employers with fewer than 15 employees and professions such as police officers, fire fighters and barristers will be ended, bringing over one million additional small employers and around seven million further jobs within the scope of the Act. Compliance with the European Equal Treatment Directive will bring vocational training and retraining, including practical work experience into scope. Informal work experience, such as volunteering, remains excluded, however.

¹⁸⁷ Barnes *et al.*, 1998.

¹⁸⁸ James *et al.*, 2000.

¹⁸⁹ Labour Research Department, 2002.

¹⁹⁰ James *et al.*, unpublished report to Health and Safety Executive.

¹⁹¹ Cunningham and James, 1999.

¹⁹² Disability Rights Task Force, 1999.

The research reviewed demonstrates that there is still much to be done among employers already covered by the Act to raise understanding of its employment provisions, to tackle complacency and to eradicate unhelpful stereotypes of disability. Problems are worst where small employers are concerned. Most businesses brought within the scope of the Act in 1998, when the threshold was reduced to 15, were unaware that they were covered; a tiny minority of currently exempt employers are found to have plans to make changes to improve access to disabled employees or to make it easier to recruit or retain disabled staff; and use of external information or advice on employing disabled people is found to be extremely limited among small employers.¹⁹³

B. Reforms to Promote Movement from Incapacity Benefits to Employment

DWP has recently announced plans in a 'Green Paper' to help people on incapacity benefits to return to work.¹⁹⁴ Pilots in seven Jobcentre Plus districts will include compulsory participation in a series of work focused interviews with Jobcentre Plus advisers, beyond the current provision of a single interview, for most new incapacity benefits claimants; the creation of new teams of specialist advisers to work with people on incapacity benefits; improved referral routes to specialist employment services including to the New Deal for Disabled People job brokers; and, as already noted, the establishment of rehabilitation pilots in conjunction with the National Health Service bringing together medical and vocational rehabilitation. A new Return to Work Credit will be payable at £40 per week for 52 weeks where personal income would be below £15,000 a year, and an Adviser Discretion Fund will allow advisers to make an award of up to £300 to support return to work activities. There are also plans to provide more support to those moving from incapacity benefits to Jobseeker's Allowance, including providing tailored help from advisers with specialist skills.

The experience of the New Deal for Disabled People Personal Adviser pilot and early results from the national extension demonstrate that invitations to take part and publicity have not been effective in encouraging incapacity benefits recipients to volunteer. A large majority believe that their ill health rules out taking up paid work, although people moving on to an incapacity benefit are more hopeful. Research on ONE and the New Deal for Lone Parents shows that compulsory interviews can be distressing to people with chronic health problems, however. The Green Paper consulted on exemptions from compulsory interviews for people for whom employment is not realistic, proposing exclusions for 'severely disabled' people, including people registered blind, those with tetraplegia or paraplegia, and people with severe mental illness or learning difficulties. These proposals fit poorly with the increasingly dominant conceptualisation of disability as a relationship between impairment and the environment, and with the 'reasonable adjustment' principles of the Disability Discrimination Act. They are aligned with the rules governing exemptions to the Personal Capability Assessment which have been criticised similarly.

Findings from ONE and Jobcentre Plus Pathfinders research demonstrated that personal advisers could feel uncomfortable about advising people with ill health or impairments about employment possibilities, and could rule out broaching the subject. They could feel that they

¹⁹³ Meager *et al.*, 2001.

¹⁹⁴ Secretary of State for Work and Pensions, 2003.

lacked knowledge about how conditions affect work; they often lacked information about appropriate solutions; and they sometimes wrongly assumed that people had been categorised by the benefit system as incapable of work. Interestingly there are no reports of advisers having such difficulties in the New Deal 50 Plus, where the vast majority of disabled people were on Jobseeker's Allowance and were not marked out as disabled in the way people on incapacity benefits are.

There is a lot of evidence that people with health problems or impairments welcome advisers who know what it is like to live with a health problem or impairment, but there is no mention in the Green Paper of plans to increase the proportion of disabled employees within Jobcentre Plus. The solution proposed in the Green Paper is to boost the role of specialist advisers. While this might be easier for mainstream advisers and for the person being assisted, it runs the risk of labelling the person as someone 'different' who needs 'special handling'¹⁹⁵, and may possibly add to current discomfort among mainstream advisers. It will be important to have clear criteria on circumstances appropriate for specialist advice and not make assumptions of need based on benefit categories.

Research tells us little about the extent, adequacy or effectiveness of disability awareness training for advisers. Effective education and strategies for attitudinal change among mainstream advisers, and working with disabled colleagues, may increase the quality of service to disabled customers. But a more inclusive approach needs to be supported by expertise in the disability system and work incentives.

Careful evaluation will be needed to disentangle incentive effects of the new Return to Work Credit. The Employment Credit in the New Deal 50 Plus was more vital to disabled people than non-disabled people, though only a small minority of the former were incapacity benefits recipients. But the expiry of the New Deal 50 Plus credit could cause distress leading to ill-health. It will be important to ensure that recipients of the new return to work credit have access to good financial and employment advice to plan transitions from the credit. Lessons from the Permitted Work evaluations should be valuable here.

C. Job Retention and Rehabilitation Pilot

The Job Retention and Rehabilitation pilot is a randomised trial of interventions designed to help people off sick to stay in employment. It will run in six large areas of GB from April 2003 for three years. Three types of intervention are being tested: 'health' interventions; 'workplace' interventions; and a combination of the two. Contracted providers come from outside the National Health Service and Jobcentre Plus. The pilot is aimed at those in employment of more than 16 hours a week who have been off work because of sickness or disability for between six and 26 weeks.

The success of the trial relies on sufficient people taking part. As no central records are kept of people in receipt of Statutory Sick Pay (the main target group) there will be no standard letters of invitation. Potential beneficiaries are expected to come forward in response to outreach by the providers, for example through advertising and promoting the service to GPs (physicians). Evidence from the New Deal for Disabled People Personal Adviser Service pilot

¹⁹⁵ ACDET, 2001.

research¹⁹⁶ and from interviews with GPs on certification practices¹⁹⁷ suggests that providers may have to work hard to engage GPs in routing people to job retention interventions.

The pilot will intervene at the stage that has been called the ‘third cycle of vulnerability’.¹⁹⁸ In other words, the intervention is available after ability to attend work has been affected, and not while job performance is being hindered or at the earlier stage when a condition has potential to affect performance. Intervention at these two earlier points will rely on aware and proactive employers.

IV. Considerations for Research and Policy

This paper has concentrated on reviewing the effectiveness of specific interventions in promoting participation of disabled people in employment. In this final Part we highlight some key considerations for research and for policy.

1. The Problem of Definitions of Disability

The policy aim is to raise the employment levels of people meeting the Disability Discrimination Act (DDA) definition of disability. Gauging the success of interventions in contributing to meeting this aim is thwarted by differences in programme eligibility criteria and inconsistent research definitions.

In most of the programmes we examined, participants must meet the DDA definition of disability (though there appears to be room for improvement in checking that participants do meet this criterion). This applies in the New Deals for unemployed people and all the specialist disability programmes except for the New Deal for Disabled People. In some other programmes the criterion is receipt of incapacity benefits, and by no means all incapacity benefits recipients meet the DDA definition.¹⁹⁹ Yet other programmes are open to disabled people on any benefit. Furthermore, some programmes are mandatory, some are available to anyone meeting the criteria who wishes to apply, while in other cases access is at the discretion of the adviser.

Research has usually adopted incapacity benefit receipt as a definitional category (as in the ONE and New Deal for Disabled People evaluations) or asked survey respondents whether they have a health condition of disability. Both approaches unhelpfully lump together people who see their ability to work as limited by ill health with those with impairments that do not affect their ability to work. The New Deal for Young People evaluation is unusual here in distinguishing participants with work limiting disability, and usefully demonstrated that there is no difference in outcomes for young people with no work-limiting impairments compared with participants as a whole.

Research singling out people with impairments that do not limit the type or amount of work they can do, given appropriate adjustments, would be justified if the purpose is to measure

¹⁹⁶ Loumidis *et al.*, 2001.

¹⁹⁷ Hiscock and Ritchie, 2001.

¹⁹⁸ James *et al.*, 2002.

¹⁹⁹ A controversial suggestion is to give recipients of incapacity benefits automatic coverage under the DDA (Disability Rights Commission, 2002).

discrimination in service provision or on the part of prospective employers. This is an area still to be explored in research on labour market interventions. Otherwise a more useful approach would be to concentrate on measuring the impact of service interventions on people with ill health or impairments that *do* limit the amount or type of work they can do. Applying the Labour Force Survey definitions consistently in survey research would also allow us to measure participation among those meeting the DDA definition. DWP has commissioned a review of definitions and estimates of disability, which hopefully will contribute to more consistency.

2. Assessing Programme Impact

An important lesson from the US is to design new interventions so that impacts can be evaluated. Possibilities of determining the net impact of the New Deal for Disabled People Personal Adviser Service were thwarted first by having to design the evaluation after the implementation of the pilot had been decided upon, so seeming to rule out the use of random assignment, secondly by budget limitations that halved the comparison samples first proposed by the research team, and finally by slow take up.²⁰⁰ In the New Deal for Disabled People National Extension, by contrast, there was extensive early consultation with potential evaluators to match programme and evaluation design but plans for using random assignment were dropped at a late stage once the tender had been let. Here impact will be assessed using non-experimental methods. The Job Retention and Rehabilitation pilot has given priority to evaluation design, even to the extent of modifying the interventions.

So far, only the ONE evaluation has produced robust evidence on the net impact of labour market intervention on disabled people. Here disabled people – that is, incapacity benefits recipients and not disabled people among the unemployed and lone parents clients – were a prime target group for the intervention. Only recently has attention turned systematically to the mainstream employment programmes. These programme were not designed with disabled users in mind, although we can now see that in almost all programmes around three in ten participants are disabled people (differently defined), and participation rates appear to be on the increase. Some might argue that it contradicts the principles of ‘mainstreaming’ to distinguish between disabled and non-disabled people in such programmes. But it would seem important to monitor, if not research, relative outcomes to ensure that aspects of programme design are not disadvantaging disabled people and that Jobcentre Plus and providers are meeting their DDA obligations as providers of services.

We know almost nothing about the effectiveness of Jobcentre Plus interventions in *sustaining* employment among disabled people. There is some evidence that support may be needed: Jobseeker’s Allowance leavers with health problems taking up permanent jobs were found to be twice as likely as those without health problems to return to the benefit within three months.²⁰¹ A large-scale pilot is planned to explore job sustainability among mainstream benefit groups, and it will be important to ensure that the effects on people with health problems and impairments are measured, for the reasons outlined above. There are no current plans to measure sustained employment in the New Deal for Disabled People beyond six months. A longer-term study would be highly desirable, given the likelihood that jobs taken up under the programme are in more insecure occupations.²⁰² Numbers of people leaving incapacity benefits in need of post-employment support may not be large, however: four out

²⁰⁰ Walker, 2000.

²⁰¹ Ashworth and Liu, 2001.

²⁰² Analysis of the NDDP Evaluation Database is still to examine the types of jobs taken up.

of five Incapacity Benefit recipients who were working after leaving benefit voluntarily were found to be still working 12 to 18 months later, only four per cent had subsequently become unemployed and 14 per cent were once again sick.²⁰³

3. The Programme Mix

Some interventions specifically designed for disabled people (regardless of benefit status) are very small scale. Even if their impact could be improved, they would make only marginal differences to employment rates without substantial investment, for which there is as yet no proven case. There is some evidence of the impact of the Access to Work programme, which complements employability programmes by removing environmental barriers, but budget constraints continue to inhibit expansion to meet likely latent demand.

The large-scale New Deals for unemployed people, including subsidised employment, and the mainstream Work Based Learning for Adults programme (now opened up to incapacity benefit recipients) appear to produce better outcomes for disabled people than their specialist counterparts, although controlled comparison group studies would be required to test this hypothesis. The policy considerations here are the appropriateness and usefulness of parallel programmes, and how to determine circumstances in which specialist programmes might be more effective.

The research evidence shows that many disabled people face multiple barriers. This suggests programmes combining service elements rather than a multiplicity of isolated programmes. While there might be an alternative argument for good case management, to draw together suitable components from different programme, user control and self-direction might be better served by streamlining existing programmes.

4. Gaps in Research

We have referred throughout to gaps in the research evidence and pick up on three key points here.

We rarely know whether the intervention makes a difference compared with no intervention. Nor do we know if one intervention is better than other. At a more fundamental level, in long-standing programmes we lack reliable information about what happens to people when they leave programmes, and we know little from participants themselves to help explain the outcomes. Measures of outcomes might be used more widely to capture ‘intermediate’ outcomes, such as improvements in well being or reduction of perceptions of external barriers.

Secondly, we know rather little about why people do not take up work incentives, take up cases under the DDA (particularly in the area of recruitment) or use voluntary employment programmes. To explore questions such as these we need small qualitative studies to provide in-depth understanding. These might be supplemented by larger scale research that focuses on exploring the latent desire to work, testing the results from the Labour Force Survey.

A third gap is understanding employer behaviour – both within and outside the regulatory framework of the DDA. As attention increasingly turns to keeping people in jobs when they

²⁰³ Dorsett *et al.*, 1998.

become disabled, it becomes more urgent to carry out robust and high quality research within employing organisations to understand the dynamics at work.

5. User Involvement in Research

In some fields – notably social services and health services – disabled people (and older people too) are increasingly taking an active part in shaping the research agenda, deciding on research design, designing research instruments, carrying out the research, writing up the results and disseminating the findings. Such developments are rare within employment and benefits research.²⁰⁴ Within DWP research in this field, steps forward have included involving programme users in deciding on priority topics and in developing good practice guidance on ways of monitoring user views of the programme.²⁰⁵ What is more common is to involve organisations of and for disabled people. For example, in the case of the evaluation of the New Deal for Disabled People national extension initial consultation on aspects of the evaluation design (primarily the proposed use of random assignment) included a number of influential representative bodies. Some of these are now represented on an Advisory Group to which the evaluators refer.

Involving users in setting research agendas can lead to helpful reformulation of the ‘problem’ being researched. For example, an agenda-setting review for the Joseph Rowntree Foundation²⁰⁶ led to research run by a disabled people’s organisation that broke new ground in recognising that disabled people take an active part in shaping their employment futures.²⁰⁷ It explored disabled people’s strategies for ‘surviving and thriving’ at work and the supports they draw upon, in contrast to conventional research that focuses on the impacts of interventions on people’s lives. Involving users in formulating the problem might be useful to DWP in considering what questions to ask about mainstream and specialist advisers’ competencies in dealing with disabled people, for example.

6. Involving Disabled People in Policy Development

The final consideration is the involvement of disabled people in setting agendas and influencing policy and practice in the field of employment and benefits. Disabled people are well represented in the Ministerial advisory committee (the Disability Employment Advisory Committee), had a strong presence in the Disability Rights Task Force before the Disability Rights Commission was set up and play a prominent part in the Disability Rights Commission itself. But active involvement in setting policy directions is not evident at the ‘grass-roots’ level, apart from rare non-governmental initiatives such as the Citizen’s Jury held to discuss how to make the incapacity benefits system work better for claimants.²⁰⁸ Certainly, DWP consults widely, and ordinary members of the public do make written responses to consultation documents, such as on the *Pathways to Work* Green Paper, but there is no

²⁰⁴ Some exceptions are a review of research and development work, which canvassed the views of disabled people and their organisations on an employment research agenda for the Joseph Rowntree Foundation (Barnes *et al.*, 1998); a study of disabled and Deaf people’s access to employment carried out by a Centre for Independent Living and academic researchers including disabled and Deaf people (Edwards *et al.*, 2000); and a study of Deaf people in the community which trained Deaf people to conduct the fieldwork (Dye *et al.*, 2001).

²⁰⁵ A small panel of Access to Work users advised the researchers on priorities and questions in questionnaire design and on best ways of monitoring user views (Thornton *et al.*, 2001).

²⁰⁶ Barnes *et al.*, 1998.

²⁰⁷ Roulstone *et al.*, forthcoming 2003.

²⁰⁸ Scottish Council Foundation, 1999.

outreach, such as local hearings to explain proposals and elicit views. In these respects we have much to learn from the US.

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APPENDIX A

A. Incapacity Benefits

'Incapacity benefits' is a generic term covering contributory Incapacity Benefit, Income Support (on the grounds of Incapacity) and Severe Disablement Allowance.

All the incapacity benefits provide a replacement income to people below state pension age who are have stopped working (as self-employed or an employee) or looking for work as a result of sickness or disability. Half of people taking up an incapacity benefit are previously unemployed.

1. Entitlement

Entitlement to one of the incapacity benefits depends on having (a) paid enough National Insurance contributions on their earning and (b) satisfied the relevant medical test.

a. National Insurance contributions on earnings

If a person has paid or been credited with a minimum level of National Insurance Contributions (NICs) and they satisfy the relevant medical test (see below) they will be entitled to contributory Incapacity Benefit (IB).

If a person has not paid enough NICs but satisfies the relevant medical test, they can get National Insurance Credits towards any future entitlement of Retirement Pension. Although they do not receive incapacity benefits as such, they can claim Income Support (the main income-related benefit paid to people who are not obliged to actively seek work) if they have a low income. They will, after 12 months of incapacity, qualify for an extra payment in their Income Support known as the disability premium. People may also be able to get IS to top-up their IB where they have no other income.

If a person has not paid enough NICs, but has been treated as incapable of work for at least 196 days and that period of time began before the age of 20 (25 for those in education or training before age 20) they are now able to claim IB. Before April 2001 they would have claimed Severe Disablement Allowance (SDA) as would others who satisfy the 196-day test and were classified as 80 per cent disabled. SDA was abolished from April 2001 for new cases.

The 2.7 million recipients of all the incapacity benefits can be broken down as follows:

Incapacity Benefit only	1,195,000
Incapacity Benefit and Income Support	310,000
National Insurance Credits only	115,000
National Insurance Credits and Income Support	710,000
Severe Disablement Allowance	315,000
Income Support for disabled people	110,000

b. The medical tests

There are two different tests of incapacity that apply in different circumstances: the *Own Occupation Test* and the *Personal Capability Assessment*.

People who have been working recently need to satisfy the Own Occupation Test. This is a test that looks at whether ill health or disability stops a person from doing their normal job (with adjustments where necessary). A certificate from a medical practitioner, usually the person's GP, is normally sufficient to satisfy this test.

Statutory Sick Pay (SSP) is paid by the employer for up to 28 weeks. Some people can claim IB straight away because they cannot get SSP. These are the self-employed, employed earners getting less than £75 per week, and people who have only recently become employed or whose contracts ended while they were sick. This group need to satisfy the Own Occupation Test for their first 28 weeks on benefit.

After 28 weeks on an incapacity benefit the groups affected by the Own Occupation Test are required to satisfy the *Personal Capability Assessment (the PCA)*. All other clients are required to satisfy the PCA from the outset of their claim. This includes those who have been unemployed or otherwise out of work and those moving across after 28 weeks on SSP.

The PCA (previously known as the 'All Work Test') is the medical test used to decide entitlement to longer-term state incapacity benefits. In contrast to the Own Occupation Test, it looks beyond ability to perform the normal occupation to assess the extent to which a person's condition affects everyday activities said to be 'work-related'. The PCA assesses 14 specified functional areas:

- physical functions such as walking, bending and kneeling, sitting in a chair
- sensory functions such as speaking, hearing or seeing and
- mental functions such as interacting with others and coping with pressure

Approved doctors working on behalf of DWP assess the extent to which a person's health condition impairs their ability to perform any of these key activities. A person satisfies the PCA if their ability to perform any *individual* activity is seriously curtailed (for example they cannot walk more than 50 metres without stopping or they cannot turn the pages of a book). Alternatively the PCA can be satisfied if there is a lesser effect *across a number of activities* (for example a person cannot stand up without holding onto something and cannot see well enough to recognise someone at 15 metres). It can also take account of the combined effect of mental and physical health problems.

The PCA draws a line between people who should not be expected to seek work in return for benefit (those satisfying the PCA who stay on IB) and those who can be expected to do so (who need to move back to work or claim Jobseekers' Allowance).

Around 20 to 25 per cent of people on IB are exempt from the PCA process. This group includes, for example, those who are already in receipt of Disability Living Allowance highest rate care component, those with terminal illnesses and those with severe or progressive illnesses such as dementia, chronic degenerative disease and severe mental illness. People registered blind and people with tetraplegia and paraplegia are also exempt.

The PCA process requires the collection of evidence to inform the decision-making process and will involve some or all of:

- a request for information from the doctor issuing sickness certificates
- in most cases, the completion of a detailed questionnaire by the customer about the impact of their condition on the activities
- scrutiny of the paper evidence by an approved doctor to decide whether the customer's self-assessment is supported by the medical evidence
- in about a third of cases, where further evidence is required, a face-to-face medical examination with an approved doctor.

In certain parts of the country, approved doctors completing face-to-face medical examinations also complete a Capability Report. This contains additional information unrelated to PCA entitlement; it is intended to identify the remaining work-related capabilities and provides advice on possible workplace adjustments. This Report is sent to the person's personal adviser to be used to focus discussions about returning to work.

Approved doctors provide medical advice in relation to the PCA to a Jobcentre Plus decision-maker who makes the final decision on benefit entitlement. Because of the need to collect sufficient evidence, the entire PCA process can take some time to complete. In the meantime, incapacity benefits can be put into payment supported by evidence from the patient's own doctor.

Where a person does satisfy the test, a date will be set for a further PCA to identify whether a person's condition has improved. Usually this is at an interval of between three and 18 months, depending when a change might be expected. Even where significant change is unlikely, cases need to be checked periodically. Procedures were standardised in May 2001 so that all cases going through the PCA are scheduled for consideration of a further test at least after three or five years – except for a small number of people with severe conditions where this would clearly be inappropriate.

2. Rates of Payment

The three routes of IB in 2002-03 were:

- for the first 28 weeks - £53.50 (short-term lower rate)
- from weeks 29-52 - £63.25 (short-term higher rate)
- from week 52 onwards - £70.95 (the long-term rate)

In addition amounts can be payable where the person claiming has an adult dependent (i.e. a partner caring for the person's child or a spouse aged 60 or over). This amounts to £33.10 a week (more once a person is on long-term IB). Further amounts payable for dependent children were abolished for new customers from April 2003 when the Working Tax Credit and Child Tax Credit were introduced.

Where people receive IS rather than IB, the standard amount for a single person is £53.95 per week. A disability premium of £23.00 a week is added after 52 weeks of incapacity (or before that in some cases). Further amounts can be payable where the person claiming has other adults or children living in the same household.

Both IB and IS remain payable until a decision is made that a person no longer satisfies any of the key entitlement conditions.

Other benefits such as Industrial Injuries Disablement Benefit and Industrial Injuries Disablement Benefit can be paid alongside incapacity benefits. Some 570,000 people on an incapacity benefit also get DLA. DLA makes a contribution towards the extra costs incurred by disabled people under the age of 65. It has a care component payable at three different rates and a mobility component payable at two different rates.

B. New Tax Credits

The new tax credits – Child Tax Credit and Working Tax Credit - separate support for adults in a family from support for children, and for the first time integrate all income-related support for children. They were introduced in April 2003.

The Child Tax Credit brings together various strands of support for families with children – the child elements in Income Support, Jobseeker's Allowance, Working Families' Tax Credit, Disabled Person's Tax Credit and the Children's Tax credit – into one streamlined system. It will be paid direct to the main carer, whether in or out of work.

The Working Tax Credit broadly replicates the adult support within Working Families' Tax Credit and Disabled Person's Tax Credit, and extends support to some adults without children or a disability. It will continue to include support with the costs of childcare. It is paid through the wage packet.

Both tax credits are based on current year's annual household income and are assessed on an annual basis. They are responsive to certain changes in circumstances (such as the birth of a child or a change in household income) throughout the year.

Responsibility for administering the new credits rests with the Inland Revenue. Jobcentre Plus outlets will assist in delivery by ensuring that current and future Tax Credits entitlement is understood by the customer and forms part of better-off in work advice and calculations. Other DWP operational arms like the Pensions Service, Child Support Agency and Disability Carers service will give customers contact details to liaise with the Inland Revenue direct.

Key Facts and Figures

Almost six million families could be entitled to either Child Tax Credit or Working Tax Credit, or both. Child Tax Credit is available to nine out of ten families with children.

Budget 2003 announced the rates and tapers of the new tax credits. Key messages were that: Child Tax Credit, with the addition of Child Benefit (a separate universal benefit), will provide support for children of:

- at least £54.25 a week for the first child for the 25 per cent of families with an income of less than £13,000 a year; and
- at least £26.50 a week for the first child for the 85 per cent of families with an income of less than £50,000 a year.

Working Tax Credit (from October 2003) will guarantee minimum incomes of:

- £241 a week for a family with one child and one earner working full-time on the National Minimum Wage; and
- £187 a week for a single earner couple without children or a disability, aged 25 or over working full-time on the national Minimum Wage.

C. The Disability Discrimination Act 1995

The Disability Discrimination Act 1995 makes it unlawful to discriminate against disabled persons in connection with employment, the provision of goods, facilities and services, and the disposal or management of premises. Terms in the Act are amplified in government guidance.

1. Definitions

The definition of *disability* is ‘a physical or mental impairment which has a substantial and long-term adverse effect on a person’s ability to carry out normal day-to-day activities’. The Act also applies to someone who has had a disability in the past.

The term *impairment* is not defined by the legislation. Nor is *physical impairment* or *mental impairment*, but a schedule to the Act explains that the latter includes an impairment resulting from or consisting of a mental illness that has to be a clinically well-recognised illness. Statutory guidance helps with the interpretation of these terms. Severe disfigurement is automatically included as having a substantial long-term adverse effect (excluding tattoos and bodily piercing for decorative purposes). Exclusions are addiction to alcohol, nicotine or any other substance; a tendency to set fires; a tendency to steal; tendency to physical or sexual abuse of other persons; exhibitionism; voyeurism; and hay fever.

The impairment must have long-term effects that are *substantial*, defined as more than ‘minor’ or ‘trivial’, and time taken to carry out the activity must be considered. Progressive conditions are regarded as having a ‘substantial effect’ from the moment they have some effect even though this is not substantial.

The substantial effects must be *long-term*. A long-term effect is one that has lasted at least 12 months; is likely to last at least 12 months from onset; or is likely to last for the rest of the person’s life.

The long-term adverse effects must affect a *normal day-to-day activity*; that is activities that most people carry out daily, frequently or on a fairly regular basis. An impairment must affect one of the following: mobility; manual dexterity; physical co-ordination; continence; ability to lift, carry or otherwise move everyday objects; speech, hearing or eyesight; memory or ability to concentrate, learn or understand; and perception of the risk of personal danger. As well as direct effects, an impairment may have indirect effects on carrying out day-to-day activities where a person is limited by medical advice and where an impairment causes pain or makes carrying out an activity unusually fatiguing. Treatment or correction should not be taken into account, including medical treatment or the use of a prosthesis or other aid (for example, a hearing aid), except for glasses or contact lenses.

2. Coverage

The employment provisions of the Act apply to employers based in Great Britain and Northern Ireland. They cover permanent members of staff and temporary workers on contracts (including self-employed contract workers). When the Act was introduced in December 1996 employers of less than 20 employees were exempt. From December 1998 employers of less than 15 have been exempt.

Certain occupational groups currently exempt include police, army and fire fighting officers; people working on board a ship, aircraft or hovercraft; and barristers.

3. Unlawful Discrimination

The DDA makes it unlawful for an employer to discriminate against a disabled person in arrangements for selection and recruitment of staff; in terms in which employment is offered; by refusing to offer, or deliberately not offering, employment; in opportunities (or lack of opportunities) for promotion, transfer, training or any other benefit; or by dismissal or subsection to any other detrimental treatment.

In addition, employers have a duty to take any reasonable steps they can to reduce or remove any substantial disadvantage caused to a disabled employee or job applicant by any of the employment arrangements or any physical feature of the premises. This is the duty to make 'reasonable adjustments'.

Discrimination occurs where a disabled person is treated less favourably than someone else; the treatment is for a reason relating to the persons disability; and the treatment cannot be justified. Discrimination also occurs where there is a failure to make a reasonable adjustment for a disabled person and that failure cannot be justified.

4. Pursuing a Claim of Discrimination

To pursue a claim against an employer for infringement of employment rights the normal route is the Employment Tribunal system. Employment Tribunals (ETs) are independent judicial bodies, which determine disputes relating to employment rights under a range of jurisdictions including the DDA. They aim to provide speedy, accessible and relatively informal justice. The Employment Appeals Tribunal deals with appeals against ET decisions based on points of law. Tribunals may award unlimited compensation. In 2001/02 the highest reported award was £215,000 and the median award was £6,000.²⁰⁹

A copy of all claims to the ET is sent to the Employment Tribunals Service (ETS). The Advisory, Conciliation and Arbitration Service (or the equivalent body in Northern Ireland) is able to intervene to attempt a settlement as a first resort. Around four in five cases are settled or withdrawn before they reach a tribunal. In 2001/01 ETS received 5,057 cases under the DDA of which 1,957 were settled, 1,317 were withdrawn and 791 went to tribunal (the remainder were incomplete). The Disability Rights Commission also supports disabled people in achieving rights under the Act.

5. Changes to the Act

Disability regulations laid before Parliament will come into force in October 2004:

- ending the small employer exemption
- covering police officers, prison officers, fire-fighters, employees on ships, planes and hovercraft, barristers and their pupils, business partners
- allowing claims against former employers within six months
- ending justification for failure to make a reasonable adjustment.

²⁰⁹ Employment Tribunals Service, 2002

- People certified by an ophthalmologist or registered with a local authority as blind or partially sighted will be deemed disabled.

D. Work-based Learning for Adults

The four elements of Work-based Learning for Adults are as follows.

- Basic Employability Training is for people with severe literacy and numeracy problems. Provision for up to 26 weeks includes development of motivational and other soft skills; literacy, numeracy and communication skills; and job focused occupational training and work placements.
- Short Job Focused Training is for people who are largely job ready but lack specific work-related skills or soft skills required by local employers. Provision for up to six weeks, usually of 30 hours per week, is a mix of developing and refreshing occupational or work-related skills, work placement, and support with job search activities.
- Longer Occupational Training is to help gain or up-date occupational skills needed to fill local skill shortages. Provision for between seven and 52 weeks (average 14 weeks) is an individually tailored mix of study for qualifications, work placement, support to develop soft skills, basic skills training and job search. Clients attend for a minimum of 21 hours per week.
- Self-employment Preparation has three stages. Stage 1 is advice and information. Stage 2 includes further one-to-one support, production of a business plan and a four-week short course normally attended one day per week. Stage 3 allows for up to 13 weeks test trading while retaining benefits. Training in bookkeeping, cash flow, marketing and VAT is available.

APPENDIX B: Charts

Chart 1

Proportion of People aged 16-24 Reporting a Limiting Longstanding Illness, Disability or Infirmity (GHS)

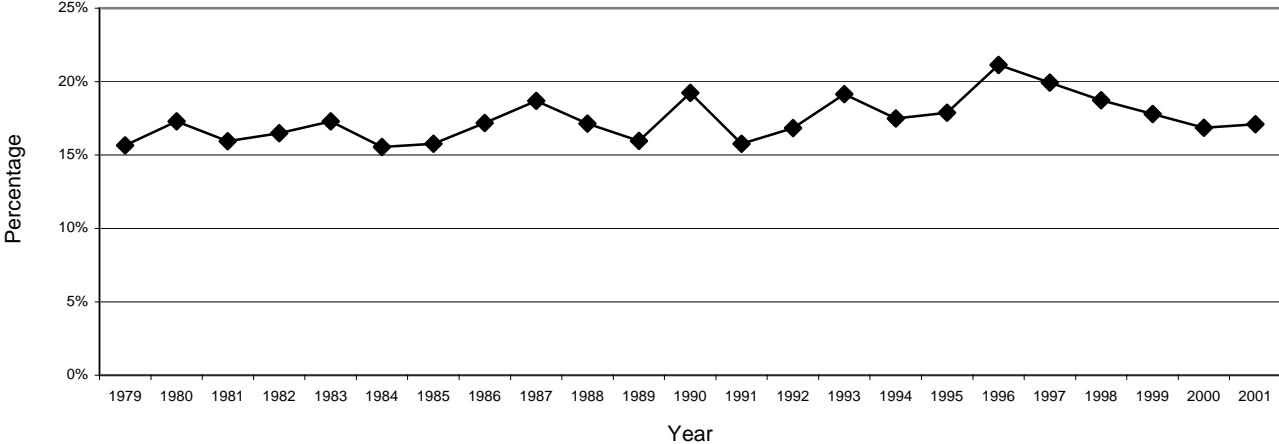


Chart 2

Employment rates for people aged 16-64 reporting a limiting longstanding illness, disability or infirmity (GHS)

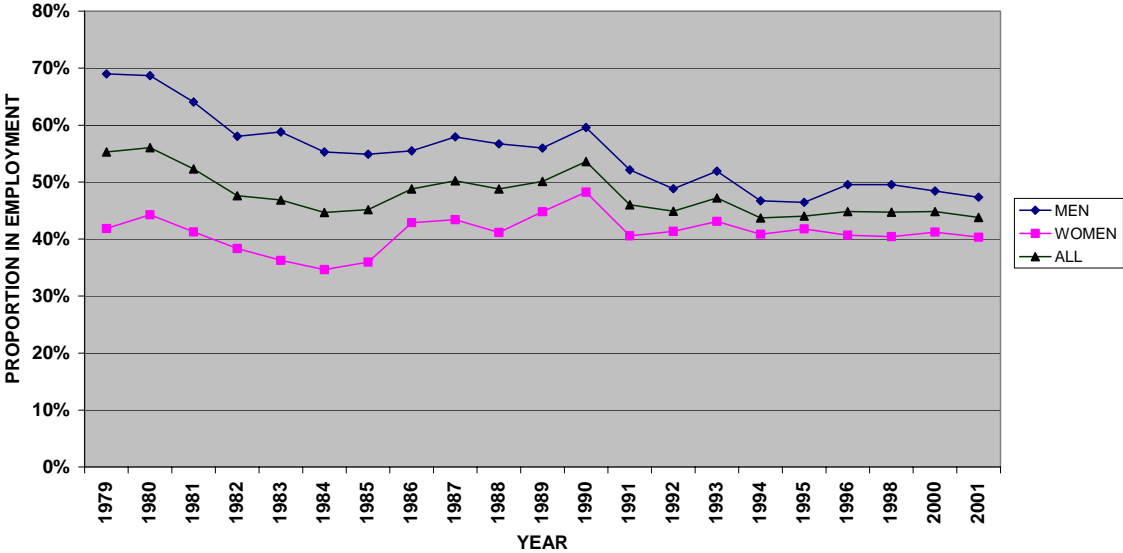
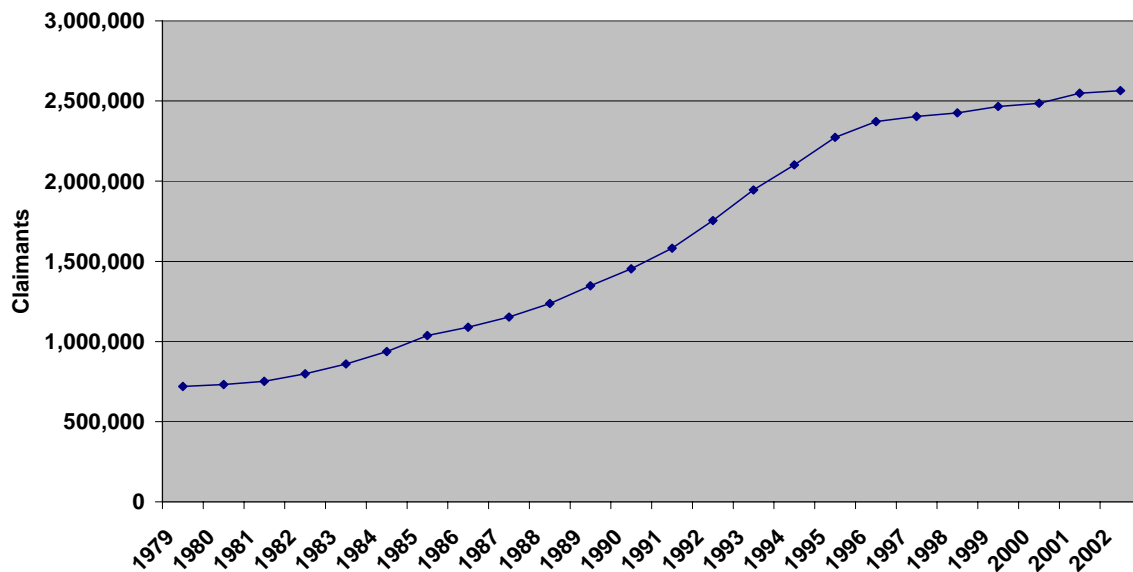


Chart 3

Working age claimants of incapacity-related benefits (excluding IB short-term lower cases): 1979-2002*



* Since 1995 incapacity-related benefits covers Severe Disablement Allowance and IB Credits as well as people in receipt of an Incapacity Benefit payment. (See Appendix A for an explanation of these benefits.) Prior to 1995 Invalidity Benefit and Sickness Benefit were the equivalent of Incapacity Benefit.

Chart 4

Working age recipients of IB, IB credits and Severe Disablement Allowance by age and gender, August 2002

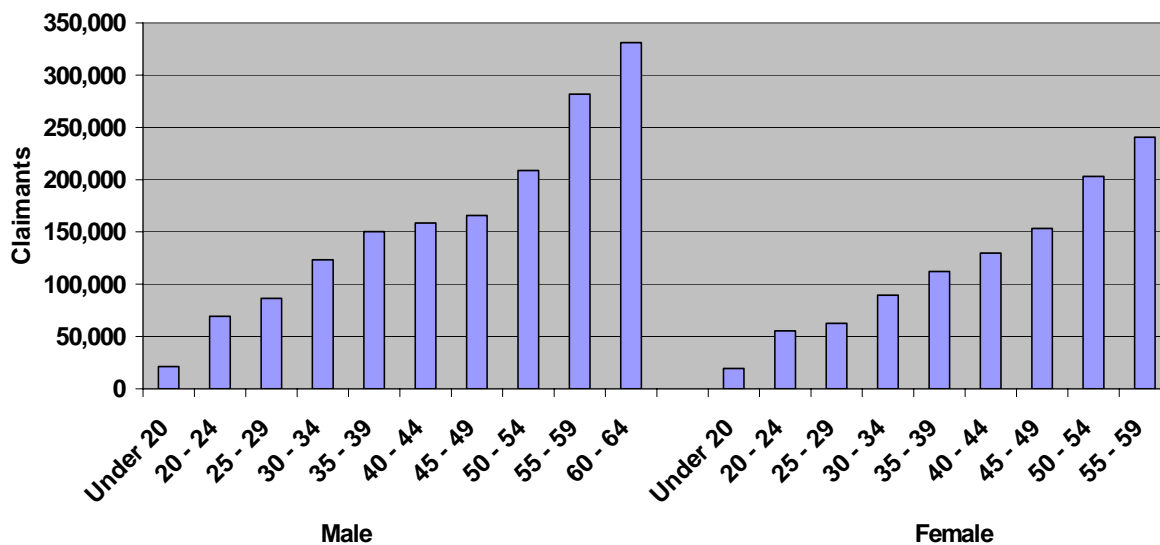


Chart 5

Stock of IB, IB credit and Severe Disablement Allowance recipients by diagnosis group at August 2002

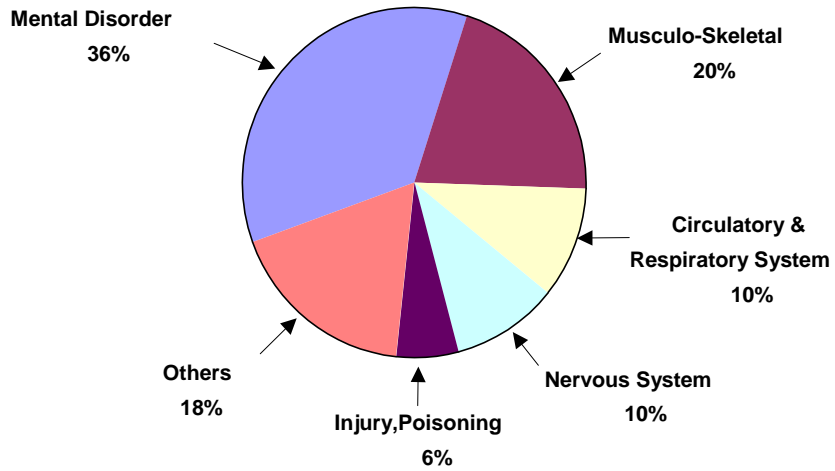


Chart 6

Flows onto IB, IB credits and Severe Disablement Allowance by diagnosis group, August 2001-02

