



**WorkDirections®**

# **Shaping the Incapacity Benefit Reforms Green Paper**

**Response to the Department for Work and Pensions  
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WorkDirections UK is part of the Australian-owned Ingeus group of companies. We provide effective, accountable welfare-to-work services. We launched in the UK in 2002, and started delivering services to people on Incapacity Benefit through the New Deal for Disabled People (NDDP) in April 2004. Our Birmingham operation is the largest single NDDP programme in the UK, and is co-located with our new Employment Zone operation in the city centre. Our experience of complementing effective employment services with vocational rehabilitation techniques put us in a unique position to enable this client group to access meaningful employment outcomes.

### **Fairness: What should be the content of the ‘return to work activities’ that we recognise as beneficial in helping people to get back to work?**

We would like to frame our answer to this question by underlining the fundamental importance of both a clear work focus and flexibility in delivery. Despite the relative ease with which a list of ‘return to work activities’ could be compiled there is a real danger that this will lead to prescribed activities and a process-driven programme, rather than one which is flexible and responsive to the needs of the individuals using it.

The current NDDP programme provides an excellent example of how a flexible approach works in practice; enabling providers to deliver services they perceive to be most appropriate for the individuals on their caseload. The risk-reward structure of both funding and contracts ensures a clear focus on outcomes.

In the context of the suggested reforms to IB, we advocate identifying the best approaches to work-focused interventions, rather than attempting to prescribe content. We contend that the ability to tailor effective interventions is heavily dependent on the approach to service provision, both by procurer and purveyor of services, and that, therefore, this requires due focus. Best practice requires interventions to be respectful, empowering and individually-tailored.

The superiority of a case-management approach, driven by the needs of the individual, has been identified as key by a number of organisations including the British Society of Rehabilitation Medicine. Our experience of delivering services in both the UK and Australia has underlined the central importance of the client/advisor relationship. Integral to success with all clients, including those most disadvantaged within the labour market, is the need for this relationship to be professionally informed. It is essential that advisors understand the nature of both incapacity and unemployment. The combined impact on claimants’ lives can be seen in their levels of motivation, activation and socialisation. The response needs to meet intertwined causes with concurrent solutions.

In practice this means a service which places ‘return to work activities’ in a wider context. This may mean the provision of access to a condition management programme if appropriate. For WorkDirections in Birmingham this has entailed embedding a psychologist and physiotherapist within the advisory team. They work with advisors and clients on a 1-1 basis and in groups as an intrinsic part of the transition process not a bolt-on service. The presence of specialists has also improved the skills of the whole team. It also enables us to offer clients a more

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informative service where their work and health needs are explored. Evidence from the back pain pilot delivered in Salford in 2003 also demonstrates positive gains from people actively understanding their health issues and how to manage them.

Within the IB reform process there is also the opportunity to look at longer-term interventions to improve employment life-chances of claimants. This should include skills enhancement through the Learning Option, Employer Training Programme, and support for those who have moved into work from IB to progress - some of these ideas are explored in more detail in answer to question two.

### **Security: How can we minimise the risks people face when they want to move into work and ensure people have every incentive possible to try out work?**

In considering this question it is apparent that risks associated with moving from benefits into work can be minimised, and associated incentives increased, by introducing systemic changes - some of which are already planned. Additionally, the value of improving people's experience of work in both the short and the longer term should not be underestimated.

The extension and simplification of the linking periods identified in the 2005 Budget are certainly welcome. This should remove some considerable concerns for some people as the current system is unnecessarily complicated and bureaucratic. However, as we move towards the new benefit system the concerns of those on IB currently will heighten, particularly if they perceive that they will be more exposed under the new system. The implications for people on IB starting work after the reforms have occurred need to be explicit and, importantly, simple. One of the endemic problems with the current system is its structure, which takes no account of the fluctuating nature of many conditions. Changing the linking rules should have a considerable impact on risk management - it is essential that this is not lost when more fundamental changes to the benefit take place.

'Incapacity' is a nebulous concept. Not only do levels of capacity fluctuate, but also the nature of disabilities and health issues can and do change. There is a clear need for this to be reflected within the structure of the reformed benefits. This requirement for flexibility is discussed in more detail in answer to question three.

Permitted work should be an ideal way for clients to try out work. However, inflexibilities within the current system mean its advantages are not maximised. An example of this is the treatment of ad hoc overtime which would take clients' hours above 16 in that week. Should irregular overtime be possible, clients would be better able to meet their employer's needs and prove their value. It would also enable clients to test their own ability to work more than 16 hours a week. Additional earnings could be offset against benefit income.

There are additional issues of 'security equity' for those on Income Support with a Disability Premium which need to be addressed as part of any proposed reforms. Under the current system the latter group encounter greater restrictions in taking up permitted work - they are only able to earn £20 per week before their benefits are affected. Without the same level of protection as clients on IB they are less likely to take the 'risk' of starting employment.

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Considerable effort has been made to ‘make work pay’ through the use of tax credits, the minimum wage and the return to work credit. These could, however, be considerably enhanced. The tax credit system is notoriously complex - indeed clients can receive different responses depending on whether they apply for credits over the phone, or on-line.

We also have a concern about the equivocal evidence of the success of return to work credits in terms of increasing both retention and earning capacity beyond 52 weeks. This could be improved through a flagged intervention for working recipients at 45 weeks. This would ensure that clients were aware that the credits were coming to an end, and had fully explored all options available to them to continue earning at that rate.

A retention and progression focus to service provision should ensure that clients are able to continue to access services once in work should they want to increase or decrease hours or change jobs. Whilst good providers offer these services, they are not expected or funded to do so beyond 13 weeks. This is a comparatively short timeframe considering the length of time many clients will have been out of work. Elements of the recent Skills Strategy should offer some opportunities through which to deliver this.

Other aspects of service delivery pre-employment are important to ensure risks are minimised. A quality match between client, vacancy and employer will do much to allay fears and provide motivation. This requires an understanding of client needs in terms of the required working environment - this is true for anyone looking to work, but can be more important for people with certain health conditions or disabilities. Increasing emphasis is being placed on educating employers both about their responsibilities and their potential gains from implementing better retention and sickness policies, and this is certainly a move we welcome.

Also important at the pre-placement stage is the professionally informed advice and support given to clients about managing their condition once in work. In addition to building confidence, this empowers clients to take control over their lives and make decisions that are right for them. This process is currently significantly weakened by a fragmented and poorly coordinated approach which often sees clients given conflicting messages by health and employment specialists about the value and possibility of returning to work.

Risk to the individual could also be minimised by reviewing the Housing Benefit process for those moving into work. The system needs to be simpler, more transparent and easier to navigate - particularly for people once they are in work. The perception amongst clients is that the process is complicated in order to discourage applications. Health professionals with whom we are trying to engage have expressed reluctance about clients starting work because of the likelihood of ensuing housing benefit problems.

**Inclusion: What can we do to signal that being on the Disability Sickness Allowance doesn't mean someone is written off or has no interest in working - but does recognise the severity of their sickness or disability?**

As identified above the current structure of IB has fuelled the perception that people need to follow a sequential process in order to be well enough to work,

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rather than positioning work as part of a concurrent - and therapeutic - process. There is a clear danger that the proposed changes will recreate this tension with those on DSA receiving minimal interventions, until they consider themselves 'fit' to work.

This can be challenged in a number of ways. The transitions between DSA and RSA will be of fundamental importance, as this will reflect how well the fluctuating nature of many illnesses and disabilities are understood. This will entail consideration of how people will move into work from DSA, and whether this is a staged process that means people are encouraged to move to RSA first. Clients moving between the two will need to be convinced that an easy transition can occur in both directions. Without this there will be an understandable hesitance to accept increased conditionality without the safety net to return to DSA if this becomes untenable.

There will need to be absolute clarity about the impact on benefits should a client move from DSA into work. Will linking rules apply to DSA or will they return to RSA, as a result of recent work experience? Will there be different conditions should a client choose to undertake permitted work?

In addressing the wider question of the level and type of intervention provided for people on DSA it is important that these are an improvement on the current system. We advocate regular and well signposted intervention with prescribed minimum contact levels set as appropriate for the individual. Condition management interventions would also be of value to those not ready to return to work immediately in order that they can increase the control they have over their situation. This should sit alongside information about, and access to, other programmes delivered by Jobcentre Plus and its partners, enabling clients to remain engaged in meaningful activity, preventing isolation. This should include, although in no way be limited to, learning opportunities which may support future transitions to work. This could be delivered through the Learning Option detailed in the 2004 Pre Budget Report.

### **Results for all: What key features does the system need to ensure that it works effectively for people with mental health conditions?**

As has been identified throughout this response, key to effective provision of services is the flexibility to focus on the needs of the individual. Working from this premise we have concerns about the value of separating clients by condition, particularly as all unemployment has an impact on mental health. Interventions need to be goal orientated - a barrier-led approach is counterproductive. Health is only one of a number of issues that need to be addressed as people move towards employment.

All clients accessing WorkDirections services have, in addition to their advisor, access to a psychologist. They work alongside the advisor in order to provide additional professional support. This is valuable not only for those clients with identified mental health conditions, but also for many others who are better able to meet their goals as a result of this specialist intervention. This may be in the form of three-way meetings between advisor, specialist advisor and client, 1-1 support, or through group activities. Examples of the latter include sessions on confidence, managing pain and walking groups. These are available to all clients

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who would benefit from them - with the emphasis on the results clients want to achieve, rather than the condition or disability they have.

There is undoubtedly stigma attached to some mental health conditions that does not exist with, for example, some muscular-skeletal injuries or disabilities. This underlines the need for professional, discerning and knowledgeable staff who are able to tailor support appropriately. This might include, for example, understanding the impacts of medication or discussing disclosure of the condition to employers. These discussions should occur as required, as an integral part of the job-search process, not as an adjunct to it.

The fluctuating nature of many mental health conditions underlines the necessity for flexibility within the system in order to ensure it has the capacity to cope with the needs of all claimants.

Addressing either employment barriers or meeting clinical need in isolation is likely to be ineffective in producing sustainable positive change. The importance of integrating health and employment approaches has been made clear in recent government publications, including the Choosing Health white paper and the Framework for Vocational Rehabilitation. This holistic approach has tended to be more difficult in practice.

We have, however, had some success with the South Birmingham PCT which demonstrates how links can be forged between health and employment providers for the benefit of clients. The PCT Director of Public Health is recommending that WorkDirections NDDP be classified as a 'locally enhanced service'. These are additional services of benefit to the health of the local population that the PCT will pay doctors to provide (in this instance they would be paid for signposting). Importantly, this gives employment interventions legitimacy with healthcare professionals.

For more information about any of the issues raised in this paper please contact:

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