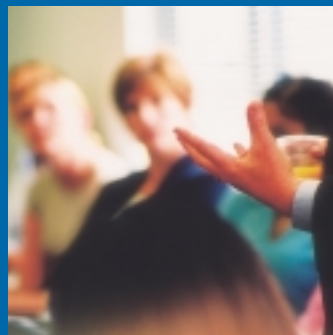
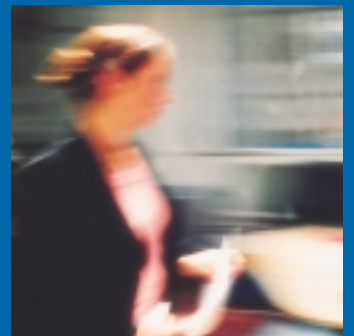



WorkDirections®

Improving the Life Chances of Disabled People

Response to the Strategy Unit's Analytical Report
August 2004





WorkDirections UK welcomes the opportunity to respond to the Strategy Unit's analytical report, 'Improving the Life Chances of Disabled People'. It is an interesting and useful compilation of a wide range of data, and we are happy to take this opportunity to contribute to the continuing debate.

Our approach has been formed through our experience of delivering services in the UK and Australia. We work with people with disabilities who are engaged in mainstream New Deal and Employment Zone programmes. We also deliver a specialist New Deal for Disabled People (NDDP) contract in Birmingham and an Incapacity Benefit pilot in Southwark, London. In Australia we have been delivering injury management services for over 15 years through the company Inergise.

Our response to this report is focused on the role employment plays in improving life chances. In addition to being our area of expertise, it is also our view that employment is central to any debate on this issue. It is important to understand how to improve the opportunities for people with disabilities to access the labour market. Also essential is understanding how to ensure retention and progression once in work, and how best to meet the needs of those people for whom full-time employment is not currently a realistic option.



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We suggest that the following approaches are essential to successful implementation of policy intervention in this area:

- **Integrated services and approach at both strategic and delivery levels.** Disabled people are currently let down by a fragmented and poorly coordinated approach that often conveys conflicting messages about the value and possibility of returning to work
- **A holistic approach to the individual's social exclusion.** Addressing employment barriers without meeting clinical need is likely to be ineffective in achieving lasting and sustainable change for the individual. Similarly, other issues such as housing and childcare need to be addressed concurrently. Creating a sequence of 'barriers' which can only be tackled in turn unnecessarily maintains a status of incapacity and weakens the impact of any one intervention
- **Involving the private and voluntary sectors in the development and design of policy.** General consultation is one method of widening participation in the development process; just as important are the use of pilots. For example, the inclusion of a Pathways to Work area led by a private or voluntary sector provider, rather than by Jobcentre Plus, would have added depth and diversity to the current evaluation
- **Quality of the procurement process.** Contracting processes need be designed and delivered in a manner which encourages rather than stifles innovation. Contracts need to be of sufficient length that investment in infrastructure is financially viable. Without this, new providers are discouraged from tendering and innovations are curtailed. In addition, contracts need to be large enough to ensure a critical mass of clients. This allows economies of scale which benefit service users. Increasing the number of advisors in a programme leads to greater skills diversity which facilitates the delivery of a more holistic programme
- **Interventions should be goal-orientated.** A barrier-led approach is counter-productive. Health is only one of a number of issues that will need to be addressed as people move towards employment
- **Incapacity itself is a nebulous concept.** Not only do levels of capacity fluctuate, but also the nature of disabilities can and do change. As the report also documents, there are significant numbers of people with disabilities currently in work.

The Strategy Unit report identifies a number of key transition points in the lives of disabled people. As noted earlier, our focus is on access to employment. Within this we have identified three key drivers integral to developing a coherent strategy:

- The use of interventions;
- The process of the transition to work;
- The role of employers.



The use of interventions

We challenge the current default position for employment services for people with disabilities, which is inaction. In order to access available services, people need to be both proactive and motivated. While the introduction of Work Focused Interviews (WFIs) through the Jobcentre Plus roll-out will ensure some level of contact, there is still confusion and a lack of awareness of what is available for those people who want to work. This is exacerbated by the current rules which mean that Job Brokers within the NDDP network do not have access to lists of incapacity benefits' claimants within the area in which they operate. Marketing without this information is resource-hungry, and a poor use of funding which could be better used providing support services.

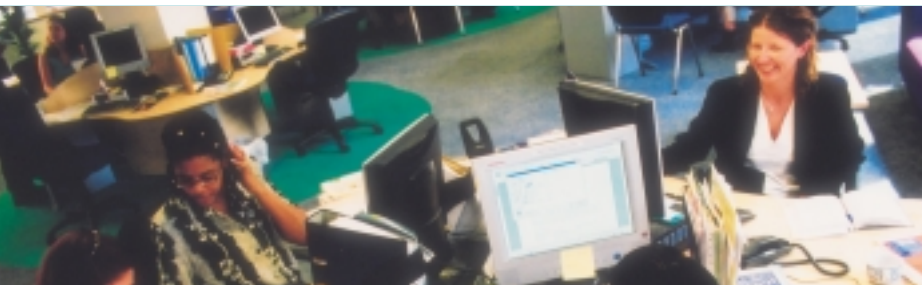
In order for interventions to be as effective as possible we note the following:

- Early intervention is key; without this life chances are diminished and success at a later stage becomes more difficult
- Whilst there is value in piloting certain types of provision, the structure of pilots can reduce involvement from the private and voluntary sectors. There is a credible argument for a less cautious approach when there is evidence demonstrating that interventions have value, with the potential for innovation and adaptation built into delivery
- Individually tailored and holistic approaches are the most successful. These need fully to integrate medical and vocational support, in addition to understanding other needs such as housing or child-care
- Both mainstream and disability-specific interventions have value and should be integrated to provide individuals with a choice of quality and complementary provision. The 'choice' label is often a misnomer – for example in NDDP it is used to indicate what is often a variety of fragmented and duplicated sources of provision
- The use of assessment is central to determining who would benefit from interventions, and for identifying the most appropriate form of assistance. The need for assessment is high; however, there are inherent problems in many assessment tools and current delivery is inconsistent
- Empowering individuals to direct their own interventions requires an approach that is not process-driven, but has a solution-orientated focus, offering support and taking the lead from the individual

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These key concerns are developed further below under three key headings.

THE EFFECTIVENESS OF EARLY INTERVENTION

There is substantial evidence to demonstrate that early intervention is effective. Indeed Inergise, our Australian injury management arm, have a ‘same employer’ return to work rate of 89% achieved in an average of 21.5 weeks. This is attained through early access to occupational rehabilitation techniques.¹ The use of vocational rehabilitation as an intervention is currently limited in the UK. It tends to occur as part of specific programmes; for example the Salford Back Project, the condition management option of the Pathways to Work pilots, or the New Deal for Disabled People (NDDP) delivered by WorkDirections UK in Birmingham. The reasons for this, and a fuller explication of our approach is given in our response paper ‘Establishing a Framework for Vocational Rehabilitation’.

In order to provide effective early intervention, links need to be established and encouraged between those able to provide vocational rehabilitation services and the GPs and PCTs who are commonly the most regular port of call following the onset of a health condition. Too often the occupational therapy with which people are provided is not sufficiently focused on supporting people to return to work. Organisations providing support for people to move to work often find it difficult to build partnerships with GPs, despite evidence providing a demonstrable link between working and better health. Where connections have been made to positive effect they tend to have occurred with individual practices, and are not easy to replicate.

PILOTS, MAINSTREAM AND DISABILITY-SPECIFIC PROGRAMMES

There are pilots currently underway to evaluate the impact of early intervention. The Job Retention and Rehabilitation Pilot (JRRP) and ‘Pathways to Work’ are part of this structure, and the lessons learned will be valuable. However, as noted earlier, the short-term contracts under which pilots often operate mitigate against the involvement of external providers.

The case for vocational rehabilitation has been well argued, and the costs of maintaining a population on inactive benefits for far longer than they desire are regularly noted. There is diminishing value in continuing to pilot small scale programmes. We would support an approach that is outcome-targeted, and

¹ The difference between occupational and vocational rehabilitation is described in more detail in the WorkDirections paper ‘Establishing a Framework for Vocational Rehabilitation’.



designed to meet the medical, vocational and other needs of individuals. The Employment Zones are a good model: performance rather than process-led, they share the financial risk with the contractors, and encourage localised innovations in order to meet performance targets.

People with disabilities currently access both mainstream and specific provision. This is generally determined by the type of benefits they claim. There is a significant difference between mainstream and specialist services which does not reflect the nature of incapacity. The current benefits structure is not flexible or responsive enough to meet the fluctuating levels of support required. Those 'able' to work and on Jobseekers Allowance (JSA), access mainstream services. If they access services through Jobcentre Plus they have access to a Disability Employment Advisor (DEA). The lower job start rate for people with disabilities on New Deal is indicative of the need for additional resource to provide necessary support. We use a cognitive behaviour therapy (CBT) advisor who works with clients on both our New Deal and Employment Zone programmes to provide specialist interventions and additional support. If, through the provision of supplementary expertise, people with disabilities are better able to access mainstream programmes successfully, this indicates a relatively simple way in which life chances in employment can be improved.

AN INDIVIDUALLY-TAILORED, EMPOWERING AND HOLISTIC APPROACH

A holistic approach is essential. The issues which result from disability and can culminate in social exclusion cannot be dealt with in isolation. Funding 'silos' often lead to fragmented services - an individual is a patient, a customer, a user and a client, receiving inconsistent messages from every part of the system with which they interact. Without a holistic approach, sustainable solutions are far more difficult to identify and implement. Work, disability and other issues need to be addressed simultaneously, rather than sequentially.

A tailored approach starts with the individual and creates a service to meet their needs. This may lead to the recognition that full-time employment is not appropriate. However, this assessment needs to be time-bound and contextualised in order to prevent an exacerbation of the current situation where those who are 'incapacitated' receive little or no positive intervention. Identifying how and when to reassess is critical.

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The process of the transition to work

The benefits of work are well outlined in the Strategy Unit report. In this section we would like to address the questions raised about incentives, benefits and skills. Our answers stem from our belief that solutions need to work for individuals and reflect a holistic, integrated approach. Job-broking should not be seen as an add-on to other services, accessed only once other issues are stabilised. Our vocational rehabilitation approach places work at the centre. This also requires an effective response should the individual not be ready for a return to employment at that time.

EFFECTIVE USE OF INCENTIVES

The SU report identifies that the benefit system has failed to incentivise a large proportion of incapacity benefits (IB) recipients to seek employment, and raises questions as to the best way to use incentives. For us, the answer is clear - find someone a job they want to do and provide support - financial, medical or pastoral as appropriate - to ensure they are able to succeed within it. This is far from being as simple as it sounds; it requires a skilled, creative advisor working within a flexible, well-resourced programme in order to implement.

Discussions about employment need to be set into the context of broader life goals. There is also a responsibility on behalf of those promoting work as a solution to ensure that the risks to the individual in taking the jobs are reduced – to nil if possible. This can be done through income guarantees and benefit safeguarding, both of which are discussed in more detail below. Structures also need to be in place to continue to support the individual once they are in paid work, and which facilitate the development of their careers as appropriate. Additional financial support, such as that available through tax credits, needs to be easily accessible and readily comprehensible.

MAKING WORK PAY - REMOVING DISINCENTIVES TO WORK

The current benefits structure does little to encourage a return to part-time work. As the SU report identifies, the financial gains to the individual are limited. This catch in the benefit system is exacerbated by the lack of recognition given to Job Brokers for finding part-time work for clients. Providing guarantees to those considering work



would help minimise fear, and encourage people to try work as an option, with less concern about the financial repercussions should it not be appropriate at that time.

This can be done through a minimum salary guarantee. Should the individual find a job that pays less than the job they had previously, a top-up is paid. There are two guidelines which drive the setting of the top-up – previous income and current benefit levels. The new salary and top-up should aim to pay the previous salary, but no more. The top-up paid will be no more than the amount of benefits paid when they are out of work. This provides the incentive for people to look for work, and ensures they can feel confident that they will indeed be better off in work.

However, in its basic form this system creates an effective marginal tax rate of 100%, thereby providing a disincentive to the individual to earn more. This can be addressed through a tapering in benefit level to ensure that there is no adverse or nil effect to the individual from an increase in earnings. This guarantee introduces no additional costs to the exchequer. This could, in fact, only represent a saving since those accessing incapacity benefits within the current system are, according to current figures, more likely to retire or die than become active in the labour market again, meaning that benefits would continue to be paid to them at this rate if there were no intervention. It also encourages a shift in interventions – away from simply placement to active support to people in work to help them progress until they are again financially independent. Concerns about deadweight need to be measured against the longevity of current IB claims once the 12-month mark is hit.

Key to this is the ability to return to benefits at the original level should working not be appropriate at any time. This recognises that for many people with disabilities their levels of ‘capacity’ change, and whilst work may be possible for extended periods of time, there may also be times when it is not an option. By ensuring that there is both a benefit level guarantee and a minimum salary that they can return to, it becomes easier for individuals and their families to plan. It also helps to keep work open as an option which can be returned to at any time. There are real and significant dangers in declaring people ‘unfit for work’ with no period of re-examination.

DEVELOPING SKILLS

The SU report identifies low skill levels amongst people with disabilities, and highlights ways in which this limits life chances. The issue of causation is complex. Socio-economic factors may limit a person’s life-chances, including educational attainment.



Employers have a key role to play in the development of a society in which disabled people take improved life chances.



This means that the gaining of qualifications without addressing other issues will have a limited impact. The environmental circumstances that support educational success also provide a platform for achieving more post-qualification. Qualifications should not be seen in themselves as a prerequisite for successful employment. Recent international evidence indicates that employers, particularly those recruiting for jobs which require skills below level three, prioritise soft skills above formal qualifications.

Crucial to the sustainable improvement of life-chances for disabled people is the extension of support provided to people once they are in work. This includes skills training to help people progress. Both the New Deal for Skills and the Employer Training Pilots identify and aim to support this need. This is a key part of the incentive process. However, there should also be a recognition that not everyone will want to participate in such training opportunities, and those wanting to find and maintain work at the level at which they start should be supported to do so.

There are considerable issues about the standard of provision currently available to provide vocational skills training. Accessibility and quality vary dramatically between organisations. Some of this is a result of procurement practices and contract management and underlines the fundamental importance of these processes to the delivery of services.

The role of employers

Employers have a key role to play in the development of a society in which disabled people have improved life chances. It is essential that they are empowered to take a lead in the development of those proposals which involve them. The SU report develops some powerful business case arguments for employing people with disabilities.

While we see value in providing employers with information explaining how increased diversity can have positive impacts on a business, this approach is better suited to higher level campaigns. Indeed, we know from research undertaken with employers evaluating their experiences of Disability Discrimination Act (DDA) training, that they have an overwhelming preference for positive messages.

On an individual level we have found that selling skills and qualities is a much more effective method of placing people into work than asking employers to



understand barriers. Those people wanting to move into work, if matched with appropriate vacancies, have the ability and motivation to do and sustain the job, and that is what employers need. Employer prejudice, like any other, is effectively addressed through personal experience which challenges previously held beliefs. Our earlier publication, 'Establishing a Framework for Vocational Rehabilitation' contains more detail on working with employers' perceptions.

There are significant systemic differences between the involvement of employers in occupational rehabilitation, early intervention, and retention strategies, in Australia and here in the UK. Programmes in Australia demonstrate the benefits resulting from their framework. The Australian system and the learning opportunities for the UK are critiqued in our response to the 'Pathways to Work' green paper.

One of the pressures on employers which is currently in the spotlight is the cost of sick leave. Few employers measure this in terms of an impact to their bottom line, still fewer have adequate policies to facilitate a speedier return to work. Reliability is a very real concern for employers. This could in some way be met by the provision of a state-provided insurance package attached to the employee, again funded through savings to the incapacity benefits budget. This would provide the employer with funding to employ a temporary worker in the case of extended or regular sick leave taken by a disabled employee. This package may incentivise employers to engage an individual about whom they have some disability-related reliability concerns. These concerns – for example that they will need regular time off for hospital appointments, or that they will not be able to cope under pressure – are likely to be based on prejudice. As noted above, experience can effectively challenge the barrier of such prejudice.

Concluding thoughts

There is much that can be done to improve the opportunities for disabled people to enhance their life chances through work. There is a need to review the current benefit structures, which support an idea of incapacity that is not reflective of the experience of those claiming incapacity benefits. This needs to be accompanied by a transformed approach to people with disabilities which is proactive, individually-focused and provides specialist integrated support.



There is much that can be done to improve the opportunities for disabled people to enhance their life chances through work.



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WorkDirections UK

WorkDirections UK is part of the Ingeus Group, supporting businesses with integrated human resource solutions, and providing governments with effective, accountable employment-focused welfare services. The group now employs around 850 people and delivers related services through subsidiaries in the UK and Australia:

- WorkDirections UK delivers innovative welfare-to-work services for people who are long-term unemployed on the Private Sector Led New Deal in Central and West London and the Employment Zone in Nottingham. New offices opened in 2004 for Employment Zone delivery in Birmingham, Brent, Haringey and Southwark. In April 2004 we also opened a service for clients in Birmingham on New Deal for Disabled People;
- WorkDirections Australia provides employment services, as part of the Job Network, and supports individuals on initiatives such as the Personal Support Programme and Transition to Work. In 2000 WorkDirections became Australia's fourth-largest provider of Intensive Assistance. In 2003 WorkDirections was awarded 31 new welfare-to-work contracts across Australia;
- Inergise provides pro-active, outcome-focused Corporate Health services, in particular: injury management, injury prevention, rehabilitation programmes, occupational health and safety and related training;
- Clements provides recruitment services in: labour hire, office and administration (permanent and temporary), technology, corporate and executive;
- Invisage provides management training, IT training, accredited vocational training and traineeships.

WorkDirections is able to commit to performance with integrity as a result of:

- Experience of service delivery, particularly for people excluded from employment over extended periods of time, enabling an informed service;
- A unique approach to our staff, with a depth of professionalism that gives us the skills to deliver;
- A delivery model, and associated processes, bringing together best industry practice;
- Premises and resources that empower their users and facilitate the move back to sustainable employment.

