

Welfare Reform Consultation - Response by Bury EST

Introduction

Bury EST is a supported employment service managed through Bury Metropolitan Borough Council and supports people with various disadvantages to achieve and retain employment. This may be because they are disabled, from a minority ethnic community, or be recovering drug misusers. The bulk of our work over the last 12 years has been in connection with disabled jobseekers, often those viewed as being some way from the labour market and at risk of permanent exclusion from work.

Context

Bury has a working age population of about 112,000 between the ages of 16 and 65. The borough has an unemployment rate of 2.8 per cent of all economically active people aged 16-74. 32.2% of local residents between the ages of 16 and 74 are economically inactive, including a rate of 6.7% who are inactive because of a permanent illness or disability, significantly higher than the national average of 5.5%. There are 9700 residents claiming Incapacity Benefit or Severe Disablement Allowance and a substantial number claiming Income Support on the grounds of disability.

Bury has an ethnic population of 6.1% including an Asian heritage population of 4.5%. There is also a substantial Jewish heritage population of around 4%. There are significant cultural barriers to entering employment within the Asian female population in particular.

Bury has no access to the Neighbourhood Regeneration Fund and is the only borough within Greater Manchester, apart from Stockport, not to have this access. Bury is traditionally seen as a relatively prosperous area but there are several worrying factors in relation to local employment patterns. A very high percentage of local residents commute out of the borough to work. Local employment is over-represented by low skills occupations and despite strong schools performances, 29.2% of people between 16 and 74 have no formal qualifications. 18% of residents have a qualification at level 4 or 5, lower than the national average of 19.8%. Bury was ranked 97 out of 354 LAs based on the average deprivation scores and has 11 super output areas (SOAs) within the 10% most deprived nationally and 24 within the 20% most deprived nationally. In some wards, for example Besses, East Bury and Redvales, the number of people out of work and claiming Incapacity Benefit is around five times the unemployment rate for Bury.

Jobcentre Plus is only now being established within the borough and the Pathways to Work programme is not scheduled to roll out to Bury until 2008.

General Comments

We wish to make some general comments about the Welfare Reform Green Paper. Our feeling is that the consultation questions are limited and do not offer sufficient opportunity to comment on the thrust of the reforms. We welcome the fact that the Government wishes to increase the rate of economic participation to 80%. The case for this is well established if we are to maintain economic growth alongside the long term demographic changes. The only way to achieve this is to reduce Worklessness by encouraging more people to enter or return to the labour market with the skills required by employers. It is estimated that this will

necessitate the return to work of a million people currently on incapacity benefits and the Green Paper offers an opportunity to focus on how this might best be achieved. We are, however, concerned that the overall impression given within the Green Paper is a move away from social inclusion policy towards one that relies on medical assessments of eligibility to create a two tier system that may well exclude people further from the labour market from the resources that they require to realise their employment aspirations.

Helping sick or disabled people

The Government report on *Improving Life Chances for Disabled People* emphasises the following actions:

- providing effective early support and guidance to those who need it to overcome barriers to work;
- improving the skills and access to in-work support needed to enhance disabled people's employability;
- connecting disabled people with work by making transition to employment less risky and complicated;
- engaging employers to improve their attitudes towards disabled people and their understanding of what it means to employ a disabled person; and
- building information networks to bring together and disseminate important information to disabled people, their employers, family, friends and carers.

These actions are further supported by the Department of Health's Valuing People initiative and the National Service Frameworks for mental health and long term conditions. This has led to some confusion as to who is leading on employment policy regarding meeting the needs of disabled jobseekers. The Department of Health initiatives have worthy aims but very little resources attached. We would welcome a stronger lead from the DWP and a future White Paper must consider the needs of people who are considered within the initiatives led by the Department of Health.

Access to occupational health

The experience of employers, particularly small and medium enterprises (SMEs), is that very few have access to occupational health schemes. Whilst NHS Plus and the new Workplace Health Connect is a welcome support, it is doubtful whether it has the capacity to meet the needs of business. We feel that it is vital that access to occupational health be improved dramatically for SMEs. We welcome the aspirations contained in the Green paper but have some doubts about whether this will be adequately resourced and publicised.

Improved employer awareness and practice should be backed up by support services based within health centres. This would help to improve awareness and practice amongst General Practitioners who are a key factor in advising people to claim incapacity benefits. Our experience is that GPs have welcomed support in this area and that a peer-led sea change in GP attitudes would be one of the most effective and cost efficient means of improving labour market participation rates if it is backed up by local employment support services.

We would urge the Government to work together with employer forums, the Health & Safety Executive, insurance companies and occupational health providers to incentivise access to

occupational health schemes, particularly by SMEs, though we have concerns about the quality of some of the provision accessed by the public sector. We think that healthy workplaces should be encouraged by creating a direct link to insurance premium rates.

Supporting job retention

We welcome the proposal to increase the number of people who remain in work when they fall sick or become disabled. This proactive approach has been tried through the Job Retention and Rehabilitation Pilots (JRRP) and our own agency has worked with local GPs to offer a retention scheme based in a local health centre. This pilot has shown that high percentages (75% compared to the JRRP outcomes of 45%) of people can be assisted to remain in work at relatively low cost through early intervention, counselling support and mediation with employers.

Increasing labour market participation has to have an element of preventing workers from dropping out in the first place. Consultation with other services who have piloted retention schemes have shown comparable successful outcomes of between 75% and 80% job retention so we are disappointed with the results of the recent JRRP evaluation and fear that the Government will not pursue the aims highlighted with the Framework for Vocational Rehabilitation.

Increasing the number leaving benefits and finding employment

We fully support the view that everyone who wants to enter employment should have access to resources that offer them the individualised approach advocated in several reports on disability and employment¹. This approach is in line with the employment objectives of the Improving Life Chances report, the Valuing People initiative and the relevant National Service Frameworks.

Most people want to work. We know that it is generally good for our health to work. We know that work improves our quality of life and integration into local communities. Despite the availability of JCP programmes such as New Deal for Disabled People, Bury EST has a waiting list of clients wishing to access our service and we are not able to meet demand within existing resources. Only 3% of NDDP customers have a learning disability and the only programme that offers the support required for this client group, WORKSTEP, is low profile and perceived to be at risk. Indeed it is not mentioned at all in the list of “suitable activity” within the Green Paper.

We generally support the mandatory approach to engagement though we are concerned at the lack of clarity about the engagement of existing claimants and would urge that this be rectified. We would urge the Government to use plain language in this respect rather than talk of “conditionality”. Our view though is that there is a high level of distrust with Jobcentre Plus and that many potential workers would be more likely to engage through a local authority or voluntary organisation. Local and specialist organisations such as Bury EST have developed close links to referring organisations; are known and trusted by local people and employers; and have a local accountability that is jeopardised by any short-term approach to job placement without sustainability. The Green Paper quite rightly points out that incapacity

¹ Mental Health and Social Exclusion (SEU); Occupation Supports Participation (DWP)

benefit claimants often have a poor work record and there is no doubt that without ongoing support many will inevitably drop out of work again thus giving a poorer return on investment in their development.

We have national targets to increase the percentage of people with learning disabilities and severe mental health needs in work – it is not at all clear from the Green Paper how the Government is aiming to achieve these objectives. Indeed we risk a situation where those perceived as having greater support needs are excluded and regarded as unemployable or incapable. This would be a retrograde step.

It is not just about getting a job and leaving benefits; it is about sustaining employment and improving health. Given, for instance, that 40% of existing claimants have a mental health condition; it would seem prudent to ensure that specialist health trusts and Primary Care Trusts are more committed to supporting employment initiatives than is now the case in Bury. We fully support the concept of multidisciplinary support for disabled jobseekers as anticipated through the care management approach but we are struggling to engage with our local PCT and employment cannot be sustained for some people without adequate healthcare supports.

Permitted work

We welcome the decision to allow unlimited volunteering for people on ESA but have concerns about the lack of detail in the consideration of permitted work. It remains unclear what plans the Government has in this area and we would welcome further discussion about the detail of any proposals. Permitted Work is a key means of engaging people in the labour market. Many people are not able to work over 16 hours per week because of lack of stamina or other health issues. Others use permitted work as stepping stone to full-time employment yet there is no funding available other than through charitable funds or local authorities to support people seeking to re-enter employment through permitted work. We would like to see more incentive for people to take up permitted work without creating a disincentive to progressing off it into 16+ hours per week.

We would urge the Government to set a lower permitted work earnings limit of six times the national minimum wage (currently that would equate to £30.30pw) that would be uprated annually in the same way as the higher limit is tied to sixteen times the minimum wage. This would remove the annual farce of workers being asked to drop their hours of work and employers being asked to vary terms and conditions. Many people leave permitted work because it is no longer viable for employers to offer employment of less than 4 hours per week. It is not generally understood that excess earnings can be deducted from Income Support and much time is wasted renegotiating each year. In the longer term, we will need to see equity of opportunity for people who have a learning disability and who are generally on Income Support (and work to the lower limit), to those with mental health needs who are generally on Incapacity Benefit (and work to the higher limit).

Addressing the needs of all those who need extra help and support

We assume that this aspiration relates to those people who are judged to not need to engage in work-focused interviews. The question is who will decide on what constitutes “severely ill or disabled”. We have grave concerns about the labelling of people in what can only be a

medically-based assessment. It gives rise to a two tier system and whilst we support the right of people who are in this category to voluntarily access employment support, we are concerned that there is no mention of the types of support anticipated to be required by this group of people.

It is essential that a disability-focused programme such as WORKSTEP continues. The combination of outcome payments with an emphasis on progression and inspected providers is starting to pay dividends and there are real concerns that WORKSTEP will be reduced or ended as a distinct programme. Many local authorities run WORKSTEP contracts and there has been speculation that these will end or be transferred to the private and voluntary sector. If this was to happen, then there is no doubt that existing prevocational support services would be wound down as local authorities abdicate their responsibilities because of financial pressures. There is no doubt that local authorities supplement their JCP contracts with additional funding and as this activity is not statutory it would be unlikely to continue. This would strip many millions of pounds of investment and leave vulnerable people with little or no support in their pathway to access JCP funded provision.

The Green Paper seems to have little notion of what it means to have a fluctuating condition and gives the impression that this is something that can be dealt with in an action plan. A great deal of awareness raising will be required amongst employment advisors if this group is not to suffer adversely.

Welfare benefits

The current welfare benefits system is incredibly complicated and largely excludes the customer in that a high degree of knowledge is required to navigate it successfully. We would advocate the development of a far simpler system that pays benefit at two rates; one standard rate for those people not employed and one rate that is not tied to employment status and compensates people for the additional costs of being disabled.

The longer term approach should be to develop a system of welfare benefits that integrate with wages received. This would offer more flexibility for people gradually increasing their hours at work and would help to remove perceptions of benefit traps by offering a more transparent and readily understandable system. We also believe that the system of compensating for low incomes should be overhauled. Our experience of tax credits has been poor with clients receiving contradictory notices of entitlement within the same week. This has led to confusion and anguish.

We warmly welcome the extension to 2 years of the “linking rules” and the decision to make it automatic. This will go a long way to reassure people who are hesitant about leaving welfare benefits. We broadly support the notion that there should be a flat rate of benefits which do not rise over time.

We have concerns that the return to work credit will only be available to people in the Pathways to Work areas. As this will not be available in Bury until 2008, we envisage a situation that people who live a few miles away will have an entitlement to financial incentives that Bury residents do not. We see no reason why claimants who are expected to engage with personal advisors do not have immediate access to this incentive.

Whilst we approve of the mandatory engagement of new claimants, we have concerns about the impact on some existing and new claimants if engagement becomes compulsory for all those who are considered “capable” of working. A high percentage has mental health needs and some individuals do not even open their letters – they may be penalised by not responding and be unable or unwilling to seek advice.

We have some concerns about the language used to describe fraud within the benefits system. It would be easy to get a perception of idlers scrounging off the state. We believe that people generally want to work and the emphasis of the reforms should be on encouraging that, not addressing the relatively minor issue of fraud.

Engaging with health professionals

We fully support the aims to improve joint working between employment and health professionals, whether they are GPs or other health staff. We fully support the section of the report on engagement with GPs and would like to see a renewed focus on timely rehabilitation services within the NHS. More needs to be done to ensure that vocational aspects are fully considered in health assessments and care plans.

We have doubts however about whether the NHS should lead on condition management programmes. There is a real danger of disability becoming medicalised again – something which disabled people would quite rightly object to.

Workforce development

There is an urgent need to meet the training and development needs of the sector. With the engagement of more generic personal advisors and healthcare staff, it will be vital that they are trained to undertake their role. There is already a great deal of concern about the training and support offered to Disability Employment Advisors and there is no NVQ qualification available that represents a viable qualification for the job-broking and rehabilitation sector. We are concerned about how little this aspect has been considered within the Green Paper.

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