

Fit to Work? Incapacity benefits in London

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Fit to work? Incapacity benefits in London Chair's Foreword



The government intends to reform welfare benefits and one of the most significant changes it will make is to the Incapacity Benefit. This reform seeks to distinguish between a minority of ill and disabled people who cannot be expected to work and need financial support, and the majority who could rejoin the workforce with the right help and support.

But this proposal affects a huge number of people. In Greater London alone, there are over 300,000 people, 7.5% of London's working age population, claiming Incapacity Benefit or Severe Disability Allowance.

To bring such numbers of people back into the workforce will not be easy. For a start, the jobs must be there for them to go into. We also need to end discrimination against hiring disabled people. And we must avoid penalising people who want to join the workforce but are prevented from doing so, either through misguided sanctions or the 'poverty trap'.

London is a particularly difficult place to make the transition, because a higher proportion of jobs are high skilled and therefore less accessible to people coming off benefits.

It is all very well calling for welfare reform, but in practice it requires a great deal of thought and preparation, and not enough of either is on offer. London presents distinct challenges and this report identifies some of the processes and resources needed to make reform work.

The London Assembly does not oppose reform but it expects any change affecting such a large number of vulnerable people to be carried out with all due forethought and attention. We shall watch the government's progress with interest.

A handwritten signature in black ink, reading 'Dee Doocey'.

Dee Doocey AM
Chair of the Economic Development, Culture, Sport and Tourism Committee

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Executive Summary

Over 300,000 Londoners claim Incapacity Benefit. As well as having a profound impact on their lives, the incapacity benefits system affects London's economy and the wider community.

The Government is reforming the welfare system, aiming to get more people into work. Nationwide, it wants to get a million people off incapacity benefits in ten years. There will be significant changes to the system to achieve this, including the measures currently being debated in Parliament on the Welfare Reform Bill, and the implementation nationally of the Pathways to Work scheme. No longer will a large population of ill and disabled people be deemed 'unfit to work' – instead, many will be helped and encouraged to move towards the labour market. There will be a combination of support to become more employable, and obligation, in the form of reduced benefit entitlement for those who refuse to engage in work-related activities.

We have heard from a wide range of experts and interested parties. It is clear that there are a number of concerns about the operation of the current system, and some fears about what the welfare reforms may bring.

Some of the most significant problems affect people with mental illness and people with learning disabilities. In society, and even among service providers, there is often a lack of awareness of their different situations and needs; in the labour market, there is serious discrimination. There are efforts on the part of agencies such as the Department for Work and Pensions and Jobcentre Plus to better serve this client group, but there are still significant problems and more needs to be done. We make a number of recommendations aimed at improving the services provided to people with mental illness and people with learning disabilities, through awareness and staff training and through involving people who have these conditions in reviewing and improving services.

These issues are significant nationwide, but particularly in London because a higher proportion of incapacity benefit claims are due to mental illness or learning disability.

There are also concerns about the implementation of welfare reform as a whole in London. The capital is far more diverse than the rest of the country, it has a more complex structure of service provision and its needs are on a greater scale than in other cities. Pathways to Work, a major component of the welfare reform proposals, has been piloted in a number of areas across the country but not in London. There should be careful work to assess London's needs and to head off any unforeseen problems.

We draw attention to serious concerns about whether enough resources have been allocated to make the system work in London. The Department for Work and Pensions should thoroughly examine again exactly what is required in order to make Pathways to work effective in London.

Introduction

Incapacity benefits¹ are of great significance to London, which has over 300,000 claimants of Incapacity Benefit². On another measure, the proportion of London's working age population claiming Incapacity Benefit or Severe Disability Allowance is 7.5%³. As a Committee of the London Assembly, part of our job is to investigate issues of interest or concern to Londoners. Incapacity benefits directly affects hundreds of thousands of claimants, as well as taxpayers and communities.

This review is also timely as the government is reforming welfare benefits, including Incapacity Benefit. One aim of the welfare reforms is to reduce the number of people claiming incapacity benefits by a million in ten years⁴, as part of raising the employment rate to 80% of the working-age population⁵.

The reforms are also intended to change the principle behind incapacity benefits. The current system is based on the idea that some people are unable to work, through illness or disability. The aim of the current system therefore has been to identify these people and to provide them with financial support until they recover from their condition and can work again, or until they start to draw their pension.

The welfare reform agenda is based on a more subtle principle. It recognises that, although people may have an illness or be disabled in a way that affects what work they can do, many can still work in some capacity. It says that these people, like others who are not ill or disabled, have a right and a responsibility to work to support themselves⁶.

Therefore, in future the welfare system is to have a wider function. It will identify the smaller number of people who are so severely ill or disabled that they cannot be expected to work, and support them financially. It will also identify the larger population of ill and disabled people who can work, but only with the right help and support. It will aim to provide that help and support to find appropriate work; in the mean time, it will also provide financial assistance⁷.

There will be an element of compulsion to the reformed system. Those people who are expected to find work with support will be obliged to work with welfare advisers to draw up a plan of 'work-related activities' (such as training or job search activities) and to

¹ In this report, we refer to 'incapacity benefits' meaning benefits paid to people who are out of a job because of illness or disability. As well as Incapacity Benefit, they include others such as Severe Disablement Allowance, and Income Support, Housing Benefit and Council Tax Benefit paid to people out of work and on a low income because of an illness or disability.

² Department for Work and Pensions (DWP), written contribution IB008

³ Disability Rights Commission, written contribution IB018

⁴ currently around 2.7 million people claim incapacity benefits – source: *A new deal for welfare: Empowering people to work* Green Paper, Department for Work and Pensions, January 2006. Referred to hereafter as 'Welfare reform Green Paper'

⁵ currently the employment rate is around 75% of the working age population nationally, and 70% in London – DWP IB008.

⁶ Welfare reform Green Paper

⁷ Welfare reform Green Paper and DWP IB008

follow it. If they do not comply, they will be eligible only for a reduced rate of benefit⁸ - expected to be comparable to the current rate of means-tested Income Support⁹ (£57.45 compared to a basic rate of £70.05 per week on Incapacity Benefit)¹⁰.

There will also be increased contracting with the voluntary and private sectors to provide services such as employment advice and support¹¹.

"The idea is eventually to get you back to work; it's not an income for the rest of your life, it is an interim support."

Incapacity benefit claimant in discussion group

Many of the changes to the system are being made in the Welfare Reform Bill, which at the time of publication has passed the House of Commons and its second reading in the House of Lords, and is progressing to the Lords Committee stage¹².

About this review

In this review, we met informally with representatives of disabled groups and employer organisations, to help us identify what issues to look into.

We invited written views and information from a wide range of stakeholders including policy-makers and government agencies, disability groups, employer organisations, advice providers, medical practitioners, think tanks and others, as well as publicising our call for evidence on our website. We received over 20 written contributions.

We held a public hearing where we put questions to representatives of London Jobcentre Plus and to other experts in welfare benefits and disability employment.

We also commissioned discussion groups with incapacity benefits recipients, former incapacity benefits recipients, disability employment advisers and benefits administration staff to gather their views and experiences of the incapacity benefits system and employment.

All of the records of these meetings and the written views and information that we received (subject to some personal details being withheld to protect individuals' privacy) are on our website, with this report, at <http://www.london.gov.uk/assembly/reports>.

⁸ Welfare reform Green Paper

⁹ Disability Alliance, written contribution IB002

¹⁰ Jobcentre Plus customer information website

¹¹ Welfare reform Green Paper

¹² Welfare Reform Bill – Bill 208 of 2005/06. Referred to hereafter as 'Welfare Reform Bill'

Overview

The system of incapacity benefits and employment support for sick and disabled people is a complex one. This section outlines some of the main features of the system and of the welfare reform proposals. It notes some issues with the current system or with the proposed reforms that we have heard about from stakeholders. However, many of these issues have been addressed expertly in the nationwide debate and consultation following the publication of the welfare reform Green Paper and so we will not attempt to make recommendations on every aspect of the incapacity benefit system. Later sections of this report pick out key some issues for welfare reform in London and deal with them in more detail.

The Personal Capability Assessment

To determine eligibility for Incapacity Benefit, claimants must undergo a medical assessment called the Personal Capability Assessment. In the current system, the assessment identifies various physical and mental functional impairments, and assigns a points value for the severity of each impairment. Claimants who have a high enough points total are eligible for incapacity benefits and are not expected to seek work¹³.

The proposed welfare reforms would use the results of the Personal Capability Assessment in a different way. Only the most severely ill or disabled people would not be expected to undertake any form of work-related activity. For the majority of ill or disabled people, the assessment would recognise their capacity to work, with its limitations. These people would be entitled to financial support and to employment advice and support. They would also be expected to engage in 'work-related activities', as noted in the section below on support into employment¹⁴.

Claims and how they are handled

Several contributors told us that the process for claiming incapacity benefits is a difficult and complex one, that can be stressful and may present an obstacle to legitimate claims. It can be particularly difficult for people with mental health needs and/or learning disabilities – as discussed under mental health and learning disability issues.

Claimants and support agencies told us about problems with the performance of the benefits service. Some cases were delayed or wrongly processed¹⁵. We heard that there was an unhelpfully high level of staff turnover at Jobcentre Plus¹⁶, and that budget cuts

¹³ *Transformation of the Personal Capability Assessment* - Department for Work and Pensions, September 2006

¹⁴ Welfare Reform Green Paper, Welfare Reform Bill

¹⁵ London Borough of Newham, written contribution IB005; an individual claimant, written contribution IB014, Citizens Advice Bureau, written contribution IB016 (including *What the Doctor Ordered*, briefing paper 2006).

¹⁶ LB Newham, IB005; GMB union, written contribution IB012

in that agency were hindering its ability to improve performance¹⁷. Contributors made calls for better training for JobCentre Plus staff¹⁸. We are aware of work by the Department for Work and Pensions to address these issues¹⁹ and it was clear from our discussion group that staff are committed to delivering a high-quality service – the effort is commendable but a lot more needs to be done.

“Clients state that access to knowledgeable advisors in Job Centres would aid them in turning their work aspirations into reality, indicating that such assistance is somehow not reaching every candidate. Clients instead frequently talk of junior, inexperienced front line personnel who are unsympathetic and simply process individuals through the system in a bureaucratic way. An impersonal and inflexible approach leaves them feeling that the default answer to their request for support is ‘no’ and they have to... empower themselves with knowledge of the system and fight for their rights.”

Report of discussion groups with incapacity benefit claimants

Support into employment

There is a new approach designed to help incapacity benefits claimants into work, called ‘Pathways to Work’. This has been piloted in several parts of the country, but not in London²⁰. It involves a range of ‘work-related activities’ (for example: trying out different kinds of work; managing health in work; training; looking for jobs; childcare or housing; even building confidence or practice using public transport²¹) – the activities for each client are to be drawn up by them with their employment adviser according to their case. Support is also to be informed by an assessment of the client’s health needs, separate from the Personal Capability Assessment. The provision of advice and support is to be contracted out to a range of providers, including those from the private and voluntary and community sectors²². The approach of Pathways to Work has been broadly welcomed by many stakeholders²³, though there are some concerns, especially that there has been no London pilot despite the distinctive London issues such as the more diverse population and the greater level of mental health claims. These issues are dealt with in the section on implementation in London below.

¹⁷ LB Newham, IB005; GMB, IB012; National Union of Journalists Disabled Members Council (hereafter referred to as NUJ), written contribution IB013; Vicky Pearlman, Citizens Advice Bureau, at our meeting of 16 October 2006 and in written contribution IB016; report of discussion groups with Jobcentre Plus staff

¹⁸ LB Newham, IB005; Care Services Improvement Partnership, IB020; Mayor of London, *Towards Joined-up Lives*, report 2006

¹⁹ Department of Work and Pensions (DWP), IB008

²⁰ *Incapacity Benefit reforms – Pathways to Work Pilots performance and analysis* – Department for Work and Pensions working paper 26

²¹ DWP, Green Paper and website page on Pathways to Work Process; Learning and Skills Council, written contribution IB015; CAB, IB016

²² Welfare reform Green Paper; Ian Short, Jobcentre Plus, at our meeting on 19 October 2006

²³ National Employment Panel, written contribution IB004; Camden Council, written contribution IB011; CAB, IB016

Barriers in the labour market

We heard from several contributors that one of the main gaps in the new system will be a lack of more action to break down barriers in the labour market to disabled people. There is an Access to Work scheme, which was welcomed by stakeholders, but it does not always work as well as it needs to and needs to be better publicised²⁴.

Case study

A client had been offered a job but needed special equipment to enable him to do the job with his condition. Access to Work is the scheme that provides such equipment but in this case it took more than a year for the equipment to be provided. As a result, the job offer was withdrawn and the client is still not in work, three years after being offered a job.

reported by a Jobcentre Plus staff member in our discussion groups

There is clear evidence of widespread discrimination and prejudice on the part of employers²⁵. A 2005 survey found that three out of four private sector employers do not employ a single disabled person²⁶. A 2001 survey found that only 37% of employers even said they would be likely to employ someone with mental health problems. Sixty-two per cent said they would be likely to take on someone with a physical disability.²⁷ One in six workers who develops an impairment loses his or her job. The risk is twice as high for people with mental health problems, and three times as high for people in manual jobs as for people in professional occupations. If you are looking for a job, your chance of success is 40 percentage points lower if you are disabled.²⁸

“Employers’ attitudes can be a real barrier to incapacity benefit claimants getting jobs, particularly people with mental health problems.”

London Borough of Camden, Welfare Rights Service – written contribution IB011

²⁴ Mayor of London, *Towards Joined Up Lives*, report 2006; Camden Council, IB011; London Borough of Hounslow, written contribution IB017; UK Disabled People’s Council, written contribution IB022; Nick Bason, Employers’ Forum on Disability, in our meeting of 19 October 2006

²⁵ Mayor of London, *Towards Joined Up Lives*, report 2006; LB Newham, IB005; Haringey Council, written contribution IB010; NUJ, IB013; Nick Bason, Employers’ Forum on Disability, in our meeting of 19 October 2006 and in written contribution IB019; UK Disabled People’s Council, IB022 – citing further survey figures from the Chartered Institute of Personnel and Development; findings of discussion groups with benefits staff

²⁶ GMB union, IB012

²⁷ Citizens Advice Bureau, IB016

²⁸ Disability Rights Commission, IB018

“Employers are not willing to continue my employment after diagnosis. No employer in my field of work is willing to take a chance in employing someone with mental health needs.”

Client of drop-in centre in Harrow – quoted in written contribution IB017

Our contributors called for this discrimination to end and for strong action to end it. If a million people are to move from incapacity benefits into work then there must be a million jobs and those jobs must be accessible to people who have been on incapacity benefit.²⁹ In particular there were calls for public agencies to engage more effectively with employers³⁰. This is discussed further in our section on implementation in London

Conditionality

Claimants of the Employment Support Allowance (the benefit proposed to replace Incapacity Benefit) will be required to draw up, with their adviser, and to follow an action plan of ‘work-related activities’ (such as job searching or training)³¹. A reduced rate of benefit can be imposed as a penalty for failure to follow this plan, or for failure to attend for work-focussed interviews and health assessments³².

Several of our contributors feared that sanctions would do more harm than good. Disability groups argued that people want to overcome disability and to work so benefit sanctions are unnecessary and likely to exacerbate financial hardship (see the heading on financial support and poverty below).³³ It was also argued that the threat of sanctions would strain the relationship of trust and support between disability employment advisers and their clients³⁴. Claimants in our discussion groups said that the periodic possibility of benefit review conflicted with the sense of entitlement to benefits they had from the continued severity of their conditions and repeatedly satisfying medical tests and application processes. The system wears claimants down and many become depressed even though mental illness was not behind their initial claim.³⁵ There were also concerns that sanctions would be used to force claimants to take work that was not suitable for them and harmed their welfare (for example by worsening their physical or mental condition, causing stress, or impeding their search for a more suitable job), or to suffer demoralising repeated rejection in the labour market³⁶.

²⁹ NUJ, IB013; UK Disabled People’s Council, IB022

³⁰ National Employment Panel, IB004; Citizens Advice Bureau, IB016; LB Hounslow, IB017

³¹ Welfare Reform Green Paper; Ian Short, Jobcentre Plus, at our meeting of 19 October 2006

³² Welfare Reform Bill

³³ UK Disabled People’s Council, IB022; Vicky Pearlman, Citizens Advice Bureau, at our meeting of 19 October 2006

³⁴ Islington Council, written contribution IB007; Camden Council, IB011; Vicky Pearlman, Citizens Advice Bureau, at our meeting of 19 October 2006

³⁵ Report of the findings of discussion groups

³⁶ Nick Bason, Employers’ Forum on Disability, and Simone Aspis, UK Disabled People’s Council, at our meeting on 19 October 2006; NUJ, IB013; UK Disabled People’s Council, IB022. See also discussion of

We were told that in the Pathways to Work pilots, advisors had the choice whether to apply sanctions for non-compliance, or to use their discretion not to apply the sanctions. In most cases they chose not to apply the sanctions (only 0.8% of claims were subject to sanctions)³⁷. We heard that proposed guidelines have been published about the use of sanctions, but that they would lack binding force – some stakeholders who work with claimants said they should be given the force of statutory regulations³⁸.

Financial support and poverty

Incapacity Benefit generally provides a low income (basic rate £70.05 per week³⁹). The proposed Employment Support Allowance is expected to be at a comparable rate to the Jobseeker's Allowance plus Disability Premium⁴⁰ (about £82 per week⁴¹). For those awaiting assessment or subject to sanctions it is expected to be a very low income similar to the basic rate of Income Support⁴² (£57.45 per week⁴³). The difficulties of life on a low income are likely to be particularly severe for ill or disabled people who may face extra costs arising from their condition⁴⁴. Benefits claimants may get into debt – particularly if the benefits are interrupted or when overpayments are reclaimed because of a problem with the claim (which may be through no fault of the claimant)⁴⁵. Poverty can cause stress and anxiety⁴⁶; it may impair peoples' ability to work and it may worsen the conditions of ill or disabled people⁴⁷. In extreme cases the person may become homeless. These problems can cost the taxpayer more than paying benefit⁴⁸.

Several contributors called for changes to the benefits system, such as increased benefit levels⁴⁹, the linkage of benefit levels to earnings from work⁵⁰, and increased efforts to promote the uptake of benefits⁵¹.

the difficulty of the return to work process for people with mental illness in Greenwich Council, written contribution IB006; Islington Council, IB007

³⁷ Citizens' Advice Bureau (CAB), written contribution IB016; Sue Christoforou, Mind, at our meeting of 19 October 2006

³⁸ CAB, IB016; Paddy Cullen, Disability Alliance, at our meeting of 19 October 2006

³⁹ Jobcentre Plus customer information website. There may be additional allowances but according to the Trades Union Congress, in written contribution IB001, 93% of claimants receive less than £100 per week.

⁴⁰ Disability Alliance, IB002

⁴¹ Jobcentre Plus customer information website

⁴² Disability Alliance, IB002

⁴³ Jobcentre Plus customer information website

⁴⁴ Camden Council, IB011; NUJ, IB013; LB Hounslow, IB017; UK Disabled People's Council, IB022

⁴⁵ Incapacity Benefit claimant, IB014; CAB, IB016

⁴⁶ Camden Council, IB011; Incapacity Benefit claimant, IB014; Gary Martin, CAB, at our meeting of 19 October 2006

⁴⁷ Incapacity Benefit claimant, IB014

⁴⁸ Gary Martin, CAB, at our meeting of 19 October 2006

⁴⁹ NUJ, IB013; Paddy Cullen, Disability Alliance, at our meeting of 19 October 2006

⁵⁰ NUJ, IB013

⁵¹ Islington Council, IB007; Gary Martin, Citizens Advice Bureau (CAB), at our meeting of 19 October 2006

The 'poverty trap'

"It is clearly understood and recognised that the current system of welfare benefit operates as a severe disincentive for many disabled people to consider employment."

Response from the Mayor of London to the Welfare Reform Green Paper

People on benefits may be put off taking work to support themselves by the fear that they will be financially not much better off if they do – this is called the 'poverty trap'. The chief reason for this is that several benefits (such as Income Support, Housing Benefit and Council Tax Benefit) are reduced by a certain amount for every pound of earnings (currently 85p in the pound, in the case of Housing Benefit and Council Tax Benefit combined)⁵². Some other benefits (such as Income Support or Incapacity Benefit) are withdrawn entirely if a certain number of hours of work are undertaken⁵³ or a certain income earned⁵⁴ in a week. In addition, there are often additional costs of taking up work, such as childcare or transport. Many of these costs are higher in London than they are in most other parts of the country⁵⁵. The financial pressure caused by the withdrawal of benefits, and the consequent stress and worry, makes it more likely that a benefit leaver will quit a new job, or perform badly and not be kept on. This encourages employers to see incapacity benefit leavers as 'bad risks' at the recruitment stage, thus creating further barriers in the labour market⁵⁶.

To reduce the impact of the trap, a number of contributors called for changes such as reducing the rate at which benefits are withdrawn for every pound of income⁵⁷.

Another type of trap is that claimants may fear that by taking a job they will jeopardise future benefits⁵⁸. To prevent this, there are 'linking rules', which may allow a claimant to return to a previous level of benefit if they take a job and it breaks down. The period allowed for this has recently been increased to 2 years⁵⁹, which has alleviated some difficulties⁶⁰. However, claimants are insufficiently aware of the rules⁶¹ and may not have the confidence in them they need to take a job, or may be unable to make the complex calculation⁶².

⁵² LB Newham, IB005; Islington Council, IB007; CAB, IB016;

⁵³ Greenwich Council, IB006; Islington Council, IB007

⁵⁴ Camden Council, IB011; CAB, IB016

⁵⁵ City of Westminster, written contribution IB009; Camden Council, IB011; CAB, IB016; LB Hounslow, IB017; London Councils, written contribution IB020

⁵⁶ Nick Bason, Employers' Forum on Disability, at our meeting of 19 October 2006 and IB019; LB Hounslow, IB017

⁵⁷ LB Newham, IB005; CAB, IB016; London Councils, IB020; Paddy Cullen, Disability Alliance, at our meeting of 19 October 2006. The UK Disabled People's Council opposes means-testing of disability benefits altogether (at our meeting of 19 October 2006 and in IB022).

⁵⁸ Disability Rights Commission, IB018; Vicky Pearlman, Citizens Advice Bureau, at our meeting of 19 October 2006; report of discussion groups with claimants and benefits staff

⁵⁹ Jobcentre Plus customer information website

⁶⁰ Haringey Council, IB010; Camden Council, IB011

⁶¹ Mayor of London, *Towards Joined Up Lives*, report 2006

⁶² Mayor of London, written contribution IB000; Mencap, written contribution IB003; Camden Council, IB011; Vicky Pearlman, Citizens Advice Bureau, at our meeting of 19 October 2006

There are also ‘trap’ effects that discourage claimants from other forms of activity that can be beneficial to their condition and their pathway into work and off benefits – such as voluntary work, or even participating in patient involvement activities about how to improve their services⁶³. People often fear that if they engage in voluntary work they will be deemed capable of working and will lose their benefit⁶⁴. We also heard that certain aspects of voluntary work, such as if the organisation provides refreshments for volunteers, are deemed to be ‘benefits in kind’ equivalent to wages and so trigger deduction from benefits⁶⁵.

Fraud

There have been media reports and portrayals of fraud relating to incapacity benefits⁶⁶. There is some public perception that benefit fraud in general is a widespread problem. Frauds are by definition based on deception and it is difficult to allay the suspicion over how many remain undetected. However, there is evidence that Incapacity Benefit fraud is much lower than other forms of benefit fraud. According to Department for Work and Pensions figures⁶⁷, levels of fraud in Incapacity Benefit in particular are extremely low, estimated at 0.1% of expenditure, compared to 2.5% for Income Support or 3.0% for Jobseeker’s Allowance. This low level of fraud is ascribed to the tough tests and stringent examination of claims already in place in Britain⁶⁸.

Conversely, contributors argued that underclaiming and underpayment were considerably more significant than the level of fraud committed⁶⁹. Department for Work and Pensions figures⁷⁰ state that overpayments due to official error exceed fraud by a factor of 5, though figures for underpayments by official error are not provided. Also, we heard about the impact of false allegations of fraud. Members of the public are able to report suspected benefit cheats. We heard that such allegations can stem from a lack of understanding of disability or from stigma and prejudice⁷¹. However, when an allegation is made, the payment of benefit may be suspended while an investigation is carried out⁷². Though no fraud has been demonstrated, and none may have been committed, the claimant can suffer a severe reduction in income and extreme financial insecurity while an investigation is undertaken. As outlined above, this can result in serious problems such as debt and even homelessness, and may also affect the person’s physical or mental condition.

⁶³ Care Services Improvement Partnership, IB021

⁶⁴ Mayor of London, *Towards Joined Up Lives*, report 2006; Citizens Advice Bureau, IB016

⁶⁵ Simone Aspis, UK Disabled People’s Council, at our meeting of 19 October 2006 and in written contribution IB022

⁶⁶ Vicky Pearlman, Citizens Advice Bureau, at our meeting of 19 October 2006

⁶⁷ Department for Work and Pensions, *Resource Accounts 2004-05*.

⁶⁸ Islington Council, IB007; Camden Council, IB011; UK Disabled People’s Council, IB022. See also *Transforming disability into ability; policies to promote work and income security for disabled people*, Organisation for Economic Co-operation and Development, 2003.

⁶⁹ Islington Council, IB007; Gary Martin, Citizens Advice Bureau, at our meeting of 19 October 2006.

⁷⁰ Department for Work and Pensions, *Resource Accounts 2004-05*.

⁷¹ Care Services Improvement Partnership, IB021

⁷² Care Services Improvement Partnership, IB021

Mental health and learning disability issues

Mental illness and learning disability are very different issues. We were told by experts in both fields⁷³ that the two types of condition are fundamentally different and need different approaches.

Mencap argues that learning disability is not something that can be ‘cured’ or reduced by health services – unlike most kinds of mental illness. To see the condition of a learning-disabled person as causing their incapacity to work means that their incapacity is therefore impossible to overcome.

Only by recognising the capacity to work of people with disabilities (including learning disabilities) and the barriers put in the way of that capacity by discrimination, workplace organisation and design, and other aspects of society, can we identify the changes that can be made in attitudes, workplaces and the rest of society to enable people to work and otherwise to make their full contribution.

We were told that **the Department for Work and Pensions, and agencies such as Jobcentre Plus, do not seem to address adequately the fundamental difference between mental illness and learning disability**⁷⁴. One very basic concern was that statistics are not even collected separately for incapacity benefit claims arising from mental illness and claims arising from learning disabilities – although the two types of condition have very different implications for the management of incapacity benefit, where the duration of claims is a key issue⁷⁵.

Recommendation 1

The Department for Work and Pensions and its agencies should adequately distinguish between mental illness and learning disability. They should collect and report statistics separately on claims arising from the two.

⁷³ Sue Christoforou, Mind, at our meeting of 19 October 2006; Mencap, IB003; Disability Rights Commission, IB018. Also LB Newham, IB005

⁷⁴ Mencap, IB003; Camden Council, IB011; Citizens Advice Bureau, IB016

⁷⁵ Department for Work and Pensions, IB008

“Issues for mental health incapacity benefit claimants include:

- lack of confidence using the telephone*
- lack of ability to understand their mental condition and describe it to others and accurately explain the effect it has on their work tasks*
- inability to grasp the importance of timescales*
- and notably lack of knowledge/awareness of mental health issues amongst Jobcentre Plus and other DWP staff dealing with incapacity benefit claims.”*

London Borough of Camden, welfare rights unit, written contribution IB011

The most common types of mental illness resulting in claims for incapacity benefit include depression, anxiety and neuroses⁷⁶. While many people with these conditions are able to maintain their employment, others cannot. There is serious exclusion from the labour market for these individuals, resulting from stigma, prejudice and a lack of awareness among employers about how mental illness really affects people at work and how workplaces can adjust to mental illness in employees; one survey said that only 37% of employers said they would in future recruit a workless person with mental health problems⁷⁷.

Mental illness and learning disability are increasingly significant as causes of incapacity benefit claims, and more so in London than elsewhere in the UK. In London in 2005, 43% of ongoing Incapacity Benefit claims were due to ‘mental and behavioural disorders’ (including learning disability). This had risen from 36% in London in 1999 and is significantly higher than the 39% of claims in Great Britain in 2005⁷⁸. Although 65% of people with a learning disability wish to work⁷⁹, they suffer a 90% unemployment rate⁸⁰.

It is clear that mental illness and learning disability are highly, and increasingly, significant issues for the incapacity benefits and employment support systems. We were therefore concerned to hear that the awareness among benefits staff of mental health and learning disability issues is generally not sufficient⁸¹.

“There was too much form filling – I didn’t understand the forms and no one helped me with them. I don’t think they knew what to do with someone with a learning disability.”

Mencap client in supported employment, written contribution IB003

⁷⁶ Greenwich Council, IB006; Haringey Council, IB010; Care Services Improvement Partnership, IB021

⁷⁷ Disability Rights Commission, IB018

⁷⁸ Department for Work and Pensions, IB008

⁷⁹ Mencap, IB003, based on *Adults with learning difficulties in England* by Eric Emerson of Lancaster University 2005

⁸⁰ Mencap, IB003, based on *Valuing People – a new strategy for the 21st century*, Department of Health 2001

⁸¹ Mencap, IB003; Camden Council, IB011; Citizens Advice Bureau, IB016; LB Hounslow, IB017; Care Services Improvement Partnership, IB020; Sue Christoforou, Mind, at our meeting of 19 October 2006

“...the average worker in a benefits office would be familiar with the idea of a wheelchair user and what problems that person may encounter, but would have very little understanding about mental health problems.”

Sue Christoforou, Mind, at our meeting of 19 October 2006

This lack of understanding and awareness contributes to these issues with the services and work opportunities for claimants with mental illnesses or learning disabilities, and makes it harder to address them effectively. There are some efforts to address the expertise needs gap in understanding, such as training for specialist advisors, and links between Jobcentre Plus and mental health services – across London at the level of senior management, but more patchily among front-line staff⁸². However, it seems from what we have heard about the need for improvement that **there is a need for much more effective work to raise the awareness and skills of staff at the front line**. Jobcentre Plus told us they were willing to undertake this work⁸³.

Recommendation 2

Training and development for benefits staff and medical assessors should be improved so that they have an appropriate level of awareness and understanding of mental health and learning disability issues to enable them to deliver services to these clients on an equal and effective basis.

The following sections outline some specific problems with parts of the system, especially applicable to dealings with clients with mental illness and learning disability. We heard that these problems could be addressed if people with those conditions were effectively consulted about how to improve the system⁸⁴. Having heard that current efforts to improve the handling of mental health issues have been primarily directed at mental health service providers⁸⁵, and having heard from disability groups that this is not good enough⁸⁶, we must emphasise that **the need is to involve claimants with mental illnesses and learning disabilities themselves, rather than just service providers who work with them**. We welcome the commitment we have heard on the part of Jobcentre Plus to do this more effectively in future⁸⁷.

This point is at the root of our recommendations to address these problems.

⁸² Department of Work and Pensions, IB008, Ian Short, Jobcentre Plus London, at our meeting of 19 October 2006

⁸³ Ian Short, Jobcentre Plus London, at our meeting of 19 October 2006

⁸⁴ Simone Aspis, UK Disabled People's Council, and Sue Christoforou, Mind, at our meeting of 19 October 2006

⁸⁵ Ian Short, Jobcentre Plus London, at our meeting of 19 October 2006; Care Services Improvement Partnership, IB021

⁸⁶ Sue Christoforou, Mind, at our meeting of 19 October 2006; Mayor of London, IB000

⁸⁷ Ian Short, Jobcentre Plus London, at our meeting of 19 October 2006

The Personal Capability Assessment

The Personal Capability Assessment is, and will remain, the gateway to incapacity benefits but there are questions over how accurately it assesses claimants' capability for work⁸⁸. Far more Incapacity Benefit decisions are challenged at appeal than for other benefits such as Jobseeker's Allowance or Income Support⁸⁹ and, despite repeated calls by the President of Appeal Tribunals⁹⁰ for decision-making to be improved, these appeals are successful more often than not:

Too many cases go to appeal and success rates are very high – almost 60 per cent – for... incapacity benefits at oral appeal hearings; around 70 per cent when clients are represented by advisers.

What the doctor ordered? Citizens Advice Bureau briefing, 2006⁹¹

However, appeals can take months, meaning that the claimant may be denied benefit while unable to work for a considerable period and suffer unjust financial hardship and possibly serious problems such as homelessness or a worsening of their physical or mental condition⁹².

The Personal Capability Assessment also has difficulty handling certain kinds of conditions, especially mental illness and learning disabilities⁹³ and 'fluctuating conditions' – that is, conditions which vary in severity over time, or which mean the individual is able to do certain things on good days, but not on bad days⁹⁴.

⁸⁸ Disability Alliance, IB002; Camden Council, IB011; Citizens Advice Bureau, IB016 and especially *What the Doctor Ordered? CAB evidence on medical assessments for incapacity and disability benefits*. Briefing 2006

⁸⁹ 0.3% of Jobseeker's Allowance decisions, 1% of Income Support decisions and 6% of Incapacity Benefit decisions according to National Audit Office figures for 2002-03 reported by Citizens Advice Bureau, IB016

⁹⁰ Judge Michael Harris, quoted extensively in *What the Doctor Ordered? CAB evidence on medical assessments for incapacity and disability benefits*. Briefing 2006

⁹¹ also Paddy Cullen, Disability Alliance, at our meeting of 19 October 2006

⁹² Citizens Advice Bureau (CAB), IB016 and especially *What the Doctor Ordered? CAB evidence on medical assessments for incapacity and disability benefits*. Briefing 2006

⁹³ Camden Council, IB011, CAB, IB016; Disability Rights Commission, IB018; UK Disabled People's Council, IB022; Sue Christoforou, Mind, at our meeting of 19 October 2006

⁹⁴ GMB, IB012; Care Services Improvement Partnership, IB020; Vicky Pearlman, Citizens Advice Bureau, at our meeting of 19 October 2006.

“Well I was told by my mental health nurse to look bad [at a Personal Capability Assessment]. She told me not to brush my hair and, I’m not kidding, throw food down my front so I look ‘out of it’ because she said this GP who’s going to look at you has got no mental health expertise and will not be able to work out what your mental health problems are so you’ve got to make it obvious.”

Participant in claimant discussion group

The Personal Capability Assessment is not carried out in the individual’s workplace; it may miss difficulties that are associated with the workplace environment and do not show up in non-work situations⁹⁵.

We heard that **the Personal Capability Assessment is sometimes carried out inadequately or not in full accordance with the standards and policies laid down for it**. For example, the assessment may be very short – in many cases as little as 15 or 20 minutes⁹⁶. Doctors are trained to ask the claimant about a ‘normal day’ rather than investigating fluctuations in the condition⁹⁷. The questions asked by the assessor may fail to bring out all the relevant aspects of the claimant’s condition and the difficulties they face performing employment-type tasks; the questions may be very indirect and general, or may be too closed so that the claimant does not give a sufficiently full answer. This is despite the fact that claimants are not told the scoring system and so rely on being asked the right questions to bring out all the relevant facts⁹⁸.

Recommendation 3

The Personal Capability Assessment should be applied as it is designed to be. This will require improvements such as better training for practitioners.

There is an ongoing review of the Personal Capability Assessment by the Department for Work and Pensions⁹⁹. Our contributors broadly welcomed the proposals¹⁰⁰; but

⁹⁵ Simone Aspis, UK Disabled People’s Council, at our meeting of 19 October 2006 and in IB022; Gary Martin, CAB, at our meeting of 19 October 2006

⁹⁶ GMB, IB012; Gary Martin, CAB, at our meeting of 19 October 2006 and *What the Doctor Ordered?* CAB briefing 2006

⁹⁷ Paddy Cullen, Disability Alliance, at our meeting of 19 October 2006

⁹⁸ *What the Doctor Ordered?* CAB briefing 2006

⁹⁹ *Transformation of the Personal Capability Assessment*, Department for Work and Pensions (DWP), September 2006

¹⁰⁰ Vicky Pearlman, Citizens Advice Bureau, and Sue Christoforou, Mind, at our meeting of 19 October 2006.

there was some concern that key stakeholders had been neglected¹⁰¹; according to the Department for Work and Pensions' own report, the service user involvement in this review has been 'limited'.¹⁰²

Improvements are needed to the Personal Capability Assessment to make it more accurate and thorough; the involvement of service users must inform these improvements.

Recommendation 4

The Department for Work and Pensions should effectively and extensively involve claimants of incapacity benefits in completing the review of the Personal Capability Assessment, and in ensuring that the claim process is better fitted to their needs. We request that in its response to us, the Department outline how this will be done.

Claimants' experience of the benefit and employment support system

The benefit and employment support system can be hard for claimants to negotiate. We were told of problems at the contact points with the benefits system, such as the call centre, written correspondence, and interviews at the Jobcentre Plus. Although the system exists to support ill and disabled people of all sorts, there are too-frequent failures to accommodate special needs¹⁰³. When claimants get direct support from expert advisers, this is highly valued and successful¹⁰⁴; contributors called for more provision in the system for personal contact and support¹⁰⁵.

"...the questioning [from the Jobcentre Plus central application call centre] is still considered impersonal and generic. Some also find the requirement to be available for callback difficult.... they may not have a telephone at home..."

Findings of our discussion groups with benefit claimants

The issues with the claim process create a great deal of work for services in the charity and voluntary sector, such as the Citizens Advice Bureau, and for local authority benefit

¹⁰¹ London Councils, IB020; Simone Aspis, UK Disabled People's Council, at our meeting of 19 October 2006 and in IB022

¹⁰² *Transformation of the Personal Capability Assessment*, DWP, September 2006

¹⁰³ Mencap, IB003; Islington Council, IB007; Incapacity Benefit claimant, IB014; Citizens Advice Bureau, IB016; Mayor of London, *Towards Joined Up Lives*, report 2006

¹⁰⁴ Report of findings of discussion groups with claimants and staff

¹⁰⁵ Camden Council, IB011; Gary Martin, Citizens Advice Bureau, at our meeting of 19 October 2006

advisers. However, these services are generally short of funding and so not all cases can be given the support they need¹⁰⁶.

People with mental illness, and also with learning disabilities, often face greater difficulties in dealing with the benefits system than do people with other illnesses or disabilities. For example, people with mental illness or learning disability may have particular difficulty explaining their situation orally or in writing. They may have difficulty keeping appointments or responding to letters within a certain deadline. They may find it difficult to deal with officials who seem threatening simply because they ask personal questions and have the power to give or withhold benefits¹⁰⁷.

“Many people with mental health problems will now not open letters in a Jobcentre Plus envelope for fear of the contents.”

Care Services Improvement Partnership, written contribution IB021

These difficulties may be interpreted by officials as wilful refusal by the claimant to co-operate with the system, or as resulting from the groundlessness of the claim. Many people with mental illness, when their condition suddenly deteriorates, will cut themselves off from communication – they will not leave their home, open mail, or answer the door or telephone. Experts told us that the appropriate response to this behaviour from someone with such a condition is to trigger additional support. Instead, the welfare system often withdraws benefit¹⁰⁸.

Currently, the Incapacity Benefit claim form IB50 provides very little prompting to describe mental illness or learning disability, leaving claimants to explain their condition and the barriers to working they face as best they can¹⁰⁹.

¹⁰⁶ Mencap, IB003; Greenwich Council, IB006; City of Westminster, IB009; Care Services Improvement Partnership, IB020; Paddy Cullen, Disability Alliance, and Gary Martin, Citizens Advice Bureau (CAB), at our meeting of 19 October 2006

¹⁰⁷ Incapacity Benefit claimant, IB014; CAB, IB016; also Mencap, IB003; City of Westminster, IB009; LB Newham, IB005

¹⁰⁸ Sue Christoferou, Mind, at our meeting of 19 October 2006; Camden Council, IB011; CAB, IB016; Disability Rights Commission, IB018

¹⁰⁹ Gary Martin, CAB, at our meeting of 19 October 2006 and in written contribution IB016; Care Services Improvement Partnership, IB021;

Recommendation 5

Significant improvements are required to the way that Jobcentre Plus interacts with customers. It and the Department for Work and Pensions should identify immediate improvements to customer interactions and implement them as a matter of urgency. They should on an ongoing basis implement further improvements identified by the work under recommendation 6.

This Committee requests that the response of the Department to this report includes an outline and timetable of these improvements. The Department for Work and Pensions should say how these standards of customer interaction will be extended to private and voluntary sector providers such as those carrying out the Personal Capability Assessment and delivering Pathways to Work.

Initial suggestions for improvement identified in our work included:

- **more personal contact between claimants and staff, and support in negotiating processes such as claims, assessments and reviews**
- **better accommodation to the special needs of ill and disabled people, including those with mental illness and learning disability**
- **work to reduce the extent to which benefits staff may be perceived as unsympathetic or threatening to a claimant's position**

Recommendation 6

To inform ongoing improvement of customer service, the Department for Work and Pensions and Jobcentre Plus should plan and implement a thorough, effective and ongoing programme of consultation and involvement with service users. This Committee requests that the response of the Department to this report includes an outline and initial timetable of this engagement.

Implementation in London

There have been pilots of the Pathways to Work programme, the key element of the welfare reform proposals for incapacity benefit, in several areas across the country. These have been positively evaluated¹¹⁰ (and stakeholders told us they welcomed the work¹¹¹) and the programme will be put in place in the rest of the country over the coming months¹¹².

It is proposed that the agencies delivering the new employment support services should be paid mainly by results. It is proposed that the measure of results should be the proportion of people who enter paid work and stay there for at least six months¹¹³. This is intended to measure sustainable employment, and Jobcentre Plus pointed out that being in a job for six months is certainly better than staying out of work¹¹⁴. However, other stakeholders argue that sustainability cannot be measured over six months and that a longer period should be used¹¹⁵. It was also noted that positive outcomes and steps towards work such as training or voluntary work were not incentivised¹¹⁶.

Perhaps more worryingly, there are fears (based on evidence such as experience with the New Deal for Disabled People) that this incentive structure will lead contractors to concentrate their work on clients who are most easy to get into jobs, and employers that offer the greatest number of most accessible jobs¹¹⁷. These jobs are frequently low-skilled and low-paid jobs, in which former claimants may be placed even if their skills are at a higher level¹¹⁸. There are fears that the economic calculation of how to improve the performance indicator at minimal cost will discourage valuable work like: helping clients who are far from the labour market to engage in voluntary work, training, confidence building and other early steps; helping clients find the jobs that make use of their skills and fulfil their aspirations; and treating clients as unique individuals¹¹⁹. It could even provide a perverse incentive to apply benefit sanctions¹²⁰.

Ill and disabled people, like the rest of us, should have the opportunity to do the jobs that will fulfil their aspirations and potential.

¹¹⁰ DWP research report 398 *Pathways to Work: Findings from the final cohort in a qualitative longitudinal panel of incapacity benefits recipients* and others

¹¹¹ Learning and Skills Council, IB015; Vicky Pearlman, Citizens Advice Bureau, at our meeting of 19 October 2006 and in IB016; Disability Rights Commission, IB018

¹¹² approximately half of London in October 2007 and the remainder in April 2008 – Department of Work and Pensions, IB008

¹¹³ Sue Christoforou, Mind, at our meeting of 19 October 2006

¹¹⁴ Ian Short, Jobcentre Plus London, at our meeting of 19 October 2005

¹¹⁵ Sue Christoforou, Mind, at our meeting of 19 October 2006

¹¹⁶ Sue Christoforou, Mind, at our meeting of 19 October 2006

¹¹⁷ Trades Union Congress, IB001; Citizens Advice Bureau, IB016; LB Hounslow, IB017; Disability Rights Commission, IB018; Simone Aspis, UK Disabled People's Council, and Paddy Cullen, Disability Alliance, at our meeting of 19 October 2006

¹¹⁸ Report of the findings of our discussion groups with claimants and benefits staff

¹¹⁹ Simone Aspis, UK Disabled People's Council, and Vicky Pearlman, Citizens Advice Bureau, at our meeting of 19 October 2006; LB Hounslow, IB017

¹²⁰ Disability Rights Commission, IB018

There are distinctive challenges for the programme in London.

Under the New Deal for Disabled People (part of the existing structure on which Pathways to Work builds), job brokers support disabled people to find work. The success rates are lower in London than elsewhere in the country – one third lower than in the West Midlands¹²¹.

Service providers in London have to work in a wide range of languages¹²². Over 300 different languages are spoken in London¹²³. The proportion of Londoners who have a language other than English as their first language is 18%, much higher than the 3% in the rest of the country¹²⁴. For agencies providing services for workless people, the significance of language diversity is even higher, since they make up 32% of London's workless population¹²⁵.

The large number of languages spoken by clients is a feature of London's unique ethnic and cultural diversity¹²⁶. Service providers also say that this diversity is in itself a challenge for the delivery of services¹²⁷. We heard that it would not be enough simply to follow the usual service delivery model in areas of such diversity¹²⁸. People from Black, Asian and minority ethnic communities find services such as mental health services more difficult to access¹²⁹. Some of the most severe disadvantage is suffered by refugees and others who have migrated in traumatic circumstances – London is an area where these people are particularly concentrated¹³⁰. It is clear that there must be an effort to design and implement an effective way of working for London that takes its diversity into account.

London has a distinctive labour market. Increasingly, it offers more higher skilled jobs, and fewer lower skilled jobs; there is a surplus of labour in London suited to low skill requirement work¹³¹, which is unfortunately often the work on offer to benefit leavers.

London's labour market is a hard place for disadvantaged people. There are several groups in the population (such as ethnic minorities, people without qualifications and disabled people) who are more likely to be workless; worklessness rates for these groups

¹²¹ Disability Rights Commission (DRC), IB018

¹²² Islington Council, IB007; City of Westminster, IB009; Camden Council IB011; LB Hounslow, IB017 – reported requests for documents in 140 languages in just that one borough

¹²³ National Statistics online: *Focus on London* 2003

¹²⁴ Greater London Authority Data Management and Analysis Group (GLA DMAG), *A Profile of Londoners by Language*. 2006.

¹²⁵ GLA DMAG, *A Profile of Londoners by Language*. 2006.

¹²⁶ Only 66% of London's population is White, compared to over 90% of the UK population, according to Labour Force Survey figures given by the Department for Work and Pensions, IB008

¹²⁷ Islington Council, IB007; Camden Council IB011

¹²⁸ National Employment Panel, IB004

¹²⁹ Disability Rights Commission (DRC), IB018

¹³⁰ Camden Council IB011

¹³¹ Haringey Council, IB010; Disability Rights Commission, IB018; London Councils, IB020

are higher in London than they are elsewhere in the UK. In particular, 50% of disabled people across the UK are workless, compared to 55% in London.¹³²

There is also a greater complexity of funding streams, service providers and partnerships, including the voluntary and community sectors¹³³. Some services, such as mental health services, are patchy and vary in availability across London¹³⁴. Many organisations delivering specialist help are small and reliant on short-term funding, and so there are frequent changes to the services available¹³⁵.

The lack of a Pathways to Work pilot in London means that there is not yet an adequate understanding of how London's challenges to this particular service should be addressed. Before any successful implementation there will need to be extensive and intensive work with those who know the needs of London's communities and services, to establish how the Pathways to Work framework can best be applied in Britain's largest and most diverse city.

The implementation of welfare reforms will need to take account of and build upon existing partnership working at city-wide, sub-regional and local levels. We heard from local authorities and others about a wide range of work between local agencies under frameworks such as Local Area Agreements and Community Strategies¹³⁶.

Many local boroughs and Jobcentre Plus branches are building work with local health services, business organisations, the voluntary sector, training providers and others¹³⁷. However, these partnerships are still developing and it is acknowledged that there is much more work to do¹³⁸.

The City Strategy, being piloted in parts of London, is involving employers as well as a range of public agencies in tackling worklessness and poverty in some of the areas where these problems are the most severe. The intention is to increase local flexibility to find the right ways of working for the area.¹³⁹ It has been welcomed by several stakeholders¹⁴⁰.

Voluntary and private sector providers will also be much more important partners in delivering future services. This will require an increase in capacity for partnership on all sides – of the voluntary and private sectors to deliver services, and of the public agencies to commission and manage the contracts¹⁴¹.

¹³² Labour Force Survey figures quoted by Department for Work and Pensions, IB008

¹³³ LB Newham, IB005; Islington Council, IB007, Haringey Council, IB010

¹³⁴ Disability Rights Commission (DRC), IB018

¹³⁵ LB Newham, IB005

¹³⁶ Greenwich Council, IB006; Camden Council, IB011

¹³⁷ Greenwich Council, IB006; Islington Council, IB007; Department for Work and Pensions, IB008; Haringey Council, IB010; Camden Council IB011; Learning and Skills Council, IB015; LB Hounslow, IB017; Ian Short, Jobcentre Plus London, at our meeting of 19 October 2006

¹³⁸ Greenwich Council, IB006

¹³⁹ Department for Work and Pensions, IB008

¹⁴⁰ National Employment Panel, IB004

¹⁴¹ National Employment Panel, IB004

Some stakeholders believe that employers are insufficiently engaged in delivering the existing services¹⁴². Not all employers make their jobs accessible to disabled people; **there is an important challenge to work with employers to make job opportunities more open**. This is not unique to London, but it requires effective action in every part of the country. We heard suggestions including finding better ways to reach less engaged employers, finding ways to overcome negative attitudes, offering advice, resources and good practice, and strengthening anti-discrimination law¹⁴³. It would also be beneficial to help employers by reducing the effect of the ‘poverty trap’ and effectively supporting benefit leavers to stay in employment when they take it up¹⁴⁴.

“Attainment of an 80% employment rate within the foreseeable future will require a step change in current job outcomes for both JSA and inactive clients. It is inconceivable that this can be achieved without active engagement of employers... as essential stakeholders of welfare reform.”

National Employment Panel, written contribution IB004

The engagement with employers should not just be an abstract discussion of ‘disability’ and it should not be limited to contacts with umbrella organisations. Individual employers, along with ill and disabled individuals, are customers of the services that help prepare claimants to return to work. They are participants in the important processes of fitting the job and the workplace to the needs of the worker. Therefore they must be brought into the discussion between employment advisers and ill or disabled benefit claimants, to see how the claimant can contribute to the employer’s business, and what steps the employer and the claimant can take to enable the person to do the job in question. Employers need to be supported in making their jobs accessible to disabled people and those returning from a spell out of the workforce. This approach was commended by experts in disability employment¹⁴⁵. Also commended was a focus not just on getting individuals into jobs, but on helping them stay with their employer, develop and progress their careers¹⁴⁶.

Once London’s stakeholders are engaged in service planning, and the needs of the city identified, it will become clear what is needed to deliver welfare reforms effectively. The additional issues we have discussed will inevitably require extra resources to be

¹⁴² National Employment Panel, IB004; Haringey Council, IB010; Camden Council, IB011; Citizens Advice Bureau, written contribution IB016; DRC, IB018; Employers’ Forum on Disability, IB019

¹⁴³ National Employment Panel, IB004; Haringey Council, IB010; Camden Council, IB011; Citizens Advice Bureau, IB016; LB Hounslow, IB017; report of discussion groups with claimants

¹⁴⁴ Employers’ Forum on Disability, IB019

¹⁴⁵ Disability Rights Commission, IB018; Nick Bason, Employers’ Forum on Disability, at our meeting of 19 October 2006 and in written contribution IB019

¹⁴⁶ Simone Aspis, UK Disabled People’s Council, at our meeting of 19 October 2006

allocated to achieve results¹⁴⁷. It is beyond the scope of this review to precisely quantify the resource need, but we have found serious concern that the level of resourcing currently being suggested seems unlikely to be adequate¹⁴⁸.

"We are exceedingly concerned that as much attention is given to implementation plans as has been given to policy objectives.

"The measures proposed will place large demands on Jobcentre Plus when the organisation is already under strain. It is not clear to us that available resources will be enough for the systems design, programme development or operational delivery needed to do a good job."

National Employment Panel, written contribution IB004

As part of the processes to identify needs and ways of working, there will need to be robust and open work to identify the true levels of resources needed to implement welfare reform in London.

Recommendation 7

To make welfare reform programmes, such as Pathways to Work, work effectively and to assure London that the reforms will be effective, the Department for Work and Pensions and Jobcentre Plus must:

- **identify London's distinctive challenges by involving London communities, service users and providers, and employers, and use this knowledge to tailor the programmes to the London context**
- **undertake an open and robust process of identifying the resource requirements of these needs and ways of working**
- **carefully monitor the progress of implementation in London to guard against the emergence of problems that have not been anticipated due to the lack of a London pilot**

The findings of these processes should be published so that stakeholders can be confident that welfare reform in London will work. We request that the Department for Work and Pensions and Jobcentre Plus should provide a timetable for this publication in their response to this report.

¹⁴⁷ Islington Council, IB007; Camden Council IB011; Disability Rights Commission, IB018;

¹⁴⁸ Islington Council, IB007; Camden Council, IB011; Vicky Pearlman and Gary Martin, Citizens Advice Bureau, at our meeting of 19 October 2006 and in IB016; LB Hounslow, IB017; London Councils, IB020

Next steps

We are sending copies of this report to all of the bodies to which we have addressed recommendations. We will ask each of them to give us, in approximately six months time, a response to the recommendation or recommendations and an update on progress as applicable. We will consider these responses in public at one of our future meetings (likely to be in autumn 2007) and may do further work on the subject if necessary.

We are also sending copies of this report to other interested stakeholders and making it available on our website and by request to our staff. We welcome any comments on the report and will also consider these at a future meeting.

In our evaluation of the responses, we will look at each recommendation and consider whether it has been implemented. We will consider the impact on ill and disabled people in London, London employers, and Londoners overall in all their diversity. We will seek to identify views and feedback from key stakeholder groups such as service users and providers.

We will also consider progress in the light of the implementation of the welfare reform agenda, including Pathways to Work, the revision of the Personal Capability Assessment and the Welfare Reform Bill (when it is passed into law).

Recommendations

1. The Department for Work and Pensions and its agencies should adequately distinguish between mental illness and learning disability. They should collect and report statistics separately on claims arising from the two.
2. Training and development for benefits staff and medical assessors should be improved so that they have an appropriate level of awareness and understanding of mental health and learning disability issues to enable them to deliver services to these clients on an equal and effective basis.
3. The Personal Capability Assessment should be applied as it is designed to be. This will require improvements such as better training for practitioners.
4. The Department for Work and Pensions should effectively and extensively involve claimants of incapacity benefits in completing the review of the Personal Capability Assessment, and ensuring that the claim process is better fitted to their needs. We request that in its response to us, the Department outline how this will be done.
5. Significant improvements are required to the way that Jobcentre Plus interacts with customers. It and the Department for Work and Pensions should identify immediate improvements to customer interactions and implement them as a matter of urgency. They should on an ongoing basis implement further improvements identified by the work under recommendation 6.
6. To inform ongoing improvement of customer service, the Department for Work and Pensions and Jobcentre Plus should plan and implement a thorough, effective and ongoing programme of consultation and involvement with service users. This Committee requests that the response of the Department to this report includes an outline and initial timetable of this engagement.
7. To make welfare reform programmes, such as Pathways to Work, work effectively and to assure London that the reforms will be effective, the Department for Work and Pensions and Jobcentre Plus must:
 - identify London's distinctive challenges by involving London communities, service users and providers, and employers, and use this knowledge to tailor the programmes to the London context
 - undertake an open and robust process of identifying the resource requirements of these needs and ways of working
 - carefully monitor the progress of implementation in London to guard against the emergence of problems that have not been anticipated due to the lack of a London pilot

The findings of these processes should be published so that stakeholders can be confident that welfare reform in London will work. We request that the Department for Work and Pensions and Jobcentre Plus should outline a timetable for this publication in their response to this report.

Economic Development, Culture, Sport and Tourism Committee Members

Dee Doocey, Chair	Liberal Democrat
Bob Blackman, Deputy Chair	Conservative
Tony Arbour	Conservative
Jennette Arnold	Labour
Angie Bray	Conservative
Sally Hamwee	Liberal Democrat
Damian Hockney	One London
Murad Qureshi	Labour

Terms of reference for the Incapacity Benefits investigation:

- To consider issues for Londoners relating to incapacity benefit claims that are primarily due to mental health problems
- To consider the effect of the 'poverty trap' in incapacity benefit in London
- To consider issues around incapacity benefit fraud
- To consider any further issues with incapacity benefit of particular significance to Londoners

Assembly Secretariat contacts

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Dana Gavin, Communications Manager
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List of those who provided views and information

Representatives of the following organisations attended an informal meeting with members of the Committee:

- Disability Alliance – ‘the leading authority on social security benefits for disabled people’
- Mind – ‘the leading mental health charity in England and Wales’
- London Employer Coalition – London’s partnership to ‘bring business know-how to the design of Jobcentre Plus local services for individuals and employers’
- National Employment Panel – a body to ‘provide independent advice on welfare reform and labour market issues to Ministers’
- Trades Union Congress

The following organisations provided written views and information to the Committee:

- Care Services Improvement Partnership (London Development Centre) – the London branch of this government body to promote services for, and the well-being of, vulnerable people with health and social care needs
- Citizens Advice Bureau – ‘providing free information and advice to people on legal, money and other problems’
- Department of Work and Pensions
- Disability Alliance
- Disability Rights Commission – ‘an independent body established by Act of Parliament to stop discrimination and promote equality of opportunity for disabled people’
- Employers’ Forum on Disability – ‘the worlds’ leading employers’ organisation focused on disability as it affects business’
- GMB union
- The London boroughs of:
 - o Camden
 - o Haringey
 - o Hounslow
 - o Greenwich
 - o Islington
 - o Newham
 - o Westminster
- London Councils (then Association of London Government)
- London Learning and Skills Council – responsible for planning and funding education and training in London
- Mayor’s Office, Greater London Authority
- Mencap – ‘the UK’s leading learning disability charity’
- National Employment Panel
- National Union of Journalists (disabled members’ council)
- Trades Union Congress
- United Kingdom Disabled People’s Council (then British Council of Disabled People) – ‘the UK’s national organisation of the worldwide disabled people’s movement’
- an individual claimant of incapacity benefits

The following people attended a formal meeting of the Committee:

- **Gary Martin**, adviser, Citizens Advice Bureau
- **Vicky Pearlman**, policy officer, Citizens Advice Bureau
- **Paddy Cullen**, tribunal support unit, Disability Alliance
- **Nick Bason**, information and policy manager, Employers' Forum on Disability
- **Ian Short**, head of external relations, Jobcentre Plus, London
- **Sue Christoforou**, policy officer, Mind
- **Simone Aspis**, development officer, United Kingdom Disabled People's Council

We also commissioned discussion groups with service users and providers:

- one group with past and present claimants with temporary illness (physical and mental)
- one group with disabled claimants or claimants with long-term health problems (physical and mental)
- two paired depth interviews with claimants with learning disabilities
- one discussion group with staff (personal advisers and disability employment advisers)

Principles of London Assembly scrutiny

An aim for action

An Assembly scrutiny is not an end in itself. It aims for action to achieve improvement.

Independence

An Assembly scrutiny is conducted with objectivity; nothing should be done that could impair the independence of the process.

Holding the Mayor to account

The Assembly rigorously examines all aspects of the Mayor's strategies.

Inclusiveness

An Assembly scrutiny consults widely, having regard to issues of timeliness and cost.

Constructiveness

The Assembly conducts its scrutinies and investigations in a positive manner, recognising the need to work with stakeholders and the Mayor to achieve improvement.

Value for money

When conducting a scrutiny the Assembly is conscious of the need to spend public money effectively.

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