

# A new deal for welfare: Empowering people to work



## Introduction

The Social Care Institute for Excellence (SCIE) welcomes the intention of ministers to tackle the barriers preventing many disabled people who want to work to gain entry to training and jobs. SCIE has established close links with Department for Works and Pensions (DWP) officials and the new Office for Disability Issues to support this agenda. We recognise particularly high levels of unemployment among people with long-term mental health problems, which is reflected in the numbers of people with mental health problems who are receiving incapacity benefit. SCIE could make a significant contribution to establishing many of the principles set out in the green paper. Through a joint letter with a number of other national social care organisations, we have already demonstrated our commitment to working with ministers to help remove the barriers to involvement that some people on incapacity benefit currently face.

This document sets out SCIE's responses to a number of the specific consultation questions posed in the green paper *A new deal for welfare*. We have not responded to every question but instead focused upon those issues around which we have already gathered an evidence base and, most importantly, consulted with relevant stakeholders. We would be happy to expand on any of the references to our work and draw out further learning points to inform the development of the government's proposals for reform.

We begin with a brief overview of the main features of our response and have included here some more general reflections on the thrust of the green paper proposals.

- SCIE is concerned about the apparently punitive element of the proposals, especially the reduction of benefit where an individual does not comply with their action plan. We would point out that the action plan might not have been realistically set up in the first place, or, in practice there might not be the appropriate support available to achieve those objectives.
- SCIE welcomes the government's recognition of the need to reduce people's fear over losing benefits should they attempt a return to work via work-related activity. However, we are still concerned about the impact of work-related activity on people's benefits. In response to Question 7, we have highlighted our work around the problems associated with payment for service user involvement. We would point out that service user involvement of this kind constitutes 'work-related activity' and can effectively act as a pathway to work – though not if we have a benefits system that blocks it.
- SCIE is keen to emphasise that in debates about people receiving incapacity and related benefits, it is important to recognise that we are not talking about a homogenous group. In very simple terms, when we're talking about getting people in or back to work, there are those who have previously been in work but have been off work for several years due to illness. On the other hand, for example, there are those with multiple impairments who have never been employed and for whom, talking about 'work-related activity' is not appropriate or relevant.

- SCIE feels there is a fundamental ambivalence in the proposals between getting people off benefit and into full-time work; and getting people to do something work-related when receiving benefits. It is not clear how long the latter can continue if it does not achieve the former. Doing something work-related can be an effective pathway to work but for some people in some labour markets the chances of them getting either full-time or part-time work is going to be small. The crucial point is, what are the expectations of what this group should do if they have been doing various work-related activities for two years and there are no prospects of a job?
- SCIE recognises that there are particularly high numbers of people with mental health problems currently on incapacity benefit. We welcome the move, where suitable, to support these people into employment. However, supporting 40 per cent of one million people (the government's target) into work is an ambitious target and it could potentially have a significant impact on mental health services. There will be a huge number of people, returning to work, who will require substantial support from mental health services. SCIE is concerned that there should be properly planned and resourced capacity-building throughout community mental health services for the government's ambitious target to become realistic.

1. What else could we consider to give the right incentives to employers to provide increased health support to their workforce?

Employers should consider the use of assistive technology as one means of supporting their current or potential workforce. People with learning disabilities, in particular, are known to benefit from the use of assistive technology. SCIE is currently managing a TATE (Through Assistive Technology to Employment) project which is based on the assertion that assistive technology has a crucial role to play in empowering individuals and crucially, in enhancing the employability for people with learning disabilities and their carers<sup>i</sup>. We define assistive technology as 'any electronic product or service which supports independence to enhance employability, either for the individual or their carer'.

Through the project, SCIE and its TATE partners seek to demonstrate how assistive technology can support independent living for people with learning disabilities and their carers, increasing their employability and allowing them to take a full and active part in the communities in which they live. With the ultimate aim of promoting independent living for people with learning disabilities and supporting them into employment, the project supports the government's proposals for getting people off benefits and into work. The project is also helping to support other government initiatives, especially those set out in the *Valuing people* white paper<sup>ii</sup>, which states that 'more people with learning disabilities should get the chance to do all kinds of work, if possible getting paid'.

Although SCIE considers the use of assistive technology in the workplace as one way of enabling people with learning disabilities to move from benefits into employment, we would also stress that when we talk of people on incapacity benefits, we are not dealing with a homogenous group. SCIE maintains that the heterogeneity of people in receipt of incapacity benefit should be considered in relation to this consultation question. We would be concerned about an overemphasis upon supporting people in the workplace or even in work-related activity. After all, some people may not be able to engage in work-related activity but would nevertheless wish to do something – contributing to their community in some way – and they would require support to be able to do this. It is not therefore, only about provision of support for the workforce.

If it is accepted that there is value in supporting some people to engage in activities that are not work-related, there needs to be serious consideration about exactly what those activities should be. During our consultations on the future of adult social care<sup>iii</sup>, service users reported that they did not necessarily want to spend their time attending conventional day care facilities. People's experiences of social services day centres were frequently negative with boredom being the main complaint. However, the main point raised by the adults we consulted was that they wanted choice. They wanted good models of day services and employment and training schemes – not one or the other. People with learning disabilities felt that the work experience and training schemes that were intended to support them into employment were often lacking, complaining about low pay and limited prospects. One woman said that instead of going to college for years and years, people with learning difficulties want to be supported to work.

Many of the personal ambitions of those we consulted centred on supporting other people, for example through fund raising or volunteering. However, as we have explained below (question 7) there are fundamental problems with the current system which restrict benefit recipients from contributing to their communities in this way. The main example we use is 'service user involvement' but it serves to highlight the general difficulties for people seeking to move from benefits to work.

In relation to this consultation question, SCIE urges the DWP to consider the diverse support needs that people in receipt of incapacity benefit will have. People may require support in the workplace but should be equally well supported to engage in more suitable activities that do not constitute formal employment. For these people it might be more realistic to say that they are expected to be involved in some activity that will improve their quality of life, and if possible make a contribution to society, without defining it as 'work-related'

There also needs to be recognition that even though many people are currently unable to work because of ill health or an impairment, they are quite capable of doing individual 'work-type activities', for example, answering the telephone or sitting in a chair to do administrative work, but may not be able to sustain a job because they can only do these sorts of activities for limited periods in a day or may have some days when they cannot do anything. Any work done is sporadic and dependent upon the often fluctuating health status of the individual on any given day. Such individuals are therefore unlikely to be an attractive prospect for employers. Therefore, there is a need

to educate employers about aspects of working practices and job structures that create problems, particularly for those with fluctuating disability and mental health conditions. Incentives should be provided for employers, not least in the public sector, to improve their record on employing disabled people and those with mental health problems. Employers should be encouraged to develop more opportunities for flexible working, to take account of the needs of single parents, people with mental health problems, and older workers.

2. How can we best share the evidence for the role of work in recuperation and good practice regarding sickness certification to medical professionals?

Realistically, relevant evidence should be disseminated among medical professionals via publication in peer-reviewed journals that doctors will read, for example, the *British Medical Journal*.

4. Do the types of 'suitable activity' we have set out provide a sensible range of activities that could be undertaken in order to fulfil an acceptable action plan?

SCIE welcomes the use of action plans for rehabilitation and where suitable, eventual (re)entry into work or work-related activity. However, we would strongly emphasise that action plans must be realistic both to the local labour market and to the individual. In terms of the individual for example, 'stabilizing life' could seem ambitious and for some, unrealistic. The nature of the local labour market is a significant factor because people with impairments often cannot afford to lose their existing support networks by moving or travelling too far.

SCIE is concerned that action plans should be formulated according to the principles of person-centred planning<sup>iv</sup>. Activities should be included in the action plans only after careful consideration of the context of an individual's circumstances and their own opinions and ambitions. Although person-centred planning is normally understood to be the basis for a particular way of commissioning, providing and organising social care services, SCIE believes that the principles behind it can be applied to planning people's routes back to employment. In *Valuing people*<sup>v</sup> the government outlined the principles behind person-centred planning and we have adapted three below which are relevant in the context of the proposals for action plans set out in this green paper. SCIE believes that action plans should:

- reflect a person's capacities, what is important to that person and specify the support they require to make a valued contribution to society – be that through work and even non work-related activity.
- build a shared commitment to action that will uphold a person's rights

- help a person to get what they want out of life.

There needs to be explicit recognition in rules associated with the new Employment and Support allowance that taking part in user involvement and volunteering does not mean that a person is fit for work.

As well as the formulation and nature of the action plans, SCIE is also concerned about how they are going to be used. We note that if recipients fail to follow their action plans, their benefit will be reduced in a series of slices. This has the potential of making the action plans coercive and heightens the need for them to be set within the context of the individuals' lives. SCIE is also concerned that decisions about whether action plans have been met seem to be down to professionals, possibly with little regard for the views and wishes of the disabled person.

SCIE warns that the thought of the conditionality of the action plans in relation to benefit levels, with the threat of having benefits slashed, could make many people extremely anxious and this may be counter productive to the successful fulfilment of their action plans. This might be a particularly important issue for some people who experience mental health difficulties, a group which makes up a very high proportion of those in receipt of incapacity benefit. During our consultations with service users with experience of the benefits system, it was often pointed out that the threat of losing benefits has made people already suffering with depression and anxiety feel even worse. The action plans should support people back in to work or other activity, in a safe environment. People should not be scared to lose their benefits in the event of a fluctuation of their condition or where plans have not been thoughtfully constructed in the first place.

## 7. How do you think that we can best improve work incentives within the new Employment and Support Allowance so that individuals have the opportunity to try out periods of work and progress to full-time work where possible?

SCIE welcomes the principle of greater flexibility in the new Employment and Support Allowance. SCIE believes the government's proposals should be made more flexible by extending the maximum hours for people attempting part-time or temporary work. This would give people better incentives for attempting a return to work. However, we would point out that people should also be supported in undertaking worthwhile activities in the event that they cannot return to work.

SCIE welcomes the government's recognition of the need to reduce people's fear over losing benefits should they attempt a return to work via work-related activity. Returning to or entering employment should not be about 'gambling on stability'; the risk to the individual should be minimal.

Indeed as it currently stands, the existing benefits system actually puts people off engaging in activities which could prove to be their stepping stone into employment.

Even if it is not feasible for an individual to enter or return to paid employment, they could still be given the incentive to participate in other activities. In a project supported by SCIE<sup>vi</sup>, the user-controlled organisation Shaping our Lives found that people in receipt of incapacity and other benefits were deterred from participating in activities such as voluntary work. Their fear of participating was twofold: they were afraid that any payment of expenses would be taken into account as earnings and cost them their means-tested benefits and they were also concerned that this kind of active citizenship would mean they were deemed 'fit to work'. In the face of these anxieties, which were often based upon personal experience, people often opted out completely. And this was despite the fact that those involved in the Shaping our Lives project who did participate in these activities, derived substantial personal value from their involvement. They reported to have gained skills and experience, helping them become active citizens and in some cases ultimately gaining employment.

As we know from the Shaping our Lives project and from SCIE's consultations around the *Independence, well-being and choice* green paper<sup>vii</sup>, even if they cannot formally work, most people who use social care services are keen to contribute to the communities in which they live. The government also recognises the crucial contribution that service users and carers can make. This is reflected in legislation and policy requiring user involvement in the development of policy and services. However, the current benefits system seems completely at odds with the climate of user involvement. SCIE is very familiar with the problems which centre on payment for involvement. In fact, the problems around paying people who take part in user involvement are closely connected with those that make it difficult for people to move from benefits to work and it is therefore crucial to highlight them.

The main point is that the current rules on paying people who are receiving benefits are making payments for involvement difficult and in some cases, impossible. This must be addressed. Although the rules allow those receiving benefits to be paid a little, some people think they should be changed so that they could be paid more. However, there is also need for greater transparency. The rules are not terribly clear. It is of particular concern, that the current rules seem just as confusing for Jobcentre Plus advisors as they are for recipients. As a result, recipients have described experiences dealing with Jobcentre Plus as 'difficult and demoralising' and in some instances, 'threatening'. Advisors seem to have been wrongly informed and do not understand that users are invited to become involved in service planning, evaluations and so on because of their ongoing experiences. We are concerned that user involvement is misunderstood to represent capacity for work.

In the Shaping our Lives project, service providers offered corroborating evidence in relation to the involvement of service users. One reported that service users are so worried about benefits being affected by their involvement that they will only claim for expenses – even if payments are kept below the weekly limit of £20. However, we also know and are alarmed by the fact that benefit rules require Jobcentre Plus to consider 'notional earnings' in the event that users decline the offer of payment for volunteer involvement. This current situation prevents some people from volunteering as they are at risk of having their benefits reduced by an amount of money they have not received.

As well as the barriers to service user involvement and other voluntary opportunities, the current benefits system poses some insurmountable problems for people ready to begin the process of returning to or entering paid employment. In the Shaping our Lives project, one user of mental health services pointed out that when he's well he can afford to work and stop his benefits, but if, as often happens, he becomes unwell by doing too much he has all the hassle of setting up benefits again. SCIE feels very strongly that the benefits system should recognise that in such cases, any work done is sporadic and dependent upon the state of the person's health on any given day. As the system stands, any venture into the world of paid employment will be seen by such service users as jeopardising their benefits.

Reiterating the *Contributing on equal terms* report, SCIE makes the following recommendations for providing better incentives within the new Employment and Support allowance:

- The government should recognise that its commitment to increased involvement of health and social care users and carers is being undermined by the current benefits system.
- There needs to be explicit recognition in rules associated with the new Employment and Support allowance that taking part in user involvement and volunteering does not mean that a person is fit for work.
- The earnings disregard limit should be raised.
- There should be a more flexible system for assessing how much people can earn.
- Permitted earnings should be assessed over a longer period – one year would be a more appropriate length.
- The way in which Jobcentre Plus administers the rules for permitted earnings needs to be reviewed to ensure they are consistently applied.

#### 8. Would it be reasonable to extend the Work-Related Activity Premium, and the associated requirement to take steps back to employment, to lone parents with children younger than 11? If so, what age should be the cut-off point?

We believe that using any specific age as a cut-off point for the work-related activity premium is a rather arbitrary approach to the needs of parents in receipt of incapacity benefit. While respecting at all times the heterogeneity of parents with mental health problems, we would point out that they often have particular parenting and other support needs. Our concern therefore, is with the type and level of available support to help them in to work if that is a suitable and realistic route.

SCIE has recently launched a review of research and existing practice of health and social care services in supporting parents with mental health problems and their children. SCIE would be delighted to share its findings from this project as they emerge in order to better inform the DWP about the most suitable approach to supporting parents, which may include engagement in work-related or other activities.

9. In what circumstances do you think it would be reasonable to extend the six-month Work-Related Activity Premium period?

Six months seems to be a fairly arbitrary time period. We would emphasise the need for the work-related activity period to be individualised and set within the context of each case. However, we would find it acceptable if the X (e.g. 6) months represented a review period rather than a final point.

10. Does utilising voluntary sector and private providers in this way sound sensible? Would outcome-based payments incentivise providers to meet the challenges of delivering Pathways to Work and the new arrangements described in Chapter 4?

Although SCIE would support the use of the public, private and voluntary sectors, we would suggest that service user-led organisations should be involved. However, for this to happen there must be scope for capacity building. SCIE is concerned that user groups should be better supported and funded to maintain their independence and critical function. More thought and resources need to be directed at local service user groups to build their capacity to respond effectively to requests for engagement or involvement. When budgeting for programmes, there is a need to create a clear budget line for user involvement and also for the evaluation and monitoring of the outcomes of this involvement. SCIE has recently commissioned a project for the development of measures for effective service user and carer participation and would be delighted to share its project findings with the DWP later this year.

SCIE emphasises the importance of the cooperative role of a range of agencies in supporting particular groups of people. Not everyone leads organised lives and some people are at a particular disadvantage in the labour market. People coming out of prison, drug addicts and alcoholics are examples of groups of people who can experience episodes where they do not feel in control of their lives. For certain groups of people to be able to get anywhere near being able to work and hold down a job they are likely to need a great deal of support from other agencies, for example, Independent Living Fund for personal assistance, or social workers/probation officers and the social care system for many others. We would stress the importance of individuals having one point of contact wherever possible for the range of services they are in touch with, including DWP staff.

We note that the government proposes extending Pathways to Work to cover the whole of Britain by 2008. The backbone of the delivery of this support into employment will be the 'employment advisors'. We welcome the one-to-one, personalised support that the Pathways to Work pilots have shown employment advisors to provide. We also welcome proposals for basing them away from job centres, often in GP surgeries, as it is possible that this will reduce people's fear over losing their benefits. However, the DWP should not overlook the significant implications their proposals have for workforce

training and development. Indeed, combined with the plans set out in the Department of Health's recent white paper on community-based health and social care<sup>viii</sup>, the future for people with support needs rests heavily on the workforce. We do not believe that the workforce currently has the capacity to cope with the increasing responsibilities and this is why SCIE is keen to contribute to the necessary training and development, including through our support of the current Options for Excellence review.

With regard to the outcome-based payments for incentivising providers, we would point out that the 'outcome' should not be number of placements provided. Incentives should be used that will encourage the provision of stable placements rather than the provision of large numbers of placements.

Furthermore, we would point out that outcome-based payments work only if the outcomes are realistic. In the same way we have urged that action plans are formulated in the context of individual's lives, outcome measures should also be individualised. Some people who find themselves in vulnerable positions will not respond to financial sanctions. Worse, financial sanctions could be seen as being punitive because people could understandably feel that their payments are being reduced because their condition has deteriorated. The financial sanctions could also function to push people into a situation that they are not ready for.

## 12. How should housing benefit be adapted to meet our welfare reform objectives for tenants in the social housing sector?

We would suggest that the situation of unemployed home owners ought to be addressed. During the 1980s and 1990s there was huge growth in levels of owner occupation, driven in part by the government's 'right to buy' policy. At the start of the 20<sup>th</sup> century, only 10 per cent of dwellings in the UK were owner-occupied. By 2000, the level of owner occupation in the UK had reached 71 per cent, which was just above the average for all EU countries (63 per cent)<sup>ix</sup>. Given this huge increase in home ownership, SCIE strongly believes there ought to be a mortgage benefit for those who cannot work due to illness.

The proposals in Chapter 6 raise a couple of other important issues: one is the assumption that the findings of the pathfinder projects will necessarily transfer when they're rolled out – how can we be sure of this? The other is the issue of paying housing benefit direct to tenants.

We have substantial evidence to suggest that this would be a far from ideal arrangement for some benefit recipients. During our *Independence, well-being and choice* consultations with service users that agencies find hard-to-reach<sup>x</sup>, some people reported that they did not necessarily want benefits paid straight to them. They were concerned that by having access to these 'extra' funds, they might spend the money inappropriately or make them vulnerable to exploitation.

Feedback gathered from people with substance misuse and mental health issues and those with experience of homelessness and from their care workers seems particularly relevant to this issue. Two of our main findings from *I'm not asking to live like the Queen* should be considered (p9):

- Making payments directly into service users' bank accounts was not a viable option. For many people, access to more funds either provided the temptation to spend the money inappropriately and/or opened the individual up to potential exploitation.
- Very few of the participants in the consultation had bank accounts and are, largely, completely outside of the financial mainstream. Literacy and numeracy are low among this group. Therefore, additional support and training would need to be available to people if they took up direct payments.

Although these conclusions relate to direct payments, we would argue that they could apply equally well to the issue of direct payment of housing benefit as these quotes indicate:

Workers said:

'A client said to me, "Please make sure it [a housing benefit back payment] goes into my rent account as I'd only spend it on heroin".'

'I have seen cases where they have used the money that come in for a community care grant on alcohol, drugs and things like. At the end of day the money is coming in their name and the cheque [has] been made payable to them. All we can do is suggest and recommend what services there are but ultimately the decision is theirs. So I would say one of the areas and concerns would be how would you manage this and what kind of power would we have as workers to regulate this.'

Clients said:

'I suffer from a drink problem and if I get up and find out I've got all this money, I would go on a drinking binge for one day and then it's gone.'

'It would be useless to prefer to have it in your own bank account. They will check once every two weeks or whatever until the end of the month and they will spend it on day one on maximum amounts of cocaine and starve for two months until the next cheque. That's it.'

Far from suggesting that housing benefit payments should not be paid directly to recipients, SCIE maintains that people must be given choice about the matter. For some it is even more complicated; they should be given choice about whether they want such choice. Nevertheless, SCIE would not support a system which did not offer the same choices to people with certain issues.

## References

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