

WELFARE REFORM COMMITTEE

THE FUTURE DELIVERY OF SOCIAL SECURITY IN SCOTLAND

ADDITIONAL WRITTEN SUBMISSION FROM INCLUSION SCOTLAND CONCERNING FUTURE EMPLOYABILITY SERVICES

1 Introduction

1.1 Inclusion Scotland (IS) is a Scottish-wide network of self-organised groups of disabled people and disabled individuals. Currently over 50 organisations and over five hundred individual disabled people are members. Inclusion Scotland's main aim is to draw attention to the physical, social, economic, cultural and attitudinal barriers that affect disabled people's everyday lives and to encourage a wider understanding of these issues throughout Scotland. Inclusion Scotland wish to see a devolved Employability service developed that recognises and addresses the specific needs of disabled people.

2 Scale of the Problem

2.1 Since the beginning of the recession in 2008 the proportion of Scots working age disabled people in employment has fallen from **48.9%** to **43.9%**. In comparison the employment rate of Scots non-disabled people has recovered to **80.9%** - a rate similar to its pre-recession level - albeit that there are now many more people in part-time and self-employed work.

2.2 What these headline figures conceal is that the stigma attached to some impairments result in a markedly higher worklessness rate for certain impairment groups. Hence those with an active mental health condition and learning disabled people suffer an unemployment rate of around **90%**.

2.3 **Modern Apprenticeships:** The Woods Commission Report, found that of 25,691 Modern Apprenticeship starts in 2012/13, only 63 were taken up by people with a declared disability. This represents a 0.2% share of all starts against the disabled youth population share of 8%. We understand that Skills Development Scotland aim to address this issue but we believe much more needs to be done than encouraging young disabled people to disclose their status.

3 Existing Provision: The Work Programme

3.1 The Work Programme is a "compulsory" scheme where attendance at interviews and specified activities is required as a condition of benefit entitlement. Failure to attend leads to a sanction.

3.2 The previous Government's stated intention was to move disabled people, and others, out of worklessness via the Work Programme. Yet, up to 31 March 2014, whilst there were **14,110** Employment Support Allowance (ESA) Work Programme job outcomes there were also **41,721** ESA Work Related Activity sanctions during the same period. Thus a disabled person on the Work Programme was three times as likely to be sanctioned as to be found a job.

- 3.3 According to research¹ and in the opinion of the Work and Pensions Secretary's own expert advisors² there is no evidence that conditionality has a positive impact on moving people off benefits and into work of a sustainable nature. Instead sanctions impose unfair, discriminatory and disproportionate penalties on jobseekers which cause hunger, debt, homelessness and ill-health whilst failing to increase their job prospects.
- 3.4 Contracts for provision of the Work Programme are currently awarded on a "black box" basis where the DWP pays for results but allows providers to decide on how the employment support is delivered. This "black box" method of procurement has signally failed to assist those with long term health issues or impairments to move into work. The job outcome rate for long-term sick and disabled people on the Work Programme is only **5%**, approximately one-fifth of the success rate for all referrals (**24.7%**)³.
- 3.5 In addition the model of funding Work Programme partnerships between large providers and smaller, local, specialist 3rd sector orgs results in the following problems:
- a lack of referrals from big providers to smaller partners because of incentives to cream-off the more job-ready rather than those requiring specialist support
 - payment by results creates insurmountable cash flow problems for smaller 3rd sector organisations whose funding is often very tight.
- 3.6 The advantage of payment by results is that providers are incentivised to achieve positive outcomes for their clients as payments, and thus overall profitability, follow results. The disadvantages are that payment by results leads to "cherry picking" i.e. providers concentrate on moving those closest to the labour market back into work and only go through the motions with those furthest from being employment ready. The current Work Programme outcomes suggest that this is exactly what is happening in practice i.e. those with recent work experience flow into jobs at a far higher rate than those with little or no work experience and higher support needs.
- 3.7 The payment by results process also creates situations where organisations that provide the support which actually leads to a disabled person securing employment, do not receive a payment because another, much larger, contracted provider has already received it. Consequently small numbers of large organisations benefit from the funding while not always delivering successful support for disabled individuals. This suggests the need for a new funding model which better accounts for the diversity of support needs of unemployed, and particularly disabled, people, and which better distributes funding.
- 3.8 The benefits of a payment for progression, rather than simply job outcomes, is that providers would be incentivised to move a wider range of people into "positive destinations" (e.g. education, training, volunteering) which help increase their employability and build their confidence. This might help avoid 'cherry-picking'. It would also be in line with the way that progress is measured in other areas, such as education (i.e. in the distance travelled).

4 Work Choice

- 4.1 In contrast to the compulsory Work Programme the "voluntary" Work Choice scheme has a much better record of securing positive outcomes for disabled people. Since its

- 4.2 inception, 36% of those on Work Choice have achieved a job outcome with 14% of participants achieving sustained unsupported employment for more than six months⁴.
- 4.3 This is probably because Work Choice provides support which is tailored to address the particular barriers faced by the individual disabled person using it.
- 4.4 In SAMH's Work Choice provision, 38% of starts are achieving job outcomes with 18% achieving sustained employment. This compares to the Work Programme, where only 7% of all ESA claimants on the Programme achieve such an outcome⁵.
- 4.5 However even within Work Choice disabled people report to us that providers sometimes fail to meet their needs. For example several disabled people have reported that providers fail to supply information in the format they require – with the excuse that this is due to “commercial confidentiality”. This highlights that currently business considerations, and profit, are put before the needs of disabled people. This has to be addressed in any future employability support programme.

5 Future Employability programmes in Scotland

- 5.1 Inclusion Scotland believes that the key purpose of future Scottish Employment support programmes should be to address current labour market **inequalities**. Disabled people are currently the group most unfairly excluded from employment and this needs to be addressed as a matter of urgency. In addition to disability, issues of gender also need to be addressed as disabled women, like women in general, are less likely to be in work than disabled men and if they are in work are more likely to be in low paid employment.
- 5.2 The ambition of any new employment programme should be that all disabled people who want to work should be empowered to do so. An interim objective should be to raise the employment rate of disabled people who want to and are able to work to the same level as that for non-disabled people. That would be around 55% of disabled people of working age being in employment.
- 5.3 In the wider policy context Inclusion Scotland would point out that a range of services need to be aligned to increase disabled people's employment. This would involve increasing disabled people's access to accessible housing, further education and social care (PA support to get up and into work on time), reliable and affordable accessible transport, etc. Though we acknowledge this will take time an employability support programme that ignored these issues could attain only limited success.
- 5.4 One way of maximising the effectiveness of devolved employment support would be examining how it could be utilised in supporting existing programmes for change such as the Integration of Health and Social Care services. Care support is sometimes needed to enable disabled people to get up, get dressed and fed thus enabling them to get to work.
- 5.5 Some NHS services already take a holistic approach to health that views employability support as crucial to achieving the health and well-being of service users. For example the Employment Zone approach has achieved some notable successes and there are definitely opportunities for shared learning about what does and does not work.

- 5.6 Employability programs could also be designed to have knock-on benefits to wider equality objectives. For example, by involving sectors such as health, legal services, transport and civic engagement as hosts of employability support activity we would be positioning disabled people within the organisations delivering these areas of work. This in turn would help to create the cultural changes and awareness raising needed to result in shifts in practice to address access barriers to disabled people in those sectors.
- 5.7 Put simply, disabled people should be seen as colleagues with the insight needed to find solutions – not as the problem needing solved. This approach could have similar benefits for other marginalised groups, and would represent an efficient use of resources in addressing the multiple objectives of the Fairer Scotland agenda.

6 The Third Sector and DPOs involvement

- 6.1 In Inclusion Scotland's experience the Third Sector has contributed some of the most innovative and supportive employability programmes and their knowledge and expertise should be harnessed in the design and delivery of any new programmes.
- 6.2 For example the Third Sector Internships Scotland (TSIS) project has produced a legacy of guidance on running well supported and targeted work-based learning internships within the third sector⁶. Third Sector organisations such as IntoWork also seem to achieve much higher success levels via a brokerage and matching approach which marries together potential employees with the most appropriate employers.
- 6.3 Smaller scale programmes run by user-led Disabled People's Organisations (DPOs) have achieved even better outcomes than Work Choice. For example at the termination of Glasgow Centre for Inclusive Living's, ESF funded, "Professional Careers Service", of those assisted to find traineeships within local social housing associations: 82.4% gained full-time employment; 94.1% gained an academic qualification; and 11.7% went into further education⁷.
- 6.4 Similarly Inclusion Scotland's pilot internship programme within the Scottish Parliament last year resulted in a 100% success rate for onward employment journeys. MSPs reported that having access to expert advice was a huge help in ensuring that they provided the appropriate support as employers.
- 6.5 The problem with such programmes is their "scale-ability" to deliver services to a much higher volume of disabled job-seekers across Scotland. However what such programmes do demonstrate are the possibilities that open up if lived experience and professional expertise are harnessed to address barriers.
- 6.6 Inclusion Scotland believes that disabled people and their organisations need to be directly involved (by both Government and potential providers) in the design, delivery and monitoring of programmes which are supposed to be addressing their employability support needs. We also believe that DPOs are best placed to understand the barriers to employment faced by disabled people and to work with clients to address them.
- 6.7 **Local Provision:** Provision of Employability Services at a local level should result in greater knowledge and understanding of the local labour market. Local delivery would also enhance the scope to build relations with local employers. Local delivery

6.8 is also desirable as local knowledge of potential barriers to employment (e.g. a lack of accessible public transport) would result in support more attuned to the needs of local disabled job-seekers.

7 Working with Employers:

7.1 Employers often have negative attitudes towards disabled job applicants⁸. One of the greatest barriers is employers' fear of additional costs arising from making adjustments to the workplace. Therefore employers need to be educated about how little a typical 'reasonable adjustment' will cost. Employers also need to be made aware of the Access to Work Scheme, which can help meet their costs.

7.2 In addition Inclusion Scotland would urge that Scottish Government consider introducing a service which supported and gave guidance to employers in how to conduct an accessible recruitment process and how best support employees with impairments. This would greatly assist in improving the recruitment and retention of disabled workers.

7.3 Scottish Government and Local Authorities should also work with employers to initiate employer-led campaigns to encourage other employers to employ disabled people. Peer-led campaigns would be more likely to be persuasive as they will emphasise the business case for employing disabled people.

8 Priority Groups:

8.1 Analysis of the Scottish Government's data for Attainment and Leavers Destinations for 2012/13 confirms that after one year school leavers with impairment related Additional Support Needs are more than twice as likely to be unemployed or workless (18.1%) than those with no ASN (8.3%)⁹. However by age 19 they are three times as likely to be NEET as their non-disabled peers.

8.2 Therefore to ensure the future employability progress for young disabled people it is vital for Scottish Government, Skills Development Scotland and local authorities to intervene in those crucial 2-3 years after they have left school. Succeeding in improving the employability of young disabled people in "transition" would have a substantial impact on their employability, health and well-being throughout the course of the rest of their lives.

8.3 Another key time when intervention is needed is in providing support to people who acquire an impairment while in work. For example strokes are a major cause of acquired impairment. People who have had a stroke may acquire speech impairments and partial paralysis limiting mobility and handling skills. These impairments can be managed if the disabled person has speedy access to speech and/or physio-therapy. Therefore future employability programmes should be geared to providing support when it is actually needed which enables disabled people who acquire an impairment (or whose impairment worsens) to remain in, or return to, work.

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¹ The Impact of Welfare Reform Tracking Study, Employment Research Institute at Edinburgh Napier University and the University of Stirling for Scottish Government, 2015

<http://www.gov.scot/Publications/2015/06/7394>

² Universal Credits: Priorities for Action, Social Security Advisory Committee, July 2015

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/446891/universal-credit-priorities-for-action-ssac-july-2015.pdf

³ DWP Work Programme: How is it performing?, the Centre for Economic and Social Inclusion, March 2015

⁴ Department of Work and Pensions, [Work Choice Official Statistics](#), August 2014

⁵ Department of Work and Pensions, [Work Programme Official Statistics](#), September 2014

⁶ See "Third Sector Internships Scotland: Best Practice Guide, TSIS, 2015,

<http://www.3rdsectorintern.org.uk>

⁷ <http://www.gcil.org.uk/employment/gcil-equality-academy.aspx>

⁸ See more at: <http://bwglaw.co.uk/news/research-report/employers-attitude-the-disability#sthash.oGWahpF.dpuf>

⁹ Table L2.3. Percentage of school leavers from publicly funded secondary schools in Scotland by follow-up destination category and Additional Support Needs, 2012/13

www.scotland.gov.uk/Topics/Statistics/Browse/SchoolEducation/leavedestla/follleavedestat/attainmentandleavers1213