

## **Executive Summary**

**Around 10 million people are affected by disability including almost 20% of the UK working age population. Therefore it is vital that major changes are identified to reduce barriers that inhibit people from participating more widely within our community, especially in employment.**

**The definition of a 'disabled person' used by the Strategy Unit includes mental health conditions, long-term illness, learning difficulties and the effects brought on by old age. UnumProvident supports this holistic view, which include both apparent and non-apparent disability.**

**The Report covers a wide range of issues in which UnumProvident shares a key interest. Disabled people face multiple barriers including widespread discrimination, lower incomes and fewer employment opportunities.**

**Work should be viewed as a normative part of life, where the seeking of work, instead of drawing benefits, is seen as the socially correct thing to do and therefore is supported, encouraged and applauded.**

**Different intervention approaches are required to prevent the flow onto Incapacity Benefit, than are required to reduce the stock of those already claiming benefit. However we all operate in a world of finite resources. One where the costs of gaining better understanding of the causation of disability and the barriers to work attachment that create the former, will always compete for funding with the different expenditures required to provide the resources required to combat the latter.**

**The Government has a supportive and educative role to play in terms of information and advice. Employers have a key role to play and can do much to identify and remove barriers that prevent a return to work, especially if they engage with illness, disability and absenteeism in a positive way. However possibly the most important intervention is with assisting disabled people themselves to ensure they are fully equipped to compete for jobs.**

## Introduction

In the Report, a series of questions are posed that are useful in guiding responses. UnumProvident has chosen to answer these very briefly, and to follow up with a narrative. We have responded in this way because we feel that to do the Report justice requires a more considered response that goes beyond the rather narrower confines of a question and answer session.

## Key Responses

<p><b>Do you broadly agree with the analysis of the issues in the report?</b> Yes, UnumProvident agrees with the report's analysis.</p>
<p><b>Are there any parts of the report that you disagree with?</b> No, In the main we would prefer to confine our comments to the area that we feel confident to discuss, namely disability and employment.</p>
<p><b>Are there any serious omissions in the report's analysis?</b> There are some minor issues where we contend some of the conclusions and we expand on these in our narrative.</p>
<p><b>There are a number of examples in the analysis report of good practice and a number of issues and gaps are highlighted. Which of these do you think, if addressed, would result in the greatest improvement in disabled people's life chances?</b> Certainly some good practices, e.g. in assessment, are well worth building on, again we expand on the issue of good practice and outcomes in the narrative.</p>
<p><b>In the next phase of the project we will be looking at a few key policy options. Which policy options are taken forward will depend on a number of factors, including what impact would it have, how practical it is, evidence of need, and fit with other activities. We would like your views on what key policy options should be taken forward.</b> The management of routes into work and engagement with employers, large and small, is one of the areas we feel qualified to comment upon because we believe that work is a normative part of life, it is good for all of us and the contribution of employment to the overall health and well being of all our citizens should not be underestimated- again we expand on this in the narrative.</p>



## **Background**

The problems of sickness and disability in employment are well documented; on any working day in the UK, six million people are reported absent from work due to sickness. The number of people, of working age, in receipt of Incapacity Benefit (IB) has risen by 10% since IB was introduced in April 1995, and now stands at 2.3 million. Whilst unemployment has fallen and the demand for employees has increased, the number of people claiming IB, particularly for the reasons associated with mental health, remains stubbornly high and over 84% of claimants have been on benefit for over a year, with 51% for over five years.

In terms of private provision, UnumProvident is the UK's leading provider of group income protection insurance, with over 30 years of experience. Our critical illness and life insurance products enable our customers to purchase complementary protection solutions that together make a comprehensive protection package. Our income protection customers benefit from our expertise in the specialist areas of disability, rehabilitation and return-to-work. UnumProvident enables individuals to protect their incomes, protecting their financial security, if they are unable to work due to illness or injury. For employers, UnumProvident safeguards one of their most valuable resources, by helping employees return to work following long-term absence.

At the end of 2003, UnumProvident protected over 1.3 million lives through more than 14,100 schemes. During 2003 UnumProvident paid total benefit claims of over £164 million, of which more than £137 million was related to income protection claims. Our US parent company, UnumProvident Corporation, traces its history back to 1848 and is today the market leader of group and individual income protection insurance in the United States.

In the UK our commitment to the wider world of disability and employment is shown by our prime mover support for 'New Beginnings'. The 'New Beginnings' programme is a process in which UnumProvident is sharing its unique skill set and perspective on disability and employment with other interested stakeholders. 'New Beginnings' is a coalition of the private sector, employer & employee organisation and disabled groups, who believe that placing and then keeping disabled people in productive employment will provide them with fulfilment and self-esteem, as well as economic independence.

It seeks to bring together the country's resources and centres of expertise on these issues, so as to develop and implement integrated solutions to the employment issues affecting the disabled citizens of our country. Much more can and must be done to enable all of us to benefit from more equal access to the employment and services we all aspire to. 'New Beginnings', believes that all

the stakeholders have an important role to play in both attracting people with disability into employment and retaining them in work.

In 2004 our long-term interest in vocational rehabilitation was demonstrated by the appointment of Prof. Mansel Aylward to be the first director of the UnumProvident Centre for Psychosocial and Disability Research at Cardiff University. The Centre's research will lead to a better understanding of what makes people incapacitated and how to prevent and support disabling incapacity to help people return to work after illness. This will bring benefits to employers, insurers and to society as a whole; but more importantly, it will benefit the individual who is healthier and happier when actively involved in work. For in spite of an accelerating rate of medical innovation and discovery, more and more people of working age are being certified as incapable of work, often with complaints which cannot be understood in the same way as more identifiable diseases.

## **Barriers to Employment**

The report identifies that around 10 million people are affected by disability including almost 20% of the UK working age population. So it is vital that we identify major changes to reduce barriers that inhibit people from participating within our community, especially in employment. The report identifies the continuing situations where disabled people suffer adverse social outcomes particularly at key transition points of their lives i.e. moving between full-time education and employment or between employment and economic inactivity.

The definition of a 'disabled person' used in your report includes a person with mental health conditions, long-term illness, learning difficulties and the effects brought on by old age. UnumProvident supports this holistic view, which include both apparent and non-apparent disability.

The Report covers a wide range of issues and UnumProvident shares the view that disabled people face multiple barriers including widespread discrimination, lower incomes and fewer employment opportunities. The varying needs of disabled people across employment are responded to on a piecemeal basis and one reason for this is that disabled people are not empowered and often they lack full involvement in policy making or meaningful choice.

The Report identifies several priority areas for analysis. In the 'Preparation and Prevention of the onset of impairment' section, referring to the high associated costs of injury, ill health and disability, in that 40million working days were lost in 2001 due to workplace injury and ill-health

alone let alone the toll from road accidents and the reducible self-induced ill health and impairment that arises from poor life-style choices like smoking, alcohol intake and diet-related obesity.

UnumProvident agrees with the key barriers highlighted and endorses the call for better evidence to track people before, during and after they face disabling barriers. We share your view that reform of the healthcare system is required because it focuses on treatment of symptoms and impairment and has too little emphasis on the value of continued employment.

UnumProvident endorses the potential solutions the Report puts forward, namely, the removal of barriers through medical research, Health & Safety legislation, employer insurance arrangements and work design, early intervention, health advice screening, programmes of rehabilitation, and employer absence management. UnumProvident particularly concurs with your views on the value of individual empowerment, with accordingly a reduced emphasis on things being 'done' to disabled people, i.e. which involve restricting them to a passive onlooker role rather than that which is worthy of a committed stakeholder.

UnumProvident fully endorse the key outcomes which you predict would greatly improve the situation: -

- Preventing the onset of accident and illness
- Rehabilitation for life and work
- Work Retention
- Provision of quality healthcare for disabled people
- Preventing health conditions from deteriorating into a possible downward spiral from onset of ill health, accident or job loss.

The Strategy Unit supports its analysis with statistics around injury, sickness and disability in employment and reminds us how other parameters like gender and age can impact upon the incidence of these events. UnumProvident has further data, information and knowledge on these issues and would be happy to share with you some of its experience.

## **A Holistic Approach to Work Absence Management**

To aid further investigation, the Report poses three questions,

- Can we improve early intervention and support by targeting accidents and health conditions, most likely to result in impairment and disability?
- Can we improve support by examination, of what happens at each stage, from preventative action, through onset of problems and to treatment?
- How far can the onset of impairments be tracked back to causes related to poor public health, such as alcohol-related violence and diet-related obesity, and what implications might that have for the Department of Health's "Choosing Health" consultation?

UnumProvident believes all these have significant merit and deserve further attention and clarification. We particularly endorse a fourth issue raised namely; 'What more might be done to ensure a "whole person" response to accident and illness which builds capability rather than treats medical factors alone? We agree with your view that 'Over-medicalisation' leads to a lack of joined up thinking',

UnumProvident agrees entirely with the Report's view that not everyone in the medical profession understand that secure, rewarded work is good for health and well-being; some GPs focus narrowly on impairment rather than associated work environment issues or rehabilitation needs. As the report indicates, 'signing people off' sick is a highly costly decision, often taken without all the implications being clear.

This activity is especially serious if it becomes the preferred alternative to seeking out specific actions designed to facilitate a return to work. For example the active involvement of the employer, or the consideration of potential workplace adjustments, would be just two possible outcomes worthy of contemplation in lieu of the automatic re-issuing of a 'sick-note'. The process of 'signing off' is often passive, patient-led, lasts for too long a period and is rarely performed in the context of the premise that a short sharp period of absence from work will aid recovery.

In support of the Report's argument that 'Employers are well placed for early intervention but do not appreciate the costs of 'doing nothing'; you provide statistics to support the value of sickness employer based absence management. This is an area where UnumProvident has proven expertise in and indeed on our website, <http://www.unumprovident.co.uk/default.asp?nm=69>,

employers can find a 'Cost of Absence' calculator which they can either complete on line or download to obtain an informed estimate on the likely absence costs.

## **Better Routes into Employment**

In the Report's 'Routes into Employment' section, you correctly state that disabled people are less likely to be employed and more likely to be economically inactive than the non-disabled. (Also mentioned is the fact that disabled people on IB become increasingly detached from the labour market as their chance of ever leaving these benefits rapidly declines after 3-6 months. We give the issue of IB a deeper treatment later in our response.)

The Report identifies the following barriers that block the route of disabled people into employment and, equally importantly, remaining attached to the work place long-term.

- Employers' perceptions and awareness of disability issues
- Failure to provide disabled people with the level of education, work experience and training; need to compete in the labour market
- A lack of financial incentives for disabled people to seek employment and lack of clear information to assess these incentives
- A system too focused on incapacity rather than capacity
- Full-time paid employment is seen as the only route to labour market participation
- Disabled people often have low skills and qualifications

The solutions you propose are:

- Improved financial incentives for disabled people to seek employment
- Enhanced employers' willingness to hire and retain disabled workers
- An improved or simplified system of disability assessment
- Promotion of a rehabilitation strategy agreed between the employer, employee and medical professionals
- Improved flexibility of the system, allowing part-time and voluntary employment to be a route into labour market participation
- Continue to gather evidence of what works and work on improving evaluation techniques

UnumProvident broadly agrees with both your analysis and solutions, particularly in your comment that while it is true that disabled people are less likely to be in employment, and more likely to be economically inactive, many disabled people report they would like to work but are unable to find employment.

While it's fair to say their expectations may be unrealistic without reasonable adjustments, it's also true that even when all their medical issues are behind them, transport issues resolved and any required physical adjustments to the workplace have been made; issues like attitude and behaviour may nevertheless prevent work attachment.

Thus while, the Strategy Unit indicates there is a heterogeneity amongst disabled people, arising both from variations in impairments and from variations in socio-demographic characteristics, similar barriers to employment, such as discrimination and an inaccessible built environment, exist for them all.

Disabled people are not helped by an approach that still divides them into two groups – “those who can work” and “those who cannot”. Claimants for disability benefits are assessed on their incapacity for work rather than their “residual” capacity to work and because IB is an out of work benefit, fear of loss of incapacity status inhibits some claimants from looking for work in case their IB claim is lost. UnumProvident fully endorses the Report's view that this approach fails to recognise individual circumstances, and adopts a model of work that is too inflexible.

Existing and proposed policy initiatives aim to address some of these issues, but it is important to challenge these proposed policies and perhaps consider more radical options.

We agree that options for consideration could include:

- An effective assessment and rehabilitation service
- Wider engagement of Government stakeholders
- Ongoing amendments to benefits and incentives
- More specialist support services
- Greater support and responsibility for employers in psychosocial based claims in the area of mental health, i.e. stress, anxiety and depression.

## **The Realities of Incapacity Benefit (IB)**

The report describes the current situation with IB pretty accurately, but the latest figures on causation and duration of incapacity benefit claims history point to the fact that things may not be as simple as they may seem.

The Report analyses the costs of disability to UK PLC particularly the rising share of total benefits taken by IB, noting that currently 2.3m people draw over £7bn of IB benefits annually. Within the Report, it is stated that the methodologies required to attract, return and retain disabled people to the workplace are not the same as those required to reduce the number of IB claimants.

We agree this situation arises because the impairment profile and status of the two groups is not the same. Recent DWP figures show that the number of people of working age who are economically inactive is at record levels of more than 7.8 million. The biggest increase in both IB and insurance claims is in the psychosocial area of disability, the cost of benefits, paid to those claiming they have been disabled by stress, depression and anxiety, has risen to more than £2 billion a year.

The Social Exclusion Unit recently reported that people with psychological problems are the only group on incapacity benefits whose numbers are growing and that only 21% of people with long-term mental illness were employed - the lowest of any disabled group. However the Government's own figures show that Currently more than 700,000 people receive IB on the grounds of poor mental health, of those, 232,300 are women, a 60 per cent increase in seven years. Stress and depression, the two causes showing the sharpest increases, now account for 65 per cent of all mental health cases and the cost of benefits for those claiming that they suffer from post-traumatic stress runs at £103 million per year. For those certified with depression, annual expenditure will be £1,036 million this year and Phobic anxiety accounts for a further £282 million a year, while all other mental and behavioural disorders absorb £613 million.

This suggests that while the flow of claimants onto IB is now from a mental health background, the stock that have been claiming the longest, first entered benefits with a different causation, commonly musculoskeletal/back pain. While the latter may now be also exhibiting mental symptoms their aetiology and epidemiology will be very different from the new flow. Accordingly quite different intervention approaches will be needed to prevent the flow onto IB than are required to reduce the numbers of those already on-claim.

Towards its close the Report refers to whether the right principles for policy design and delivery are in place. The point is made that after three to six months on benefit the chances of leaving IB are much reduced. Indeed with only 16% of claimants being on IB for less than a year the chances are very slight that many people will leave IB. The claim that the flow onto IB has been stemmed is also only partly true. UnumProvident's view is that the flow has not been stopped, but rather attenuated.

The Government's own data, as we noted earlier, indicates that the causation of claim has changed in recent times. The effect of this has been that the decreasing clinical identifiable medically evidenced bio-medical claims, i.e. those with a cardio-thoracic/ musculoskeletal aetiology, which have been offset by an equal increase in psychosocial causations such as 'pain' or 'stress'. The latter case histories may prove much more intractable to resolve than the former, as the source of this increase is still not fully understood (hence the relevance of our support for the UnumProvident Centre for Psychosocial and Disability Research). The former cannot keep reducing at the same rate but the latter could certainly go on rising if nothing is done, thus the total numbers of IB claimants may soon begin to rise swiftly unless preventative action is taken.

If the point the Strategy Unit is making, is that the numbers suggest that the scarce staff and funding resources for vocational rehabilitation would be better employed if it were targeted at keeping people off benefit, by early relevant intervention, as opposed to the much harder task of getting recidivist IB claimants permanently off benefit, while the flow onto benefit continues unabated; then we would agree that some cost benefit analysis around the issue would be good value.

### **Looking to the Future – Who are the Stakeholders?**

From a policy perspective it's UnumProvident's view that all the stakeholders, including Government should work with disabled people to address barriers to inclusion in employment. However, Government must provide a level of support, which balances cost sharing in a predictable and fair way, where the lines of responsibility between disabled people, Government, service providers and employers are clear.

The Government must empower disabled people to promote their own inclusion and rights within society, and to fulfil their own employment potential. Government can play a key role in educating and informing all of our people, disabled and non-disabled, employers and employees alike, as to their rights and responsibilities. A society is needed where work is seen as a normative part of life, where the seeking of work, instead of drawing benefits is supported, encouraged and applauded.

The Government itself must make sure in the first instance that it speaks with one unified voice in the matter of disability and employment. For example, UnumProvident recently responded to the Department for Work and Pensions (DWP) 'Vocational Rehabilitation' Consultation. The Department of Health (DoH) has recently embarked on its 'Choosing Health' Consultation and the

Health and Safety Executive (HSE) is shortly to commit itself strategically to a 'Health in the Workplace Initiative'. Including the Strategy Unit's own Report, these represent four major Government initiatives in 2004. It would be a pity, if the essential task of ensuring congruency and joined-up thinking took resources away from much needed evidence based implementation and action!

Sections of the Report appears to focus on reducing the number of IB claimants, however, as we say earlier the sick and disabled population seeking employment are not the same cohort as the IB population, thus measures to reduce the latter will not be the same as those required to promote the former. A better understanding of the causation of disability and the barriers to work attachment of the former may well compete with the different resources and approach required to combat the latter. UnumProvident realises there are political consequences with either source of action but problem solving usually has better outcomes if everyone agrees as to the problem faced and the desirable outcomes.

UnumProvident's experience is that in the world of sickness and disability is that the proper management of expectations is a crucial predicator of good outcomes – realism is all! In our view therefore an additional 'potential solution' is the gathering analysis and the dissemination of the causes of disability and the methodologies of keeping people at work in the first place, getting them quickly re-attached to work if they fall out and keeping them there in the long-term.

Importantly the Report picks up the 'business case' for employing disabled people and further elaborates on the economic, ethical and legal imperatives and put some numbers around these elements. For while larger companies may respond best to exhortation and incentives that appeal to their community spirit, via some sort of 'Corporate Social Responsibility' wrapper, SME's are much more likely to be moved by a focus on day-to-day costs and issues, with the public sector perhaps responding preferentially to invective directed at encouraging a 'best practice' environment. (Under the New Beginnings umbrella an SME group has been established and its first task will be to share with SME's locally on the ground some of the challenges and opportunities that employing disabled people present. I.e. to see the forthcoming extension to the Disability Discrimination Act 1995 as an enabler to increased prosperity for their business and the community they serve.)

However, in UnumProvident's view, the key comment the Report makes, which goes right to the heart of the self-determination agenda, is that the most important intervention is with disabled people themselves to ensure they are equipped to compete for jobs. The many life-enriching



opportunities offered by work, need to be marketed to disabled people. To be able to take these opportunities disabled people must be equipped with the skills and confidence, which is a task that the Government can assist greatly with.

While it is true to say that the DDA and the Disability Rights Commission have raised awareness of disability, and are helping to reduce discrimination, with the further extension of the DDA in October 2004, on the horizon, attitudes are slow to change, and disability continues to lag behind the other elements of the equality and diversity agenda.

The Strategy Unit's Report identifies the roles that employers could play in a new framework, setting out its goals and what disabled people can expect, namely, clear articulation of the Government's vision for disabled people and of the relative rights, roles and responsibilities of the different stakeholders.

The above are precisely the terms on which a company like UnumProvident, regulated by the FSA, engages with its clients. So such clarity of purpose and clear statement of the rules of engagement with our customers holds no fears for us and we welcome it. The management of routes into work and engagement with employers, large and small, is one of those areas that we feel qualified to comment upon.

The report asks about gaps in the Strategy Unit's analysis; listed are the issues and challenges and no one could reasonably challenge your list and assessment. Well validated as they are, they are of little value if the requisite qualitative and quantitative resources and services are simply not available to act on the evidence based intervention based package that will result. Diagnosis is of little use without treatment and if lack of resources means the latter is rationed, and then this becomes the gatekeeper and driving force for assessment outcomes, with actual need resolution coming a poor second.

In reality the bar on the hurdle to meet the benefit-eligibility assessment criteria is in contingently raised higher and higher, irrespective of actual condition or need, so as to restrict access to those scarce resources. The outcome of this is that interventions, which would prevent or delay dis-attachment to employment are not made and individuals, including IB claimants, are allowed to drift down in a spiral of increasing morbidity and disability so that in the end they stand little chance of re-engaging with the wider world of work.

Also by this process the Strategy Unit is trying to prove a negative, i.e. how sick disabled people are and what they cannot do. The rationale being that only if you can demonstrate how sick or disabled you are, in condition, extent and duration, do you get the benefit. Too many of our population seem only to keen to rise to this challenge as evidenced by the 2.3 million on IB. How much better, if the issue was about what the sick or disabled individual can do as opposed to what he cannot, i.e. the outcome should be more about fulfilment, achievement and equal participation than it is about limiting horizons and low expectations.

The report analyses other key barriers to employment including transport and access issues, which particularly affect the older worker, as well as the sick and disabled. Although these are important issues, they lie outside UnumProvident's core area of expertise.

UnumProvident fully supports the view expressed in the report that policy should recognise that it's time to stop labelling disabled people primarily by their impairment and to recognise that disabled people are citizens with equal rights, who can play a valuable role in society.

## **Summary**

**With rights come responsibilities and all the stakeholders concerned with disability and employment should have their responsibilities defined. In return, policy design should give disabled people choice, voice and accountability in determining the measures that will make a genuine difference to their lives, particularly as it concerns their ongoing employment prospects.**

**The Government has a supportive and educative role to play in terms of support and advice. Employers have a key role to play and can do much to identify and remove barriers that prevent a return to work if they engage with illness, disability and absenteeism in a positive way. Clinical policy needs much clearer definition, if the difference between sickness and illness is to be fully understood and differentiated.**

**All the stakeholders, including disabled people, have an interest in resolving the root causes of economic inactivity wherever it occurs. UnumProvident believes that work is a normative part of life, it is good for you and the contribution of employment to our overall health and well-being should not be underestimated.**