

Pathways  
to work:

Helping people into employment



Summary



**This is a summary of the Government Green Paper *Pathways to work: Helping people into employment*. It outlines the case for changes to the way we support people moving on to incapacity benefits to help fulfil the aspirations most have to find work. It also covers the main changes we want to pilot and informs readers how to feed back their views.**

## Why we need to do more

The Government believes that everyone who wants to work has the right to do so. Since 1997 we have helped deliver a strong and stable economy. We have also improved opportunities to help everyone on benefit fulfil their potential and find work. This has been achieved through the creation of the Department for Work and Pensions, Jobcentre Plus, the New Deals (for the unemployed, lone parents and people with disabilities) and better in-work support through tax credits. The significant reductions in the numbers of unemployed and lone parents on benefit, and the fact that well over 1 million more people are now in work, are a testimony to the success of this strategy.

But for one major group we still need to do more. There are currently 2.7 million people of working age receiving incapacity benefits

because of a health condition or disability. This is 7.5 per cent of the working age population (rising to 15 per cent in the most affected local authority areas in the North West and South Wales). This number has more than trebled since the 1970s, despite improvements in most objective measures of health since that time. Most of the developed world has faced similar trends.

Almost all the growth in the numbers on incapacity benefits occurred by the mid-90s. Nonetheless the total is now far greater than the combined number of lone parents and unemployed on benefit (Figure 1). These numbers represent a waste of talent and opportunity – both for the individuals themselves and their families, but also for society as a whole.

A major concern is that the chances of leaving the benefit for work decline rapidly after only a few months. Once a person has

**Figure 1: Trends in the numbers on key benefits since 1997**

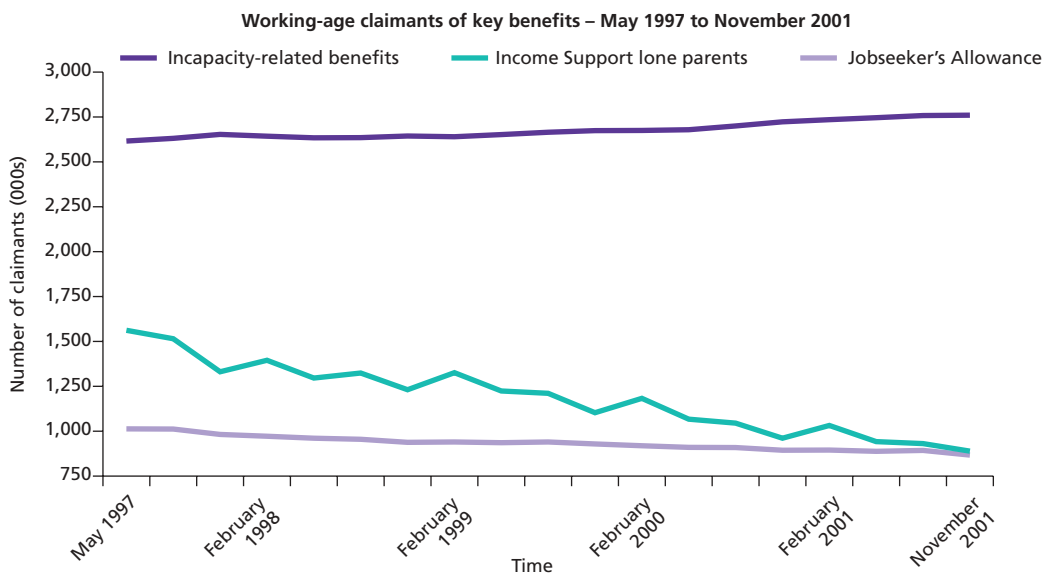
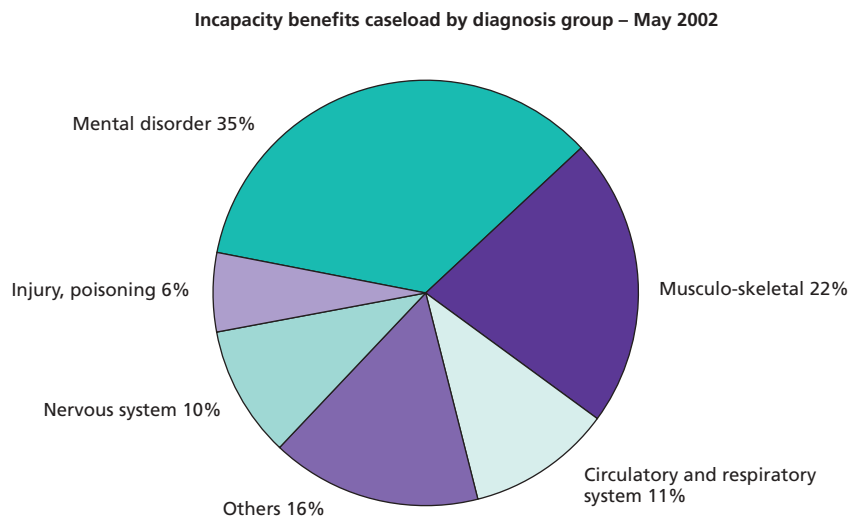


Figure 2: The reported conditions of incapacity benefits claimants



been on an incapacity benefit for a year they only have a one in five chance of returning to work within five years. Nearly 50 per cent of those on incapacity benefits have been receiving them for over five years compared with no more than 5 per cent of those on Jobseeker’s Allowance (JSA).

These figures are especially worrying as many on incapacity benefits would like to return to work and expect to do so. People do not have to be incapable of all forms of work in order to get an incapacity benefit. Instead entitlement is based on whether a person has a level of incapacity at which it is felt unreasonable **to require** them to seek work. It is not set at a level of incapacity at which doing any form of work is impossible. Indeed, more than three-quarters of a million people claiming incapacity benefits would like to work. Even more might do so if they believed they were offered better opportunities. The ambition to work is especially pronounced amongst new claimants. The clear evidence is that the vast

majority of people who start a claim to an incapacity benefit expect to get back to work and that, for most, a return should be a real possibility if the right help is offered at the right time. For example:

- around three-quarters of new claimants have more manageable medical conditions such as back pain, depression and mild circulatory disorders rather than a severe disability such as Parkinson’s disease, schizophrenia or severe learning difficulties (Figure 2);
- best medical evidence suggests that for the main conditions reported by claimants, a return to normal activity including work is likely to enhance well being and improve long-term recovery<sup>1</sup>. The outlook for a return to work should also be positive;
- surprisingly high numbers (up to 40 per cent) of claimants in the early stage of their claim do not see their health as a key obstacle to them finding work at all; and

<sup>1</sup> For example, Waddell G and Burton AK, *Occupational Health Guidelines for the management of low back pain*, Evidence Review, Faculty of Occupational Medicine, London; Jones D and West R, *Cardiac Rehabilitation*, BMJ Publishing Group; Acheson D (Chairman), 1998, Report: *Independent Inquiry into Inequalities in Health*, London, The Stationery Office.

- people coming onto incapacity benefits do report a wide range of obstacles to work that we will attempt to address. These include low confidence about finding a job, poor skills, little or no financial incentive to get a job, employer discrimination, and a belief that they cannot work with their health condition. These issues can all be addressed and claimant's confidence improved through positive and effective support.

Yet the longer claimants remain on incapacity benefits the more their mental and physical health is likely to decline. So later work-focused interventions risk being less effective because of declining health, compounded by worsening skills, isolation and social exclusion. Out of every hundred people claiming an incapacity benefit, over 40 will still be there one year later. By this point their prospects for getting back to work are very poor, whatever condition they report. **Once people have been on incapacity benefits for a year, the average duration of their claim will be eight years.**

In addition, people with health problems on other benefits, notably JSA, often face a similar situation. In particular those who have to move across to JSA as a result of an incapacity benefit medical assessment, are much less likely to get a job than any other group, with high numbers drifting back to incapacity benefits over time.

### Creating better pathways to work

We think we can do more to help people on incapacity benefits fulfil their aspirations to return to work. People moving onto these benefits should no longer automatically be regarded by Government, healthcare professionals and society, as people at the

end of their working lives. This is a deep-rooted problem that will take time and sustained attention to address.

We therefore believe that we need to improve the work focus of the benefit by:

- **a better framework for support in the early stages of a claim** to ensure ongoing support is available to help people remain focused on what they can still do before more chronic health problems develop;
- **direct access to a wide range of provision** that can address key health- and non-health-related obstacles; and
- **improved, visible financial incentives** to encourage claimants to firmly re-establish themselves in the labour market and enable more to clearly see that they would be better off in work.

We also need to offer:

- **better support for people with health problems who move from an incapacity benefit to JSA.**

All within the context of **improved support amongst employers and healthcare professionals and comprehensive anti-discrimination legislation for people with disabilities.**

### What will this mean in practice?

We plan to offer people coming onto incapacity benefits much more help and a more coherent package of choices and options than they have had previously. In particular we will encourage those for whom a return to work is a realistic prospect to focus on doing so. We want to test these changes out first before rolling them out nationally:

## 1. Providing a better framework of support

We will build on the current framework of support offered through Jobcentre Plus. We will encourage new clients to remain focused on the things they can still do and to take some action to support their own return to work. Some will not be able to do so because of a severe disability, or will choose not to. However, we need to engage individuals and provide effective support through:

- ensuring new incapacity benefits claimants maintain contact with skilled personal advisers throughout the crucial early stages of a claim through a series of work-focused interviews (those with the most serious disabilities such as schizophrenia or paraplegia will be exempted from this mandatory requirement);
- ensuring new claimants draw up an action plan with their personal advisers to help them focus on their long-term goals and set out the steps they are willing to take to prepare for a return to work;
- developing a new team of specialist personal advisers equipped with a much broader set of skills. The aim is to enable them to directly support claimants back to work or onto a relevant employment programme, and to give them a better understanding of the obstacles to work reported by many on these benefits; and
- close linking of the incapacity benefit medical assessment process and the new work-focused interviews. This will allow much quicker decisions to be taken on whether a person should be on an incapacity benefit or back at work (or on

JSA) and allow a clearer focus on long-term goals for those left on incapacity benefits.

## 2. Direct access to a wider range of help

People claiming incapacity benefits can already access a range of disability and mainstream employment programmes such as the New Deal for Disabled People, Work-Based Learning for Adults and basic skills provision. But we must do more. Through our improved work-focused interview regime we will ensure people on these benefits are fully aware of their rights to access such provision and encouraged to take it up. In addition we will fill a critical gap in the provision of services at present through:

- the establishment of new joint programmes combining support to find jobs delivered by Jobcentre Plus personal advisers with health-focused rehabilitation delivered in collaboration with the NHS. The key focus of these short programmes will be to help those with conditions such as depression, back pain and coronary/respiratory problems understand the impact that their condition has and increase their confidence to work or train and lead as normal a life as possible.

Examples of these sorts of programmes already exist in the UK and overseas – often appearing to show impressive results in terms of job outcomes and improved health<sup>2</sup>. Attendance will be voluntary in pilot areas but we will aim to ensure as many claimants as possible can access these programmes in the early stages of

<sup>2</sup> Jones D and West R, *Cardiac Rehabilitation*, BMJ Publishing Group; Watson P, *From back pain to work – A collaborative initiative between the NDDI and the Department of Behavioural Medicine*, Salford Royal Hospitals Trust, Final Report to the Department for Work and Pensions; Proudfoot et al, *Effect of cognitive behavioural training on job-finding among long-term unemployed*, 350:96–100, Lancet 1997; British Society of Rehabilitation Medicine, *Vocational Rehabilitation: the way forward*, London: British Society of Rehabilitation Medicine, 2000.

their claim when the prospects for a return to work and greater well-being are highest.

### 3. Offering improved, visible financial incentives

Too often people on incapacity benefits are unclear as to what their financial position would be if they tried to find a job. The Working Tax Credit will, from April 2003, improve incentives for many claimants. However, there is still room to improve incentives further. To encourage people to look for jobs and improve the certainty that they will be better off moving into work we will:

- establish a simple Return to Work credit, paid through Jobcentre Plus, to help all those moving off an incapacity benefit back to employment. It will be paid at £40 a week for 52 weeks where personal income in work will be less than £15,000 a year. This will radically improve financial incentives for those returning to work (Figure 3); and
- provide more financial support to enable claimants to compete effectively in the job markets by allowing advisers to make awards of up to £300 to spend on anything that will help their client obtain a job (for example new clothes for an interview or work equipment) through widening access to the Advisers' Discretion Fund.

By offering this support we will have created a 'Choices Package' for incapacity benefits claimants – balancing improved opportunities with greater responsibilities to actively consider a return to work.

### 4. Better support for people with health problems on JSA

We know that large numbers of people have to transfer from incapacity benefits to JSA each year because their incapacity is not sufficient to entitle them to those benefits. Most still have residual health problems, poor work histories and other obstacles to work. Significant proportions become long-term unemployed or look to move back onto incapacity benefits in due course. Few take up or are offered any specialist help to move back to work. We will therefore provide better support by:

- ensuring those transferring across automatically see a specialist adviser when they first claim JSA and draw up a Jobseeker's Agreement that reflects any residual health issues; and
- automatically referring them to the tailored support available through the relevant JSA New Deal, without the normal waiting period of up to 18 months.

In addition our staff will look to ensure all those with health problems on JSA are offered appropriate support.

*Figure 3: Gains to those moving into work from an incapacity benefit whilst the Return to Work credit is payable (percentages denote proportion of caseload affected)*

Gains from entering work for incapacity benefits caseload		Loss	Gain of up to £40	Gain over £40
Without credit	16 hours	49%	49%	3%
	30 hours	5%	40%	55%
With credit	16 hours	9%	44%	47%
	30 hours	2%	5%	92%

### 5. Other stakeholders

The changes being introduced through Jobcentre Plus cannot provide the whole solution. The significant steps we are taking to extend basic rights and opportunities to people who suffer discrimination as a result of their disabilities is also crucial. It is also essential that employers, trade unions and healthcare professionals all work together to ensure a joined up and effective approach that enables everyone who wants to work to do so. All have a role to play.

**Employers and trade unions** – who jointly need to promote an environment where as many employers as possible are managing health at work actively and positively. In addition occupational health support needs to be encouraged and employees with health problems or disabilities need to be supported back into the workplace wherever possible. This will cut the significant cost of sickness absence, makes good business sense, and helps employees in the long term. To promote this role we will:

- develop and issue best practice guidance to employers on how to provide effective management and to keep employees with health problems in their jobs or support their return to work following absence; and
- create a simple aid to recording sickness absence that would help employers, particularly small- and medium-sized enterprises, identify and prevent ill health and injury arising from work activities.

**Healthcare professionals** – who need a greater awareness of the importance of work resumption as part of the most effective clinical management of many of their patients and who can be held back by the lack of suitable NHS provision. To support this role we will:

- establish a website to provide online training and advice for all GPs, from early 2003; and
- undertake research into extending responsibility for issuing sick certificates to other healthcare staff such as community psychiatric nurses, to help ensure fitness for work is considered at all relevant stages.

### When will this happen?

Spending Review 2002 announced additional funds to establish this new approach in six pilot areas across the country starting from late 2003. It will be evaluated thoroughly and evidence will be gathered from the pilot before we make any decisions on national extension.

### How can I make comments?

We believe that this is a coherent strategy that will help many people find or retain some form of employment. We are committed to taking our strategy forward and want your views. Please send comments to:

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**Please send in your comments by  
10 February 2003.**

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