

**Building Capacity for Work:
A UK Framework for Vocational Rehabilitation**

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Foreword

This document fulfils the Government's commitment to produce a Framework for Vocational Rehabilitation, given in the Second Stage Report into the Review of Employers' Liability Compulsory Insurance (ELCI) on the 4 December 2003. We would like to thank all stakeholders who have helped develop this Framework.

Minimising the extent and adverse effects of injuries can be a better, fairer solution for all parties than simply putting a financial value on the harm done. There is also a strong moral case to ensure that when workers are injured, impaired, or made ill as a consequence of workplace activities, they receive appropriate support. But vocational rehabilitation (VR) is also applicable in a far wider context.

Absence management is an important issue for many businesses. Estimates of self-reported sickness absence from the Labour Force Survey of self-reported sickness absence suggest that in any one day about 2 - 3 per cent of the working age population are on sickness absence. Approximately 40 million working days were lost as a result of work-related illness or injury in 2001-2. The Confederation of British Industry (CBI) estimated the overall cost of sickness absence to the economy was £11 billion whereas the Work Foundation estimated the costs were £12.9 billion. Around 2.7 m people are on incapacity benefits, approximately 7.6 per cent of the working age population. We need to address these challenges, including considering the role that VR can play.

We are also committed to ensuring that individuals with health conditions and/or impairment are enabled to fulfil their employment potential. We offer appropriate help to access and retain work. We see the development of VR as being an important contribution to this agenda. From the response to the VR Discussion Paper that we published in May this year, it is clear that many stakeholders are equally enthused by the potential of VR.

In this Framework Document the Government is demonstrating its commitment to VR by proposing structures that will help it work with stakeholders to develop a new approach to VR in the United Kingdom (UK). The Government will also provide leadership by taking forward work to improve the VR evidence base, addressing standards and accreditation and looking carefully at how the public sector can better use VR.

Achieving this is a shared agenda. Government Departments and the devolved administrations in Scotland, Wales, and Northern Ireland, have been co-operating with the development of this Framework and other stakeholders have also been enthusiastic in their contributions. We encourage all parties to help maintain the momentum for change and hope that we can continue to share thinking and ideas on the way forward.



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Executive Summary

The Government aims to promote opportunity and independence for all and believes in the benefits of employment for all individuals who can work. In promoting work as the best form of welfare for people of working age while protecting those in the greatest need, the Government would like to enable more people who have health conditions, impairments or injuries to access, remain in, or return to work. The Government also recognises that absence management is an important issue for many businesses and that more could also be done to minimise the effects of illness caused or made worse by work activities. The Government wants to continue to work with stakeholders to consider how VR can help us achieve our goals in this area.

In producing this Framework, the Government has listened to stakeholders' views on what VR means to them and produced a working description of VR which we can all use as we work together to consider VR issues and develop a common agenda.

In the Framework Document, because of the inconclusive evidence from which to develop recommendations for effective VR, the Government highlights that it is not in a position to produce a new approach for VR for the UK. However, the Government stresses that it is fully committed to working with stakeholders to be able to do this in the future and is committed to building on the existing evidence base, to ensure that we have further robust research.

The Government also highlights that because of the broad scope of VR it may be a challenge to develop a new approach that will cover all potential clients, other stakeholders (e.g. employers and family) and all their different needs. We note that the Government strategy to help people not in employment is well developed (e.g. Pathways to Work) and this contains elements of VR. As the work to help people with health conditions or impairments retain employment is only recently started, and a momentum needs to be generated to encourage further work, the Government suggests that initial efforts flowing from the Framework should be focused on considering how to help people in employment to remain in work, or return to work (e.g. individuals in work, who have been sick or injured and who are looking for an early return to work within weeks or months).

This Framework for Vocational Rehabilitation should be seen as a first step towards building a new approach to VR. The Framework demonstrates the Government's commitment to provide direction and leadership on VR by:

- taking appropriate action to ensure that the Government initiatives related to VR complement each other and contain consistent messages;
- setting up a Framework for Vocational Rehabilitation Steering Group to enable stakeholders to contribute to the development of the new approach to VR;
- establishing a Research Working Group and a Standards and Accreditation Working Group to take forward these important issues;
- developing new guidance, and additional tools, in recognition that many stakeholders are already committed to VR and are looking for help;
- considering the issues that stakeholders have suggested need to be addressed as we work towards developing a new approach to VR; and
- highlighting that the public sector (particularly Government Departments and devolved administrations) has a significant contribution to make by setting appropriate examples in this area.

Introduction

Government ambitions for VR are to help it enable more people who have a health condition, impairment or injury to access, remain in or return to work for the benefit of all concerned, not least the individuals themselves and employers. We also recognise that other stakeholders have other specific goals in this area. Absence management is an important issue for many businesses and in the context of ELCI more could also be done to minimise the effects of illness caused or made worse by work activities. We want to continue to work with you, and build on the promising start that we have made by producing this Framework Document, to develop a new approach for VR that will help all stakeholders achieve their goals.

Our work to develop this Framework has highlighted that the term VR means different things to different stakeholders. One of the key aims of the Framework Document is to develop a shared understanding of what is meant by VR. To achieve this, Government has listened to stakeholders' views on what VR means to them and produced a working description of VR which we can all use.

As we want to develop a shared agenda we took early steps to ensure that as many stakeholders as possible had an opportunity to contribute to this work. We have spoken to, and shared thinking, with many hundreds of stakeholders and created a momentum to move forward. In May 2004, the Department for Work and Pensions (DWP) also published a Discussion Paper (http://www.dwp.gov.uk/publications/dwp/2004/elci/voc_rehab_2004.pdf) as a prelude to this Framework and distributed it to over 8,000 stakeholders with an interest in VR. We asked for views on several key questions relating to: the scope of VR; health and impairment related barriers to work; highlighting successful examples of VR; and identifying stakeholders' VR needs.

Infobox 1 – The Framework Annex

In producing this framework document, the Government has collected a lot of information which highlights the views that some stakeholders have on VR and on current VR processes. As not all stakeholders will want to see this detailed information, we have not included it in this Framework Document. Instead we have produced a **Framework Annex**. This contains:

Appendix A – An overview of responses to the discussion paper that DWP distributed in May 2004 on Developing a Framework for Vocational Rehabilitation.

Appendix B – A selection of current strategies, initiatives and projects that contain vocational rehabilitation.

Appendix C – Vocational Rehabilitation case studies.

You can access this Annex, as well all other information relating to the Framework, by going to the Framework webpage www.dwp.gov.uk/publications/vrframework. You can obtain a hard copy by contacting DWP 0207 712 2745.

The 302 responses that DWP received from a broad range of stakeholders (including, employers, insurers, VR and employment providers, health professionals and trusts, and individuals) to the VR Discussion Paper suggests that there are many stakeholders who are willing to work with us on this agenda. The Framework Annex contains an overview of these responses. The responses to the Discussion Paper, and comments made by stakeholders during the numerous meetings and presentations DWP attended on VR, have informed the thinking in this Document.

In responding to the Discussion Paper, and in face to face discussions with DWP, many stakeholders highlighted that more needs to be done on VR. This is a significant task, hindered by the inconclusive evidence. In this Framework Document, because of the challenges with the current VR evidence base, the Government highlights that it is not yet in a position to produce a new approach for VR. However, the Government believes in the benefits of employment for all those individuals who can work and is fully committed to working with stakeholders to develop a future new VR approach.

This Framework for Vocational Rehabilitation should be seen as a first step towards building a new approach to VR in the UK. The Framework confirms the Government's commitment to VR by introducing structures which will help to move us all forward to be in a position to produce this approach. The Government also hopes that this

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publication will help to improve some stakeholders' understanding and practice of VR. The Government highlights that as the scope of VR is very broad, it may be a challenge to develop a single approach to cover all of the different potential clients of VR and their different needs. At present the Government strategy to help people not in employment is well developed (e.g. Pathways to Work) and this contains elements of VR. As the work to help people with health conditions or impairments retain employment is only recently started, and a momentum needs to be generated to encourage further work, the Government suggests that initial efforts flowing from the Framework should be focused on considering how to help people in employment to remain in work, or return to work (e.g. individuals in work, who have been sick or injured and who are looking for an early return to work within weeks or months). However, longer-term as we work to develop the new approach to VR, consideration will be given on how to address the separate, but related barriers to work individuals face when not in employment.

To help produce this Framework Government analysts performed a literature review of the current research related to VR and return to work. Much of the research has been undertaken in North America, Australia, New Zealand, Scandinavia, and the Netherlands. Fewer research studies seem to have been conducted in the UK. The research review suggests that:

- in spite of an increase in research in the UK and elsewhere over the past twenty years, much of this research is of case studies of small-scale VR services and it is difficult to generalise from these; there are few longitudinal studies that track the employment and benefit status of people over time and relate this to any VR interventions received; there are few randomised control trials that can produce a measurement of impact on employment outcomes that is not influenced by unobserved individual, economic, social or neighbourhood characteristics;
- the factors that affect entry into employment and return to work for people with health conditions and/or impairments are still not fully understood;
- the influence that VR services and delivery process have on gaining or retaining employment over and above other factors that affect employment outcomes are unclear; and
- the evidence on what types of interventions help people return to work after a period of sickness absence is contradictory and inconclusive and cannot provide a definitive guide to effective practice for VR.

Government analysts will further refine this research review but the overall message is that although there is some good evidence related to restoring function, especially for some specific health conditions, evidence for what is effective vocational rehabilitation is contradictory and inconclusive in the UK. This is a key area to be addressed as we work to develop new approaches to VR. When appropriate, we will refer in this Document to some of the research evidence considered (e.g. on the drivers for VR that were identified and on the evidence relating to VR interventions).

We have already started improving the evidence base. The Job Retention and Rehabilitation Pilot and our evaluation of the Pathways to Work Pilots (see the Framework Annex) will provide some evidence. DWP also commissioned two new pieces of research to fill part of the UK evidence gap. These were qualitative studies to explore:

- the practice of vocational rehabilitation in Britain and stakeholders' views of their effectiveness and the factors that encourage and limit access to vocational rehabilitation (Andrew Irving Associates: Developing a Framework for Vocational Rehabilitation DWP report 224; <http://www.dwp.gov.uk/asd/asd5/index.asp> or contact Paul Noakes on 0207 7962 8557 (E-Mail: Paul.Noakes@dwp.gsi.gov.uk)); and
- attitudes of employers to sickness absence and return to work, the policies and services used and barriers affecting service use (Thornton, P. et al Employers management of sickness absence forthcoming; <http://http.www.dwp.gov.uk/asd/asd5/index.asp> or contact Paul Noakes on 0207 7962 8557 (E-Mail: Paul.Noakes@dwp.gsi.gov.uk)).

We are also currently commissioning work to examine the costs and benefits to employers of employing people with health conditions and or impairments that will support the development of a business case for VR. However, we recognise that much more needs to be done to ensure that large scale studies that will produce conclusive evidence are taken forward in future to provide the additional evidence base needed to allow us to develop new approaches to VR.

The Government does not see the current inconclusive evidence base as a reason not to start considering how to move forward on VR and in particular consider how to address stakeholders' VR needs. Indeed, the implementation of VR processes, based on the evidence we do have, and the subsequent evaluation of such projects to show whether they work and are cost effective, can only help to improve this evidence base and inform the development of future VR approaches.

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The intention of the Framework Document is to provide the UK with a solid platform on which to build a new common approach aimed at achieving a cultural change in rehabilitation. The next steps outlined in the final section of the Document include:

- the structures that will be introduced to help the Government take this work forward with stakeholders;
- specific action to improve the evidence base and to address the important issue of standards and accreditation;
- the actions that will be taken to help stakeholders who have, or who are looking to introduce, VR approaches;
- a Government commitment to consider a number of key issues identified by stakeholders as the work to develop a VR approach is progressed; and
- what the Government will do to lead by example in this area.

The Government invites stakeholders to make full use of the Framework Document to improve their understanding and/or practice of VR and to continue to work with Government to help us develop a new approach to VR for the UK.

Vocational Rehabilitation: A Working Description

Our work to develop the Framework has highlighted that the term VR means different things to different people. This view is supported by recent research. Some stakeholders see VR as the process of getting people who have a health condition or injury or impairment back to work. Other stakeholders suggest that VR is a process for helping people into a job when they have not worked for a long time and others see it as a distinct secondary process over and above medical rehabilitation.

To help us understand the scope of VR we need to consider the people for whom VR interventions could be an option to help them retain or gain employment. The research overview suggested these might include people:

- currently in employment, who are experiencing difficulty retaining employment because of a health condition or impairment;
- temporarily absent from work because of a health condition or impairment;
- with a health condition or impairment for whom absence becomes longer term and who may become unemployed as a result; and
- who have not worked for some time, or never worked, because of a health condition or impairment.

VR is clearly seen as an important component of occupational health and safety support, but DWP discussions with stakeholders have highlighted that one area of contention appears to be whether VR includes helping individuals who have never worked. It can be seen as contradictory to use the term rehabilitation to explain support to restore a capacity that was not previously there. However, many stakeholders see that providing support to help an individual with a health condition and/or impairment overcome barriers to employment, and so enter work for the first time, as VR.

Recognising that one of the purposes of VR is to tackle barriers and obstacles to work, various initiatives and services have been established by the state, private sector firms and voluntary sector with a specific focus on people with poor health and impairments (the Framework Annex). Many of these initiatives and services demonstrate that incapacity for work is not just a matter of health condition or impairment but depends on interactions

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between the health condition, personal factors and the individual's environment and social context (e.g. childcare and caring, skills and the attitudes of others). These may be just as important in explaining employment outcomes. Government recognises that it is important to consider all these issues when considering how to help an individual with a health condition and/or impairment overcome barriers to work.

To develop a new approach to VR with stakeholders, Government recognises the need for everyone to share a common understanding of what the term means. For this reason it is not appropriate for Government to adopt an existing definition of VR. In the short-term, we think it is easier to produce a working description of VR rather than try to define the term. The examples of the current strategies, initiatives and projects that contain elements of VR (see the Framework Annex) can also be used to help stakeholders better understand this working description, by highlighting the range of VR approaches encompassed within current practice.

DWP discussions with stakeholders have highlighted that the following characteristics are common to VR:

Employment Goal - at the heart of VR must be an employment goal, for example to remain in or return to work, or access employment for the first time. An individual's goals could relate to full time or part-time employment, self-employment or even voluntary work. All stakeholders should start with the basic premise that the individual is "employable". Work has been shown to have health benefits. Work is a public health issue and VR should underpin health promotion and vice versa.

Balanced Mix of Appropriate Help – VR is relevant when an individual has a health condition and/or impairment and is trying to overcome barriers to work. Any form of rehabilitation needs to consider the personal and social needs of the individual, as well as any functional needs. The necessary medical, social and psychological interventions, to help the individual overcome barriers to work, then need to be identified.

In the VR Discussion Paper, we set out a suggested description for VR which embraced these characteristics. The vast majority of respondents to the VR Discussion Paper broadly agreed with this description. The Government has now refined this description and suggests that in the short-term, as we work together to develop a new approach to VR, we all use the following as a working description of VR:

- vocational rehabilitation is a process to overcome the barriers an individual faces when accessing, remaining or returning to work following injury, illness or impairment. This process includes the procedures in place to support the individual and/or employer or

others (e.g. family and carers), including help to access VR and to practically manage the delivery of VR; and

- in addition, VR includes the wide range of interventions to help individuals with a health condition and/or impairment overcome barriers to work and so remain in, return to or access employment. For example, an assessment of needs, re-training and capacity building, return to work management by employers, reasonable adjustments and control measures, disability awareness, condition management and medical treatment.

Longer-term, the Government suggests that we try and move towards using one or more new terms that better describe what we are trying to achieve when we introduce a new approach, or approaches, to VR. One example is “Building Capacity for Work”, the title of this document. The Government recognises that the term VR may continue to have a specific meaning to some stakeholder groups. Such organisations could continue to use this term to meet their own specific needs.

Vocational Rehabilitation Drivers And Related Government Initiatives

Our literature review of the current evidence related to VR and return to work has given us a good insight as to why Government and other stakeholders (e.g. employers, employees, Trade Unions, insurers etc) are committed to realising the potential benefits of VR. The drivers include statistics that show that, although there has been no worsening of health in the UK since the early 1980s, labour market participation and sickness absence remains an issue:

- estimates of self-reported sickness absence from the Labour Force Survey of self-reported sickness absence suggest that in any one day about 2 - 3 per cent of the working age population are on sickness absence. Approximately 40 million working days are lost as a result of work-related illness or injury in 2001-2;
- although many of those off work will return to work within a matter of days without any intervention, those on longer term absence may account for a greater proportion of working time lost to an employer and so represent a higher cost to the firm;
- around one quarter of GP consultations are work related;
- around 7.6 per cent of the working age population claim incapacity benefits; and
- approximately 6.9 million people of working age self report being long term disabled; around 5.4 million declare a work limiting disability, 50 per cent of whom are in employment. Around 46 per cent of people with disabilities are economically inactive.

Stakeholders are keen to identify actions to address the above challenges, including VR. A number of drivers also originated from current, and developing, Government and devolved administration (Scotland, Wales and Northern Ireland) strategies, initiatives and projects that are relevant to VR (See the Framework Annex). It is important to consider these, and the VR elements they contain, to ensure that the Framework complements and builds on this work.

The Government's commitment to produce the Framework was given in the Second Stage Report (http://www.dwp.gov.uk/publications/dwp/2003/elci/dwp_employers_review04-12-2003.pdf) into the Review of ELCI. The Report highlighted stakeholder (including employers and employees and their representatives, insurers, lawyers, HSC/E) support for rehabilitation to play a greater role in the response to injury, impairment or health-related

inactivity. The Report stressed that there was both an appetite and opportunity for radical change in objectives and culture, putting rehabilitation at the heart of the response to injury and ill health.

Other relevant Government and devolved administrations strategies', initiatives, and projects related to VR include:

- the Health and Safety Commission's (HSC) new strategy – A strategy for workplace health and safety in Great Britain to 2010 – which includes a commitment for the Health and Safety Executive (HSE) to work with DWP and others to strengthen the role of health and safety in getting people back to work through greater emphasis on rehabilitation. The work that HSC/E is doing on managing sickness absence and return to work, and on Occupational Health, Safety and Rehabilitation Support Pilots, are key contributions in this Framework Document;
- the Job Retention and Rehabilitation Pilot is a joint initiative between the DWP and the Department of Health with support from HSE and the devolved administrations. The pilot is a randomised control trial to test the relative net impact of a person centred case management approach to the delivery of services that both eases and boosts individual access to: healthcare services; occupational/workplace focused help; and combined healthcare and workplace help. The pilot is open to employed and self-employed volunteers who have been off work for between six and 26 weeks. The pilot began in April 2003 and is to run for two years. Final reports will be available in late 2005 (see page 31);
- Choosing Health – the Department of Health consultation on public health. This document contains a chapter on Work and Health, which is specifically relevant to VR. The work initiated by Choosing Health must be considered as we develop future approaches to VR;
- NHS Plus is a network of more than 100 occupational health departments in the NHS which provide, on a commercial basis, support to non NHS employers, particularly small and medium sized organisations. In addition, NHS Plus produces a website with guidance to employers and employees about how to deal with common occupational health problems. It is also funding and coordinating the production of evidence based guidelines in the field of occupational health to secure improvements in the quality and delivery of occupational health care;
- the Better Regulation Task Force Report - Better Routes to Redress – looked at insurance liability issues and recommended that:
 - (i) the Chief Medical Officer should lead a cross-Department group to assess the economic benefits of greater NHS-provided rehabilitation; and
 - (ii) DWP should lead a group, which includes insurers, lawyers, HSE and the NHS and others, to develop mechanisms for earlier access to rehabilitation.

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This work will complement the Framework for VR. In particular, it will help us to identify the potential mechanisms that could be used to provide early VR, a need identified by many stakeholders;

- the overall employment rate in the UK is close to record levels but still more can be achieved by enhancing the employment chances of people with health conditions and/or impairments. Government interventions such as Pathways to Work have been introduced to provide help to those people on incapacity benefits access work. The accompanying Condition Management Programmes in partnership with the NHS form a key part of this. As well as Government schemes there are many successful projects operating throughout the UK, offering help across the labour market spectrum, some of which are illustrated in the Framework Annex;
- there is now strong evidence that people in employment where there is good employee welfare generally experience better health than those out of work and claiming benefits. The Government is working to help key players, such as General Practitioners, understand more fully that being out of work can be a contributor to ill health;
- the DWP has recognised the importance of changing the culture among health professionals and the need to concentrate on what people can do as opposed to what they cannot while protecting people from harm. The Faculty and Society of Occupational Medicine are working with the Royal College of General Practitioners to help primary healthcare better understand the relationship between work and health. The Faculty of Occupational Medicine is leading work in the Academy of medical Royal Colleges to ensure that secondary healthcare understands the importance of return to work after serious illness or injury to establish return to work as an indicator of successful treatment;
- for people with impairments the Government's long-term vision is to ensure that they, and their carers if they have them, can play a full, valued and equal part in society. The DWP and HM Treasury publication, Full Employment in Every Region, highlights the key role of employment and rehabilitation as ways to allow people to live more independent lives, whilst recognising that the extra support that is sometime needed to get and retain employment;
- in June 2004, the Social Exclusion Unit published a report, Mental Health and Social Exclusion, on what more could be done to reduce social exclusion among adults with mental health conditions (www.socialexclusion.gov.uk/downloaddoc.asp?id=134). The project focused on people of working age, and considered two main questions:
 - (i) what more can be done to enable adults with mental health conditions to enter and retain work?; and
 - (ii) how can adults with mental health conditions secure the same opportunities for social participation and access to services as the general population?

The report's Action plan makes a link with this Framework under Action Point 15 - Supporting and engaging employers of all sizes, and promoting job retention;

- The Prime Minister's Strategy Unit has been conducting a project aimed at improving the life chances of disabled people. It has published an Analytical Report which includes material on the potential benefits from improved VR, and is likely to recommend ways in which rehabilitation can help people in work when they develop a health condition or impairment or are injured, and on how more disabled people and those on incapacity benefits can be supported to have a good quality of life, live independently, and seek and gain work;
- there are Public Sector Agreement (PSA) targets related to VR, for example to improve rights and opportunities for disabled people in a fair and inclusive society. In the three years to 2006, this will involve work to increase the employment rate of disabled people, taking account of the economic cycle, and to significantly reduce the difference between their employment rate and the overall rate;
- Improving Health in Scotland - The Challenge, sets out the Scottish Executive's determination to improve health and reduce health inequalities and identifies the workplace setting as a potential vehicle for activity to drive positive change. Healthy Working Lives takes up that challenge. It sets out the long term vision for the contribution that the workplace can make to health improvement and reducing inequalities and identifies a series of practical first steps to offer employees and potential employees the prospect of enjoying and benefiting from "healthy working lives";
- in Wales, the Welsh Assembly Government's consultation document 'Well Being in Wales' emphasised the importance of health to all policy areas. It set out a series of proposals for joint action, including development of better connections between employment services and health services. It's crosscutting approach informed, and is reinforced by, the Assembly Government's strategic agenda, 'Wales: A Better Country'. (<http://www.wales.gov.uk/themesbettercountry/strategic-e.pdf>);
- to improve the health of people in Wales the Welsh Assembly Government is completing a radical programme of reform for the NHS in Wales. The newly formed Local Health Boards will plan and commission services to meet most health needs within their individual areas. They have a joint statutory duty with local authorities to develop and implement health, social care and well-being strategies locally. These strategies will be crosscutting in their approach;

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- More specific programmes in Wales include:
 - (i) the 'Inequalities in Health Fund' which is supporting new local action to tackle coronary heart disease in communities throughout Wales. Some of the Fund's projects are focussing on improving the health of employees and, in one case, 14 small and medium sized enterprises are working together with a much larger business acting as mentor;
 - (ii) the Corporate Health Standard is another specific programme, endorsed by the HSE, TUC and CBI in Wales and included in the Assembly Government's economic development strategy. Further details on the programme are included in the Framework Annex;
 - (iii) Health Challenge Wales is the new national focus for improving health in Wales. It is a challenge to organisations in all sectors - including employers - and to individuals, and will stimulate more action to help people prevent ill health in all the Assembly Government's policy areas; and
- Working for Health - A Long-Term Workplace Health Strategy for Northern Ireland. Working For Health has been developed to tackle the problem of work-related ill health in a concerted and co-ordinated way. It embodies a vision that aims to achieve "a work culture that protects, promotes and supports health and well being" and provides for the delivery of a holistic, innovative and practical approach to tackling health issues and health inequalities in the priority setting of the workplace.

As we take forward the Framework we will introduce appropriate structures to ensure that the resulting new approach to VR adds value to, and ensures co-ordination with, the above, and other related, strategies and initiatives. We will also take account of the broad range of help and interventions that currently exist to help people who have a health condition or impairment and encounter barriers to fulfilling their employment ambitions. This action will ultimately help us to ensure that the support for the individual, their employer and others (e.g. family and carers) is coherent and joined up.

Working To Achieve The Potential Of Vocational Rehabilitation

Many stakeholders feel that effective VR could bring benefits to them or the individuals they support. These views are not always supported by research. For example, there has been very little research undertaken on the relative costs and benefits of providing VR in the UK and hence the evidence base is sparse. Insurance industry studies have noted that this is potentially one of the barriers to the greater use of VR.

The Government recognises that it is still important to consider what can be offered by VR, especially as many stakeholders are attracted by the idea that VR has associated benefits and so are prepared to do more on VR. This information is essential as we try and make the current, and future, business case for VR.

Even at this early stage, Government understands that employers and other stakeholders would like advice on what they can do now on VR-related issues. The information below highlights some of the legal responsibilities and guidance that already exists in this area. In addition, we refer stakeholders to some of the information collected while talking to stakeholders. This highlights some of the principles stakeholders associate with VR. We also highlight the evidence from our recent research overview on factors that affect employment outcomes and the impact VR can have. And finally, the Framework Annex contains a number of case studies that have been prepared to highlight some examples of VR practice.

Employers and the Workplace

Stakeholders suggest a number of benefits that VR could deliver for employers, for example, in developing a more efficient business through retaining trained and experienced personnel. Employers have commented that their main drivers in this area are managing the costs of employment and ensuring employee contributions and performance for business sustainability and maintaining a competitive economic position. They suggest that occupational health, sickness absence management and job retention, and ensuring healthy workplaces are part of the means to achieve this. It is therefore very important to make the business case for VR to employers, with guidance supporting what actions work.

Failure to help people with a health condition and/or impairment to get back to work may result in significant costs to employers. For example, the CBI estimates that sickness absence costs in the UK are about £11 billion per annum with over £3 billion attributed to long term sickness. The Work Foundation estimates the costs at £12.9 billion.

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All employers have certain obligations under the health and safety at work regulations to protect the health, safety and welfare of their employees whilst in the workplace. Providing a safe work environment can go a long way towards safeguarding employees from contracting illnesses or being involved in accidents at work. The Management of Health and Safety at Work Regulations 1999 set out what employers are required to do to manage health and safety under the Health and Safety at Work etc Act 1974. Likewise, other laws, such as the Disability Discrimination Act (see Infobox 2) and Employment Rights, also place legal responsibilities on employers to ensure suitable working conditions for those with special needs. Employers assessing the needs of employees with disabilities may find that certain reasonable adjustments are required for example, to overcome barriers to work. Some of the adjustments that can be taken in these circumstances will be similar to options available under VR. In some cases, if action is taken early, it may preclude the need for VR later on.

There is also a strong moral case for employers to ensure that when workers are injured, impaired, or develop a health condition as a consequence of workplace activities, they receive appropriate support. All necessary steps should also be taken to ensure the impact of their health condition or impairment is reduced and that they are able to lead as full a life as possible including returning to employment. In the case of illness caused, or made worse, by work activities appropriate steps need to be taken to further assess such work processes. Where appropriate, additional steps may be required to prevent or adequately control risks to workers' health and safety.

It is also important to note that the effects of ill health and impairment that have no clear or established connection to work can be equally devastating for employers and employees, and for most workplaces will be a more common occurrence. If organisations were to have procedures in place to manage only ill health resulting from, or made worse by, work, then this could lead to organisational difficulties and create workplace tensions, and a failure to reap the full potential benefits of managing sickness absence and return to work.

The research suggests that many larger organisations take steps to manage sickness absence and the return to work of employees at risk of long term sickness absence, although there is wide variation in the consistency and standard of practice. The practices that seem to work need to be evaluated further to determine the best practice steps in sickness absence management and effective return to work.

The case studies in the Framework Annex give a flavour of some VR approaches and interventions that stakeholders have implemented, and found useful. The recent research overview also highlighted findings for employers to consider if they are introducing, or reviewing existing VR approaches.

Infobox 2 - The Disability Discrimination Act 1995

The Framework Annex contains a detailed overview of the DDA. Further information can be found at the Disability Rights Commission Website www.drc-gb.org/businessandservices/index.asp

The Insurance Industry

ELCI insures employers for the costs of compensation for those employees who are injured or made ill at work through the fault of their employer. Therefore, this is a fault-based system and the compensation is only paid where the injury or illness was caused through negligence and the negligent party owed a foreseeable duty of care to the injured person. ELCI provides greater security: to firms against costs which could otherwise result in financial difficulty; and to employees that resources will be available for compensation even where firms have become insolvent.

Insurers want to capture the potential savings available through making more appropriate offers of rehabilitation. Even if this was limited to a 10% saving on compensation within the fault-based ELCI system, that might be as much as £200m. Liability insurers are also keen to promote a different perspective on what compensation is for, embracing rehabilitation as a normal part of restitution for an injured party.

Longer-term, insurers feel the benefits of VR should not just be limited to an environment framed by liability or third party insurance. Society still benefits if an individual injured outside the workplace gets back to work quickly, but in such cases there is no insurance policy to be triggered. Therefore, insurers feel the long term vision should be focused on assembling the body of evidence and stakeholder education to promote 'no-fault' rehabilitation, decoupling it from fault based personal injury compensation. Alongside this, other insurance products, such as income protection and private medical insurance could provide rehabilitation outside the liability arena without the complications of proving negligence.

Insurers would add that cost effectiveness is a critical element of rehabilitation and that it may not always be desirable to achieve an individual's return to work regardless of cost. Insurers may also offer rehabilitation not to achieve a return to work, but to maximise quality of life, reduce the need for ongoing care and so reduce the cost of claims.

The Individual

Employee representatives (e.g. the Trades Union Congress) see VR as vital for those people who fall through the health and safety net. They also see VR as having a contribution of its own to improving health and safety standards in the workplace, especially when an individual returns to work after injury.

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Whilst it is right and proper that full compensation is available to individuals who can show liability for illness or injury, it is important to remember that individuals whose illness or injury is not work-related, and where no negligence is involved, also need support. Future VR approaches need to address such needs.

There is often a view, which can be inadvertently reinforced by health professionals, that illness necessarily prevents working. But for people who are able to work, it can be an important step in the road to recovery and rehabilitation, thereby helping people to enjoy better health and well-being.

Government

The Government interest in VR can be argued on several different levels ranging from helping people who have a health condition or impairment back into employment through to the potential benefits of increased productivity for the economy as a whole. Information on some current Government and devolved administration strategies, initiatives and projects that contain elements of VR can be found in the Framework Annex.

There are many potential benefits to the UK of increasing the effectiveness of VR. These include a reduction in social exclusion, better health and reduced costs for the NHS and in line with the Government's principle of work for those who can and support for those who cannot, increased resources to support those for whom work is not an immediate or future option.

In addition, Government is an employer and it suffers financially, as well as seeing reduced employee effectiveness, when individuals are absent from work due to ill health. The Government itself can benefit from measures that can help retain individuals in work or help their return to work after ill health or impairment. To this end, Government has set up a Ministerial Task Force to help it develop proposals in this area (see Page 38).

VR Providers

All of the stakeholders are to a greater or lesser degree dependent on the availability of high quality VR services. Currently the evidence is inconclusive about the relative effectiveness and added value of VR. Providers have an interest in proving the benefit of VR, as VR demand will inevitably increase as a consequence.

It is also important for stakeholders to be confident about the effectiveness of the services on offer. Therefore, in the Next Steps section on Standards and Accreditation we will consider how to build further confidence in the support that VR providers can give. Long-term this could increase the usage of VR by building confidence in the ability of VR providers to deliver the services other stakeholders require.

The discussions that DWP has had with stakeholders, and some of the returns to the VR Discussion Paper have, however, highlighted a number of principles that appear to be linked to current VR practice. These principles are outlined in Infobox 3. Government suggests that employers, providers and others interested in adopting VR consider these principles when they are setting up their VR processes.

Infobox 3 – VR Principles identified from current practice

Client centred – focused on the needs of the individual and set within their particular personal, family and social circumstances. Every client is unique; hence the process needs to be individualised. The client is empowered and enabled to take responsibility for VR outcomes.

Flexible and Re-accessible – services should be responsive to the specific and changing needs and choices of the individual. VR services should be open and opportunities created to re-access an individual's needs.

Holistic – addressing vocational needs in the context of an understanding of the whole person with provision for, or linked access to, other relevant services.

Employers – The needs of the employer are key. Employers need good access to relevant advice and support.

Barriers to Work - Service delivery is designed to identify and eliminate the barriers to employment

Healthcare - The purpose of healthcare should be to relieve symptoms and restore function, recognising the health benefits of work. We should recognise that work is generally therapeutic and an essential part of rehabilitation

Timely – available and delivered within an appropriate time frame for the individual (rather than at the convenience of the funding agency provider). Early intervention is often key. VR should be critically linked, where appropriate, with Medical Rehabilitation.

Integrated – VR services operate as part of an integrated network of services (NHS, Social Services, Jobcentre Plus, independent and voluntary organisations and employers) to ensure that the needs of the individual are appropriately met. Ongoing and clear communication between the stakeholders is vital.

Knowledge and skills based – VR services have the knowledge and skills appropriate to the needs of people taken on the programme. Professionals should keep their knowledge base and skills current. Educating and motivating the client is also important.

Informed – grounded in a full understanding of the needs of the individual gleaned from all relevant sources (eg. individual, relatives, health professionals, Jobcentre Plus, and employers).

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Realistic and sustainable – VR services seek to identify and achieve goals that are both realistic and sustainable.

Accessible – VR services should be provided fairly and equitably, irrespective of ethnic origin, religious belief, gender, sexual orientation and geographical location. Where appropriate in the community or workplace.

Voluntary – Individuals have a choice.

Confidential – VR services respect and protect the confidentiality and other rights of people attending their programmes.

Standards - Professionals practice in a responsible and ethical manner according to solid standards of practice and a code of ethics.

Cost Effective – Consider if approaches and interventions related to VR are cost effective and can be seen by stakeholders as value for money.

Building the Evidence-based – interventions based on proven models of VR where possible and/or systematic internal programme monitoring of outcomes. Stakeholders should be encouraged to contribute to and develop robust evidence on what works.

Whilst the many potential benefits of VR for stakeholders will continue to be identified, it is clear that we need more conclusive evidence of what works. This will both inform future progress and more importantly engage and encourage still more stakeholders to consider the benefits to them of an effective VR provision in the UK.

In the short-term, however, it is possible to pull out some issues from our recent research overview that are worth considering if you are already thinking about introducing VR processes, or about to review your current VR practice. Many studies demonstrate that specific treatments for particular conditions improve the health condition and/or restore functioning such as ability to walk. But what influences return to work remains poorly understood. Much of this work has been undertaken with people who have mental health, musculoskeletal conditions and cardio-respiratory conditions, which are the most common causes of long-term incapacity. There is also some research on the impact of co-morbidity (the interaction of different multiple health conditions).

A number of factors seem to recur between studies that do affect employment outcome (Infobox 4) and some issues related to VR and employment outcomes can also be highlighted (Infobox 5).

Infobox 4 – Factors that may affect employment outcome

- Number of dependent's, number of children under five, and being younger seem to increase the frequency of sickness absence from work;
- Variables related to work such as job strain, long hours, lack of autonomy at work, job insecurity, low level of job commitment and job satisfaction seem to reduce the likelihood of returning to work, while being younger, having a higher education, and being a non-manual worker and having a higher income seem to increase the likelihood of returning to work.

These same factors have been found to be predictive of employment outcome amongst the general population and are not specific to those who have a health condition or impairment. However:

- There is a lag in employment outcomes for those with health conditions or impairment compared to national economic cycles. Local employment rates also affect outcomes;
- People with the same clinical conditions and clinical diagnosis have different rates of return to work;
- The extent to which severity of condition and associated measure of pain are factors in return to work is unclear. But some research shows that subjective assessment of pain, illness beliefs and the meaning that work has for the individual are more significant in predicting return to work; and
- There is also some evidence that still being involved in litigation for compensation or in receipt of compensation affects return to work but the extent to which this is a factor over and above other attitudinal risk factors is unclear.

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Infobox 5 – VR and Employment Outcomes

- Research on the impact of VR is contradictory. Some research shows that people who have been through a VR programme were no more likely to return than those who had not received VR support. Other studies have found a difference in job placement following VR support, but there was no evidence of an effect on number of hours worked, job retention or income;
- Prior motivation to return to work and being willing to take active steps to try to achieve this has been suggested to be an explanatory factor for the difference in return to work between non-participants and participants in some VR programmes;
- Early intervention is beneficial, irrespective of the evidence that VR interventions do not improve job retention outcomes;
- Interventions focused on the medical condition and medically oriented treatments can improve functionality and well being but on their own do not significantly affect work outcomes, including job retention;
- Using job and task analysis and functional assessments and ergonomic assessments to match people to jobs have not shown conclusive results in facilitating return to work;
- Flexible working hours, adjustment of work demands or lighter work for a short period of time can facilitate return to work and help reduce sickness absence, but there is little evidence that ergonomic interventions have a positive effect on return to work;
- Accelerated job placement and supported employment and minimal pre-employment services for people with mental health conditions have a greater effect than pre-employment psychosocial intervention in time to first job, but made no difference in terms of hours worked or job tenure;
- Whether improvements in psychosocial health increase employment outcomes is not clear; cognitive behavioural therapy has been shown to affect compliance with treatment for those with psychiatric disorders and improve functioning and coping skills for daily living for others but there is no evidence of effect on return to work; randomised control trials have shown psychosocial interventions have little effect on return to work;
- Case management has often formed an important element of VR services and the few studies that have been undertaken have shown that people's satisfaction with services is increased with prompt intervention and facilitative case workers who are able to understand the services available and work round these to provide help and meet individual needs. However, there is little evidence of the effectiveness of case management in improving employment outcomes. Some studies suggest that managing anticipations and providing services that meet clients' expectations could improve employment outcomes; and
- Research suggests that increased and more explicit communication between stakeholders such as the GP, occupational health professional or VR specialist and employer, that focus on both communicating issues relating to the nature of employment and the job and the adjustments to tasks that are possible, as well as capabilities for work and the influence of health and other factors on work, might increase the likelihood of successful return to work.

Working Together Towards A New Approach To Vocational Rehabilitation: Identifying The Steps We Need To Take

To identify the next steps to move us forward towards a new approach to VR, the Government has considered the:

- experiences of current initiatives that contain VR;
- findings from the DWP research overview;
- stakeholder responses to the VR Discussion Paper; and
- the views of stakeholders arising from presentations and meetings with DWP.

One or more New VR Approaches may be Required

VR has different meanings to different stakeholders, but most interested parties seem to agree that the scope of VR appears to be very broad. This means that it may be challenging to produce a new approach to VR to cover the different potential clients of VR and their different needs - to help individuals with health or impairment barriers, to work remain in work, return to, or access work. Therefore, to effectively deal with such a big area, we may have to accept that perhaps more than one new approach to VR is required to deal with specific elements of VR.

Due to the breadth of VR, Government also feels that there is a need to focus our initial efforts on specific areas. At present the Government strategy to help people not in employment is well developed (e.g. Pathways to Work) and this contains elements of VR. As the work to help people with health conditions or impairments retain employment is only recently started, and a momentum needs to be generated to encourage further work, the Government suggests that initial efforts flowing from the Framework should be focused on considering how to help people in employment to remain in work, or return to work (e.g. individuals in work, who have been sick or injured and who are looking for an early return to work within weeks or months). However, the Government will not ignore the other wider elements of VR, and will continue to take longer-term steps to ensure the VR needs of those looking to access work are also fully addressed.

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Framework Delivery Mechanisms

The Government is committed to providing direction and leadership for VR. Part of this responsibility involves taking the necessary steps to ensure that current and future Government initiatives that relate to VR are complementary and consistent. The Minister for Work, Jane Kennedy, with the support of other Government Departments, will oversee the delivery of the Framework and ensure the resulting strategy complements other related strategies and initiatives.

We are aware that the Framework for Vocational Rehabilitation is a shared agenda, with many stakeholders having an important role to play. Stakeholders including employers, Trade Union Congress, CBI, insurers, lawyers, healthcare professionals, Local Government Association and others have all indicated their willingness to continue to work with Government on this. Therefore, to help stakeholders play an active part in the future development of any new VR strategy, and to help manage the delivery of the Framework, DWP will set up a Framework for Vocational Rehabilitation Steering Group.

This team will be made up of Government and devolved administration officials and individuals representing key stakeholder groups. However, the membership will need to be flexible, in order to respond to numerous different challenges that the Steering Group will be asked to address. The role of the Steering Group will be to:

- produce strategic ideas and advice on direction;
- use its networks to involve wider stakeholders in the development of a new approach to VR;
- identify priority areas and suggest an action plan with milestones and delivery dates;
- set up working groups to address specific issues as required, including research and standards and accreditation;
- consider how to make best use of resources, including funding; and
- develop, monitor and review delivery of an action plan.

Research and information needs

The messages contained in our research overview complement the discussions we have had with academics, analysts and others and suggest that a more conclusive evidence base is needed. Key next steps will be to prioritise research needs and to obtain the necessary funding.

This is a critical task and so the Government suggests that a VR Research Group will be needed to identify priorities, the appropriate mechanisms to deliver the necessary research and identify the appropriate funding, including possibly pooling resources for larger scale research projects.

Government also wants to work with stakeholders to achieve the ambition of robust, standardised, evaluation of research. Therefore, along with colleagues across Government and with the co-operation of experts, DWP will look to produce a good practice guide to robust evaluation of VR interventions and services.

The Trades Union Congress, employers, insurers and other stakeholders have identified a range of research and information needs. A common need, which complements research findings, is the need for a more conclusive business case for VR, including the added value of VR. Establishing the benefits of VR will be key to securing engagement and encouraging increased use of VR. This is partly being met by work currently being commissioned by DWP but will be a priority for the Research Working Group to address.

The research currently being commissioned by DWP, and information needs suggested by the research overview, and by stakeholders, include:

Relevant DWP research that will report over the next year

- DWP will further refine the research overview on VR and return to work that supports the Framework and publish this when it is ready. A note will be placed on the DWP VR website when publication takes place;
- Job Retention and Rehabilitation Pilot (JRRP) evaluation examining the effectiveness of different types of intervention. Publications will include: Employers' attitudes to Sickness absence and management of return to work (October 2004); GP's management of return to work (January/February 2005); Interim evaluation report on design of JRRP and providing high level findings on participant characteristics (April 2005); and three final reports: Characteristics of those on sickness absence; Main evaluation report; and Running JRRP as a randomised control trial (Winter 2005);
- Feasibility study for long term information requirements on disability (Spring 2005);
- The journey from work to benefits - routes onto Incapacity Benefits (Winter 2005); and
- Evidence review on the cost and benefits to employers of employing people with health conditions or impairments (2006).

Suggestions for further Research work

- A survey of statutory sick pay (SSP) and short term IB recipients and employers' sick pay arrangements and activities to provide for a more robust assessment of the characteristics of all employed and self employed people off work, length of sickness absence spells and return to work. This will also contribute towards the development of a better understanding of the demand on VR. Development work on the feasibility of such a survey is currently being progressed;

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- Further surveys to establish the extent of VR services in the UK to help develop a better understanding of the extent of existing service provision and thus inform debates on capacity of VR services in the UK;
- Research on the meaning of work to those on sickness absence and for those with health conditions and/or impairments to build on evidence that suggests that motivation and orientation to work could be a key barrier to work and this area has seen little investigation;
- Further research on the effect of the psychosocial intervention affecting return to work. In particular, the way that individuals' perceptions and experiences of health interact with socio-economic experiences and household and family circumstances and the effect these have on return to work; and
- Research on the effect of case managers on employment outcomes, the effect of service provider, employer and other referral agents attitudes and beliefs on the selection of who receives VR services, and how choices are made about the types of interventions delivered to address the research gap identified in understanding how these may affect employment outcomes.

Information sharing needs

- There is a need to create further opportunities for stakeholders to meet to share thinking on VR. Sharing evidence on effective VR is a critical factor in ensuring quicker and more effective help for individuals;
- Sharing information between stakeholders is never easy and there are potential difficulties. Stakeholders need to agree a basis for data sharing that addresses confidentiality issues and does not undermine the competitive edge of stakeholders who contribute information; and
- Stakeholders need to create more opportunities to share information. For example, the National Employment and Health Innovations Network (<http://www.healthaction.nhs.uk/register.asp>) is a useful forum and Sheffield Hallam University has committed to run a seminar on work and disability to share information, identify gaps and move towards meeting any needs identified.

Standards and Accreditation

Employers, insurers and groups representing individuals all identified the need for providers of VR to adopt agreed VR standards where they exist and develop standards when they do not. Stakeholders have also expressed the need for the accreditation of providers. It is especially important if, as expected in the longer-term, VR provision grows to ensure that individuals and employers get the support that they expect and need. The Framework for Vocational Rehabilitation Steering Group will be asked to set up a Standards and

Accreditation Working Group to produce options on how best to meet these needs. In considering options the Working Group will look at: existing standards on VR; the professional qualifications of those involved in the different forms of VR; the case for accreditation of VR providers; and think about how accreditation could be delivered. Stakeholders have already started to work on these issues, and we need to build on this existing work. For example, the Association of British Insurers is considering the establishment of a single national professional management and accreditation body with the National Vocational Rehabilitation Association (NVRA). The NVRA has been working with the new European Rehabilitation Academy to develop UK qualifications, standards and accreditation. In addition a European rehabilitation standard is under development and the Case Management Society UK is working to develop a Protocol for members.

Government recognises the importance of standards and accreditation as a way to increase confidence for all stakeholders. The Standards and Accreditation Working Group will lead on identifying the preferred method of guaranteeing consistent minimum standards between stakeholders and initiate work to ensure that this happens in appropriate areas.

Guidance and Other Tools

It may take some time before we are in a position to produce a new approach to VR. The Government recognises that stakeholders already committed to taking forward VR issues (e.g. employers, insurers, lawyers, researchers and providers) need immediate help. Therefore, in developing the framework we have considered stakeholders' current support needs.

New guidance and tools have been produced to coincide with the launch of this Framework, and more are planned for the near future. These include:

- HSE will launch a best practice approach to Managing sickness absence and return to work (See the Framework Annex);
- DWP will also launch the second module of the on-line distance learning package for GPs. This will cover health and work issues;
- HSE has asked the Institute of Occupational Medicine to produce a prototype sickness absence recording software tool. This is aimed primarily at small and medium sized enterprises to help them record and analyse sickness absence information and with linked web pages, help them identify what individual and organisational interventions should be put in place to both return longer term sick employees to work and better control workplace health and safety risks;
- the Faculty of Occupational Medicine, the Society of Occupational Medicine and the Royal College of General Practitioners will consider guidance on the role of occupational

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health in patient care. This will focus on the role of the GP in encouraging employers to see a return to work as a health outcome and help them understand how they can work with occupational health professionals in the best interest of their patients. The Academy of medical Royal Colleges is working on a similar approach for secondary healthcare;

- HSE's programme for improving access to occupational health support fully recognises the need for appropriate and timely advice. The HSE guidance leaflet on beneficial tax provisions relating to the purchase of occupational health support is currently available on the HSE website, with links to the Small Business Service and DTI websites. HSE accepts that there is scope for raising awareness of the leaflet and so will relaunch the tax leaflet in autumn 2004. It would still be available on the HSE website with additional links to other websites including Inland Revenue, Business Link and other HSE topic webpages such as Stress, musculoskeletal conditions, Construction, etc. HSE will also explore with the British Chambers of Commerce ways of making the information available to their members;
- NHS Plus will be publishing more evidence based guidelines on the management of health at work on its website; and
- a VR website. DWP will consider how to make best use of developing technologies, including the internet, to share thinking and information on VR.

Further issues to consider

The research overview, and the responses from stakeholders to the Discussion Paper, have highlighted many additional issues that need to be considered as we develop a new approach to VR. We also need to deliver previous Government commitments in this area, such as the results of the Job Retention and Rehabilitation Pilot contributing to the development of future strategies on rehabilitation. The Framework Steering Group will consider all of these issues, examples of some of which are given below, and we work to develop a new approach for VR.

Linking Rehabilitation Support

Stakeholders are keen for Government to do more to ensure that the providers of rehabilitation support do more to ensure that the individual receives a complete package of rehabilitation support. To help achieve this, government officials will work with stakeholders to consider how best to achieve better joined up rehabilitation for individuals. The VR Steering Group will ensure that this goal is embraced within any new approach for VR.

Future Delivery Mechanisms and Capacity

The inconclusive evidence base means that it is too early to make firm decisions about future delivery mechanisms for VR or, if we need to, how we can generate capacity. However, many of the current VR initiatives may provide us with valuable information on which to base future decisions. Therefore, we need to ensure that we learn the lessons from existing VR delivery mechanisms.

For example, HSE has set up a project to establish pilots that will test a model for delivery of occupational health and safety support. The evaluation of these, and existing, Occupational Health, Safety and Rehabilitation Support Pilots will provide insight into how such mechanisms might be used as an effective component of a long-term structure for support. The pilots will enable HSE, DWP and employers to judge how much difference occupational health support makes to improving health at work and reducing sickness absence. This should offer insight into the benefits of further investment to roll out similar support across the country and of identifying sustainable funding mechanisms. For small businesses the loss, through absence, or reduced productivity of a worker, may be an actual threat to the business. It is important when work is taken forward to further develop the business case for VR, that the specific case for small firms using VR is addressed. Any new approach to VR needs to consider the specific needs of small firms and introduce effective ways of providing VR support to the worker in small firms, and also the employers themselves. For example, NHS Plus is continuing to research new models for engaging small and medium sized organisations for the provision of occupational health support.

Insurers have also adopted different approaches to delivering rehabilitation, ranging from the use of in-house providers to contracting out on a case-by-case basis, and fault to no-fault services. In all cases they are looking for an acceptable level of service and cost effective outcomes. If the models that the insurance industry has developed prove effective there is no reason why such a service could not be extended to public-private provision, with insurers contracting for NHS providers if available. Employers too have the freedom to develop appropriate, cost effective rehabilitation solutions which meet the needs of their business. These also need to be considered when considering the way forward.

The Job Retention and Rehabilitation Pilot research project and Pathways to Work will also inform future VR delivery mechanisms. Government has already highlighted the importance of these two initiatives and the need to consider fully the information they generate when developing future strategies.

Consideration of ELCI issues related to VR

The Trades Union Congress, Insurers, Employers and lawyers all see a role for VR in the current ELCI process and perhaps within other liability insurance areas. Some see the

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resulting ELCI claims process as being helpful in increasing the profile of VR and would like to see further work to place rehabilitation at the centre of appropriate claims processes.

The ELCI Review committed the Government and other stakeholders to take forward a number of actions aimed at stabilising the ELCI market, including the premium prices that employers have to pay. It will take time to deliver the Review's recommendations and to see the resulting benefits they could bring. The commitment on VR was one action originating from the ELCI Review as was the recommendation that the Government works with stakeholders including the Association of Personal Injury Lawyers, insurers, representatives of business and unions, to develop a pilot scheme for resolving claims' costs effectively, quickly and more transparently.

The development of this claims pilot scheme is now underway. The pilots will focus on low value (up to £10,000) accidents claims and will be designed to test the various options, identified by stakeholders, for improving the existing process. The pilots will target the unnecessary costs at the start of the claims process, for example incident notification to inquiry/investigation, and then explore how to process claims cost effectively including claim negotiation and settlement. The proposal ensures that the investigatory and other work undertaken remains proportionate to the complexity and value of the claim. As well as reducing costs the intention is to deliver a quicker and more transparent outcome for claimants and through earlier notification increase opportunities for rehabilitation.

As we become clearer about VR as part of the claims process more detailed guidance can be produced for all the stakeholders concerned. Insurers and organisations representing individuals are also keen to see any such good practice adopted across liability claims processes where an individual may require rehabilitation

The Justice System has an important role to play to ensure that rehabilitation is fully considered as part of the claims process. Proposed amendments to the Pre-Action Protocol for Personal Injury Claims include additional measures that deal with the need to consider rehabilitation (See the Framework Annex).

The future role of Industrial Injury Scheme (IIS)

The Trades Union Congress, the Association of British Insurers and the Industrial Injuries Advisory Committee all feel that it may be worth exploring if the existing, or a modified, IIS could help us to achieve our VR goals.

As part of a wider review of IIS, Government will commit to consider how the IIS could be modified to support VR.

Mechanisms to deliver early VR

The importance of early intervention in VR has been recognised by many stakeholders, including the Trades Union Congress, employers and insurers, as being key. The Better Regulation Task Force Report – Better Routes to Redress – highlighted this point in relation to liability insurance. The Task Force Report placed a recommendation on DWP to work with other stakeholders to identify mechanisms that could deliver early rehabilitation, including VR. DWP will initiate work to produce a report outlining initial thinking on this issue by the end of February 2005. This report will support the Framework's efforts to produce a new approach to VR.

Two tier rehabilitation system

A common message from insurers and VR providers is the need to avoid a two tier system, which could exclude those without liability cover from access to effective VR support. In developing a new strategy for VR, the Steering Group will consider how to make VR available to all individuals who need it, regardless of their relative labour market position and whether or not they are involved in a liability decision.

Incentives and Disincentives

As we are not yet ready to outline a new approach for VR, it is also too early to make commitments on incentives and disincentives which can support the new way forward. The Vocational Rehabilitation Steering Group will need to consider when and how incentives and disincentives can be best used to help achieve our future VR goals.

Income Tax issues related to VR

Private medical care provided free or cheaply by an employer is generally subject to tax on the employee. If tax is due, Class 1A (employer only) National Insurance Contributions will also be due from the employer. There are, however certain exemptions, including occupational health support relating to work-related conditions or accidents.

Insurers and employers have highlighted a deterrent to employees accepting early rehabilitation if they may incur a tax liability. The deterrent is said to arise where there is uncertainty about whether the support offered will be eligible for relief, for example where the employer's liability for a work-related accident or condition is unlikely to be established for some time.

It is unclear whether this is a serious problem, which could act as a deterrent to employers providing rehabilitation. This issue will be considered when the Framework for Vocational Rehabilitation Steering Group considers liability issues related to VR.

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A flexible strategy is needed for an ever changing world

A number of areas can be the focus of change over the next few years. For example:

- physical and cultural aspects of workplaces;
- the labour market and workforces;
- the needs of business;
- work practices and associated health risks to workers; and
- the VR barriers an individual faces.

Any new approved to VR needs to be flexible enough to respond to these changes as and when they arise.

Government Leading by Example

We have highlighted in the Framework Document that Government is a key stakeholder, especially as it is an employer. Government plans to learn from the experience we go through as we work to develop a new approach to VR, and will embrace the final outcome.

In the short-term, the Government is looking to improve health and safety and reduce sickness absence within the public sector, thereby improving productivity and setting an example to others.

The public sector (particularly Government Departments) has a significant contribution to make in achieving the Government's health and safety targets. In recognition of this, HSE set up a priority programme to cover this area (Government Setting an Example).

To give this programme some momentum and impetus, the Minister for Work initiated the setting up of a Ministerial Task Force (now known as the Health, Safety and Productivity Task Force). In the spending review announcements, the Chancellor announced a review to examine ways in which productivity improvements can be made through better management of sickness absence. A report will be produced by autumn 2004. The task forces will take forward this commitment.

Ministers from the main Government Departments are represented. The main issues for the task force are to develop proposals for:

- reducing sickness absence;
- improving occupational health and rehabilitation; and
- using Government as a purchaser to influence health and safety in other sectors.

Summary and Next Steps

Due to the lack of a conclusive evidence base on the added value of VR, and what works, Government is not yet in a position to outline a new approach to VR for the UK. The Framework for Vocational Rehabilitation outlines how the Government and devolved administrations will work with stakeholders to develop a new approach to VR.

The Government is committed to providing direction and leadership on VR. We recognise that this involves taking appropriate action to ensure that the range of Government initiatives that contain elements of VR complement each other and contain consistent messages.

To enable all stakeholders to contribute to the development of a new VR Strategy, the Government will put in place the following structures to help it take forward the Framework for Vocational Rehabilitation:

- **DWP will set up a Vocational Rehabilitation Steering Group to help stakeholders play an active part in the future development of any new approach to VR, and to help manage the delivery of the Framework;**
- **a Research Working Group will be set up to identify, and agree action to deliver, research priorities; and**
- **the Vocational Rehabilitation Steering Group will be asked to set up a Standards and Accreditation Working Group to consider how best to increase standards and to consider the case for the accreditation of VR providers.**

The Government recognises that many stakeholders are already committed to VR (e.g. employers, insurers, lawyers, researchers and providers), but to maintain this commitment it is important to meet some immediate needs. **New guidance, and additional tools, have been produced to help such stakeholders. Many of these will be available as soon as the Framework is launched,** or are planned to be delivered in the near future. These include:

- **HSE's best practice approach to managing sickness absence and return to work;**
- **DWP will launch the second module of the on-line distance learning package for GPs to cover health and work issues; and**
- **HSE will produce a prototype sickness absence recording software tool. This is aimed primarily at small and medium sized enterprises to help them record, analyse and manage sickness absence.**

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As the Framework for Vocational Rehabilitation Steering Group works to develop a new strategy for VR, there is a need for the group to fully consider the range of additional key issues that stakeholders have suggested need to be addressed as we work towards developing a new approach to VR. **Consideration of such areas will help to guide our future direction on VR, as well as ensuring the resulting new approach to VR will meet the needs of stakeholders.** The issues to be considered include:

- **how better to link all rehabilitation support;**
- **future delivery mechanisms and generating capacity;**
- **consideration of ELCI issues related to VR;**
- **the future role of Industrial Injury Scheme (IIS);**
- **mechanism to deliver early VR;**
- **steps to avoid a two tier rehabilitation system;**
- **Income Tax issues related to VR; and**
- **the need for a flexible strategy to meet the needs of an ever changing world.**

The public sector (particularly Government Departments) has a significant contribution to make in achieving the Government health and safety targets. In recognition of this, HSE has set up a priority programme to cover this area (Government Setting an Example).

In the short-term, the Government is looking to improve health and safety within the public sector, thereby improving productivity and setting an example to others. To give this programme some momentum and impetus, **The Minister for Work initiated the setting up of a Ministerial Task Force (now known as the Health, Safety and Productivity Task Force).** The main issues for the task force are to develop proposals for:

- reducing sickness absence;
- improving occupational health and rehabilitation; and
- using Government as a purchaser to influence health and safety in other sectors.

Building Capacity For Work:

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Ref: ELCI 3

PPSPG/1004/24

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27 October 2004