HOUSE OF COMMONS

Work and Pensions Committee

Oral evidence: Disability employment, HC 591

Wednesday 1 May 2024

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Watch the meeting

Members present: Sir Stephen Timms (Chair); Neil Coyle; David Linden; Nigel Mills; Selaine Saxby; Sir Desmond Swayne.

Questions 1 - 70

Witnesses

I: Nic Murray, Policy Manager, Leonard Cheshire; Laura Davis, Chief Executive Officer, British Associate of Supported Employment; and Kim Hoque, Professor of Human Resource Management, King's College London, and founding member of Disability@Work.

II: Professor Helen Lawton Smith, Professor of Entrepreneurship, Birkbeck, University of London; Jacqueline Winstanley, Chief Executive Officer, Universal Inclusion; Dr Christine Grant, Associate Professor (Research), Centre for Healthcare and Communities, Coventry University; and Professor Ian Burn, Professor of Economics and Chair in Applied Microeconomics, University of Liverpool.

Written evidence from witnesses:

Leonard Cheshire (DYE0055)

The British Association for Supported Employment (DYE0039)

Professor Kim Hoque (DYE0004)

Centre for Neurodiversity Research at Work, Birkbeck University of London (DYE0027)

Professor Ian Burn (DYE0024)

Dr Christine Grant (DYE0025)

Examination of witnesses

Witnesses: Nic Murray, Laura Davis and Kim Hoque.

Q1 **Chair:** Welcome, everybody, to this session of the Work and Pensions Select Committee in our inquiry on disability employment. A very warm welcome to the three members of our first panel. Can I ask each of you very briefly to tell us who you are, starting with Laura Davis?

Laura Davis: Thank you very much for inviting me to be here today. I am Laura Davis. I am the Chief Executive of the British Association for Supported Employment. We are a national members charity with around 350 members across the UK who are all supporting disabled, neurodivergent and disadvantaged people into good careers.

Professor Hoque: Hi, I am Kim Hoque. I am Professor of Human Resource Management at King's Business School. I am also a founder member of Disability@Work and a founder member of the Disability Employment Charter.

Nic Murray: Thank you for inviting me today. I am Nic Murray. I am the Policy Manager at Leonard Cheshire. We are a disability charity who support disabled people to live and work as independently as they choose. We are also a founding member of the Disability Employment Charter.

Q2 **Chair:** Thank you all very much for being with us. Let me put the first question to you: the disability employment gap has not reduced in the last few years, but the Government's target of increasing the number of disabled people in employment has been met by 1 million, wasn't it? I think 1 million was the target. What is your assessment of progress on disability employment? Are we making progress or not, and what do you think the Government's new target—and they have said that they are going to introduce a new one—ought to be? I will put that question to each of you, starting with Professor Hoque.

Professor Hoque: Thank you very much. Yes, as you rightly say, the 1 million target has been met but I think we have to put that into context in terms of an increase in the percentage of the working population in the UK who are disabled. That has increased dramatically since 2013 from about 16% up to 24% now.

We estimated in 2022 that 1.3 million additional new jobs had been created at that point, from the point at which the target was originally set, which was 2017. However, that 1.3 million you have to set against a growth of 1.9 million in terms of the number of disabled people within the labour market. Set against that, that progress does not actually look quite so impressive.

You also have to look at the composition of the stock of disabled people in the UK, because what we saw there—particularly up until the start of the pandemic—was a lot of the growth in the number of disabled people

in the labour market was probably due as much to a growth in functional impairments to matters such as whether or not people recognised disability, whether or not they understood the notion of disability. These sorts of social facts around acceptability in terms of the notion of reporting yourself as disabled. That meant that a lot of people who identified as disabled in 2019-20, people with the same sorts of conditions 10 years earlier probably would not have identified as disabled.

That meant that you had a lot of people in the labour market who—and these are people that probably have functional conditions that are less likely to be activity limiting, meaning they are more likely to be closer to the labour market and more likely to be in work. Of course, all of these people will have contributed towards the Government's overall headcount contributing to the 1 million target.

Q3 **Chair:** Any thoughts about what the next target ought to be?

Professor Hoque: Yes. I think that if the Government set another numerical target that will suggest that they have not been listening to what everybody has said about the fact that a numerical target does not really demonstrate progress. Of course, despite the fact the numerical target has been met, the disability employment gap, the relative measure in terms of the percentage of disabled and non-disabled people that are in work, has not changed since the middle of 2019. That is really the relative measure of disadvantage. If they set another target, it should be focused on the relative measure, in other words, the disability employment gap and not a numerical target in terms of the number of disabled people in work.

Beyond that, I think there are other things that they could focus on in terms of setting a target, which would include things like the pay gap. We know that, if anything, the disability pay gap has increased in recent times, so it would be worth looking at potentially setting a target around that. You could also look at the hours' disability employment gap as well, because of course the disability employment gap as currently reported is to do with the number of disabled people that are in work relative to the number of non-disabled people that are in work. If you actually express it in hours because disabled people typically work shorter hours than non-disabled people, the disability employment gap is even greater, so you could look at that too.

There is an argument as well to look at specific conditions. If you look at mental health conditions, for example, we know that the disability employment gap there is significantly larger. It is worth monitoring that and potentially having a target on it, and the same for people with learning disabilities.

There is something else too: my Disability@Work colleagues Melanie Jones and Vicky Wass have advocated for having targets for in-work experience as well. We know that there are disability gaps in terms of

disabled and non-disabled people that are in work in terms of things like contentment, job-related wellbeing and job satisfaction. These are very important drivers in terms of whether people stay in work or otherwise. Monitoring that and seeing whether, in the experience of work over time, those disability gaps are reducing is also something that would be well worth monitoring, measuring and potentially setting targets on.

Q4 **Chair:** Thank you. Laura Davis, do you have anything to add?

Laura Davis: I do not have much more to add to Professor Kim Hoque. However, that point about nuance is really important. When you look at the employment outcomes for people with a learning disability and autism, for example, only 4.8% of people with a learning disability have a paid job and only around 9% of people with autism. Therefore you can have this overall target, but you need to understand the nuances and the significant disadvantage of particular groups of people within our community.

Over 86% of people want to work, so this narrative that people are unmotivated simply isn't true, so I think we really need to build in that nuance. I would absolutely agree about the point around in-work progression as well. Actually getting somebody a job should be the starting point. We should have a high ambition around how people progress through organisations as well and there should be a measure around that.

Q5 **Chair:** We have just had the Buckland review of autism employment, haven't we?

Laura Davis: Absolutely.

Chair: So the point is well made. Thank you. Nic Murray, anything to add?

Nic Murray: I would echo everything that has been said so far. Obviously, while the Government have hit that 1 million target, as Kim said, the disability employment gap has remained pretty static, fluctuating between 27% to 29% over the last decade. At the same time, the disability pay gap has also increased. We obviously see a concern there where there isn't much of a change in the disability employment gap. Also, if the disability pay gap is increasing there is concern that disabled people are not getting into work that is paying well, which is good work that is meeting their skills and meeting their aspirations and has the potential for growth.

An important factor is trying to improve retention in terms of looking at the disability employment gap. We know that every year 340,000 disabled people leave the workforce. That is at about twice the rate of non-disabled people, so looking at that alongside trying to improve people moving into work is an important part of that and is a measure that could be looked at as well.

Q6 **Sir Desmond Swayne:** Professor and Nic, can you explain for me what the 'prevalence-adjusted' disability employment gap might be and why would DWP and the Government want to take any notice of it?

Professor Hoque: A good question. I suppose I ought to take this on because this is an invention of my Disability@Work colleagues, again, Melanie Jones and Vicky Wass, so I can blame it on them. They essentially argue that the 'prevalence-adjusted' disability employment gap is a way of looking at the extent to which the disability employment gap is actually a serious public policy concern. Imagine a situation where you have a very high disability employment gap of 50%, but you have—just purely hypothetically—very few disabled people in employment. The 'prevalence-adjusted' gap essentially multiplies the two together. That is all it does in terms of creating a figure for the percentage of the working age population that are prevented from working due to disability.

If you have a very low percentage of people who are disabled within a given economy, the 'prevalence-adjusted' disability employment gap is going to be very low, indicating that it is not really that big a hindrance in terms of labour supply or in terms of skills gaps and so on. What the 'prevalence-adjusted' gap is telling us at the moment is that the actual disability employment gap has remained static. The headline figure has remained static at around about 28 to 29 percentage points for the last five or six years.

What we have seen in terms of the prevalence and the number of disabled people in employment is that it has gone up considerably. Even though you might look at the disability employment gap and say, "The problem has remained static, the problem has remained stable", the 'prevalence-adjusted' gap would say, "Well, actually, no, it has not." The problem is actually worse because that is a 28% to 29% disability employment gap actually being applied to a much larger segment of the working age population as a whole. What it does is indicate the extent to which it is a public policy concern.

The 'prevalence-adjusted' gap is higher now than it was in 2019. We have seen the disability employment gap itself remain static, but we have seen a growth in terms of the number of disabled people in the economy. The knock on effect of that is that, from the point of view of restricting labour supply, from the point of view of employers not being able to recruit to the vacancies that they have, disability is a bigger part of the picture. Hence we need to be focusing a lot more resource on it perhaps than we are.

Q7 **Sir Desmond Swayne:** To what extent is the growth in the number of disabled in the workforce a result of people being more inclined to declare their disabilities?

Professor Hoque: This is essentially the point that I was making earlier. I think that was absolutely the case up until the start of the pandemic but from that point onward we have seen a slightly different picture. We see

a growth in terms of long Covid, which would not have been a feature in terms of disability prior to the pandemic. However, we have also seen a growth in conditions like type 2 diabetes, the number of people that are waiting for hip and knee replacements on the NHS, and a growth in mental health conditions as well. A lot of this is due to the sorts of constraints that we have seen in the NHS in recent times. We know that people are waiting for up to 18 months, for example, for hip and knee operations and this is going to obviously keep a lot of those people out of the labour market. I think the latest assessment is that something like 1.9 million people are waiting for a mental health assessment at the current time.

These are all significant conditions related to functional impairment that will keep people out of the labour market. I think some of the recent growth that we have seen in the last few years, in terms of the percentage of the workforce that is disabled, is actually in terms of the stock of jobs, and the way in which we look at disabled people as a whole within the labour market. A lot of that growth in recent times has been in conditions that have significant functional impairment.

Q8 **Sir Desmond Swayne:** Do you want to add anything, Nic?

Nic Murray: No, I think it has been covered pretty comprehensively.

Q9 **Sir Desmond Swayne:** The Labour Force Survey invites respondents to self-select their disabilities from a list. Apparently there is a problem in that the list is not particularly well defined. Is that a big deal?

Professor Hoque: There is something to be said about providing people with a list to select from because it gives you an indication of the compositional mix within the stock of disabled people. Essentially, what it will tell you is the extent to which the percentage of disabled people who are declaring as disabled have significant functional impairment.

One way you can do this is using the Washington short set of questions, which asks a number of different things. For example, it will ask you: do you suffer from a visual impairment despite the fact that you wear glasses? Do you suffer from hearing impairment despite the fact that you use a hearing aid? Do you have difficulty walking or climbing stairs? Do you have difficulty in terms of communication? It asks a series of questions of that nature to give an indication of the extent to which disabled people are experiencing functional impairments that are likely to keep them out of the labour market.

In a sense, what that tells us is that the definition that we have of disability at the moment, which is the Equality Act definition where people do self-declare, gives an indication of what percentage of people within that cohort are suffering functional impairments—possibly multiple functional impairments—that are likely to keep them out of work. Of course the greater the functional impairment, the more negative the likely impact from the point of view of labour market outcomes.

Q10 **Chair:** Can I just check, the 'prevalence-adjusted' disability employment gap figure, is it a number of people rather than percentage points?

Professor Hoque: It is a percentage figure, so the figure that you get is the percentage of people in the labour market as a whole who are prevented from working by disability.

Chair: I understand. Thank you.

Q11 **Nigel Mills:** Do we know how many people who receive PIP are in work or not in work? Is that a set of data that is published or available?

Professor Hoque: I do not have any figures on that. Do you have anything on it?

Laura Davis: No, I don't.

Q12 **Nigel Mills:** That would be interesting. The ones that the Department has assessed and believes to have a disability, how many of those are in work and is that static or increasing? I suppose that would be a different data set to a survey, wouldn't it? I guess it might be arguably more reliable. You have not tried to get that data? I assume the Department knows from National Insurance whether this person has an RTI feed or not, so presumably it could work that out if it chose to use one of its thousands of researchers to press the computer button in that way, or something.

What do you think we could get the disability employment gap down to? Clearly it will never be zero, will it, because there will be some people who are just not able to work, who will presumably stay in that number? In an ideal world, what would the number be?

Professor Hoque: Oh, boy, yes, that is a difficult question. Obviously we would like to see it lower than it is. It was on a downward trajectory to an extent for quite some time. The Government actually set a target in 2015 of reducing the disability employment gap by half or halving it by 2020, a phenomenally ambitious target. We estimated around the time the target was set that it would actually take until, I think, about 2063 or 2064 at the current trend rates to halve the disability employment gap.

Yes, I think there are measures that could be put into place that would reduce it. What it would reduce it to is anybody's guess. The whole point of the Disability Employment Charter is essentially to say, "Look, there are measures that Governments can put into place that will focus specifically on the demand side and focus specifically on employers. What can be done to get employers to engage more readily with the disability employment agenda? What can be done to support, encourage and to an extent require employers to up their game in terms of the way in which they employ disabled people?" That is a really big part of the picture in addressing the disability employment gap.

We can do what we want and there is some great measure, some great work that the BASE does, for example, in terms of supply side measures supporting disabled people into work but unless we focus on employers as well, saying, "Look, what are the barriers that need to be broken down in the workplace? What are the attitudes of employers towards employing disabled people?" Until that is addressed—in a sense you can do what you want on the supply side but unless employers are actually more open to the idea of employing disabled people in greater numbers it is just not going to work.

I am not really answering in terms of a specific figure. I am talking more about how you would get there, but my hope is that if these sorts of measures were put into place it would help to significantly reduce the disability employment gap.

Q13 **Nigel Mills:** Do you think that all these people who are now self-assessing that they have a disability, are telling their employer that they have a disability? If you asked employers do they think they are employing more disabled people or is it, "I just dare not tell my employer in case it somehow hurts me"?

Professor Hoque: This is about a declaration, isn't it, really? I think, yes, there is still an issue in terms of people not wanting to tell their employer that they are disabled because they are worried about what the career implications of that will be.

Interestingly, if you look, for example, at the NHS for the workforce disability employment standard where it collects metrics very carefully—all NHS trusts are asked to report these figures—I think they say that something like 17% or 18% of employees within the NHS declare a disability when it is an anonymous staff survey, but the actual declaration rates for the NHS's HR function and HR records are around 4% or 5%. That gives you an indication of what the declaration to employers is relative to what the actual figure is.

Q14 **Nigel Mills:** Mandatory workforce reporting might give us some pretty rubbish information if we are not careful.

Professor Hoque: I disagree with that. I think that what it will do is give you a figure across employers. Because all employers are going to suffer the same issue from the point of view of disclosure, so it is still going to give you a relative figure across it. The figure is probably going to be lower for all employers than it possibly should be, but if it is relatively lower for all employers you are still going to be identifying the employers that are doing better and the ones that are doing worse in terms of the way that they employ disabled people.

You could also encourage employers to up their game from the point of view of getting people to disclose. If you are being told as an employer, "You are now going to be reporting your figures to Government and that is going to become publicly available data, essentially putting you into a

league table", employers love league tables if they are at the top. They hate league tables if they are in the relegation zone. As a result of that, you would hope that a lot of employers would say, "Look, we need to up our game here in terms of the way that we communicate and treat our disabled people to ensure that they do actually feel comfortable from the point of view of reporting." It could have quite a positive effect in that regard.

Q15 **Nigel Mills:** Which data would be published? Would it be the anonymous survey or the actual HR data of known conditions?

Professor Hoque: I guess we are going to have to wait to see what the Government comes back with. From what I understand, they are due to report back on the consultation on mandatory reporting imminently. I have no idea what they are going to recommend and if they are going to recommend mandatory or voluntary reporting as the way forward.

What I would say is that whatever they do, they should be recommending that employers collect the data in a systematic and standardised way, and that they use exactly the same question when they ask employees in relation to their disability status. If you do not do that, you are not going to get comparable data across employers. You absolutely need that if you are going to use that data to create benchmarks at industry level or at sectoral level, or indeed to use the data to identify the employees.

That is one of the great things about mandatory reporting. It will give you the data that will identify the employers that are really doing well. You can then go and look at them and say, "Well, what exactly is it that you are doing in terms of what you are putting into place? Are there lessons that we can learn from you that other employers can learn from?"

Q16 **Nigel Mills:** Laura and Nic, is there anything you want to add?

Nic Murray: I will just come in and say that, yes, we would definitely be in favour of mandatory reporting, but I think it is important to get it right. It is not just about what that question looks like, but supporting employers to build an open and inclusive culture that encourages disclosure, so that people are more willing to respond in a way that will give you the best data possible, as well as people being concerned about what their employer might do with the data.

One of the things that we heard from some of our supporters was the fact that a number were quite concerned about what would happen with the data that they disclosed being shared with Government, particularly I think due to the lower levels of trust and confidence in Departments like DWP. A disabled person might be willing to disclose a disability in an anonymous survey to a line manager that they trust, but then stepping over that threshold and sharing it with the Government was something that people had deep concerns about.

We have also polled employers on this and 63% have said that they are in favour of introducing mandatory workforce reporting for large

organisations, so 250-plus. That is a significant majority who are in support of it. I know that there are some concerns that employers might have around the fact that the data they have may not look as good as it should be if they are employing more disabled people in junior roles. In the gender pay gap reporting, if there is an option for employers and organisations to include a narrative alongside that, which explains their figures and what they are doing, I think it could be something that definitely could move the dial or begin to at least.

Q17 **Nigel Mills:** Laura is there anything you want to add?

Laura Davis: No, I think it has been covered by colleagues.

Q18 **Nigel Mills:** Just finally, has the National Disability Strategy made a stunning difference in the last three years?

Professor Hoque: It is hard to say yes given the pause to the strategy as a result of the judicial review. The two key areas that we were focusing on after the National Disability Strategy was launched was the review of disability confidence and, also, the consultation on disability workforce reporting. Of course, those were two of the things that were paused.

As I said earlier in terms of disability workforce reporting, the Government are I believe imminently going to be reporting back on that, so people in the Cabinet Office tell me. In relation to the review of disability confidence that is actually complete and DWP has shared at least the headline points that have come out of that review with stakeholders. I do not know if that has necessarily been made public. I have had sight of it, and I have to say that, looking at the sorts of things that they are proposing, it strikes me as more a tinkering around the edges than it does any sort of significant reform of the scheme.

One of the big things that people have called for in relation to disability confidence is to move away from the assessment criteria, focusing on the sorts of policies and practices that employers put into place and focusing more on the outcomes that they actually achieve, for example, Disability Confident level 2 and level 3 employers.

It is argued by the Disability Employment Charter, by other organisations, and I know the Centre for Social Justice made this point as well in its report in 2021, that what we should be doing is saying, "Well, look, if you are not meeting a certain threshold target in terms of the percentage of your workforce that is disabled at level 2 and at level 3, you really should not be calling yourself a Disability Confident employer." Otherwise, it is not sending a credible labour market signal to disabled people about organisations that actually employ disabled people and are likely to retain them and give them a good experience of work. These sorts of reforms have just not been looked at in terms of the recent round of reforms that have been announced by DWP.

Q19 **Nigel Mills:** It is quite easy just to say, "Yes, of course, I am Disability

Confident. I am happy to employ people, but I have never happened to quite get around to doing it". It is not a really useful badge, is it?

Professor Hoque: That is absolutely true. We have been doing some work looking at Disability Confident recently using the WorkL data, which is Lord Price's organisation. He very kindly made the data available to us and we said, "Great, this is wonderful." There are 127,000 individuals in this data. What we have done is merge the Disability Confident status of the organisations where people in the survey are working into that data, and we could look at level 1, level 2, and level 3 separately giving us a pretty unique opportunity to explore the disability employment outcomes that Disability Confident actually achieves.

What we find is that the percentage of the workforce that is disabled is barely any different in Disability Confident organisations than in non-Disability Confident organisations. At level 1 there is absolutely no difference, and that is a worry because 75% of organisations in Disability Confident are at level 1.

At level 2 there is a slight difference, but that difference only holds in the private and not the public sector. When we look at level 3, we do not find any difference, and if we look at the private sector, the percentage of the workforce that is disabled in level 3 private sector Disability Confident organisations is exactly the same as it is in non-Disability Confident organisations.

We go on and we look at disabled people's experience of work in Disability Confident organisations as well, so their work-related wellbeing, their fairness perceptions, their job satisfaction and, again, we find absolutely no difference between Disability Confident and non-Disability Confident organisations in terms of disabled people's ratings on those sorts of measures. Disabled people are no better off in Disability Confident organisations in relation to those types of outcomes than in non-Disability Confident organisations.

It is really quite a worrying set of figures. The Government have obviously promoted Disability Confident very heavily. They have sought to increase the number of organisations signing up to the scheme, but, in all honesty, our view on this is that it is just a completely false impression of progress. It is quite damaging because, of course, the Government could say, "Well, look, we have all these organisations signing up to the scheme. We do not need to legislate. We do not need to do anything more interventionist because employers are doing it voluntarily." But, as I have said to people recently, we could get the entire country signed up to Disability Confident and, in my view, it is not going to do anything to improve disabled people's employment outcomes.

Q20 **Nigel Mills:** Finally, what you are saying is that the higher levels are just which HR function wants the badge, and they are prepared to jump through the hoops; it is not because they are changing their workplace in any noticeable way.

Professor Hoque: Absolutely. Laura, I am sure you have heard this as well, but I have had large employers say to me that, "I have just gone through my level 3 certification and, to be honest, it was"—because there is the peer-review element at level 3, so it is a bit of a step up from level 2—"not that difficult to get."

Q21 **Chair:** On the disability employment gap, do we know how other countries are getting on?

Professor Hoque: We do, and it does vary quite significantly across Europe. Some of the figures—they are quite old now—just off the top of my head, the figures that I recall seeing—again, this is from my Disability@Work colleague, Melanie Jones, who wrote a report on this a little while ago. The disability employment gap, for example, in Luxembourg, is very, very low. Why that is the case, I am not 100% sure.

Q22 **Chair:** What do you mean "very, very low"? How low?

Professor Hoque: I think it is single digit.

Chair: Really? Less than 10?

Professor Hoque: Yes. I will send it over to the Committee, if you want. I will dig that report out and send it over.

Q23 **David Linden:** On 19 April, the Prime Minister made a major speech, and there will be different political views about it, but I that we would all probably acknowledge that we are into this debate about this sick note culture, that some people describe it as. I want to talk a little bit about the carrot-and-stick approach, because the Government are expanding employment support for disabled people but doing so with tougher sanctions. I wonder if the panel could just elaborate a bit further about what impact this will have on the rate of disabled people moving into employment. In short, does threatening people, to punish them with a sanction, work? Maybe we will start with Ms Davis.

Laura Davis: I will leave colleagues to give the statistics around this. However, within the supported employment model, which is what I represent, the evidence shows that building aspiration and hope are the most effective ways of engaging people into the employment market. What we see for people is the more you talk about sanctioning, the more you drive behaviours of people trying to hang on to what they have. Nobody can achieve anything from a position of fear. We have seen a significant number of people calling us since the announcements, becoming further entrenched in terms of that position of being scared to think about employment.

We know from the international evidence base that the most effective way of supporting people into work is about raising aspiration, about promoting good quality careers. It is not just about any old job, it is about the right job that is going to work for that person in terms of their

dreams, aspirations, strengths, talents, but is also going to meet the needs of an employer. We think that it will further drive some of the most vulnerable people even further away from the labour market rather than bringing them closer.

Q24 **David Linden:** I appreciate that we are coming towards an election. Clearly there is an adaptation in terms of language that is being used, but would it be your view that the Prime Minister's speech on 19 April has done more to hinder getting disabled people into work, rather than help that?

Laura Davis: I think it is confused because we had announcements around Universal Support, which is the new employment programme, which is absolutely based around a voluntary programme. It is about raising aspirations, supporting people into employment. Then we are talking about sanctioning. It has confused both individuals but also employers.

On Friday I had some phone calls from employers saying to me, "You told us that Universal Support was about hope, that it was about voluntary, that we want people that are motivated into the workforce. We do not want people that are being mandated and forced into work because it is no good for us." One of the criticisms from employers around the Work and Health programme was about people being mandated to apply for job roles, rather than being well matched into the right job for them.

We have seen a real nervousness from employers, which I think is absolutely counterproductive because, as was said by Kim earlier, we need employers on board if we are going to reduce the disability employment gap, because we need them to know that the people that are coming forward are motivated to do so rather than being sanctioned.

Professor Hoque: The problem with sanctions is at least what people refer to as counterproductive compliance. You know that if you do not engage in job search activity that you could potentially be sanctioned, so you end up wasting inordinate time applying for jobs that you are just simply not going to get. There is also evidence to suggest that the deterrence effects of sanctions will force people into jobs that are inappropriate for them. That can have a lasting long-term effect in terms of your earning potential. It is not just short term, this is something that will stay with you over time.

I think Mind have pointed out that for people with mental health conditions the threat of sanctions just raises stress levels to a point where people will be moving further away from the labour market rather than closer to it.

But for me, one of the big things around this whole area of debate is a lot of the rhetoric from Governments in the autumn, which was, "Look, there are all these jobs now available working from home. Surely there are more opportunities for disabled people to engage with the labour market,

because all of these working from home opportunities lend themselves to the sorts of jobs that disabled people can do. Surely we should be, in a sense, trying to encourage disabled people off benefits and into job seeking activity." That is a complete myth.

If you look at the percentage of jobs that are advertised as working from home in the UK, it is minimal. One estimate is 7%. I personally think that that is high. It is higher than the reality. A little bit of work that my Disability@Work colleague, Nick Bacon, has done recently is to look at the DWP's find a job service website, which has, I think, about 129,500 jobs listed on it. Of course, this is the primary website that DWP job coaches will be putting people into, saying, "Engage with this." This is how you will go about helping them with their job search activity.

Looking at those 129,000 jobs listed on the find a job service website, what Nick identified is that 0.51% of those jobs are fully remote, and just 2.75% are listed as being hybrid remote. The idea that there are all of these working from home opportunities out there for disabled people to move into is just a complete myth. Even if there were, we have to bear in mind that competition for those jobs would likely be a lot higher.

The upside of the story, to an extent, is that the research that we have done shows that working from home does benefit disabled people. It improves their job satisfaction. It improves a whole series of work-related outcomes for them. The problem is that it also increases those outcomes for everybody else as well. Everybody, to an extent, likes working from home.

If you end up in a situation where there are more jobs available working from home, competition for those jobs is going to be higher. Even if disabled people apply for them, there is a distinct possibility they are not going to get them. It is important to make that point, because the basis of the Government's argument as to why they should be introducing tougher sanctions is because there are more opportunities available to disabled people because of a growth in working from home. That argument, to my mind, is just completely false.

David Linden: Mr Murray, is there anything you wish to add?

Nic Murray: Picking up and building on that, I know we are also aware in terms of the prevalence and rates of disabled people in certain sectors. I think they are definitely over-represented in sectors where there is not home working or where that would not be available for them if they are going for jobs based on the experience they have; retail sector, health and social care sector, things like that.

Going back to the main point around sanctions and some of the rhetoric that surrounded them recently. At Leonard Cheshire and also the Disability Benefits Consortium, where I sit on the steering group, we unequivocally reject this negative scapegoating of disabled people that has been going on recently. It is clear that sanctions are

counterproductive, that they are not helping move disabled people closer to the labour market. In any case, it might be moving them further away. I think someone mentioned fear. There is definitely a case of there being a fear factor, and that being a real issue for disabled people.

But I think also as well, one thing I would like to bring up is the fact that 95% of sanctions arise as a result of failing to attend mandatory interviews. In some of the research that we have done with disabled people of their experience at attending Jobcentres, we asked them about making requests for reasonable adjustments. Over a third said they weren't even aware that they could request reasonable adjustments; 18% said they did not feel confident enough to do so. Among those who did, a third did not have their reasonable adjustments provided. A further third said that only some of the reasonable adjustments were provided some of the time.

If you are looking at the main reason that people are being sanctioned, it is for failing to attend, and that in the majority of cases when people request for reasonable adjustments, which are often changing times, having it in a private room so they can discuss things that might be difficult for them, those requests are not being fulfilled. You are just further setting up barriers for people to even attend interviews, never mind to be moving into work.

Q25 **David Linden:** That is very helpful, thank you. I want to touch now on the reforms to the Work Capability Assessment and whether that will help more people in finding work. Do you have any particular views on that? If anybody has any bright ideas, feel free.

Nic Murray: We are aware of lots of the existing issues with the WCA and we are still a bit concerned with some of the reforms that are coming. I think with everything that the DWP often announces, it is often sometimes a game of snake and ladders and a complex balance of gainers and losers. But I think we are a bit too concerned with these reforms at the scale of the potential losers, opening up people to work search requirements that may not be suitable for them.

I know that the potential outcomes in terms of estimates of helping people into work—I think the Office for Budget Responsibility said whatever the figure is—is incredibly low relative to the amount of people who are going to be opened up to work search requirements based on the changes to the WCA.

Q26 **David Linden:** Can I ask you about disability employment advisers? What difference do they make? Are there enough of them? How many of them are disabled themselves?

Laura Davis: I do not know the answer to how many disability employment advisers are disabled. I think there are not enough of them is what we would definitely hear from disabled job seekers, who are going in and are often being supported by more generic work coaches who do

not have the specialism or the expertise or understand the nuances of how you support a disabled person into employment.

Again, understanding, we talk about disabled people, but within that, the experiences and the barriers that people face can be similar, but they can also—

David Linden: Like ADHD.

Laura Davis: Absolutely. This idea that you can be an expert in one thing just simply is not there. What we are definitely hearing from people is that that specialism that used to exist when we had a disability employment adviser that held the caseload in every Jobcentre is missing and has definitely created a gap in terms of people feeling heard and understood in terms of their employment journey.

Nic Murray: I was going to say, in terms of the numbers, I know that they have risen by two-thirds in the last year, but I think that is only—

Q27 **David Linden:** From what base level?

Nic Murray: I know they definitely fell by a third over the first year of the pandemic. Even now it is not clear that they are there in sufficient numbers in terms of thinking about the caseloads that Jobcentres are seeing and the support that work coaches might need. I know that the union, PCS, have shared concerns about overwork and understaffing in the DWP's Jobcentre network. I think they have said that across the network they are 20% understaffed.

I think with an increasing caseload, and as we are seeing in the increasing prevalence of disability with people needing more complex, tailored support, I would say definitely that while it is positive there has been an increase in the number of disability employment advisers, you are starting from a very low base and it is definitely lower than what it should be.

Q28 **David Linden:** Ms Davis, can I come on to ask about supported employment; you discussed this earlier on. For people who are not familiar, what is supported employment?

Laura Davis: Supported employment is an internationally evidence-based model that supports disabled, neurodivergent and disadvantaged people into good quality careers. It has a real rich set of values that underpin it. One of high aspiration. I believe that anybody can work with the right job and the right support, as long as they are motivated to do so. We have to unpick what motivation looks like. I would not be motivated if somebody only gave me one option of work, for example.

It is based on a five-stage model. The first stage is around engagement, so it is proactively engaging and raising aspiration in communities. We then go through a process called vocational profiling, which is where you build a rich picture of that individual and everything about them. It is

beyond, "Tell me what job you want to do." It is, "Let me get to know everything about your strengths, the potential barriers." You then proactively go out and work with employers.

I think an important part of the model is that it is not just focused on the job seeker, it is focused on employers and going out to understand their business needs.

In my experience, having worked in this sector for a very long time, employers need significantly more support, quite often than the individuals, to understand how you make a workplace inclusive. Going out with employers and completing something called a job analysis, which is that rich picture of that business and knowing everything about them. You then take those two tools and you match together. That stage is around matching.

Again, it is about the right person into the right job. That includes the right workplace culture. You can have somebody that could do the job in two different places but in one work culture they would flourish and another they would not. That is for the employer too.

The final stage is about in-work support; having qualified job coaches that work alongside disabled, neurodivergent and disadvantaged people in the workplace, helping to break those barriers down, layer up skills and support that person to be as independent as possible to unpick those challenges that come up with an employer that in those first few months that could risk somebody dipping back out of the labour market and make sure they stay there. Then it focuses on career progression.

It moves beyond that, "Aren't we all wonderful that we have got somebody a job?" It is then a plan about how do we make sure that somebody can have aspiration and move through the organisation and have the same career development opportunities that other people have?

Q29 **David Linden:** I will not go in too much to the in-work employment support, because I know that my colleague, Ms Saxby, will maybe come on to that a bit more. Would you say that the majority of employment support is commissioned locally by local authorities or nationally via government schemes such as Universal Support? How does that look?

Laura Davis: Historically, it was a real mixed economy. A lot of the big employment programmes were commissioned via the Department of Work and Pensions through things like the Work and Health Programme. Supported employment historically was commissioned through local authorities, health providers, charities going out and getting charitable funds. European social funding was a big funder of supported employment in local communities.

We have obviously seen the announcement of Universal Support and it has not been rolled out yet. We think it is an exciting opportunity because it does use that five-stage evidence-based model. It is voluntary. It is

about high aspiration and will be delivered out into local communities. But there is definitely going to be a potential gap for some people that do not need that full wraparound support that the supported employment model delivers, but still need more than they are going to get through a work coach within the Jobcentre Plus, for example.

Q30 **David Linden:** One last question, if I may, Chair. I was fascinated to hear about the situation in Luxembourg. You very helpfully set out the international benchmark for supported employment. Can you talk a little bit about the current state of employment support here in the UK, in these islands? What are we not doing that they are doing, for example, in Luxembourg?

Chair: Briefly, if you would.

Laura Davis: Absolutely. I think in terms of supported employment, across the UK we have some of the strongest support in employment. I think having sustainable funding is part of the challenge. Across the UK it has quite often been partly funded through local authority, partly funded through health, people having to go out and get charitable funding. That that makes it incredibly difficult to put the investment needed into good quality training. We know trained job coaches lead to better outcomes for disabled people, but quite often providers simply don't have the sustainable funding to be able to invest in training for their staff.

David Linden: Thank you, I appreciate that.

Q31 **Selaine Saxby:** The Back to Work Plan includes an expansion of Government employment support for disabled people. What is your assessment of the overall provision and rollout of this support?

Nic Murray: I think, and we have touched on it before, that while there are definitely some benefits in the scheme, the focus on conditionality sanctions that come alongside that is something that has concerned us. One of the things that is positive is recognising the need for additional support for people with mental health problems, things like talking therapies and individual placement and support programmes.

We would also like to see something go a bit wider and think about social care as an enabler to helping disabled people to move on, progress in work and fulfil their career aspirations.

We are generally positive about what is included in the plan but are quite concerned about some of the more negative aspects of it that we have already touched on.

Q32 **Selaine Saxby:** You touched on an interesting point, that with some of the conversations that they are having at the moment within Government are around almost that definition of disability, where we have this huge new cohort of people with mental health issues. The treatment for somebody with a physical disability is potentially very different to the support and help for somebody with a mental disability. I think that is

perhaps where some of this confusion comes from, certainly in my mind, having spent a lot of time in my Jobcentre again, because I have seen such an uptick in young people not going to work for mental health issues. But probably being at work for most of them is going to be better.

I would like to see different terminology coming through within that, that recognises that not all disabled people are the same. We call them a cohort—sorry, I digress. Professor Hoque, your thoughts on the back to work plan?

Professor Hoque: I don't have much to add. It is a general plan. Is it the case that disabled people will potentially get lost within it? It will help, it is not focused purely on disabled people. There is a tendency in these general work programmes for often disabled people, particularly with the more functional people, particularly high levels of functional impairment, to go in the too difficult to deal with box. It is referred to as creaming and parking. They get parked. The people delivering these programmes will focus on the people that are the easiest to place, because very often the funding models pay them in terms of how many people that they place. Obviously you will go for the people who are easiest to place first, which can be to the disadvantage of disabled people.

Which is why, in a sense, with things like the ending of the Work and Health Programme, is that an issue, given the fact that there is not a dedicated scheme that is specifically focused on disabled people beyond Universal Support?

Q33 **Selaine Saxby:** Do you think Universal Support, which is likely to be the Government's main form of employment support moving forward, is well-designed, roll-out going well, things that you would like to see done better?

Professor Hoque: Laura, I think you are better placed to answer that than me.

Laura Davis: It is too early in terms of understanding what it is going to look like. If it is commissioned properly, it has huge potential to make a real difference. The bit I would just be cautious around is that Universal Support, from my understanding, was designed for people with complex and multiple barriers; people with a learning disability, people with mental health conditions, care leavers that have significant trauma and so need that 12-month wraparound support. I think the slight risk we have, because we don't have another programme with the end of the Work and Health Programme, is that people start trying to push everybody through Universal Support, because not everybody needs that 12-month wraparound.

They could end up with a gap where either we see people, because they are not getting the levels of support that they need, developing more complex barriers, so it means they will need the more expensive intervention, or seeing people dipping out of the labour market or moving further away from the labour market altogether.

I think we need real consideration. I absolutely believe that Universal Support is the right model if commissioned in the right way, but it is going to take some time because of the lack of investment in supported employment over the years to build up the infrastructure in local areas to deliver this well. I would want to see something else carrying on in the background so that people don't get completely missed and fall off a cliff edge.

Q34 **Selaine Saxby:** In addition to the things we have already spoken about today, what more do you think the Government providers and employers need to do to help disabled people find work?

Professor Hoque: That is the $1 million question in many ways. Again, going back to the Disability Employment Charter, this has now been signed by 180 organisations. I am a founder member in Leonard Cheshire and a signatory in BASE. It is essentially laying out nine different key policy areas that the Government could be focusing on, some of which we have touched on today, including mandatory reporting. It is not just the charter that is supporting mandatory reporting. It is organisations like the Institute of Directors.

The CBI has said very positive things about it. The CIPD support, in principle, mandatory reporting. In other words, if it is introduced very carefully so that you have the support in place for employers, so that they get it right before it goes live, so to speak.

Reform of Access to Work. There are still far too many people that are waiting far too long for their Access to Work decisions to come through. There are issues in relation to whether or not we need to remove the Access to Work cap, about the passporting from disabled students allowance into Access to Work, for example.

We talk also about the importance of leveraging procurement as well. There is a lot of government procurement spend. If you look at when Government are tendering for contracts, they say, "Right, okay, how do we actually assess the different bids if they are equal in terms of value for money?" We give the contract to the organisation that has the better disability employment metrics. They can use that spend to encourage organisations to focus on disability employment outcomes.

There is the scope to look at what is happening in terms of reasonable adjustment requests. UNISON say to us that these just disappear into the ether very often. What the charter calls for is that people should have a right to hear back within two weeks when they make a reasonable adjustment request to their employer.

A series of other things. You could look at issues around legal reform and access to justice. You could look at the role of trade unions and the role that trade union reps, equality reps and disability champions can play wherever they can be better supported. Labour will introduce statutory

rights for time off for trade union equality reps if they are elected to power.

There is also a lot to be said around advice and guidance to employers as well, that often a lot of employers say, "Look, we want to do this, but we just do not know where to start. Where do we go to for support? Where do we go for guidance?" Making that more apparent and obvious, both to disabled people themselves and to employers would be helpful. That is a very brief run through of some of the areas that the Disability Employment Charter covers.

Like I say, the level of support from employers from the trade union movement, from the charity sector, from disabled people's organisations for those measures. Also the fact that Vicky Foxcroft is very aware of the charter and has responded very positively to it. Not least, Sir Stephen, in the event that you sponsored in December that UNISON organised, Vicky Foxcroft gave the keynote address there, ran through several areas of the Disability Employment Charter in relation to things like mandatory reporting, time off for equality reps and so on, and basically said that if a Labour Government are elected to power, it would be implementing those policies, which was great to hear because we would be strong advocates and strong supporters, obviously, of that happening.

Q35 **Selaine Saxby:** While that all sounds very lovely in an urban environment, where I am we have a lot of very small employers who have no union representation. Some of these proposed reforms frankly mean that small businesses will be going out of business. I think there are some real downsides to some of what is being proposed. But also that small businesses are much more able to make adaptations in many circumstances than some of the larger employers that you are talking about.

Looking at in-work support, where I am in North Devon we have swathes of employers who have undertaken the Disability Confident training because they have a huge number of vacancies, and we do have a higher number of disabled people locally than we should do statistically. I think there is a real drive from employers. But obviously, your experiences are different to my own. But how willing are you finding that employers are to make reasonable adjustments for disabled applicants and employees?

Professor Hoque: Again, that is an interesting question, and I am not sure there is any specific evidence that focuses directly on the issue of reasonable adjustments. But work that we have done in the past has looked at the so-called empty shell nature of disability employment policies generally. The work that we have done, for example, looking at the Workplace Employment Relations study, which was nationally representative government data, shows that about 61% of organisations have a formal written statement saying that they are an equal opportunities employer from the point of view of disability. When you look at the practices they have in place to underpin that, very often they are very low, so just 16% monitor recruitment and selection by disability.

Some of the other key figures are that just 7% monitor promotions by disability, just 3% review pay rates by disability. We estimate that about 35% of workplaces with a formal disability equality statement do not have any supporting disability equality practices in place at all. So they say they do all the right things but when you lift the lid on that policy to look at what they are doing as a matter of substance, very often they are doing very little.

I would wager that organisations that fall into that category are also not going to be giving a great deal from the point of view of reasonable adjustments either. That is exactly the experience as I was saying earlier about UNISON, that they say very often their members will make a reasonable adjustment request and they just disappear into the ether and they do not hear back from the employer, hence the demand for a two-week period for people to hear back on reasonable adjustment requests.

In terms of why employers are not doing it, in my view I think there are an awful lot of employers who will not say this, because it is not the politically correct thing to say, but a lot of them still think that if you employ disabled people in larger numbers that this is going to have negative impacts in terms of your productivity, in terms of financial performance because obviously there is cost associated with making reasonable adjustments. Again, the research that we have done looking at this suggests that is just not the case, that when you look at organisations that employ disabled people in larger numbers there is no evidence that they have poorer financial performance, that they have lower productivity, that they have higher labour turnover rates or that they have higher absence rates.

In fact, going back to what you were saying about SMEs, if anything the research that we have done in SMEs suggests that financial performance is better in SMEs that employ disabled people in large numbers. I remember Philip Hammond back in 2019 I think when he was asked about why we have slow productivity growth in the UK, one of the arguments that he gave was that we have more disabled people in employment and this is going to act as a drag on productivity. Our evidence suggests that is absolutely not the case. There is no evidence that productivity is any lower in an organisation that employs disabled people in larger numbers than elsewhere.

Q36 **Selaine Saxby:** I am aware of time. Laura and Nic, is there anything else you would like to add on reasonable adjustments and barriers that employers may find in making them?

Laura Davis: I do a lot of work with employers and that is both large employers and SMEs and what they tell us is that intellectually they understand, but they do not know the how. They do not know how to do it. What does a reasonable adjustment look like for somebody with autism, for example? I think there is a real lack of confidence in terms of how you move things forward. How do you think about reasonable adjustment prior to somebody even applying for a job role?

I do lots of work with organisations thinking about the recruitment process itself. It is absolutely brilliant if somebody makes it through that and then you think about an adjustment, but how do you make an adjustment so that somebody can even enter into the labour market? There is a lot more that could be done in terms of supporting employers to understand how they do this and how to do it well in a way that is going to work for their business and ensure that talented people from all parts of our community can enter into the labour market.

A big bit is around access to work and I am very aware of time but we do have some recommendations that I can share with the Committee around practical things that could be done within the Access to Work system to make it fairer and to ensure that people have better access to the right support to enable them to enter but also sustain jobs within the labour market.

Selaine Saxby: That would be very helpful to have that come through. I need to hand back but thank you all very much.

Q37 **Neil Coyle:** Just a tiny follow up. Who should be that source of support for employers? I used to work at Disability Rights Commission and of 150,000 calls a year some were employers asking, "How do we do this? Where can we find out?" Is it something that DWP should fund Access to Work for you to do or do itself?

Laura Davis: At the moment it is a real mixed economy in terms of how that support is delivered. It would be great to have a place where organisations can go to almost have a repository of where you go to for support, but I think it needs to be practical support. In my experience, lots of guides have been put together that are absolutely brilliant. The CIPD have some amazing guides, but it does not bring it to life about how you do this. There is amazing work happening within the charitable sector that DWP could learn from in terms of how you go out and support employers.

Q38 **Nigel Mills:** I think we have looked at Access to Work at various times over the years but how is it working now? Has it got better? Is there more awareness or is it still the same as it has probably been for a while?

Professor Hoque: There is still a problem in terms of a lack of awareness. The evidence suggests that a lot of organisations and disabled people are just not sufficiently familiar with it. To my mind from what I can see the main problem with Access to Work at the moment is just simply the amount of time it is taking for people to hear about their Access to Work applications.

This is something that is simply a resource issue. If there was more resource put in to be able to look at those applications and make those assessments, that would help significantly.

Beyond that, there are some things I mentioned earlier. Removing the Access to Work support cap would be helpful for certain groups of

disabled people. Giving people the right to an indicative Access to Work award, so you do not go along, get the job and then apply for Access to Work, but you have an indication in terms of whether you would be successful, were you to apply. Passports as well, so moving from one job to another. At the moment that is something that is quite difficult to do.

Q39 **Chair:** That is being piloted, isn't it?

Professor Hoque: Yes.

Q40 **Chair:** Does the pilot seem to be working?

Nic Murray: I would say that from the evidence that has been shared with us of the pilot that is taking place across three universities in terms of what the documents look like, the information that people are sharing and how it is being recorded, we would certainly have concerns at the moment in it being rolled out much further. We are definitely supportive of adjustment passports but it seems that there is definitely a bit more learning that could be done in the trials that have taken place so far.

Q41 **Nigel Mills:** Do Laura or Nic have any comments?

Laura Davis: The first thing to say is that Access to Work is the envy of a lot of our colleagues who work across Europe so it is something we need to hold on to. Is it working at the moment? No. We hear of people who must wait for months before they can access the support or the equipment that they need. We have member organisations that are owed hundreds of thousands of pounds in terms of processing claims and when you are a small provider that can be the difference between continuing to support disabled people into the workplace or not.

We know that it is not just about bringing in additional resource, it is bringing in additional resource that understands how to support and overcome the barriers for disabled people, so it is bringing in people but ensuring that they are trained efficiently.

One of the things that we have advocated for is having named advisers. When I first started in the supported employment world I had a named adviser that I could have a conversation with and it sped up the process end-to-end of going through that claim. It also prevents people from putting in for more of a claim than they need because they cannot bear the idea of having to go through it again. The rates that we are paying for things such as qualified job coaches need to be explored so that we are looking at quality, not just quantity. There are a lot of things that we could do that would improve the efficiency and ensure that the right support is getting through to the right people.

Q42 **Chair:** Thank you very much. We have heard that the application for Access to Work is being digitised. Do you see any change or improvements arising from that?

Professor Hoque: I think so. There was a lot of learning from the pandemic when people were still being asked to submit their claims on

paper, which required a physical signature at a time when people just could not get that physical signature because it just was not feasible. I would like to think that it is improving. I have not seen anything that I would consider to be substantive data or evidence on it but let us say hopeful.

Laura Davis: I could share that what we are seeing is that providers still have to do everything paper-based and it does slow the system down. Again another recommendation we would make is when you are thinking about the partnership of people who are supporting somebody into employment it is important that the provider can also be part of that conversation with Access to Work. That way you will prevent people from getting equipment that they do not necessarily need, but you will also speed up the process.

Q43 **Neil Coyle:** Lots of good recommendations but the Government also said they would trial Access to Work and apprenticeships. Is there any discernible success in that area and would you like to see that extended in a genuine way to make sure disabled people can access all training and apprenticeship opportunities?

Laura Davis: We have certainly seen Access to Work being trialled within supported internships, which are an evidence-based model again for supporting young people with education and healthcare plans into work. It has shown some real success in terms of being able to make sure so we would extend it out to training, where again there is an evidence base that it is supporting people into good jobs.

Chair: Concluding our questions, Nic, the point you were just making about experience of the Access to Work passport pilots, if you are able to send us an email with what is happening in those pilots and your experience of those, that would be helpful. Indeed, if any of the witnesses have further thoughts after the session and you are able to email us with those we would be grateful. Thank you all very much for a very interesting session. That concludes our first panel.

Examination of witnesses

Witnesses: Professor Helen Lawton Smith, Jacqueline Winstanley, Dr Christine Grant and Professor Ian Burn.

Q44 **Chair:** Welcome everybody to this meeting of the Work and Pensions Select Committee, our second panel this morning in our inquiry on disability employment. A very warm welcome to the members of the second panel. Can I ask each of you very briefly to tell us who you are, starting with Professor Ian Burn?

Professor Burn: I am Professor Ian Burn. I am Professor of Economics at the University of Liverpool.

Jacqueline Winstanley: I am Jacqueline Winstanley, founder CEO of Universal Inclusion. In this context, a visiting fellow at Birkbeck Centre for Innovation Management Research.

Professor Lawton Smith: I am Professor of Entrepreneurship at Birkbeck, University of London. I am the Director of the Centre for Innovation Management Research. This is a body that has done a lot of research in this field.

Dr Grant: I am Dr Christine Grant. I am an associate professor from the Research Centre for Healthcare and Communities at Coventry University and I am also an occupational psychologist.

Chair: Thank you all very much for being with us. David Linden.

Q45 **David Linden:** Good morning and thank you for being with us this morning. I would like to start off with my questions particularly to Professor Burn. You and your colleagues conducted research into the extent of disability-related hiring discrimination in the UK. Before we ask you about your findings, could you summarise the available evidence and tell us how big a problem disability discrimination is in the workplace in 2024?

Professor Burn: There are a lot of different ways we can measure disability discrimination. I think the easiest way to start is just by talking to disabled people. We have very strong evidence of hiring discrimination from traditional surveys such as Understanding Society where we asked them, "Have you experienced discrimination?" So we have very strong self-reports. Economists typically like to have more quantitative measures, so we like to run experiments because experiments allow us to control things to ensure that we have two people who are perfectly identical so that way the only difference in their treatment will be because one is disabled and one is not.

If we look at disability hiring discrimination from an experimental setting we typically see across the US, the EU and the UK that it ranges from about 25% fewer callbacks to up to 50% fewer callbacks. You must submit almost twice as many jobs to receive the same number of callbacks if you are disabled.

Q46 **David Linden:** Could you tell us specifically about the research that you conducted? What did you do and what did you conclude?

Professor Burn: We conducted a correspondence study, so we sent 4,000 resumes to 4,000 jobs. Half of the resumes indicated that the candidate was in a wheelchair and half of them did not. So half of our candidates were disabled and half of them were not. We applied to jobs for accountants and then financial accounts assistants and bookkeepers. Over the course of a year we applied to all jobs that were posted on a specific job board and we ended up finding that on average across both occupations disabled people received about 16% fewer callbacks. If we break it down into the two occupations, accountants did not have any

significant difference in hiring discrimination, so they received callbacks at the same rate, both disabled and non-disabled applicants. Within financial accounts assistants and bookkeepers the gap was unfortunately 20%, so that is what was driving it.

We can dig into the heterogeneity because we have 4,000 observations, so what we ended up finding was that even within the average zero gap for accountants we found that there was discrimination if the job ad mentioned clients. So working externally with clients was a big driver of discrimination within this occupation. It is just not a very large portion of these jobs, so the average would still be close to zero.

If you look at financial accounts assistants and the bookkeeping occupation, we see that that 20% is concentrated on job ads that focus on teamwork. It is very much being driven by what we call taste-based discrimination within the UK, which is a dislike for working with disabled applicants, not because of some stereotype about productivity.

Q47 **David Linden:** You have very helpfully pre-empted my next question, which was going to be you said that it was consistent with the presence of taste-based discrimination arising from prejudice rather than statistical discrimination arising from concerns for employer productivity. We will leave it at that.

One of the other things finally that I wanted to ask about is that in the written submission you said, "Enhancing the qualifications of disabled job applicants does not reduce the size of the hiring gap, aligned to discrimination being taste-based." In short, you are basically saying that even if a disabled applicant had more qualifications they would still be discounted because of that very blatant discrimination. Is that the crux of it?

Professor Burn: Yes. The reason we concluded that it was taste-based and not statistical was that across a ton of different contexts that would have suggested that there were some stereotypes around productivity we were not seeing any evidence of a difference in the gap. When you have more skills—we upskill a candidate, which is a common policy proposal for reducing the disability employment gap—we saw no reduction in the discrimination. We did not see a reduction in the discrimination for disability confident employers, so those who claimed to be part of the Disability Confident employer scheme discriminated at the same rate as employers who did not. This also held for people who had equal opportunity indicators on the job ads. This is very strong evidence that in the UK context it is being driven by this taste base.

We also looked at what role letters of recommendation play. If you can promise a very strong and positive recommendation from your previous employer as a signal of your productivity, the hypothesis—and we see it for race discrimination—is that it reduces the gap but we did not see any evidence of that for disability. It is very clear that when we focus on upskilling or providing more information about how productive an

individual disabled candidate is employers do not react to that information. They discriminate at the exact same rate. If we look at the results from Canada where they found discrimination with a similar candidate who was in a wheelchair when they went to the premises of the individual employer to check whether the candidate could get in, there was no correlation between callbacks for interviews and disability access to the building. Based on that we think that it is this prejudice and not the stereotypes.

Q48 **David Linden:** Lastly, before I hand over to the next colleague, in the previous panel we spoke a bit about the Disability Confident scheme, Access to Work. Would it be your view, and I would invite other panel members to contribute here, that a lot of good work has been done to talk about the Disability Confident scheme but in many respects in reality it has just been a nice thing to have on people's letterhead? It is not bearing out in reality.

Professor Burn: From what we see in our experiment, and this is two occupations, 4,000 jobs, so caveat that, we see no evidence that employers who claim to be Disability Confident discriminate less. They discriminate at the same rate. To me that would be very strong evidence that this is simply cheap talk on the part of employers. This is a box-ticking exercise that looks good for PR purposes but they do not change the underlying behaviour.

David Linden: Is anybody else going to argue against that? Thank you, Chair.

Q49 **Chair:** Professor Burn, you mentioned other countries. Is it your impression that the UK is better or worse than other countries in this area?

Professor Burn: If you compare our results from this experiment to other countries using the same disability—the challenge when you run an experiment is we can only talk about what we did, which was people in wheelchairs—in that context we do come out better than the US and Canada. Our gap of 16% is lower than the range that exists in the EU and North America and Canada where it is typically 25% to 50% for disabled candidates. One thing to think is that, given the conversation that happened earlier with some of the discussion about more mental health issues popping up, there is a hierarchy in terms of employer preferences. Discrimination is lower for people with physical or sensory impairments than those that have mental health issues or a mental health disability. Discrimination could be worse in other contexts in the UK, but at least within the wheelchair context we see that we do come off better.

Neil Coyle: Can I ask a follow-up on Disability Confident?

Chair: Briefly, if you would.

Q50 **Neil Coyle:** Your comments are pretty brutal about what was a major government scheme. Why did employers sign up to Disability Confident? What did they get out of signing up to that process if it has not shown

any additional success rate in recruitment or retention of disabled people? Was it just to have the vol au vents at local government events and things that DWP sponsored?

Professor Burn: We do not know why these 4,000 employers signed up or did not sign up. I do not want to malign them in any way, but it is clear from their behaviour that whatever processes they have put in place for hiring still results in the same outcome as if they did not have them.

Q51 **Nigel Mills:** What do we do about taste-based discrimination and how do we stop that?

Professor Burn: Taste-based is challenging. If you look at the evidence from the US, and the US is wonderful because it is the laboratory of democracy, as we call it, there are 50 states doing 50 different things. We can look at how they address discrimination in these 50 different contexts. I did a correspondence study for age discrimination where we looked at discrimination in all 50 states and how many fewer callbacks did older workers get. We found that if you look at the laws that are in place at the state levels we can reduce the callback gap if we have stronger penalties for discrimination.

When you have taste-based discrimination, employers are rational, they are profit-maximising. However, the taste-based model assumes that they gain some sort of disutility from working with a disabled person so they do not like to work with them, and they are going to offset the profit they could get with this mental utility that they have. To change that behaviour you must change the cost-benefit analysis that they are doing. If you have very weak penalties for discrimination you are not going to shift the behaviour. If it is taste-based you must almost overexaggerate the penalties to shift the behaviour, so very strong punitive damages, class action lawsuits and the Government taking a role as they do in the US in prosecuting it. In the US context you will see that hiring discrimination is very challenging to prosecute. The EEOC typically does not take many cases with it, because it is very hard to prove. They have low enforcement because they cannot do too much of it, so they have very high penalties. The expected value of discriminating, they achieve a gain by upping the penalties without having to change the rate of enforcement.

If you want to reduce taste-based discrimination you must increase the damages that employers face when they discriminate, so they are very careful not to discriminate because the costs, if they do get caught, are so high.

Q52 **Nigel Mills:** Hiring discrimination is quite hard. I interview 10 people and I just decide I like number seven more than number two and it is not always very easy to decide why that was. They all had good CVs and both could have done the job but I just pick one. It is very hard to prove discrimination then as opposed to sacking somebody because they are newly in a wheelchair, which is presumably easier to prove.

Professor Burn: Yes, it is extremely hard to prove hiring discrimination. That is why we like experiments, because we can control all these other factors. When it does come to interviews that is unfortunately something that academics struggle to study because there is this one-on-one interaction where you are talking with someone and we are not in the room to understand what is happening, so it is up to you and your perceptions of how that conversation went.

I have been involved in quite a few cases in the US because of these correspondence studies, so the enforcement focuses on the interview stage, getting to that stage. That is easy to quantify. You can look at the quality of the CVs, who you are calling in and the rates that people are coming in. The EEOC will back out this correspondence study from all the hiring data that a firm has. It depends on the role that various policymakers want to take on it, there are ways of doing it but it focuses on that early bit, not the interview stage.

Q53 **Nigel Mills:** Are you saying that our disability discrimination law is not quite right or is the law okay but we are not enforcing it enough?

Professor Burn: There are two levers you can pull. You can pull the high probability of getting caught, in which case you do not need a very high penalty to change behaviour, or you can pull the penalty lever and then you do not need a lot of enforcement. The US focuses on the penalty lever rather than the enforcement lever as a way of getting the aggregate probability of getting caught and the cost, the expected cost of getting caught.

Professionally my opinion would be that the Equality Act is on the weaker side, if you look at the US states and from what we have seen in the US context. Reducing wage gaps, reducing hiring discrimination, if you were to predict what the effect of the Equality Act would have been given the US context, we would have said it would have very little effect.

Q54 **Sir Desmond Swayne:** Given how emphatically dismissive Professor Hoque was in the last session, I am somewhat reluctant to ask Dr Grant what difference has home working made?

Dr Grant: I undertook a study during 2021 and 2022. It was a qualitative study so it is very in depth and we looked at 24 employees, we looked at five employers and around seven or eight stakeholders, so it was a small scale study but we had a variety of disabilities and also neurodivergence. It was a very specific study in this area. We also did follow-up to that in a quantitative study with around 600 employees responding to that.

Remote working was found overwhelmingly to be a very positive accommodation for this group of people. They said it improved their quality of life, and I can quote one of the people who said, "I was able to work. I just wasn't able to get to work" so there were some very strong statements within this.

Some of the practical things, obviously saving time and money, the long commute for some people, were sometimes eliminated or reduced and this improvement in quality of life overall was found to be very important to this group.

Overall it was very positive. Obviously, there are risks to remote working and I would say that for this group, in particular, the benefits and risks are amplified. The benefits are really great and as someone said, "Actually, if it wasn't for remote working as a reasonable adjustment I wouldn't be working at all. I would have cause to leave the organisation" so technology has been a great enabler. However, there are risks associated with it. Do you want me to talk about those now?

Sir Desmond Swayne: Yes.

Dr Grant: Some of the benefits, I will talk about first, are being able to take more breaks; it is more comfortable. One person who was interviewed said, "I need to get to work. I need my wheelchair. I can get very wet if the weather is bad and I end up sitting wet at work when I could have worked from home." There are comfort issues there, taking medication is also very important and also less tiring because there is perhaps not the commute as well. It is that feeling of being able to control the environment, the communication preferences, that feeling for those who are neurodivergent in particular that they could switch off the camera, that they could manage interruptions better and that they generally had a feeling of control over that, which was helpful in terms of their productivity. It was less noise for some in that area and increased productivity was found in our study as well.

I would say overall that remote working can help to level the playing field in terms of gaining and sustaining employment, so it is an important accommodation for many.

Not everybody gains the benefits from that. Some people preferred to go into work; some people needed that peer support. There were very many differences in what we found and we would say—I think this was talked of earlier in the previous panel—it is not a one-size-fits-all approach. There needs to be line manager support, there needs to be that conversation, professionals such as occupational health need to be involved, so that it helps work through that on an individual level.

In terms of risk, if I may, sometimes working when sick, presenteeism, can be an issue for all remote workers but maybe is amplified for this group in particular, who want to pace themselves more and therefore have a longer working day. We did find in our study that productivity is related to positive coping, so when positive coping strategies are in place that can be helpful.

Some reported a lack of motivation, which can happen to anyone who is remote working, and that feeling of loneliness and social isolation that can be amplified for this group. I think care needs to be taken to increase

networking skills, digital skills and indeed digital resilience around remote working. There is that feeling of invisibility and, of course, some disability can be invisible, so there needs to be those conversations encouraged in terms of an open and trusting culture generated by the employer. All employers that I interviewed were keen to do that. They were quite exemplary in some cases, but that trust and that feeling that you can ask for what you need and therefore have that conversation with your line manager was focused.

The feeling of working more hours can be a problem in terms of recuperation for anyone remote working but again is amplified for this group.

Q55 **Sir Desmond Swayne:** I suppose the Professor's point based on his study of advertised positions was that there is very little of this work about. Is that your experience?

Dr Grant: There are roles now that are advertised for remote working. Earlier we talked about the recruitment processes that go alongside this. Those certainly need review. It was not part of my study but I have been studying remote working for nearly 20 years and I know that some of the processes around that need review and need urgently looking at in terms of psychometric tests, for example.

Q56 **Chair:** If you are looking for a remote job where would you go to find one?

Dr Grant: You can find them. As I say it was not part of my research but you can find them on LinkedIn and on other social media channels now. There are directors even of remote working. There are jobs that are advertised purely as remote working or as in this case some people found hybrid working very useful to do some work in the office and some work from home or another location. They are advertised differently now. We are looking for different things.

Q57 **Neil Coyle:** Dr Grant, you flitted over the role of line managers. Can you expand a bit more about the importance of line managers to ensure that workplaces are accessible for disabled employees?

Dr Grant: Yes. Line managers may not always feel confident in looking at reasonable adjustments and particularly remote working. They may not even know that it could be one and how it could work. There is a role there to train managers to understand and have those conversations, those compassionate conversations, that start to understand that. It would help with job retention to have those conversations very early on, so in the induction and the onboarding process it would be very helpful and to continue that support throughout.

I am looking to develop a line manager toolkit for this group of remote workers and I think that will help. It will help those conversations and those questions to be asked.

Q58 **Neil Coyle:** Someone correct me if I am wrong, but I think the figure is 80% of employers in the UK are SMEs. If you were a small business with an outsourced HR team or person, how do you build that confidence in a line manager to ensure they even know where to go to find your toolkit? Is there a need to expand awareness in this sector and where do the Government sit in this? You are developing a toolkit. The FSB used to have some fantastic resources. Should it be a DWP role? Is it a purely private sector role?

Dr Grant: That is an interesting question and not something I covered in my research specifically but I would love to look at that in more detail. Yes, it could be both and some kind of hub for all this to reside in. I would love for the toolkit to reside within the DWP. I think that would be a good place to find it.

Q59 **Neil Coyle:** More broadly, a similar question, the Department said I think it was in 2021-22 that it was going to expand access to remote working, right to request remote working and things such as that. Is there any discernible success in that and is there a role for better supporting employers and especially the individual line manager to be confident in having these discussions and know what options can be put on the table?

Professor Burn: There was a conversation earlier about the fact that remote work is very popular for everyone. The more we emphasise it the more the discrimination is going to come in to frustrate things. In our study we looked at remote work specifically, so we looked at job ads that had remote work to see if when you applied for that you would see lower discrimination and we did not. It is not going to be the panacea I think that people typically push. It is a very nuanced thing that requires a lot of co-ordination across both workers and employers and so it is definitely something that I think is promising, but I think the discrimination is still going to be there as well in that sector.

Dr Grant: We did find quite a bit of stigma around asking for this as an accommodation as well. It is not easy to ask for. It has become easier following the pandemic but it is certainly still a little bit stigmatised to request it.

Q60 **Neil Coyle:** If employers knew there were potential cost benefits of retaining disabled employees, whose role is it to ensure that employers are aware of that issue and ensure that reasonable adjustments are better understood by employers and especially at line manager level?

Jacqueline Winstanley: I know we presented evidence in relation to self-employment and disability entrepreneurship but, if I may, I also do work in the employed arena. If somebody does get through the elements that Professor Burn has spoken about and are in work, or they acquire a health condition while they are in work, it is that manager-employee disclosure that is critical. It is critical for those managers to become expert as part of their role. If they are an SME obviously this is challenging because they may have a membership for example to FSB or

something similar, which has a cost to it and they will have access to that remotely. If it is a larger company it is the responsibility of the HR team to ensure that people are expertly trained so that when that situation arises, because that is where it falls down, that they as an individual in their professional skills are able to do that, so that they know not only what to do in that situation but more importantly how to contact somebody so that the right support is in place. It must be done in a way that does not damage that relationship, because that is the nuance of this, that suddenly a line manager thinks, "How am I going to get the work done that I need to get done? What is it going to cost me?" and so on, and suddenly that person starts to feel disempowered and that whole downward spiral comes into play. I would say it is important, whether it is an SME or larger, that that role of that manager must be professionally trained to deal with this.

Q61 **Neil Coyle:** Is there a role for Government in expanding the training for line managers to better understand these issues at a no cost to employers, to make sure that the Government meets their own target of disability employment?

Jacqueline Winstanley: I think so. Also with voluntary regulators. It is interesting because we have seen one of the biggest moves in this within the banking and financial sector. I am digressing a little bit into the entrepreneurship element, but when people face barriers to accessing finance the voluntary regulator is the organisation that is able to step in and create a safe space for the banking and financial institution to have all these conversations, and they have provided some excellent guidance and practical ways that the banking sector can respond to this. Is there a place for voluntary regulators to have some role to play in this?

Q62 **Chair:** Sorry, who is it that has provided that?

Jacqueline Winstanley: The Lending Standards Board. Interestingly it was developed in collaboration with, in our context, disabled entrepreneurs but they also developed guidance for minority ethnic entrepreneurs, deaf disabled and so on. It has been very successful in engaging the banking industry to address some of these quite difficult challenges that they face. Sorry, I digressed a bit.

Q63 **Chair:** Can we go back to Dr Grant? You made the point that you have been studying remote workers for 20 years. Is there any information around about the scale of remote working opportunities available now? Presumably there are vastly more now than there were 20 years ago. Can we measure that in any way?

Dr Grant: I don't have any data on that to hand but, yes, it definitely is increasing. Employers are quite keen now to look at different styles of working but of course it does come with the benefits and risks associated with it. I would just like to add on the disclosure point as well that for neurodivergence sometimes this is still quite hidden and people do not always come forward or know how to come forward and particularly for

women that may still be hidden for quite some time and maybe the entirety of their working life. There are some issues around feeling able to disclose, particularly for that group and also for the more invisible disabilities around mental health.

Q64 **Chair:** Can we move on to self-employment now? We have been told that quite often disabled people are much more inclined to enter self-employment than to become employees. What are the reasons for that?

Professor Lawton Smith: There are multiple reasons taking individual circumstances. In some cases we have heard a lot about reasonable adjustments in employment, and that is in both this session and the previous one. One of the problems for people with a disability is those reasonable adjustments are not made, that employers are not always sensitive to the needs of what will make an occupation much more accessible to a disabled person.

The alternative, if they are in pain, or their condition means that they need more flexible support at work, is to work for themselves. People do not want to be a burden on society; they want to earn income, they want to have the dignity of working and so self-employment is a way forward that they feel they can contribute through innovation, creating jobs and taking themselves off state benefits.

The statistics side of it is to do with the nature of work and why it does not suit people with disabilities in some circumstances. The other alternative is that people see opportunities. These are natural entrepreneurs and they see an opportunity for developing wheelchair adjustment so that the height can be raised or the seats can be lowered down in different circumstances or they can make adjustable clothing so that people with disabilities can wear clothes that look nice, because they do not necessarily want to go into Next and have something but it can be adapted to them. There are all sorts of businesses across the piece, whether it is in production or service sectors. Entrepreneurs generally are innovative. You get a mix of them and it might be that the pull is, "I want to be my own boss. I do not want to work for someone" so it is a combination of push factors and opportunity factors that say, "This is the way forward."

Q65 **Chair:** If a disabled person decides they want to set up business for themselves, how easy is it for them to do that?

Jacqueline Winstanley: It is incredibly challenging. Our study highlighted the key barriers that people face when they embark on this. Immediately, it is lack of access to finance, which is being helped by what I discussed earlier. It is lack of access to the practical disability-related support beyond the Access to Work scheme. Perception and discrimination do not disappear just because you start to create your own business. When you want to either sell to a client or you want to operate in that entrepreneurial ecosystem, the perception is still there as you would meet within an employed arena.

It is exclusion from government innovation or procurement programmes, not being involved at the very start of product design or sometimes being knocked off at the first hurdle because you have started from a place of disadvantage. You have not had the advantages that have given you the right CV or the right financial history to take part in those opportunities. It is exclusion from government dialogue around policy design and practice. I think we have heard a lot today about why these things are not working. What we see is that when disabled people are involved right from the start in putting these things together then they work.

It is welfare restrictions. For disabled people who remain in the support group for ESA, the business growth can be stunted because they are only allowed to work a certain number of hours and earn a certain amount of money. While they will have incredible ideas, for example an organisation CEO, a disabled entrepreneur, runs an academy training disabled people to become journalists, but because he is in the support group it puts a ceiling there that he can only reach a certain point with this.

The next thing I am going to talk about again we have heard earlier, and I will echo that the Access to Work award is envied worldwide. This for me is the biggest thing that Government have done, because its intent is incredible, however the conflict that people experience between that intent and its administration again stunts business growth and causes a great deal of stress and anxiety to both the person who is applying for the award and also the recipient, particularly in the position of support workers, where it takes so long for them to be paid for the work that they have done to enable the person to create enterprise and innovation. It is that whole relationship. Sometimes they cannot wait, they leave and people have to rerecruit. All these things impact on each other and they are all influenced by intersectionality. Disabled people often do not just have one category that would be covered by the Equality Act. There are other factors that add to this for them as well and we see a lot of regional variation in the way that people can access the support that they might need.

Access to bespoke business support that includes health and wellbeing support is lacking and what has happened is that disabled people who have gone down this route have developed these bespoke support networks themselves.

Q66 **Chair:** Looking through all those factors, do you have a suggestion for something Government can do to help in this area or a specific proposal?

Professor Lawton Smith: There are a lot of things already going on. We commend UKRI and Innovate UK for this commitment to supporting innovation disability. We came into this, having done some work before on entrepreneurship, but I think what is useful for this Committee to appreciate is the social and economic benefits of increasing entrepreneurship and innovation by people with disabilities. I think there must be a basic acceptance that disabled entrepreneurship has societal

benefits. Once you accept that then the responsibility is shared across the piece.

Jacqueline set up the all-party parliamentary group for inclusive innovation and it has now been merged with a disability APPG so at the top level there are lots of things going on to share understanding about the opportunities for disabled entrepreneurship. With the DWP we have heard a lot about Access to Work. One of the key things that we have found is the relationship with getting the Access to Work award and innovation. That suggests that another level is the DWP speaking more closely with Innovate UK to decide where the commonalities are in the support that they give to maximise the benefit to society of disabled entrepreneurship.

Then you get another layer. Jacqueline has already alluded to the support available to disabled entrepreneurs. My study that was funded by the Regional Studies Association looked at the networks that support disabled entrepreneurs, which is how I met Jacqueline. I interviewed her. What we found is that in some parts of the country there are good networks. These are professional networks supporting disabled entrepreneurs and they will work with the chambers of commerce, the Police Federation, the local council. What that means is in some parts of the country disabled people have a place to go to find out the best ways to acquire mentoring to get finance.

At the moment there is a disconnect between what is going on at the higher levels and what is going on at the regional levels. I think that should be part of Government understanding that there are these differences and there are differences between men and women and the different age groups, so that when we look at disabled entrepreneurs we are not just saying "disabled entrepreneurs". We need to understand the impact of different disabilities.

I know that is a long answer but there are many ways of coming at it and working with disabled entrepreneurs. I do the academic bit, but that is informed by Jacqueline's experience as an advocate and a political animal in understanding what is going on.

Q67 **Chair:** On the access to finance point, you were saying that in some regions things are perhaps better than others. Are we making progress generally for disabled entrepreneurs in being able to access finance?

Jacqueline Winstanley: No. In terms of the regional support we would say it is access to knowledge about who might be out there to approach and how you might approach, rather than there being an increase in the availability of finance altogether. We have seen some moves forward through Innovate UK. Innovate UK developed a programme specifically for disabled entrepreneurs and they have just run the first competition to award 50 disabled people, I think it was £50,000 per successful applicant to do that. It almost feels like this is the last bastion in terms of how people have looked at the different aspects of the Equality Act in terms of

entrepreneurship. We are starting to see a glimmer of hope and it is happening where you have seen disabled people being involved in the early stages of how these things are developed and ethical collaboration that brings together policy, practice, and academia.

Coming back to what you said in terms of if we have suggestions. We do. We are going to take them in turn and it does seem a little bit like a double act, but I think we are in a way because of the academia and the practice. I think Helen will start with this one.

Professor Lawton Smith: There is this understanding that across the piece the Lending Standards Board that Jacqueline has mentioned, but also the British Business Bank has done quite a lot of work on diversity and organisations such as Lloyds Bank. I think the Government do understand that the landscape is changing but need to build on that and have a way of communicating that these are some of the challenges facing disabled entrepreneurs. There is a lack of mentors across the piece. Being a mentor for disabled entrepreneurs is very different to being a mentor for somebody without a disability. It is increasing the supply of that but, again, it is a political decision about where that responsibility lies. It is about creating a dialogue and a culture of acceptance that people with disabilities are a real benefit to society. They have skills, they are creative, they are problem solvers. Rather than being marginalised by saying, "We need special measures" it means that everything that Government do has that focus on inclusivity, including disabilities. There has been a lot of work on supporting women and people from ethnic minorities, but disability has tended to be left behind. We welcome the interest from this Committee on disabled entrepreneurs.

Q68 **Chair:** There is a bit of catching up going on at the moment?

Professor Lawton Smith: Yes.

Jacqueline Winstanley: What we would like to say is is support for this in the right place effectively? One of the key areas that disabled people are accessing practical support is through the Access to Work award. If they are accessing finance it is not in any great numbers. We feel if this was placed in a Department that considered enterprise innovation there might be a different response to this, a whole different approach to this.

We would like to see the creation of a neutral government body to undertake ethical collaboration with disabled people and other key players in the design process of policies and programmes in this space to address the barriers that are identified in the report, building on best practice and evaluation in the UK and internationally. We are seen as leaders internationally in creating inclusive entrepreneurship. We do think placing initiatives and programmes within the relevant Government Departments that foster innovation—sorry, I am repeating myself.

We need a cultural shift in the appreciation and understanding within traditional innovation initiatives such as Innovate UK to build visibility and

awareness of the economic and societal value of innovation and enterprise created by disabled people. We need to build on the positive impact and our study shows clearly for all of the reasons that you have heard today that are driving people to do this, when people are successful in getting an Access to Work award and they don't have complete but substantial resourcing, the positive impact on their mental health and wellbeing is significant.

Q69 **Chair:** Thank you. Can I put a final question to you because time is almost up? We used to have the New Enterprise Allowance, the DWP support for somebody setting up in business. That has now gone. Is that something that was helpful for disabled entrepreneurs or would-be entrepreneurs? Is that missed or was that not really meeting the need?

Jacqueline Winstanley: The consensus was it was not accessible.

Q70 **Chair:** It was not accessible?

Jacqueline Winstanley: It was considered not to be accessible. This is the thing. Any new programme initiative needs to have at its heart a commitment to inclusion and accessibility in its design. I cannot overemphasise the importance of having disabled people involved to help that happen.

Chair: Understood. Thank you all very much. It was a very interesting session and we are very grateful to you all for answering our questions. That completes our questions.