HOUSE OF COMMONS

Work and Pensions Committee

Oral evidence: Disability employment gap HC 56

Monday 4 July 2016

Ordered by the House of Commons to be published on 4 July 2016.

Watch the meeting

Members present: Rt Hon Frank Field (Chair), Heidi Allen, Mhairi Black, Neil Coyle, Richard Graham, Craig Williams

Questions 1 - 49

Examination of Witnesses

Witnesses: **Ben Baumberg Geiger**, Senior Lecturer, University of Kent, **Victoria Wass**, Reader, University of Cardiff Business School, **David Finch**, Senior Economic Analyst, Resolution Foundation, and **George Selvanera**, Director of Strategy and External Affairs, Business Disability Forum, gave evidence.

Chair: Please begin by identifying yourself for the record.

David Finch: I will identify myself in a moment.

Chair: Yes, please do. It is part of the mystery of it. David, welcome back.

David Finch: David Finch, senior economic analyst at Resolution Foundation.

Ben Baumberg Geiger: I am Ben Baumberg Geiger, senior lecturer at the University of Kent.

Victoria Wass: I am Victoria Wass, a reader at Cardiff Business School.

George Selvanera: George Selvanera, the director of strategy and external affairs for the Business Disability Forum.

Chair: Welcome.

Q1 Mhairi Black: Obviously the Government has a very bold target in its manifesto of halving the disability employment gap by 2020. Is this something that you see as being realistic?

David Finch: Our take on this is that it is obviously a very good ambition to have to try to halve the disability employment gap. When you look at the scale of that, our estimate is that you need to get another 1.5 million disabled people into work to close that gap, so it is slightly bigger than some estimates, but that is accounting for population change over the Parliaments and then also similar improvements in employment that we would expect anyway.

The very scale of that, it is a very big challenge. It is something we do not think is probably feasible to do in this Parliament but something that longer term is certainly achievable. If you look at it on an international basis other countries have much smaller disability employment gaps. It is very hard to make a perfect comparison because of the differing nature of the overall employment rates or exactly how they classified disability in those countries. But essentially—

Q2 Chair: What timescale do you think the Government should adopt then to make this achievable?

David Finch: That is a very good question. We would probably be looking at around 10 years on a realistic basis, but potentially that would be—you would have to look at the things that you can put in place in the shorter term and the progress that you can make more quickly to see just how fast it would be to close the gap.

Victoria Wass: I am going to be a bit boring here and take a step back—what to measure if we have made any progress or not, and we have a problem with measurement. The measures that we have are not robust, they are not very strong. Unless we do have a better measure, we will not know whether we have made progress or not. My submission is about how we can strengthen those measures and maybe I will not talk about them now, but I will talk about them in—

Q3 Mhairi Black: That was going to be my next question as a follow-on from that. I know that one of the things that Leonard Cheshire has brought to my attention is that the measurement is quite vague as to how the DWP gather the figures that we have, because it can look as though the disability employment gap is falling but in actual fact that can be because non-disabled people's employment has fallen slightly so it makes it look smaller. So I am just interested to see what information you have of how the Government does measure this or what models you think are the best.

Victoria Wass: Disability is a complex issue, and because it is complex it is quite difficult to pin down, although I do not think it is impossible to pin down. There are things that can be done to strengthen the data that we already have. It is essential that we do because otherwise we cannot measure the disadvantage that disabled people face, and also we cannot measure any progress towards better integration of disabled people in work.

Now I have four suggestions to make and maybe I will not go into them in detail now—

Q4 Chair: It is good that the Government has set an objective even if it is vague, is it not?

Victoria Wass: Yes, it is, and it gets it on the agenda and it gets people to focus on it. But it is also important that we acknowledge just what the measures can do, what they are capable of telling us

Q5 Chair: You have four suggestions for us?

Victoria Wass: We need to use measures of disability from multiple surveys. The main one that is used is the Labour Force Survey. It is the best in a lot of a ways but it has some problems with it. We need multiple measures, not just the disability employment gap. The disability employment gap is the biggest gap for disabled people but there are also gaps in in-work outcomes that I also think are important. They also feed into the disability employment gap, so they are relevant to that gap as well.

We need to be much more careful about definitions of disability because people's responses on whether they are disabled or not are very, very sensitive to the question that they have been asked. Also definitions and questions are changing regularly, so if we want to monitor the effects of the Disability Discrimination Act or the impact of the Equality Act, we can only do it if we have a consistent question over a period of time.

Ben Baumberg Geiger: Can I just come in on something that ties together your two questions about whether it is achievable and how we should measure it? Vicky and I have done a lot of this, working in collaboration with Melanie Jones. One of the issues with the way we currently measure disability is that when you see changes in the disability employment gap it is as likely to be because people are changing whether they say they are disabled or not than whether they are in work or not. In fact, it is even the case, and it is something the DWP submission to the Committee makes explicit, that we could be so successful in tackling various disabled people at the workplace that fewer people say that they are disabled. In which case we look like we are doing even worse on the disability employment gap because only those people with more severe disabilities will say that they are disabled. If you have a bad measure, something that potentially is difficult but achievable becomes, by its nature, unachievable. That is why we came to it, and Vicky was mentioning it is so important.

Q6 Chair: It has always been a problem though, hasn't it? Under the old green card system, there were government Departments who loved to get their 3% and there were others that loved to get their 3% but people not having to register their green card for other good reasons. Victoria, do you have any suggestions about how the questions in the Labour Force Survey could be changed to help things?

Victoria Wass: It is not necessarily my suggestions. There needs to be some wider consultation, and ONS, which is the data producer, needs to meet up with the data users. It is not just academics. It is lawyers, it is politicians, it is policy makers, it is everybody, to thresh out what would be a good question. It might be that there needs to be more than one question.

At the moment we have a question that has not only changed, but it is not clear what it is measuring at the moment. They changed the question in 2013 and it is now worse than the one that went before, because I do not think it does measure the Equality Act. It is quite a long way from what the Equality Act wants to measure.

Chair: That will be one of our recommendations, don't worry. It is a good suggestion, thank you.

Q7 Neil Coyle: The Government is already committed to reporting on tackling the gap so I would rather keep focusing on what should be reported. You made some suggestions there. But who should be reporting on that? I am happy that it might be ONS, DWP, ODI or entirely independent. Who is it you think should be monitoring the gap and what should the milestones include? Or should there be targeted milestones is perhaps a better question.

Victoria Wass: It matters less who is monitoring the gap and who is collecting the data because once somebody collects the data and we have lots of data, then different people can measure the gap. They will explain how they have measured the gap and we can look for some sort of consensus, and we can explain differences in the gaps that have been measured. I am going to ask Ben to talk about interim measures.

Ben Baumberg Geiger: In terms of who is collecting the data and reporting on it, as Vicky said, if it is the Government's main surveys that are done by ONS or DWP, and it has the designation of a national statistic—if done by DWP—then so much the better. The trouble is that it is not entirely clear if there is a debate and a consensus among people who pay attention to these issues about what we should be measuring, and there is not really any conversation about it. For example, we could look very specifically at the functional limitations that people face because while it is harder to put into a single measure it is easier to look at trends over time. It would be sensible to add that into a measure.

Then we have a series of measures. We say we have a 10-year base—as David said—we should space it out on that, and every year we look and see if we are on track to make that against a bunch of different measures rather than putting all of our eggs in one basket.

Q8 Mhairi Black: Given all the problems with measurement—and whether people are defining themselves as what they think is disabled and what is not is constantly changing—do you think that the figures that we have now give us a broad idea or a rough idea, or do you think that they are useless?

Ben Baumberg Geiger: I do not think there is any question that there is a large gap in the employment rate between disabled and non-disabled people, however you define it. In that sense, everybody is clear about the issues. What the direction of change has been over the last 15 years completely depends on which of the measures they are using. The work that Vicky and I and Melanie have been doing shows that the improvement over the 2000s that we thought we saw in the Labour Force Survey simply does not exist using as similar a measure as possible on the other two major government surveys they use.

When we are in a situation that we cannot be confident in trends of the current data, we need to just make sure we are a bit more careful about it. But I stress that we do think it is possible to measure. It is not that we should give up on doing it: we just need to be careful how we do it.

Q9 Mhairi Black: But if I was to say that the disability gap is roughly 34%, do you think that is an accurate reflection, or roughly close to an accurate reflection, or do you think it could be any size, given the problems in measurement?

Victoria Wass: What you would have to do is say, "It is 34 percentage points and it comes from the Labour Force Survey at 2015". You would have to have all that information. If it was me that was saying that, I would also want to say, "When I look at the Health Survey for England the gap is this in 2015". We are particularly interested in trends and it almost does not matter what the Health Survey for England is saying if it is different from the Labour Force Survey because the context is different and the questions might be different.

What is important is if those two surveys are showing different trends over time. Then we do need to be concerned. We need to ask why and we need somebody to answer those questions. How do you want disability to be defined? The DWP want it to be defined in terms of the criteria for eligibility for benefits but the law in terms of the Equality Act defines it very differently—anything that is non-trivial, is substantial, counts as a disability under the Equality Act, and therefore there is an obligation on the employee to provide some adjustments. There is a huge gap between those two definitions of disability and you are going to get very different trends and very different answers on the disability employment gap depending on which of those definitions you are using.

Q10 Neil Coyle: In what way is DWP not using the Equality Act definition? Where is it not using it?

Victoria Wass: In terms of its eligibility for benefits, the eligibility criteria are quite a lot stricter, if you look at them, than something that is non-trivial.

Q11 Neil Coyle: But in terms of how it supports disabled people into work it is not using a different definition.

Victoria Wass: In terms of sorry, what?

Neil Coyle: How it is supporting disabled people into work or trying to support disabled people into work.

Ben Baumberg Geiger: I can quibble with very small bits of the DWP definition but, yes, the DWP is using roughly the Equality Act definition.

Q12 Chair: If there is a major error here, it would challenge it within the courts, wouldn't it?

Victoria Wass: Sorry, what?

Chair: If in fact what you are saying is they have a definition for benefits that ignores the Equality Act, that is something to test in a divisional court, is it not?

Victoria Wass: Maybe it would be but if you look down the criteria and the points system of what you need in order to get benefits, anybody looking at it would define it as being something that is—it is quite a lot more than non-trivial, which has been defined for us by the courts. The problem with the legal definition is that it is constantly changing. The courts are constantly reinterpreting how they define disability. That is not what you want in a survey. You want a more stable definition.

Q13 Craig Williams: I wonder whether I could take us away from the targets for a moment and ask to what extent does increasing disability employment need a different approach to the rest of the groups, and ask that more broadly of the panel?

George Selvanera: We definitely need a different approach as it relates to disability. I often get asked about literally these sorts of questions. It strikes us, for instance, in the Business Disability Forum that a disability—as distinct from other diversity sorts of threats— is fundamentally different because there is a requirement to make adjustments firstly. But also those adjustments affect the whole organisation in a way that is not true of other types of characteristics. Without wanting to be facetious, we do not need to create separate IT systems related to gender. We do not need to change the way a premises works on the basis of ethnicity or someone's sexual orientation, for instance, but we may well need to as it relates to disability. I use the example of an IT adjustment; to make that happen in an organisation requires cross-functional working so that you need the IT department to be involved, you need the learning and development department potentially to be involved. You need the line manager to be involved. You need procurement possibly to be involved depending what it is that needs to be purchased. It is different in the sense that it affects the whole organisation.

I also think specifically, as it relates to disability, that essentially the reasons for the underemployment of people with disabilities is because there is a massive labour market failure. We need a different approach that is quite specific advice and information that is provided to employers so that they build their own skills and confidence to be able to recruit and retain people with disabilities. We need the employability services that work in between, if you like, employer and employee, or potentially employees, to also be skilled up and equipped to be able to provide good, personalised support, both to the employer and to a potential candidate to be able to make that a successful recruitment.

We also need to work with people with disabilities too, to build their skills and their motivation. We do a lot of work, for instance, with Purple Space, which is sort of a network of disabled employees; a network of networks is how I should describe it. One of the conclusions that they find—let's face it, most people acquire their disabilities while at work, not prior to entering the employment market—is that there is a whole change of identity that happens with people when they acquire a disability. That then requires specific and targeted support to make that work too.

The other key group in this—we have the employer, we have the employability service, we have candidates—is also of course the role of Government itself, and I think certainly, and our members would say, that there is a lot more that Government can do.

Q14 Craig Williams: Do you have any specifics about how the Government could bridge the gaps in the market?

George Selvanera: Yes, definitely. For instance Access to Work is obviously a fantastic initiative; it is about 35,000 people that are supported, but even when it realises its new ambition to get to 60,000, that is a drop in the ocean in terms of numbers of 1 million, 1.5 million. Access to Work, in the way that it works, also needs to be far more employer friendly. We have lots of examples from our membership, which is large employers, finding that Access to Work does not demonstrate insight as to how large organisations work. They drag the employer into processes that they find overly bureaucratic and do not

make sense for them. It is a lot of red tape that is associated with interaction with Access to Work, both for disabled people but also for the employees themselves. If we wanted to be super ambitious about this, which we need to be, the existing arsenal of support is insufficient to be able to make differences for 1 million to 1.5 million people.

The levels of funding that are being provided to the new health and work programme are far less than was the case in the previous Work programme, which—let's face it—was unsuccessful particularly in terms of placing people that were ESA claimants into ongoing work. We would need to fund that properly. We would need to ensure that the providers that are commissioned through that type of programme, and the incentives that work for them support being able to do additional work with disabled people to enable them to get to work. There is a whole lot that needs to happen in that space.

Things like the fit for work service—I know you are probably going to ask about that a bit later, but I will tell you now—there is an opportunity there that has not been realised. There has been very little marketing that has been done of the fit for work service. They have not thought through the opportunity to create some sort of mandation, because if you are on statutory sick pay it does not seem—if you are in a work place you go to your Occupational Health Department, and it seems unusual that you would not have to do that as part of being on statutory sick pay.

That is another opportunity to be able to do more to make that service more functional—to deliver better for people. But I also think there is a significant gap for employers, which is that there is no bespoke information and advice service that relates to employers. That is needed because in the way that I set it out at the beginning, in terms of the whole organisation approach, is that the adjustments that will happen for any individual candidate are invariably unique and specific to that particular candidate. What an employer needs at different points in time will look very different. The Disability Confident campaign, for instance, does not do anything as it relates to providing bespoke information and advice. It just is not a bespoke information and advice service for employers.

Q15 Heidi Allen: You kind of answered the question I am going to come on to, but just specifically on Access to Work, because I have spoken to lots of disability charities and what they said to me is Access to Work is great when you are in work, but what about access to work experience, access to interviews. It strikes me as Access to Work is almost like giving you fuel for the car when you have reached your destination. In helping somebody get to work, I wonder whether Access to Work needs to have a greater scope, as well being advertised.

George Selvanera: I could not agree with you more. While I know that they have sought to expand the eligibility of jobseekers to get support for going to an interview, the actual numbers of people where that has been taken up is extremely small. So there is a lot more that could be done. We would argue that for both the Access to Work programme and the mental health support service as well. The mental health support service that Maximus operates is fantastically successful. It has 92% to 95% success rate in terms of retaining people with mental health needs in work, yet so few people know about it.

Q16 Chair: That is one of the reasons why it is successful then, isn't it? It is a very select group that knows about it

George Selvanera: Yes, I guess. We think about the promotion of the changes to the pensions system in this country or to the way in which we promote the apprenticeship programme. We do not have anything of similar muscle and as comprehensive, I suppose, to bring to the attention of employers, the wider community and disabled people themselves, all these sorts of programmes that could be taken up.

Q17 Chair: George, if I was summing up your evidence so far, it is one of success but small success that needs to be built on, is it not?

George Selvanera: Absolutely.

David Finch: Particularly around the Access to Work point, the recent research we have been doing is focused more on keeping people in work when they do become sick, rather than the focus on getting people into work. The Access to Work programme does seem to be more related to job entry than people already in work. Similar to what George has been saying, there are some small scale things that seem to be successful in work, but they are not necessarily being used effectively for people already in work. There is also an issue around the transitioning—as you start to fall into long-term sickness, you can often be left for a fairly extended period of time without any extra support given. The fit for work process is something that comes around four weeks, but then it is not as widely used and people cannot self-refer on to that either. There clearly seems to be some small level types of services in place that are successful and help people into work, but it is making sure people can access them at all different points along their movement out of work and using those to keep them in work in the first place.

Another example is the ESA process where you can be left for basically three months before you get to the point at which you are assessed and then getting on to your Work programme support. So potentially one option might be that—via the fit for work process—you are able to be referred straight to those employment support programmes rather than waiting for six months before you get that practical support.

Q18 Chair: Have any of you done any work on what are the actual monetary gains of the programme being successful? I am just thinking, we are going to have a new Chancellor of the Exchequer shortly—well, hopefully—and one way of resurrecting a programme would be to ask can one have some of the gains to build on the programme that you are talking about, the successes? It will not be megabucks, but it builds it up all the time on the success. If one can point to where the programmes are being successful and what the benefit savings are, it seems to me that we ought to be able to make a case through you in our report on how the next Chancellor might behave differently on this.

David Finch: On a large scale, unfortunately, you are more likely to find things that have not been as successful, so the Work programme especially has been seen to not be very successful. So where we have looked at the potential impact the work and health programme could have, we think you are only looking at 20,000 people a year that could be moved back into work. That is on the optimistic side—that you get the success rate from the DWP target rather than the success rate that you get from the Work programme.

Q19 Craig Williams: I wonder whether—not to pick on David—but to start with you again and draw you out on the work and health programme and how you think that could work to bridge this gap.

David Finch: Part of the issue is that even if you scale it up quite significantly you are only looking at quite small scale returns back from it, so it suggests that it is a bit of a—there are things that are good there and parts of work choice have been successful in the past. It is finding those bits that do work and making more of them.

Craig Williams: You think there is a limitation to what—

David Finch: Yes, there is limitation. You have to look beyond that. There are issues around—

Q20 Craig Williams: Can you quantify that at all?

David Finch: In what way, sorry? So the numbers?

Craig Williams: Yes.

David Finch: With the Work programme we are looking at 20,000 a year, so based on the current budget, however you multiply that out, we are going to end up with a version of those figures, which are fairly small scale, especially for the kind of investment you are looking at, which is why the entire process really needs looking at. Clearly the employment support allowance has not worked very effectively. If you compare it back to the success you have seen with single parents, for example, where you have seen conditionality work quite effectively—by conditionality, I am not referring to a strong sanctioning regime but the fact that you are identifying people, providing them with support services and activating them essentially. The difference with a single parent is the method used is age of youngest child, which is quite an easy signal to provide, whereas for disabled people you are looking at a range of different issues and then trying to find appropriate support to match this. It is a much more complicated task. I will refer to Ben on this.

Ben Baumberg Geiger: I see people trying to draw on the evidence base of what works to help disabled people into work and sometimes they draw on things that have helped single parents everywhere. I just think that very few of the lessons are transferrable because we are talking about completely different reasons why people are not working and the role of the employer is completely different. George talked about this a little bit before, but if you are just focusing on the person and not the employer you will not get anywhere. Last autumn I went over to the Netherlands to try to find out what they had done that was successful in reducing the numbers of people claiming disability benefits.

Q21 Heidi Allen: Can I just come in just specifically on that bit? I am interested you say the focus on the person—just the person, not the employer—will not work. I wonder even further than that—the thing that drives me mad or occurs to me is that with most things at the DWP it refers to the process, never mind the person, so you are one step ahead already. We do not focus on the person actually: we are pushing people through a process whether or not it works.

Ben Baumberg Geiger: What I would encourage the Committee to look at is how things happen in the Netherlands from start to end, from the point that someone with a job develops a health condition or disability that is causing problems in their work. Because rather than have a series of processes through which people and employers have to navigate there is a very clear system and very strong incentives for employers. If employers do not show they have done everything possible to keep that person in work, to the extent of trying to find a different job at that company or even a different job in the supply chain, they have to pay the sick pay for two years for that person.

Q22 Chair: But, Ben, there are two groups at least, aren't there? There is one having developed a disability in work with the employer but there is clearly a huge group outside who cannot get into the employer. What is your continental experience for that?

Ben Baumberg Geiger: I have tried to find evidence around conditionality in either direction, and about the only quantity of evidence I can find is that in Australia they introduce more work-focused interviews for under-55 disabled people and that did not have any impact on whether they were in work one way or the other. But there is not very much evidence there. The issue for single parents is not trying to get them to go back work when they are not sure if they want to or there are other things to negotiate. The issue for lots of people is that they are not sure what it is they are capable of. The person working with them is not sure what they are capable of. The employer is not sure what they are capable of.

Rather than trying to force people into anything you want a climate of safe experimentation. You want people to feel that they can try out something and if it does not work out that is okay. That is what IPS does really well.

George Selvanera: Can I just come in on that because some of our partners, for instance, are great at doing stuff like that—offering alternatives to traditional application processes, using work interviews, just different kinds of approaches to enabling people with disabilities to have access to a work experience. There is a lot in that because one of the things at BDF is we are very conscious that there are a whole lot of barriers that people with disabilities face at each step of the recruitment process, beginning from even whether they think that an organisation has an interest in hiring a person with a disability right through the process of job design, application, assessment and interview—each one of those stages sets up a whole new set of barriers—offering creative alternatives, use of supportive internships and so on. There are some great practices, but again—and it goes back to the point you were making before—how do we scale this stuff up? How do you make it something that is replicable and not entirely dependent just on particular employers having a positive view of wanting to do better in this space?

Q23 Neil Coyle: George, you touched on improving Access to Work around placements a couple of times. In December 2013, the Government said it would be opening up Access to Work to placements that disabled people put down for themselves. Would you welcome DWP reporting on what it has done with the £8 million budget set out for that specifically?

George Selvanera: It would be fantastic to see a DWP report on that but, as you know, there has not been a lot of reporting and I can only conclude that that is because there is not a lot to report.

Q24 Neil Coyle: That is perhaps right.
Ben, you mentioned that there is a strong system and you focused on sick pay, but a lot of people who develop an impairment health condition resign. Do the equality law and the employment law need strengthening to make sure that there is a better engagement of employers with people who do develop conditions?

Ben Baumberg Geiger: There are multiple aspects to this, and Vicky might want to come in as well. One of the difficulties is that there are lots of people who will end up resigning over something that is disability related but they may not even be thinking of it as a disability-related issue themselves.

Neil Coyle: Can you give us an example of that?

Ben Baumberg Geiger: Lots of things to do with mental health. How do you know that you have something that is a medical mental health condition versus you are just having a tough time at that particular moment? There is a spectrum of human experience and there is some very good work done by researchers at universities—York, for example—where people end up getting diagnosed with a mental health problem only when everything has gone wrong at work or often when things have gone wrong at work. If there was something that happened at an earlier stage when it was not a mental health condition, then the whole chain of events could have been avoided.

On things to do with the obligations on employers around reasonable adjustment to employment. I do not know if you want to come in, Victoria.

Victoria Wass: Often the issue of disability comes up in a disciplinary process at work, and that might be the first time that it has come up and by then it is too late because that person is so demoralised and discouraged that they are expecting to be exited from the workforce.

Q25 Chair: What is the policy we need to change to prevent that?
Victoria Wass: I am coming back to this idea that disability is very complex and it needs some specialists in the workplace. It is too difficult for a lot of employers. Some of the success stories that I have seen in doing qualitative research is when external organisations have come in and provided that expertise and kept that person in work. I have an example of the Macmillan work service. Somebody had got cancer and ended up in a disciplinary process because he could not transfer to any other job—or his employer thought that he could not. They intervened with some vocational rehabilitation. They reminded the employer of their duties under the Equality Act, provided a risk assessment, gave a list of adjustments and that person is now still in work. It was just too complicated for the employer.

Chair: Who brought Macmillan in though, Victoria?

Victoria Wass: He was in hospital, he had serious cancer. He had had a major operation and the Macmillan work service left a card at his bedside and he thought, "I work for local authority, I will have no problems". When those problems arose he still had the card and that is when he got in touch.

Q26 Neil Coyle: How do you turn that exceptional circumstance into something that is more routine and something that would not be seen as a new financial hit on employers? Because no employer is going to opt for it if they think it is going to cost them to do it.

Heidi Allen: Especially small employers.

Victoria Wass: I do not think the Macmillan work service is—it is a small example but there are lots of these specialist organisations around. Where I have seen that it has worked, there has been some outside intervention, whether it is a particularly proactive HR manager, a trade union or an employee representative organisation. The Police Federation, for example, quite often come in and provide that expertise.

Q27 Chair: But what you are suggesting, for policy, is that if you try to build the programme up monies that support such bodies and others could have a major impact?

Victoria Wass: I wonder if it could be. That is not my area of expertise but I would like to come back. We are going to want to monitor those effects and we are going to have to have a robust measure before we can do that successfully.

Q28 Chair: It also means getting a climate change in firms, doesn't it? Whatever the employer role is, knowing that there are these organisations could help.

Victoria Wass: Yes.

Q29 Heidi Allen: My initial observation on that and my only concern is, is that so much of the work we look at is that somebody spoke to somebody who was helpful. Does relying on that not abdicate decent Government policy and decent Government communications so employers know what is expected of them and the individual knows where they can go and find help? It is a great sticking plaster, but it is just—

Chair: We need both, do we not?

Heidi Allen: It is part of policy.

Neil Coyle: But also George's point is that equally employers need to know where to go and what to do, and what would be reasonable and what would be unreasonable.

George Selvanera: I could not agree more. There a lot of agreement in this room, it seems to me, but a significant communications campaign would set out for employers, as well as for employees, the opportunities that there are to get whatever type of support at whatever sort of point. I come back to the real gap in the provision of employer-related support. Employers themselves need access to an information and advice service.

The Business Disability Forum works with very large organisations, and we are able to offer that type of service. But the point that you made about small and medium-size

firms—where do they go for that type of support? Maybe someone left a card, but it is not systemised, it is not routine—to use the word that you used.

Q30 Neil Coyle: I am sure in some of the responses already provided, or the evidence that have been provided to this Committee, someone has suggested the Equality and Human Rights Commission provide some off the peg—to use an unfortunate term—code of practice for employers. Would that be something you would welcome?

George Selvanera: From the perspective of the organisations that BDF works with, in some senses they are probably not the sorts of organisations that we are talking about because they have in place and are listening to some of the stuff about some of the absence management and return to work policies. In my head I am thinking of all of these different examples of things that I know do it really well. They are already operating to some extent beyond, because they do not focus on legal compliance. They just see that they want great people to work for them who are diverse and they recognise that we are all getting a lot older, which is code for getting more disabilities, and we just need to make those adjustments because that is what we need to do. That is what a good business does.

But I do think for those organisations that do not have that kind of commitment and those sorts of systems in place, they do not have any obvious place to go. A code of practice potentially is useful in terms of giving an overall framework but I would still say that what employers value the most—it has been true for 25 years, even for BDF, with the largest organisations—is that access to bespoke tailored advice at various points on the journey that that employer is on, as they interact with different employees or different candidates, who bring up whatever kind of particular issues at that particular time.

Q31 Neil Coyle: The Employment Minister has suggested that some of the funding to cut the disability employment gap was to be drawn down from the cut to ESA work-related activity group recipients' benefits. Do you think that cut will support people to move into work? Do you think that will deliver the outcome the Government has suggested that it is looking for? Please do feel free to go on to discuss other benefit changes that might also have an effect on people's ability to get into work.

David Finch: I will start off with this. The specific cut to the Employment Support Allowance, our view on that is that largely for people with disability or ill health, it is not the financial incentive that is the overriding and most important part of a work decision essentially. So in cutting that support we do not think that is going to make a huge difference or any particular difference to people's incentive to look for work or not. In fact, we think there is evidence to suggest that, particularly for some disabled people, the cost of work search or work preparation is more expensive than for people without ill health or non-disabled people. It could have the opposite effect, and people will spend more time worrying about not having enough income and less time doing the types of activity that we are trying to promote them to do.

Going slightly more widely into wider cuts—things like the in-work supporting universal credit—the structure of universal credit has a positive part to play in that it provides better financial support, very short hours of work and that you do not have your entitlements reduced as you start to enter work. In that way it is an improvement on the current

situation and might help disabled people work shorter hours, particularly where maybe they cannot hit the 16 hours they are required in the current system.

Our issue with that though is that the level of support being offered has been significantly reduced and so those benefits will start to be withdrawn when people are working five to six hours or 10 to 12 hours in the minimum. It gives you an incentive to start working, but then to move on beyond that it is not offering enough support. It is going two ways: the structure has improved but the level of generosity probably is not enough to help people move up to a sustained number of part-time hours.

Ben Baumberg Geiger: There are two issues with the work-related activity component cut. One of them is that in the debate it seemed that people had thought that this would be people who were not that severely disabled with relatively short prognoses. In fact there is a reasonably high number of people with longer prognoses on WRAG who are going to struggle financially considerably. That will be a separate issue that will emerge as the cuts are implemented.

In terms of the consequences for employment, it is going to put an immense strain on the work capability assessment, and even greater strain than we have at the moment because the distinction between the ESA-WRAG and the ESA support group—I have to have a spreadsheet that I created in front of me so that I remember what they are and I have spent months, if not years, looking at these things. It is not about nominally how far people are from the labour market. It is just a very crude assessment.

So what it will incentivise people to do is everybody will be trying to be in the support group where they have very little engagement in getting back to work. The climate of that will be definitely harmful with people getting back to work.

Victoria Wass: I am happy to leave it to the other experts on that question.

George Selvanera: For me, three things. First, there is no evidence base for suggesting that cutting the income of people with disabilities will somehow increase their motivation and their skills to find work. If that evidence exists, I would be interested to see it. I am open to having my mind changed but I have yet to see it.

What we do know though is that it is not the fault of disabled people that the labour market fails disabled people. From our perspective, I would say that somehow we are holding disabled people responsible for broader failures in the labour market, which just does not seem fair. We know that in 2013-14 30% of disabled people lived in absolute poverty in this country. I am not sure how making them poorer incentivises people to work.

Q32 Neil Coyle: Too much stick and not enough carrot as we approach the Green Paper—we do not want any more crabsticks, given who is taking it forward—is perhaps what I am hearing. What role for mandation of any changes or any attempts to cut the employment gap? There seem to be concerns that if there are more mandatory activities—can you tell me your views on whether that would be helpful or not?

David Finch: Where we have seen more success in different bits of services already on offer it tends to be where people do not have the strong conditionality or mandatory things applied

to them and they can choose the extent to which they think they are ready to get into labour markets and the extent to which they will undertake activity. Because it is such a big varied group it is very hard to give specific things, but probably moving away from quite strong mandational activity into a much more individual case basis, where it is what suits the individual and how ready they are to get into work because you could have the opposite effect if you push too hard at the start.

George Selvanera: I will just reiterate points I have made before, that there is a labour market failure here and what we need to do is to provide personalised and tailored support to an employer, to a potential candidate, potentially doing work with that candidate to build skills and work readiness and understand the world of work more. We need employability services to have the right incentives so that they are not just being paid on outcomes in terms of job outcomes, and we need to recognise that there is a journey for people that have disabilities and are further away potentially from the labour market to get into work. But the system needs to acknowledge that. The other mechanisms and levers that Government itself has whether through Access to Work or the fit for work service that they also are doing their part in terms of greasing the wheels, making that all come together and work. For me, again there is not a strong evidence base for mandation doing very much at all, other than making people feel like they are being forced to do something. What we need to do is recognise the bigger picture here, which is that there is a significant labour market failure and we need those four things.

Ben Baumberg Geiger: Just as a last word, in respect of all the other arguments on mandation, looking internationally, if you wanted to get it to work you would need to be confident that the work coaches who were implementing conditionality knew exactly what it was reasonable for that particular person to do. Added to which all of the support and opportunities necessary for them to do it would also need to be available.

The idea that mandation is a cheap solution needs to be questioned. It will only work with considerable investment and even then, as the others have said, there is not the evidence base that it is the most effective way of getting people back to work.

Chair: Thank you very much.

Examination of Witnesses

Witnesses: **Liz Sayce OBE**, Chief Executive, Disability Rights UK, **Mike Adams OBE**, Chief Executive, Essex Coalition of Disabled People, and **Jane Cordell**, Director, Result CIC, gave evidence.

Q33 Chair: Can you start by identifying yourselves for the sake of the record and then we will go along?

Mike Adams: I am Mike Adams and I am chief executive of the Essex Coalition of Disabled People.

Liz Sayce: I am Liz Sayce. I am chief executive of Disability Rights UK.

Jane Cordell: Jane Cordell, director, Result CIC.

Q34 Mhairi Black: Thank you very much for coming along. I am starting with the same questions I started with the last panel. Obviously the Government set quite a bold target for halving the disability employment gap. Do you think that is something that is realistic to happen by 2020?

Mike Adams: It is possible but it is a massive climb and certainly if you look at the numbers over the last 25 to 30 years in relation to non-disabled people, the dial has not changed significantly. To expect the situation to halve within five years is a climb.

Q35 Chair: Mike, when you said "the dial has not changed much", what do you mean by "dial" please?

Mike Adams: Sorry, what I mean is if you look at the employment rates of disabled people in relation to non-disabled people, although the numbers have gone up relative to non-disabled people, there has not been much of a change.

I personally believe that if we are going to meet the targets of Government then we need to change the disability conversation, and that is one in which we recognise that there needs to be a different relationship between business and disabled people, where businesses recognise and see disabled people as a commercial advantage and disabled people see employment as a viable option rather than the alternatives.

Liz Sayce: The ambition is good and a bit like, "Would you say is it achievable for women to achieve equality or something?" Of course it is achievable. The question is the timeline. I think we said in our written submission that we are only expecting to see a net increase of something like 900,000 jobs in that particular period, and that was pre-referendum. I do not know if that has changed anything. If we have to get a net increase of well over 1 million disabled people into employment that is a tall order. Having said that, there are things like people working longer—choosing to work longer—and more people have impairments as they work older. There are things that might change it anyway from demographics. We should absolutely welcome the ambition. We require substantial work on both retention and supporting people into employment, which we could tell you some more about.

Finally, if that is not ambitious enough, I would like to see an added measure, which is about the pay gap because it is not enough just to have a job. We know that disabled people are overly concentrated in lower paid and less senior jobs. We need to frame everything we do. This is about equality of opportunity and disabled people being able to get more senior and better paid jobs as well as just jobs.

Jane Cordell: It is always important to have realistic and inspiring objectives so keep the target, but to reach a positive target the whole wider review of the issue needs to be framed positively rather than negatively. We need a paradigm that collects evidence of success to inform the issues for debate. You have mentioned that point that we should look at people who are in work, people who have done well. I have had to be my own role model. I would have loved it, and I think I would have been more successful now, if there had been role models ahead of me but to do that, as the first panel already mentioned, we need a stronger evidence base.

The evidence base, as Heidi Allen and others have mentioned, needs to be cross-departmental. It needs to look at not just the cost of us. I do not feel like a working cost, I feel like a capable woman who happened to become deaf when she was 25, halfway through my life, but to look at the benefits. So that is about developing a positive database of inspiring stories, but it is also about how you capture the benefits of investing properly and supporting disability. That means following people. What did you achieve through working; do not just tick a box—he works. Hooray, he works. So what?

I have coached 200 deaf and disabled people who have gone on to get work themselves and to be able to support their families, and so on. That kind of evidence is needed. That kind of progress will cost but, to take a figure from Mr Philip Connolly from Disability Rights, the Business, Innovation and Skills Department has estimated between £96 billion and £190 billion in supporting business—that is great—and it is important for business. Do the maths—£460 million to support disabled people into employment. I did the rough maths, we will get £92. Each person working in the private sector—around 25 million—gets £4,000; go figure.

Q36 Mhairi Black: Following on from that point then is one that Mike also raised there. Do you think the strategies that they have just now to try to engage employers into different initiatives—incentivising them to employ more disabled people, to make more of an effort—do you think they have the right strategies or do you think there should be more improvement?

Mike Adams: I do not think we have strategies that are sustainable, because I think it is artificial. If you look at the composition and breakdown of businesses, about 99% of businesses are SMEs and, broadly, our strategies are targeted towards the corporates. Therefore it means it is not sustainable. In the last six months we have done a lot of work with SMEs around the perceptions of employing disabled people, and whether we like it or not the perceptions are there and they are deep, and they are around a real fear and anxiety that disabled people will not be able to do the job that they are employed to do. There is huge anxiety still in 2016 around etiquette and how to approach a disabled person. For me that is anathema to everything, but that is reality. Therefore what they talk about is a conversational fear, worries about offending disabled people so, on the whole, they decide not to. That needs to change.

On the side of disabled people, I do believe there is a perception that particularly if you have a hidden impairment, disclosure is still an issue, and there is a fear that the more you disclose the more likely you will not get a job. Therefore we have this disconnect between disabled people who want to work but who fear they are not going to be able to work, and employers that on the whole want to employ and do the right thing but have fears about it.

We need to do something about it and, certainly talking to SMEs, the issues for them are around, "How do I retain staff who acquire an impairment while working for me because if I am a small organisation I want to retain my talented people?"

There is an issue that the planning cycle for recruitment and retention for SMEs is much shorter than for big corporate organisations. I am not even sure the word "planning" comes in. It is incredible in this day and age the amount of information that is accessible by the touch of a button, but many people and businesses are not aware of that information and therefore make decisions based on a lack of information.

Q37 Mhairi Black: What approach do you think should be taken to try to solve this? You are quite right in pointing out something has to change, but do you think it is that we have to do more around education, changing people's perceptions, or do you think it is something that is much colder—do we need more financial incentives for businesses? Or is it a combination of both? What is the best way, do you think?

Mike Adams: It is a combination but I would also say as you look at this issue we need to also tackle the issue of the disabled consumer market and recognising, like the purple pound, that it is worth £212 billion a year, and recognising that for businesses there is potential market out there to sell both your products and services to a new market, which is disabled people and their family and friends. The recognition is that the more you expose that kind of commercial opportunity the more companies will start to also think around the importance of potentially employing people that reflect the markets in which they sell.

Q38 Chair: Liz, what would you add?

Liz Sayce: I have a little list.

Chair: As long as you do not sing it to us.

Liz Sayce: No, I won't, I promise. Some of our organisations are also doing this, it is probably important to say—and I am sure it is true of these two organisations as well—but it is important to know, for example about 60% of our staff have lived experience in disability or health conditions, and 85% of our board of trustees. We are also doing it every day.

On retention, I would strongly endorse what George said about what employers need is advice at the point that they need it. If Government could offer bespoke advice because they have John or Sarah, in front of them at that moment who has cancer or whatever it is, that would be massive. That would make a massive difference because 300,000 or so people leave work every year because of a health condition. Many of them do not want to. Many of them do not need to. But it is because nobody knows what adjustments might be possible and so on, and that is a terrible waste to the employer, to the economy and so on.

I also think the point about at least a very strong encouragement or perhaps a right, as the Resolution Foundation has suggested, to have your job kept open for 12 months. Even if it is not a right, we know for example Sweden has the highest disability employment rate in Europe and they do have a very strong requirement on employers that they have to retain or find somewhere else. We need a conversation about how to do that in a way that employers would find acceptable, but at the moment it is a bit too loose here. That is retention.

On progression, the Cabinet Office has published statistics on what proportion of their workforce as a whole are disabled people and then what proportion of the senior civil service. Perhaps unsurprisingly, the last figures I saw there was a much higher proportion in the lower grades than in the higher grades. Also disabled staff trusted the opportunities for progression less than non-disabled staff did. The Cabinet Office have used that information in order to produce an action plan and we will see where that goes. Good on them for publishing the data. Could not all public sector organisations and large

companies publish that sort of data so that we could see what is working and what is not working, which action plans are having traction here, and so on?

Finally, getting into employment. We find in Disability Rights UK a lot of people living on benefits are scared, and to some people it feels as though the accent on, "You have got to apply for X number of jobs if you are on jobseekers allowance, or you have to comply with this and if you do not your benefits will be reduced" has become such a topic of fear that people are not in the mood for taking a risk and trying something new. Somebody talked about safe experimentation. That is absolutely right—to be able to do work trials with Access to Work support. The fear had got to the point that when a health centre in Islington was offering completely non-mandatory employment advice there was a demonstration outside, people had got so scared, which is wrong.

One thing that we have just done is a pair of reports with the Work Foundation on peer support so that you are supported into employment or in employment by another disabled person who has been through it as well. It might be you are out of work and you have a mentor who is someone who has been through it and is already in employment. It might be you are in the job club with others who are also seeking work. The feedback, the comments that people come back with, like, "This is empowering. I always feel encouraged". What the Work Foundation has found is there is promising evidence—you asked for evidence of success. It has not been tested enough for there to be an absolutely wide-ranging evidence base, but there is some promising evidence. One of the promising things is that these support networks become sustainable. If it is just one to one, a professional employment adviser and the person, it is for six months, say, then it stops.

If it is done through peer support it can be sustained. It is not the only answer, but it is one part of a more cost-effective, better way of making resources go further. Disabled people's organisations, like Mike's and others around the country, are doing this work on a shoestring, very small scale. We think it would make a difference if this was scaled up.

Jane Cordell: I agree with that. I also take up Mike's point about fear because the two words that came into my mind when I came into this meeting were fear and confidence. This is at a personal level, at a level of working with deaf and disabled people, but also in terms of employers.

I will be controversial. I do not think employers really care about disability. They want good staff. I asked a couple of people who are disabled. They know me, and they said, "To be honest, we do not care, we want the best people". So the question for us is how do we enable disabled people to identify their strengths, to be confident enough to build on that?

I perceive, especially working in a couple of major local employers in Manchester including the university, there is something I call the fear gap between the people working and their line managers, and there is a disproportionate reliance on the individual line manager to put into place adjustments to encourage the person to give feedback. The honest conversations are not taking place. Manchester has already identified that as an issue. We are talking to them, "What can we do about that?" I feel that there needs to be support for both the individual disabled staff and the employers, but your job perhaps, the overarching thing, is to get clear about what is a reasonable adjustment. Speaking as an extremely unreasonable woman myself, I do not know, and I am afraid my track record did not really help to clarify it, unfortunately. I fear I may have waded in even deeper. But

it is a joke. I did not break the Bank of England—I almost did— but there is a serious point in there; we need more clarity. We also, along with clearer law, need more guidance that is straightforward and accessible, and positive and clear to employers and includes why should we do this. That goes back to the idea about those with positive stories.

Just to make another point that I feel is extremely important and builds on what my two colleagues said: coping with an acquired disability is tough; it is hard. I am a viola player—I do not want to be deaf. I speak languages—it is hard. So what happens? You can lie down and die, or you can rise to the challenge. When you rise to the challenge you develop additional skills. I am not being Pollyanna-ish; it is true. I know; I have worked with those people. I have two friends: they both took their degrees in the 1970s, they were both deaf from an early age and knew sign language. Neither of them had any support whatsoever. Both took their degrees, one in law, one in social work. The friend who took his degree in law had no access, really, to the information, so would borrow the notes from his colleague and study overnight. He worked really, really hard. Guess who passed? The deaf man. His friend failed. Again, it is anecdotal, but there is an important point in there, that people who acquire disabilities will develop these additional skills: persistence, people skills, time management. They develop resilience. We need to help sell those.

Heidi Allen: I have a question for Jane, and I have a sneaking suspicion she will give me a very direct answer. One of the Government's schemes at the moment that it hopes will help to improve the disability employment gap is the Disability Confident programme. I am going to host one in my constituency in a couple of months. I am hoping to do it a little bit differently. I am not convinced the scheme, as the Government are rolling it out, does very much. I would be interested in your views on it and whether it has some mileage, could it be developed, what would you do to make it work?

Jane Cordell: I think I would draw on the point you made earlier. You highlighted, quite rightly, the importance of work, social capital, networks. You talked about meeting people who get their jobs through contacts, and instead of making it a "them and us" event, make it a network event, make it fun and, importantly, give people the opportunity to highlight their strengths, to sell themselves. I suspect to make it work you will need support perhaps with some coaching or specific encouragement to the two groups beforehand, because of the fear gap you mentioned, but I would look at doing something different and creative and fresh; something to inspire the people.

There is a risk with these initiatives. They can feel a bit patronising to disabled people. Sometimes employers look at the issue, if you want to call it the "risk present" and want to avoid it, avoid, avoid, avoid. So say, "What do you want? What skills are you actually looking for?" But if the person who is looking for a job does not have the confidence to sell what they have, they will not pair up. Has that helped?

Q39 Heidi Allen: Completely, because the model, as I understand it, for the disability employment fair, or reverse jobs fair, they call it, is just employers being there. The networking is with employers and people like Remploy, Jobcentre Plus, to give employers advice about how to be confident themselves to take on a disabled person. But you are

describing a different model where you would have the jobseekers there as well. Do you think that is more successful, then, if you have the two together?

Jane Cordell: Yes. One point about this issue is we should be fresh and creative, not necessarily rely on existing models. Anything that encourages the two sides to be less fearful of each other—employers, job seekers—can be good. It is worth a try.

Q40 Heidi Allen: Another quick question. We have danced around some of the things that help employers, so Access to Work; we talked about Disability Confident, information being available. What other things would be useful tools that could really change the landscape and change the dialogue, as Mike said earlier?

Liz Sayce: Incentives. The Government is looking at using the apprenticeship levy to incentivise employers to take on young disabled people as apprentices, and that is a really good thing. Paul Maynard MP has also been chairing a process to make entry to apprenticeships more flexible, particularly for people with learning disabilities. We would like to see it expanded. That is one area where we are beginning to see a little bit of movement on incentives, which is really welcome.

There is another area where I would really like to see incentives. I recommended this in the independent review I did for the coalition government in 2011. When people have a fluctuating condition that does mean they have a lot of time off, inevitably, what happens now is no employer wants to employ you because you have a bad sickness record, which is very understandable. What I suggested at the time was that perhaps Access to Work could have its rules changed such that one of the things that could be funded—a bit like the person with the visual impairments needs the IT—the person with the fluctuating condition needs resource for a temporary worker to cover their absence. It might be if you had bipolar disorder or MS or something.

All the recommendations were seemingly accepted by Government, but that one has never been taken forward. I know there is debate about whether Access to Work is the right mechanism, but there are a lot of people with fluctuating impairments and health conditions, and I think something that says, "We the Government think it is a better use of money—rather than leaving the person on benefits for life—for them to work when they can, and we will chip in and support the employer or support the individual to get the cover". There are different ways of doing it. That would make a huge difference because there are very large numbers of people with fluctuating conditions who just cannot get jobs.

Q41 Richard Graham: Mike, can I ask you a question about the replacement of the Work programme and work choice programme, which is going to be the new work and health programme? You know that the details of what was going to be proposed were going to be in this White Paper that has been delayed.

While we wait for that, what is your feeling about where the focus of this new programme should be? Should it be, for example, on people with the most severe disabilities,

because they are going to need the most help, or should it be on people who are maybe closest to the job market because they are the ones most likely to be able to get into work with help? At the margin, where do you think the balance of focus ought to be, given that it is unlikely there is going to be enough money to help everyone in the best possible way?

Mike Adams: The additional dynamic to those two is if you look at the labour market, where are the required skills and developments needed, because ultimately—it goes back to Jane's point about being controversial, which I do not think you are, by the way—this needs to be—

Richard Graham: People want the best people for the job.

Mike Adams: —this needs to be driven by the needs of businesses, and if you break that down to SMEs, mapped on to disabled people. There needs to be a level of traction and there needs to be a way in which businesses see the commercial advantages in employing disabled people, for which there are many. I have sat on a number of taskforces, including Disability Confident and the health and work programme, and my worry is that we just get locked into a rehash of what has gone on before. Another word we talk about is subsidy or subsidising disabled people, where we need to be saying, "This has to work for Joanne Public, SMEs; this has to work for Joanne Public, disabled person". It needs to be more regional-focused.

Q42 Richard Graham: In America there is a system of tax credits for people who employ people with disabilities, and one of the things I have talked about with Paul Maynard for his report was whether, given that we effectively allow SMEs two employees without paying national insurance, whether we could not do the same thing and have an additional two, if they have disabilities, and then apply the same thing to full-time employment jobs? This has nothing to do with whether they are the best person for the job, but it might, at the margin, encourage SMEs to employ more people with disabilities, just as the same NI break encouraged people to take on apprentices when they were saying at the beginning, "It is too much hassle" and all the rest of it. What do you think?

Mike Adams: I agree with you. We are looking very closely at the moment at the state of Vermont, who seem to have done an extraordinary amount of work in terms of disability employment that has been sustained, and looking at the various range of interventions they are putting in place. I would fully advocate some of the initiatives that you are talking about as part of a wrap-around support to both employers as well as disabled people.

Richard Graham: That is really encouraging.

Liz, is there anything you would like to add there? What are your feelings about that?

Liz Sayce: There is always a fine line between an incentive and additional support that employers might need, which is always really important to offer. Where you do not want it to go is, "We are going to pay you more money because obviously the disabled person is going to not be as productive", or something like that. You do not want to give that message, for all the reasons that Jane was talking about earlier. As long as it is framed in that way, that it is about recognising that the disabled employee might need additional support, the employer might need additional support—as with the apprenticeship thing, there might be a need for extra support in relation to the training and how to offer it and so forth—that is very, very helpful to oil the wheels, and again, particularly with SMEs.

Richard Graham: Jane, I would be interested in your views on the same question that I put to Mike and Liz, both the replacement for the Work and work choice programmes, and then the possibility of incentives on national insurance for employers.

Jane Cordell: It is a difficult issue. When I was considering this beforehand I was comparing Poland, which has the opposite of incentive—they tax companies that do not employ 6% of people who are disabled: it is applied as another tax—with somewhere like Australia with the scheme that started from 1 July, the NDIS, the national disability insurance scheme, where they have swiped 0.5% and put it on top of income tax; so very different ones. Each one brings its challenges. In the case of Poland, the problem is it helps to reinforce stereotypes if we decide people are being a bit of a burden, or maybe they are grouped to protect rather than treated as equal citizens in society.

There is also a problem for the disabled employee—it would be for me to feel that I was a bit like a prize—a victim of a shoot-out or something; my head on a stick—I bring my employer money. I think that is important psychologically, too, and the psychological is often an element that is missing from discussions of developing policy.

Richard Graham: Chair, there is one thing it might be worth us considering: I sat next to a guy with Remploy on the train the other day, who has just been talking with various European countries about how Remploy could help them, and it is fascinating, the different models. Jane was referring to the Polish one. The German model is completely different from ours. Different countries do very different things in this space, and if it is possible to include it as part of our report, it would be quite interesting to see what others are doing.

Chair: We had Danish examples earlier on, Richard.

Q43 Heidi Allen: A question primarily for Liz—but again, if either Jane or Mike have opinions—the work and health programme that will replace work choice and the regular Work programme, we are yet to see what that will comprise, but given what you know so far about it, is it going to be enough, or do you think there are other specialist strategies that the DWP should put in place to help get more disabled people into work?

Liz Sayce: As Mike said, it would be helpful if the commissioning was much more at a regional level and could bring in all the different players and more expertise, rather than just prime contractors commissioned from Whitehall. What we would really like to see is a much more personalised service—that is very easy to say—but experimentation: really trying out how personal budgets could work. I am going to be controversial now. How could some disinvestment happen in what does not work? The NDTi—National Development Team for Inclusion—looked at the commissioning of employment support for people with learning difficulties or mental health issues, and they found that two-thirds of what was commissioned did not follow the evidence of what works. Some of it might be positively counterproductive because it kept people endlessly developing skills, and the longer you are out of the labour market the less likelihood that you will ever get back in.

I would like to see innovations, testing personal budgets, and a market developed. It would be great if disabled people and disabled people's organisations could be involved in what those commissioning strategies are at a regional and local level, as has happened

sometimes in health and social care, but not so much in employment support. You could ask, what would people find helpful and what does the evidence tell us really works.

One of the very simple things the evidence tells us really works, incidentally, is about people who want to work: if you support them quickly—if they have fallen out of the workplace—they are likely to get back into employment. That sounds so simplistic it is almost not worth saying, but if we could have something that kicks in earlier, even if it is a bit light-touch, rather than this waiting and waiting and waiting while you go through all this work capability assessments and everything else. Something that is available earlier, even if it is peer support or something a bit lighter-touch, that would just quickly help the people who want to get back into work, into work where they can, you would see a big impact on the numbers.

I am not sure if I have completely answered your question but I think it is about there being a menu of possibilities with some testing of innovation, more personalisation, and more involvement of disabled people in what that could look like, because then you would get less fear and resistance and more sense of, "Okay, I will give this a try".

Mike Adams: I agree with everything Liz has said. The only thing I would add is that, for many disabled people who may be returning to the labour market after a long time out or people with first jobs, their CV is pretty blank when it comes to employment, and what I would encourage is this programme to recognise the importance of, not necessarily a Saturday job, but a part-time job or a summer placement that is more than just a full-time job. There has to be a mechanism that enables that to happen because we know that employers are looking for rounded people who have some experience of the workplace. It is a Catch-22, and disabled people are stuck if they have no experience.

We looked at this in terms of Access to Work and whether we could just go back further in terms of enabling people to access some support to work at Tesco's on a Saturday or a Sunday, or work in a shop, or wherever it is, to get that experience, get that exposure, and really make a profile for themselves in order to create a pathway to employment.

Jane Cordell: Can I be controversial again? If I was given a Harry Potter-style wand, I would want to completely separate disability support from out-of-work status and out-of-work support because disabilities covers the entire spectrum of human beings and human experience. If you dump people with disabilities in a room, we can have a lot of differences as well as similarities.

To speak for the deaf community, a major problem for us is that we do not get access to social capital because very often we cannot communicate with our colleagues. This is not just about going into the lecture at college and understanding the lecture; it is about the gossip and the chat and the context being provided in the coffee break. If we had lifelong support provided for disability and we made our choices in groups, it would be a whole different ballgame.

I want to reinforce what Liz said about early intervention and mention my own mentor, Sir Bert Massie, the chair of Disability Rights Commission, that the earlier the better from his point of view; if you get that input and additional support early on to develop your confidence and skills, you have a far better chance later in life. He has done quite well for himself.

Chair: It is a great theme, isn't it, letting a thousand flowers bloom?

Q44 Heidi Allen: I want to build on what you have all been saying: first this point about early intervention. You have all described that the longer you are away from the employment market, the more difficult it is to get back in again. Is there a role to get to young disabled people to start inspiring them with role models before they get to the point of the employment market, so they do not fall before they get there? That is my first question.

Secondly—this might be blindingly obvious but it seems lacking to me in Government policy—one of the key things, surely, to help and support disabled people into work is the right kind of housing, and I do not see much evidence of cross-departmental support. You have to deal with employment, you have the health aspect, but housing if you are a disabled person, as I learned—I have worked with the Papworth Trust—if they cannot facilitate the basic building blocks of life and how they live and being independent, then going out and finding work is going to be even harder.

Liz Sayce: Young disabled people; yes, absolutely. One of the things we need a lot of is so to speak "ordinary" role models; not only the famous role models but people that young people could identify with, "Yes, maybe I could do that". Business has a role here and disabled people who are in those businesses, going into schools and all that kind of stuff, and showing that.

We have a long way to go to open up the opportunities for work experience and apprenticeships and so on. Access to Work may be theoretically available to them, but whether it is in practice available is another matter. I keep talking to young disabled people who feel they have done everything they can with their educational qualifications, but they are just not getting the jobs. That is a huge issue.

We have a project led by young disabled people that is working with local authorities and others to open up job opportunities for young disabled people through procurement and supply chains. A bit like what was done in the Olympics and Paralympics—you just did not get the contract if you did not show that you were going to be inclusive and employ local people and do this and do that—the same thing with this. Imagine if all the public sector money asked, "How good are you at taking on young people, including young disabled people?" That leverage could make a difference.

Mike Adams: I agree, but we also need to make sure there is a balance so disabled people do not think their best chance of employment is in the public sector. There are private sector opportunities. The incentives are around the trade bodies and trade organisations that really need to get engaged with the potential of disability.

I take your point about housing and, as a disability organisation, we are there and we join up the dots. It is crazy to me that a disabled person can have social care money, health money, and Access to Work money, but they are all absolutely separate and have to be accounted for absolutely separately. You have this situation—I have seen it—where a person comes in and helps the individual get up, and then has to leave because someone else has to come in and do some of the health-related needs, and then that person has to leave and another person comes and goes to work with them, in effect, and supports them.

A number of years ago, there was a programme called Right to Control, which looked to bring all those monies into one pot, into a direct payment, and it ran aground. I would suggest we look again at how that might work in 2016: we give people responsibilities through direct payments, we look at outcomes. I think that would drive fundamental changes alongside targeting young people and FE colleges, and the like.

Jane Cordell: I would like to raise the issue of self-censorship, because I was reflecting on the journey from Manchester about the people I have worked with: disabled people who acquire a disability seeing themselves differently and writing themselves out of opportunities. If we do not have the right support to stop doing that, we will do that. That will often mean demotion, maybe leaving jobs. I do not know if we are required to record the impact of disabled people leaving work or being demoted, but it is an aspect of the problem.

About the care things: communication. When you ask about what employers need, what does the programme need to do: it just needs to communicate very, very clearly, and practice what it preaches—maybe that could be led from Parliament—not using jargon; giving short, clear examples, using visual communication, using a range of formats, and the programme you are planning will need to practice what it preaches.

Q45 Neil Coyle: It is good to see all three of you again, having worked with or for all of you in the past. A quick question. What impact would it have on the Government's charge of halving the gap and on disabled people's organisations involvement in helping halve the gap if there was mandatory activity as part of the approach the Government adopted?

Liz Sayce: Sorry, could you say the first bit again?

Q46 Neil Coyle: If the Government adopted a mandatory approach on individuals, what impact would that have on them and on the likelihood of disabled people's organisations being involved?

Mike Adams: I have recently been part of the Disability Confident accreditation scheme taskforce. The decision about how far you want to push employers to be involved, the extent to which enforcing things is counterproductive to what you are trying to achieve and the level of mandatory enforcement: I go back to the issue of SMEs and put myself in their shoes. I do not know whether they would just simply opt out of the discussion and the conversation around disability or not. In many ways, I would tend to lean on the side of the non-mandatory, because I think we need to try to bring people along to recognise the value of the disabled people in employment. I am not sure whether there are measures that can be taken that would help that journey rather than impede it.

Q47 Chair: Mike, it is the same with your proposal about allowing the spending of budgets in their totality. The Government could do that by pilots, could they not, and allow people to opt in?

Mike Adams: They absolutely could and with some of the other interventions that you were talking about—national insurance thresholds and so on—you can start to see an attractive bundle of initiatives that would be attractive to business as well as to disabled people.

Chair: It would change the culture of business, would it not?

Q48 Richard Graham: One of things I want to do locally with all the people who sign the Disability Confident boards that we have had at two events, is to write to them and say, "Okay, the first one happened a year ago, the second one six months ago; what have you all done since then? What has your journey been like?" Then to have a special event for the ones who have done the most and found it the most productive for their business, so that we then have a handful of SMEs who can champion not just what they have done and say, "How marvellous we are", but to say how marvellous the people that they have employed are, and so to go back to Jane's earlier point, they are finding that some of the best people for the job happen to have disabilities as well.

Chair: It also changes the role of support groups. We have heard a lot this afternoon about support groups; people with disabilities themselves. There is a case for support groups for the employers, is there not, to encourage best practice?

Mike Adams: There is, and I am not going to sit here and give away my commercial secrets, but there is clearly an offer back to business to become Disability Confident. It is anathema to expect people to do it all themselves, and if there is something of value, which is priced correctly, you can support those businesses on a journey. They get the value of, in a crude term, "brand alignment" but that does not matter if ultimately they end up selling better products to disabled people and employing more and more disabled people because they see the value in it. I do think there is an opportunity to drive the whole Disability Confident agenda if we create a marketplace to support businesses to deliver what they need.

Jane Cordell: I was just thinking about the fact that what we need is a sort of virtuous circle. What we need is for disability to become such a boring issue that nobody notices it. We need familiarity. Familiarity will come from there being far more people sitting next to each other saying, "Oh, they are disabled as well". That is not the case in the workplace, usually because they may not know that this person has a mental health problem. We need to boost and support those who are already in work to disclose more and to be more open and to form networks and to encourage employers to boost their social capital; to look at not just networks of disabled people agreeing with each other, but networks externally so they can make senior contacts and meet mentors that they need. That familiarity will lead to the kind of situation we want—an increase in employment levels—because they are going to be the role models we lack. That is going to the heart of the problem.

Liz Sayce: On the mandation point, Neil, were you thinking in terms of disabled people—being obliged—yes.

It is important that there should be an expectation that disabled people can do all kinds of things. We do not want no mandation and therefore no expectation. On the other hand, because of this need for safe experimentation, something that seems like, "You have to do this and you have to do this" when people are not sure they can do it is counterproductive. Therefore, it would be more effective to go with the carrots rather than sticks, but within a framework of assuming that, of course, disabled people like other citizens, most are going to be able to work, and all that sort of stuff.

If the carrot-stick balance is very weighted towards the stick, there will probably be, as there has been in the past, an issue about at least some disability organisations not wanting to get involved in it because their constituents are saying, "We do not agree with this" or

"We are scared of it," or whatever. You get those kinds of debates going on between disability organisations; that has happened before. It would be very helpful to avoid it this time around and come up with something that the disability organisations can sign up to, that has high expectations but is evidence-based in that carrot—what is going to motivate people—and just try to make it work.

Q49 Chair: Great and exciting, both sessions. Thank you very much.