

Written evidence from the Centre for Social Justice (CSJ) Disability Commission (DEG123)

1 Introduction

- 1.1 The Centre for Social Justice (CSJ) is a Westminster-based think tank. Its vision is to help society's most disadvantaged individuals reach their potential by redressing social injustices. Its *Breakthrough Britain* report in 2007 identified five pathways to entrenched poverty: educational failure, family breakdown, addiction, serious personal debt and worklessness.
- 1.2 To mark the 25th anniversary of the ground-breaking Disability Discrimination Act, the CSJ established the CSJ Disability Commission ('the Commission') with the express purpose of addressing, among others, the issues which your committee is considering.
- 1.3 Drawn from across the business, academic and disability sectors, its members are united in their determination to ensure the Prime Minister's vision of a transformative national strategy for disabled people is realised. Central to the Commission's work is the recognition that the development and implementation of more effective measures to close the disability employment gap will be a litmus test of the strategy's success.

2. There is a need to focus on the disability employment gap, but the current disability employment gap metrics require revision

- 2.1 Given the ongoing disadvantage faced by disabled people in the labour market it is essential the government pays particular attention to the disability employment gap. The disproportionate effect of the Covid-19 pandemic for disabled people's employment outcomes appears to have already filtered into a widening of the disability employment gap, which has increased from 28.6 to 29.2 percent in Q3 2020 when compared to the same period the year before.
- 2.2 Although the disability employment gap has ostensibly closed over the past five years (Figure 1), disability@work analysis shows that once adjusted for the increased prevalence of disability in the working-age population (Figure 2), the employment gap has barely moved since 2013 (Figure 3). It is likely that the growth in workforce disability prevalence is explained by individuals with certain (less severe) conditions now identifying as disabled, while in the past individuals with the same condition would not have identified as disabled. As these individuals are likely to have less activity-limiting conditions, they are more likely to be in employment. Given this, it is important to correct for workforce disability prevalence given the likelihood that the decline in the disability employment gap is explained by an increase in the number of people with less severe conditions (and who are more likely to be in work) identifying as disabled.

RECOMMENDATION: The government should focus on the disability employment gap rather than the absolute number of disabled people in employment. It should use the disability prevalence-adjusted disability employment gap measure as the key metric by which it evaluates changes in disabled people's labour market outcomes

Figure 1: Disability employment gap (DEG) (percentage points)

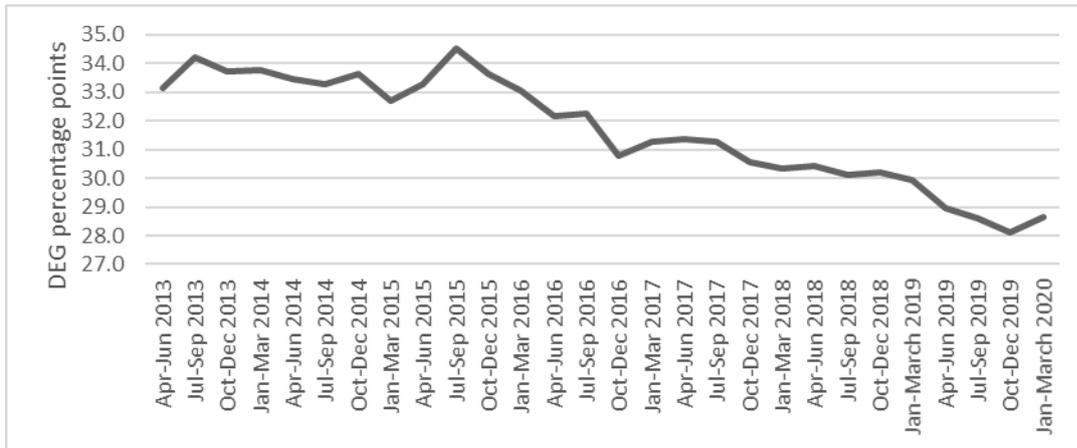


Figure 2: Disability prevalence rate (%) 2013-2020

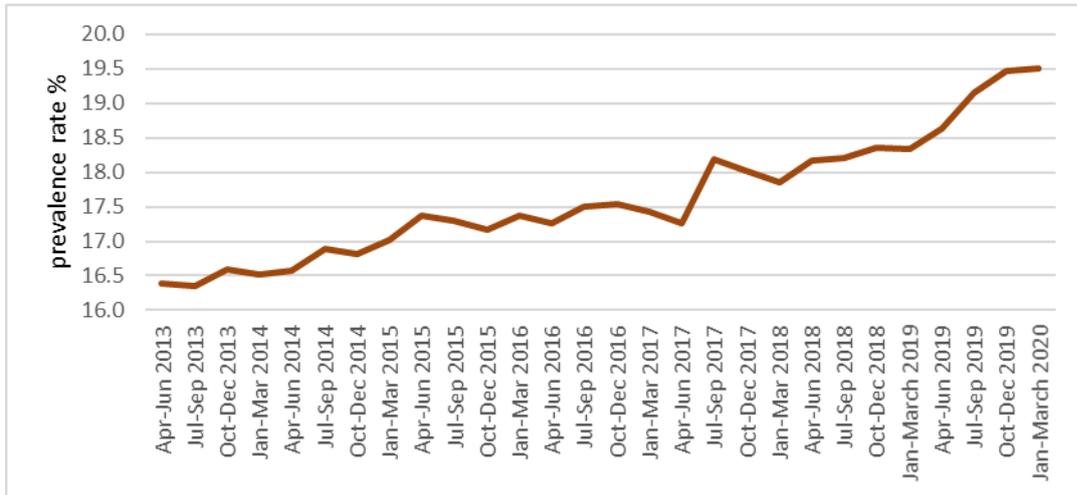


Figure 3: Prevalence-corrected DEG (prevalence rate x DEG) (%)



Note: the vertical axis shows how much lower the overall employment rate is as a result of the existence of a disability employment gap

3 A new approach is needed for disabled people with the lowest employment rates

- 3.1 Current mass employment programmes, such as the Work and Health Programme, are unlikely to support those furthest away from the labour market. For instance, only 14 percent of disabled people involved in the Work Programme were supported into work.ⁱⁱ
- 3.2 There is emerging evidence that two programmes that are successfully supporting individuals with the lowest employment outcomes (specifically, learning disabilities and mental health conditions) back into and in work are: first, supported employment services; and second Supported Internships.

Supported Employment Services

- 3.3 In 2017, the DWP announced the Proof of Concept supported employment schemes in nine local authorities, and made available for individuals with a learning disability or autism who were known to Adult Social Care or those with a severe mental health condition.ⁱⁱⁱ
- 3.4 The Government announced in March 2020 that it would roll out a supported employment trailblazer programme to 20 local areas.^{iv}
- 3.5 There is growing evidence to show that where providers adhere to the quality standards (known as the “fidelity scale”) which outline best practice, outcomes are better.
- 3.6 Individual Placement and Support (IPS) is the most successful example of supported employment, focused on mental health conditions. Compared to other vocational rehabilitation services, international evidence shows that IPS clients were “twice as likely to gain employment” (55 percent versus 28 percent) and worked significantly longer.^v

RECOMMENDATION: The most successful forms of IPS need to be identified, and significant additional funding needs to be provided to enable them to be scaled up.

Supported Internships

- 3.7 Supported internships operate in a similar way to supported employment services in that they are a fully immersive transition to employment programme but are delivered as a study programme in the last year of someone’s education. They involve both an employability curriculum/ qualification alongside unpaid rotations of work for individuals who have an Education, Health and Care (EHC) Plan. The Department for Education (DfE) is responsible for the programme, but the DWP is involved by funding job coaches via Access to Work (AtW). While there are no published figures for DWP’s contribution, “support workers” more broadly make up two thirds of all AtW spending.^{vi}

3.8 Supported internships are rapidly increasing. According to official figures, they have risen from 65 to 2,231 starts between 2016 and 2020.^{vii}

3.9 Published guidance sets out key elements of supported internship delivery. While providers can design their programme to “fit their local circumstances and to meet the needs of their learners” four principles should be followed:

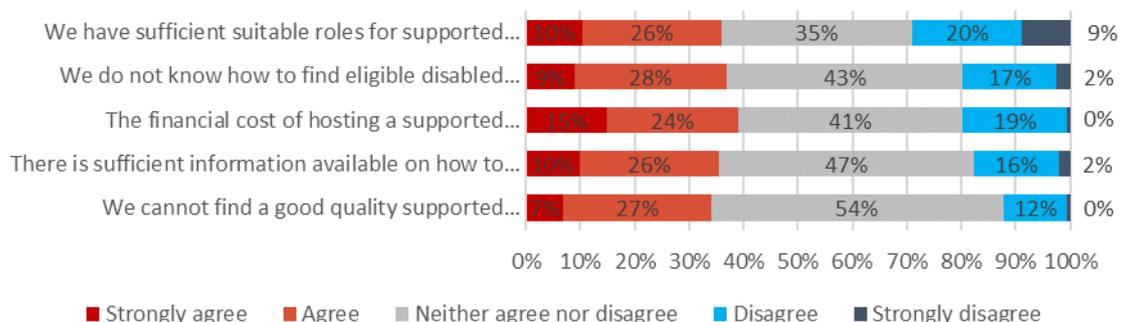
- 1 a significant majority of the intern’s time spent at the employer’s premises;
- 2 interns must learn alongside their time with the employer (e.g. English and maths) usually at a school or FE college;
- 3 jobs must work for the intern and the employer, with paid employment as the end goal;
- 4 the ongoing support of the job coach to the young person and employer is critical.

3.10 In 2011 the Department for Education calculated the cost of supporting one person with a learning disability into employment could, in addition to improving their independence and self-esteem, reduce lifetime costs to the public purse by around £170,000 and increase the person’s income by between 55 and 95 per cent. This would potentially save the Government a minimum of £272 million (<https://www.nao.org.uk/wpcontent/uploads/2011/11/10121585.pdf>). Overall, they estimate that the cost to the public purse of supporting a person with a moderate learning disability through adult life (16–64) is £2–3 million per person at today’s prices.

3.11 The availability of quality internship providers is patchy. According to Commission polling of the private sector employers who have some familiarity with supported internships,^{viii} 34 percent agreed or strongly agreed they could not find a good quality provider, while only 12 percent disagreed (Figure 4).

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Figure 4: private sector employer perceptions of supported internships



ce: Commission polling^{ix}

3.12 Very few schools and employers know about supported internship opportunities, and only one eighth (13 percent) of schools/colleges had supported internships in 2017.^x Commission polling showed that only eight percent of private sector employers had supported internships, while 33 percent knew about them but did not have them. Of those that know about supported internships, nearly two fifths (37 percent) agree that they do not know how to find

eligible participants for supported internships, and a fifth (18 percent) disagree that there is sufficient information available on how to provide supported internships.

- 3.13 Supported internship outcomes vary. Most providers estimate that at least 50 percent of young people on their programme achieve paid employment, but “a small number” report employment outcomes between zero and 25 percent.^{xi} However, as there is little oversight, no robust data exists to explain this. While the DfE has started to map out the quality and quantity of supported internships, it is unclear how they are to be monitored on a long-term basis.
- 3.14 The outcomes achieved by some supported internship providers are strong. For example, compared to a 5.9 percent employment rate for individuals with learning disabilities and known to adult social care services, DFN Project SEARCH has achieved an annual average of 70 percent achieving paid employment with 60 percent of individuals securing full-time paid jobs since 2016. DFN Project SEARCH is the largest supported internship model in the UK with the highest conversion to jobs and the only model to produce evidenced based outcome data annually. Like the IPS model, through best practice quality assurance, DFN Project SEARCH supports all 630 partners to follow model fidelity, which is based on the world-leading US Project SEARCH programme. Through this UK model more than 1300 interns have secured full-time employment, being paid above the national living wage.
- 3.15 Research into the addressable market suggests that with adequate national match-funding, DFN Project SEARCH could support 16,000 interns with EHCP’s into full-time employment over the next 10 years. Estimates suggest that with a national Government contract [of £10 million], it could provide resources, training, data collection and quality assurance mechanisms to support education, supported employment and business partners to deliver high quality employment outcomes at scale across all regions.

RECOMMENDATION: the Government should use evidence-based research to create a national framework and set of standards for supported internships and funding should only be released for those that can evidence how they meet this framework. Additionally, the Government should evaluate and fund the most effective model that can deliver at scale and get at least 10,000 interns with EHCPs into full-time jobs over the next 10 years, using the blueprint of the 10,000 Black Interns program that was launched in 2020 with former Prime Minister David Cameron’s support. It is important, however, for a funding model to be developed that also allows smaller, local specialists to be supported.

4 How can DWP better support employers to take on and retain disabled employees, and to help them progress in work?

4.1 Disability Confident

- 4.1.1 Disability Confident is the Government’s flagship programme to influence how employers recruit and retain disabled employees. Launched in 2013, it supports employers to put in place

the policies and practices associated with better outcomes for disabled employees and provides accreditation to employers that have achieved this.

- 4.1.2 There are three levels to the scheme (committed, employer, and leader). In 2016, Disability Confident replaced the Two Ticks award, with 2,311 Two Ticks employers being given level 2 (employer) accreditation. In November 2019, the Government reformed Disability Confident by mandating level 3 employers to publicly report on their disability employment using the Voluntary Reporting Framework (published in November 2018). An “explicit requirement to employ disabled people”^{xii} was introduced for level 2 and 3 accreditations.
- 4.1.3 The principle of an accreditation scheme that highlights disability-friendly employers is the right one: a survey by Evenbreak in 2020 showed that 65.9 percent of disabled employees stated finding a disability-friendly employer was very relevant to their search for employment. However, evidence shows that disabled people have little confidence in Disability Confident. An October 2020 poll showed that only one in seven (14 percent) disabled adults in Great Britain had heard of the scheme, and of this group, an equal proportion agreed (37 percent) as disagreed (36 percent) that it was effective at promoting the employment of disabled people.^{xiii}
- 4.1.4 The evidence also suggests Disability Confident has done little to improve workplace employment outcomes for disabled people. In 2016, when the Two Ticks scheme was brought to a close, employers were moved from Two Ticks to Disability Confident without any auditing, despite evidence to show that Two Ticks employers were no more likely than non-accredited employers to adhere to four out of five of the scheme’s commitments.^{xiv} Research also shows Two Ticks employers were no more likely than non-Two Ticks employers to have adopted a range of disability equality practices, that disability gaps in work-related well-being and job satisfaction were no smaller in Two Ticks workplaces, and that Two Ticks employers did not employ disabled people in proportionately greater numbers.^{xv} In the NHS, a 2019 report showed that a higher proportion of disabled staff felt that Disability Confident Trusts were more likely than non-Disability Confident Trusts to have provided adequate adjustments (72.8 percent versus 67.1 percent) but there were no other significant benefits for disabled staff resulting from Disability Confident accreditation.^{xvi}
- 4.1.5 Key problems with Disability Confident that might explain its apparent lack of success are its focus on the adoption of processes and practices rather than on outcomes. It is possible to secure Disability Confident level 1 accreditation without employing any disabled people. Other than peer assessment at level 3 there is no external validation of accredited employers.
- 4.1.6 The number of employers who have secured Disability Confident accreditation is limited. Of the 15,123 Disability Confident employers in November 2019, over half were in the voluntary or public sectors, while only 6,480 private sector businesses had Disability Confident accreditation (at any level). Given these are 1.39 million private sector businesses in the UK that are not sole traders, this means only 0.47 per cent of these firms had Disability Confident accreditation.^{xvii}

RECOMMENDATION: *Disability Confident needs to be reformed so it focuses on outcomes (regarding the proportion of the workforce that is disabled, for example) rather than practices. Support should be provided to employers in the form of a good practice advice and information portal. The guaranteed interview scheme should be reviewed as it is problematic for many employers and prevents them signing up to the scheme.*

4.2 Dissemination of best practice to employers

4.2.1 There is a sizeable and growing body of evidence which shows what works to help disabled people into, and in work. For instance, Individual Placement and Support (see paragraph 4.3). And there is a wealth of various guides for employers on how to make reasonable adjustments.

4.2.2 Despite this wealth of knowledge, it does not filter to employers. One survey in 2019 showed that the biggest challenge when hiring disabled apprentices or graduates was the knowledge and understanding of required adjustments (31 percent).^{xviii} And in a separate poll, 60 percent of private sector businesses did not know where to go for support or advice about employing an autistic person.^{xix} These two examples illustrate that employers are unaware of the evidence to help them support and retain disabled people in the workplace.

4.2.3 Many businesses have previously called for a simple, evidence-based guidance, from one source. Disability Rights UK polling in 2017 found that 37 percent of businesses wanted a single gateway for information and advice to help them employ disabled people. And in a CIPD survey, when asked for the three government-led changes that would make the greatest difference to improving how their organisation supports disabled people, 58 percent of private organisations selected a one-stop shop providing information and practical tools.^{xx}

4.2.4 The Education Endowment Foundation (EEF) provides a good example. It has the function of collating existing evidence, interpreting this into easy-to-use guides for practitioners, and invests in innovative research where knowledge gaps are identified.^{xxi} In 2018 alone, EEF's Teaching and Learning Toolkit was used by two thirds of all senior leaders in secondary schools to inform their decision-making.^{xxii}

RECOMMENDATION: *A 'what works' centre should be established that ensures high quality research, and the recommendations stemming from that research, can be made easily accessible to employers. This could be linked to the best practice Disability Confident portal outlined above.*

4.3 Access to Work

4.3.1 Access to Work needs better funding and resourcing to work more effectively for individuals and employers. Disabled people should be equipped to start their own business, become self-employed, be a contractor, or being permanently employed. A fit for purpose Access to Work service would give disabled people more economic choices. There is an opportunity for the

Mental Health Support Service to expand and engage with job seekers and people who are at imminent risk of becoming economically inactive.

- 4.3.2 The Access to Work support cap must be removed to enable more people with ‘human’ support (particularly people using sign language interpreters and other human communication support) to thrive and work in permanent, full time roles if they choose to do so. The cap currently means individuals who use this type of support have reduced their hours or resigned from their chosen profession. It disproportionately and often catastrophically affects a small number of people where by contrast, the vast majority of individuals who receive Access to Work support come nowhere near the cap. The overall cost envelope needs to be changed to reflect this and to allow for actual support costs needed, rather than what was spent in a previous year. The same principle applies to Disabled Students Allowance which again disproportionately impacts students who need human support such as a job coach or BSL interpreter whilst the vast majority of students do not incur DSA support costs anywhere near the maximum allowance.
- 4.3.3 In line with this, there needs to be a much better joining up between Disabled Students Allowance and Access to Work to support education leavers at the critical point of transition. Under the current system, adjustments which have been agreed by DSA for students are removed once they leave education and cannot be reapplied for (even if they are granted) until the individual has secured employment. There is a critical gap here in equipping education leavers to be able to apply for jobs and demonstrate their full potential. Addressing this is crucial in terms of early intervention and prevent disabled education leavers from falling out of or being unable to employment in the first place.

RECOMMENDATION: The Access to Work cap should be removed, and there should be greater co-ordination between DSA and Access to Work. Also, the Government should repeat the 2004 exercise and update the calculation by HM Treasury estimating the average saving for the public purse for every £1 spent on Access to Work.

4.4 Procurement of goods and services

- 4.4.1 The Government spends £292 billion on the procurement of goods and services.^{xxiii} Through the Social Value Act (2012) and subsequent legislation, central and local government can require contractors to work towards a public good beyond offering the lowest cost. However, in 2015, only nine percent of public procurement encouraged more responsible business practices.^{xxiv}
- 4.4.2 In 2019, the Cabinet Office consulted on introducing a social value framework. Procurement teams can select from one or more of the framework’s objectives where “relevant and proportionate.” One of these objectives is to reduce the disability employment gap.^{xxv}
- 4.4.3 While the DWP is not responsible for these reforms, it is a commissioner of services, and has a vested interest that procurement supports more disabled people into sustained employment.
- 4.4.4 Given that disabled people are likely to be negatively affected by the recession and the pandemic, having the employment of disabled people as one of several objectives that central

government can select may dilute the impact that public procurement can have on reducing the disability employment gap.

4.4.5 The US provides an alternative approach. In 2013, the US Federal Government enacted Section 503 of the Rehabilitation Act 1973. Under these regulations, all federal contractors (above \$15,000) must work towards a target of ensuring seven percent of their workforce is disabled, and measure the results of affirmative recruitment.^{xxvi} The Department of Labor (DoL) monitors compliance.

4.4.6 Outcomes so far are impressive. In a 2018 survey commissioned by the DoL, federal contractors in comparison to non-federal contractors were 2.5 times more likely to “actively recruit” disabled people (15.7 percent versus 38.2 percent) and nearly four times more likely to have a dedicated recruiter (3.5 percent versus 11 percent).^{xxvii}

4.4.7 The US example shows that including the employment of disabled people in contract decisions requires a consistent approach to measuring disability. Even the slightest change to the question asked can have a significant effect on the response and comparability of the data collected.

RECOMMENDATION: Employers’ workforce disability metrics (the proportion of the workforce that is disabled and their disability pay gap) should be taken into account in the competition process for large central and local government contracts

RECOMMENDATION: Employers with a large central or local government contract should be required to report the proportion of their workforce that is disabled. The government should establish a target for workforce disability prevalence and require employers to commit to work towards this. Employers should also be required to report their disability pay gaps and commit to ensuring an equal representation of disabled people across their pay quartiles

4.5 Workforce information reporting

4.5.1 In response to the enduring inequality of opportunity for women in the workplace, the Government introduced mandatory gender pay gap reporting in 2017 for firms with 250 or more employees.

4.5.2 Evidence gathered over several years in other jurisdictions, as well as immediate progress in the UK, shows that mandatory gender pay gap reporting has worked for women.^{xxviii} An equivalent practice could yield similar results for disabled people. Given the size of the disability employment gap, the introduction of disability employment reporting is also critical. Were this to be introduced, this would provide a platform for the procurement and Disability Confident reforms outlined above. Measures of this nature have previously been proposed (in the Workforce Information Bill [HL] 2019-21, for example).

RECOMMENDATION: the Government should extend mandatory pay gap to other protected characteristics beyond gender, including disability for employers with 250+ employees. It should

also require employers with 250+ employees to report the proportion of their workforce that is disabled.

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- ⁱ disability@work, 2020, Measuring Disability and interpreting trends in disability-related disadvantage
- ⁱⁱ Work Programme statistics to Dec 2017; Social Finance analysis. Note: Based on number of job outcomes for ESA New Customers and Other ESA customers divided by total number of attachments
- ⁱⁱⁱ <https://www.base-uk.org/sites/default/files/pdfs/C1%20-%20Proof%20of%20Concept.pdf>
- ^{iv} British Association of Supported Employment [Accessed via: <https://www.base-uk.org/news/supported-employment-trailblazer-details-announced>]
- ^v APA PsycNet, 2008, IPS in Europe: The EQOLISE trail [Accessed via: <https://psycnet.apa.org/doiLanding?doi=10.2975%2F31.4.2008.313.317>]
- ^{vi} House of Commons Library, 'Access to Work' scheme for disabled people [Accessed via: <https://commonslibrary.parliament.uk/research-briefings/sn06666/>]
- ^{vii} House of Commons Library, 2020, UIN 77785 [Accessed via: <https://questions-statements.parliament.uk/written-questions/detail/2020-07-21/77785>]
- ^{viii} YouGov, 2020, Commission polling. NB: *All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 501 Senior HR Decision Makers. Fieldwork was undertaken between 19th - 25th November 2020. The survey was carried out online.* (base for this question = 203)
- ^{ix} YouGov, 2020, Commission polling. NB: *All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 501 Senior HR Decision Makers. Fieldwork was undertaken between 19th - 25th November 2020. The survey was carried out online.*
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- ^{xi} DfE, 2020, Approaches to Supported Internship delivery [Accessed via: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/868461/Supported_Internships_Research_Report_February_2020.pdf]
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- ^{xiii} YouGov, 2020, New research among over 1,000 Britons living with disability released on twenty fifth anniversary of the Disability Discrimination Act [Accessed via: <https://yougov.co.uk/topics/politics/articles-reports/2020/11/09/yougov-disability-discrimination-act-equality-act>]
- ^{xiv} Hoque, K., Bacon, N. and Parr, D. (2014) 'Employer disability practice in Britain: assessing the impact of the Positive About Disabled People 'Two Ticks' symbol'. *Work, Employment & Society*, 28(3): 430-451.
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- ^{xvii} disability@work, 2019, *Response to the Government's Reforms of Disability Confident Level 3.* Briefing Note.
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- ^{xxv} Procurement Policy Note – Taking account of Social Value in the Award of Central Government Contracts: Action Note PPN 06/20 [Accessed via:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/921437/PPN-06_20-Taking-Account-of-Social-Value-in-the-Award-of-Central-Government-Contracts.pdf]

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^{xxviii} See e.g. 'Research: Gender Pay Gaps Shrink When Companies Are Required To Disclose Them', *Harvard Business Review* (2019)