



Migration from Incapacity Benefits to Employment Support Allowance

Written evidence from Careers Development Group
April 2011

Work and Pensions Committee: Inquiry into the migration from Incapacity Benefits to Employment Support Allowance

Response by Careers Development Group

Executive summary

1. Welfare to work charity Careers Development Group (CDG) supports the overarching principles of the Work Capability Assessment (WCA). It welcomes the coalition government's commitment to reassess the capability of Incapacity Benefit (IB) claimants to participate in work-related activity leading to employment.
2. CDG also welcomes the recommendations to improve the WCA made by the Independent Review of the WCA by Professor Malcolm Harringtonⁱ and welcomes the government's commitment to implementing its recommendations in full. In particular, we support the coalition government's commitment to refine the WCA's mental, cognitive and intellectual descriptors. In CDG's experience it has been those customers with primary or secondary health conditions who have fallen under this category who have occasionally felt that the WCA has not effectively and accurately assessed their capability to work.
3. This is of particular importance to the Work Programme, as former IB claimants will be a key customer group for CDG to work with throughout contract delivery. Currently, 46%ⁱⁱ of IB claimants in London claim IB due to mental health conditions. CDG therefore welcomes continued improvement of the WCA to ensure migrating IB customers receive effective back to work support through the Work Programme.
4. CDG is pleased the coalition government recognises the more complex employability support needs of former IB customers through the Work Programme. This enables providers to more effectively meet these needs by encouraging the use of a flexible and personalised 'black box delivery methodology'. The more intensive and bespoke service required by former IB customers during the Work Programme has also been reflected in the payment and performance targets for this customer group.

5. However, CDG is raising the importance of ensuring there is a high level of accuracy on every individual's WCA. This will mitigate any adverse impact on customers' wellbeing through the ongoing WCAs that occur throughout the duration of the Work Programme for former IB claimants and Employment Support Allowance (ESA) claimants.
6. The importance of accurate and consistent results from an individual's WCA throughout their time on the Work Programme is vital, due to the potential impact on prime providers if individuals move between Work Programme customer groups as a result of ongoing WCAs. This also applies to the proposed changes claimant conditionality for the ESA Work Related Activity Group outlined in the Welfare Reform Bill.
7. CDG welcomes the opportunity to submit evidence to the Work and Pensions Committee in relation to the migration process and the different paths taken by the various customers.

Overview of Careers Development Group

8. CDG is a welfare to work charity with nearly 30 years' experience in helping those who are unemployed find and sustain employment. Many of the people CDG supports have multiple barriers to employment including a lack of recent work experience and disabilities. CDG's customers include those claiming IB, ESA, JSA (Jobseekers' allowance) and individuals with health conditions. The charity provides its customers with training, work experience and the support necessary to move into and sustain employment and to achieve a better quality of life.
9. With over 350 employees, CDG currently operates from 27 centres across London, the South East and the East Midlands. In 2009/10, CDG supported 33,000 people on their journey back into work.
10. The charity provides employment programmes as both a prime contractor and subcontractor including New Deal, Flexible New Deal, Pathways to Work, Work Choice and European Social Fund contracts.
11. In April 2011, CDG received preferred bidder status as a prime contractor for the Work Programme in London East, and as part of an alliance with MAXIMUS this status was received in London West and the Berkshire, Buckinghamshire, Oxfordshire, Hampshire and the Isle of Wight contract package area. Throughout the life of these Work Programme contracts it is estimated that CDG will support approximately 100,000 customers.

Introduction

12. CDG is delighted to respond to this inquiry and CDG has provided evidence based on its knowledge of the Work Capability Assessment through its introduction in 2008 which has impacted on the delivery and its customers' experience of the Pathways to Work subcontract.
13. Pathways to Work is a national programme to support individuals with mild to moderate health problems claiming IB and ESA back into sustained employment. Jobcentre Plus provides the programme in 40% of the country with the private and voluntary sector providing the programme in 60% of the country. CDG delivers Pathways to Work as a subcontractor in Sussex, and has worked with over 400 customers on the provision since delivery commenced in 2008. The contract is due to end on 27th April 2011.
14. CDG is also responding to the inquiry in its capacity as a charity and a future provider of the Work Programme.
15. Based on its experience CDG believes that it is most appropriate to respond to the following issue in this inquiry:
16. *"The outcome of the migration process and the different paths taken by the various client groups: those moved to Jobseeker's Allowance, including the support provided to find work and the impact of the labour market on employment prospects; those found fit for work who may be entitled to no further benefits; those placed in the Work Related Activity Group of the ESA, including the likely impact of the Department's decision to time-limit contribution-based ESA to a year; and those placed in the Support Group."*
17. As a charity that seeks to help those who are unemployed to find and sustain employment, many of whom suffer from health related barriers to working, CDG believes that a refined Work Capability Assessment will ensure that it is better able to provide relevant support to progress our customers into sustainable work.
18. CDG's experience on Pathways to Work demonstrates a number of challenges related to ongoing WCAs at regular intervals in a customer's ESA claim, which has impacted both on our customers' ability to secure suitable work and on our ability to provide the most appropriate support level to customers. An improved assessment will lead to customers being allocated to the most appropriate customer group on the Work Programme, consequently improving customers well being and their ability to find and sustain work.

Impact on customers' well being of ongoing WCAs

19. The experiences of the charity's Pathways to Work customers have been overall positive, with regard to the WCA. However, there are a small number of issues that could be refined, particularly regarding customers with cognitive and mental health problems.
20. Currently, customers access Pathways to Work provision if they have been allocated to the ESA Work Related Activity Group (WRAG) after their first WCA has been completed. Customers in the ESA Support Group and IB customers can volunteer to access Pathways to Work at any time.
21. Once allocated to the ESA WRAG group customers will be expected to participate in additional limited capability to work assessments - the medical evaluation part of the WCA. This includes customers participating in back to work provision such as Pathways to Work.
22. On CDG's Pathways to Work provision, customers have sometimes experienced a lack of consistent decision making within the WCA process. ESA WRAG customers undertaking subsequent WCAs, particularly those with mental health related problems, have been deemed fit for work as a result of the follow up WCAs, despite a lack of perceived change in their health condition. In addition, some customers who have been moved into the ESA WRAG group as a result of a successful appeal have also experienced being deemed fit for work in a follow up WCA shortly after the appeal's outcome. It is therefore imperative that the WCA process is consistent and accurate for future customers.
23. Where customers believe they have been assigned the wrong benefit this can particularly lead to significant distress and anxiety and in some circumstances can accentuate existing mental health conditions.
24. Some customers who believe an inappropriate decision has been made following WCA have decided to make an appeal. Of the charity's Pathways to Work customers expressing concern with the outcome of their WCA, CDG has offered support to prepare for and navigate the appeals process. This has been on the basis of facilitating the achievement of an accurate and decisive outcome.
25. The appeals process places a lot of emotional strain on customers and they can spend a significant amount of time contesting the decision. The uncertainty and time consuming nature of the appeals process can be counter-productive if it reduces the amount of time and effort they spend on preparing for and looking for employment.

26. This occasional lack of consistency with the WCA combined with the stress and anxiety of undertaking an appeal can create an additional barrier to work for some of the most vulnerable customers with health problems. The implementation of the recommendations of the Harrington Report will in the long term lead to the refinement of the WCA. This in turn will lead to a more accurate assessment of an individual's capability to work, fewer appeals and an increased capability for customers to find and enter work.

Impact on Work Programme prime providers of ongoing WCAs

27. The Work Programme enables providers to deliver a personalised journey for each customer dependent on individual needs and CDG wholeheartedly supports this approach. Alongside employability training and back to work support, providers are able to work in partnership with a range of specialist organisations to tackle customer's barriers to work. This can include through condition management programmes, drug and alcohol support and rehabilitation, specialist support for people with learning disabilities and mental health issues.
28. Work Programme customers will be divided into eight different customer groups dependent on benefit claimed and the level of support they require to help them return to work. There are two customer groups specifically for former IB claimants: ESA ex-IB and JSA (Jobseekers Allowance) ex-IB.
29. The payment structure for the Work Programme is dependent on the type of benefit that customers are claiming and their previous benefit status. It allows more money to be paid for customers with a greater level of need. For example, providers will be paid more to support former IB customers claiming JSA into work than JSA customers aged 18-24 due to the more complex, often health related, support needs former IB customers experience on their journey into work. The level of need is defined by their current and previous benefit type. Therefore it is of paramount importance that the WCA leads to the customer being transferred to the correct benefit at the earliest opportunity. A full overview of the levels of payment for each Work Programme customer group can be found on page 10 of the Work Programme specification document.ⁱⁱⁱ
30. If WCA does not lead to the correct decision being made regarding a customer's readiness for employment, prime providers may not be in the best position to provide the required level of support because of financial restrictions in the Work Programme payment structure. Customers could potentially be initially allocated to the JSA ex-IB Work Programme customer group and could then be moved into the ESA ex-IB customer group after an appeal or subsequent WCA. This could lead to providers

receiving initially a lower amount of funding to support more disadvantaged customers thereby limiting the amount of support they are able to buy in from specialist support agencies across their partnership network. This could have an effect on each customer's ability to move towards and enter employment. This is why it is vital that WCAs are accurate and consistent throughout delivery, to ensure that customers can fully receive the right level of individualised support to enable them to move into work.

31. On CDG's Pathways to Work contract, where customers believe they have not been allocated to the correct benefit, the charity has been required to provide considerable additional support to overcome the resultant emotional issues encountered by our customers. This is particularly the case for those with cognitive and mental health problems. This is in addition to delivering the employability and motivational support required by the Pathways to Work contract.
32. The charity envisages that a similar level of support would need to be provided in such circumstances in the Work Programme contract. In London, 46% of IB claimants receive this benefit due to mental health problems. Refinement of the WCA will lead to a more effective assessment of a IB customers' long term work capability, however, this may not happen until Professor Harrington's working group reports back on how to further improve the WCA for customers with mental, intellectual and cognitive problems.
33. The importance of consistency and accuracy can also be seen in the implications of the proposed changes to the claim period for contributions-based ESA customers allocated to the ESA WRAG group. Under the government's welfare reform proposals, these customers would lose eligibility to claim the benefit after one year of unemployment. As per the previous example, this could lead to customers moving from the ESA Flow Work Programme customer group and into one of the JSA customer groups. This changes the payment received by the provider for the customer, which could potentially affect the level of support providers could offer the customer. In addition, many of the Pathways to Work customers the charity works with who have more complex health needs, for example those with Multiple Sclerosis, potentially need longer than one year to move into employment.
34. Ongoing WCAs and changes to the ESA claim period could mean that a customer's status changes a number of times during their engagement on the Work Programme. This could cause confusion amongst providers around the payment structure and the level of support they are thus able to provide to customers. It is therefore vital that WCAs are accurate and consistent to support both providers and more importantly, customers.

35. Where customers decide to appeal a decision, previous experience through CDG's Pathways to Work contract demonstrates further support is required to help customers manage the appeals process. In some instances, support from CDG's team of advisors has been very extensive and has included help to complete the appeal form, continual emotional support and advice throughout the process, ongoing liaison with Atos Healthcare, liaison with GPs and contacting tribunal telephone lines on behalf of customers. This is to facilitate the achievement of an accurate and decisive outcome. Based on our previous experience CDG envisages that a similar level of support will need to be provided to customers throughout the appeals process whilst on the Work Programme. The consistency and accuracy of WCAs are imperative to the success of the Work Programme.

Conclusion

36. CDG welcomes the government's improvements to the Work Capability Assessment as recommended in the Harrington Report. The charity anticipates that the impact of these changes, particularly for customers with mental health problems, will be positive and that the changes will go some way to address the issues faced previously by our customers particularly those who have appealed a WCA decision.

37. In addition, CDG has raised the importance of clarity regarding how the movements between Work Programme customer groups as a result of WCA decisions will impact on our customers' abilities to find work and on the payments to prime providers. The charity is confident the coalition government will address this.

38. For further information, please contact **Mark Brooks via mark.brooks@cdguk.org, 020 7811 3131**, or at Careers Development Group, Carlton Plaza, 111 Upper Richmond Road, Putney, London, SW15 2TJ.

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ⁱ Harrington, M (2010), An Independent Review of the Work Capability Assessment

ⁱⁱ Office of National Statistics, IB/SDA statistics for small areas, November 2010

iii Department of Work and Pensions, (2010) Work Programme Invitation to Tender, Specification and Supporting Information