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Our ref: POS(1)10077/439

Rt Hon George Howarth MP

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September 2015

Thank you for your letter of 15 July on behalf of your constituents regarding welfare reform and Employment and Support Allowance (ESA). I apologise for the delay in replying.

It might be helpful to bring to your attention the principles behind the welfare measures announced at the 8 July Budget and also to detail our on-going work to support people with disabilities.

The Chancellor recently announced a series of measures to reform welfare, and the four principles that have underpinned these reforms. First, the welfare system should support the elderly, vulnerable and disabled people; second, those who can work should be expected to look for work, and take work when it is offered; third, the working-age benefit system has to be more sustainable and fourth, the system should not support lifestyles or rents not available to the taxpayers who pay for that system.

Based on the above principles the Chancellor announced a number of protections for the most vulnerable in our society: exempting benefits for the additional costs of disability and Carer's Allowance from the Working-age Benefits freeze; maintaining the State Pension triple lock; exempting the most vulnerable disabled people from the Benefit Cap; and exempting the disabled/severely disabled child elements in Child Tax Credits (and their Universal Credit equivalent) from the Tax Credits/Universal Credit payment limits. These exemptions show that safeguarding the vulnerable is at the very heart of our reforms.

The Chancellor also announced a new National Living Wage at the Budget. This will be set at £7.20 an hour from next April, and will rise to £9 by 2020. This will benefit over 2 million workers and by 2020 a full-time worker will see their earnings rise by over £5,000 a year.

Increasing employment levels amongst people with disabilities and health conditions is a key aim of this Government. 61 per cent of ESA claimants in the Work-Related Activity Group (WRAG) want to work and I believe that it is only fair that those who are

capable of taking steps to prepare for work receive the same rate of income-replacement benefit as out-of-work claimants.

We therefore announced this reform to ESA and new funding for additional practical support for this group to ensure the right incentives and support are in place to help those with limited capability for work to take steps to move closer to the labour market, and when they are able, back to work.

From April 2017, new ESA claimants who are placed in the WRAG will receive the same rate of benefit as those claiming Jobseeker's Allowance. This change only affects new claims made after that date and there will be no cash losers among those who are already in receipt of ESA.

I can also confirm that claimants in the ESA WRAG will not be required to carry out the same job-seeking activities as a Jobseeker's Allowance claimant as a result of this change. However, claimants in the WRAG will continue to be required to undertake work-related activity. There is a great deal of flexibility in the types of work-related activity that claimants may be asked to participate in and activities must be appropriate and reasonable for each individual claimant taking into account their circumstances.

As highlighted above, the Budget announced that claimants with limited capability for work will receive additional support to help them take steps back to work, investing £60 million by 2017/18 increasing to £100 million by 2020/21.

In addition, I recently announced that we will be looking at how we support disabled people into work, and in particular the assessment we use for ESA. To do this, we need a system focussed on what a claimant can do and the support they will need, and not just on what they cannot do. In a world with Universal Credit that is more personalised and stays with people, it is time to think about how we can improve the way people are assessed for sickness benefits that is less 'binary' and more positive in looking at what people can do and the support they will need to do it.

Let me re-iterate that those with the most severe work-limiting conditions and disabilities who are furthest from work will continue to receive the extra financial support ESA provides for those in the Support Group. Disabled people will continue to be able to claim Personal Independence Payment to help meet some of the costs incurred by having long-term ill health or a disability.

These announcements are not about claiming that disabled people will be more likely to return to work if they have their benefits cut. Instead, it is about emphasising that it is not fair to simply write disabled people off – if they can do some work, even small amounts, we should be encouraging them to do so. These measures will ensure the right incentives and support are in place for those closer to the labour market in order to help them make this transition when they are ready.

Your constituents particularly mention the difficulties people with mental health conditions face with entering employment. We know that 47 per cent of all ESA claimants have a mental health condition as their primary barrier to work. Being out of, or away from, work can not only sustain the symptoms of a mental health condition but also reinforce negative views about capability and future prospects.

Returning to suitable work can improve mental health, and that is why this Government is committed to ensuring that people with mental health conditions receive effective support to return to, and remain in, work. That is why we will be investing £43 million over the next three years in trialling ways to provide specialist support for people with mental health conditions.

We also know that previous schemes did not do enough for disabled people including those with mental health issues. This is why the Work Programme focuses on giving some of the hardest to help people two years of support as it can be a real struggle to get back into work.

However, whilst the Work Programme is performing well, we want it to deliver improved results for those people with mental health issues and have taken a number of steps towards improving performance for this group. Every provider has been required to submit and agree improvement plans focused on further increasing performance for those claimants in need of most support. The Department is also identifying the best practice of top performers and is sharing it with those providers who are doing less well than their competitors. All these measures we believe will help claimants with mental health issues better prepare for and find employment.

All of this ties into this Government's vision for disabled people, which was set out in our cross-government disability strategy: Fulfilling Potential.

Our strategy aims to remove the barriers that disabled people face to enable them to fulfil their potential and have equal opportunities to play a full and active role in society. We developed our approach with disabled people and it reflects what they have said is important to bring about the changes that will have a real and lasting impact on their day-to-day lives.

That means changing attitudes towards disability and creating more inclusive and accessible communities. It means continuing to work in partnership with disabled people and their organisations, business, the voluntary sector and others to deliver change. And it means supporting disabled people to take full advantage of employment opportunities wherever possible to halve the disability employment gap.

There are many examples of how we are supporting disabled people into employment. In 2013, we launched the Disability Confident campaign to change attitudes, make the recruitment and retention of disabled people usual practice across business and industry and so narrow the employment gap between disabled people and non-disabled people. We know that disabled people often stay in the job for longer, have a strong commitment to their job, have lower absenteeism, and can help businesses understand the needs of disabled customers and so broaden their customer base.

Access to Work is key to supporting employers in working with Government to halve the disability employment gap. It assists disabled workers and their employers to overcome workplace barriers resulting from a disability or health condition by considering a grant to assist with the additional costs of employing someone with a disability, within the wider context of potential solutions and adjustments.

Support comprises of help which is over and above what an employer might be expected to reasonably provide to meet their responsibilities under the Equality Act

2010. Work Choice provides tailored support to help disabled people who face the most complex barriers to employment find and stay in work and ultimately help them progress into unsupported employment, where it is appropriate for the individual. Work Choice has helped 29,520 disabled people into work since 2010.

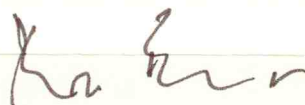
Furthermore, Jobcentre Plus has a dedicated network of Disability Employment Advisers who provide support and advice for disabled people who need help finding and retaining employment. They can refer individuals to specialist programmes, including Work Choice, and can use the professional expertise of Work Psychologists, who specialise in working with disabled people. Disability Employment Advisers advocate with employers on the individual's behalf and help employers to explore job solutions such as the restructuring of a job's tasks, environment, or the provision and change of equipment.

We are fully committed to ensuring disabled people live independent lives and have the same opportunities and support to realise their full potential as anybody else. The introduction of Personal Independence Payment to replace Disability Living Allowance for people of working age is a real step forward and reflects a modern understanding of disability, supporting disabled people and enabling them to lead full, active and independent lives. It is only right that support should be targeted at those who require the most assistance to lead independent lives.

This Government is spending £21 billion a year supporting disabled people. Our welfare reforms will ensure the billions we spend better reflect today's understanding of disability and offer the targeted support that disabled people need in order to realise their potential and enjoy full and equal participation in society.

I also want to highlight the fact that, according to the latest OECD data, the public spending on sick and disabled people in the UK stood at 2.5 per cent of GDP, above the OECD average of 2.2 per cent. To put that in perspective, that is a higher proportional spend on incapacity than France, Germany or Japan.

I outlined my ambitions to look again at the support we offer disabled people in a speech I delivered on 24 August, which you may find of interest. It can be found at <https://www.gov.uk/government/speeches/work-health-and-disability>.



The Rt Hon Iain Duncan Smith MP

SECRETARY OF STATE FOR WORK AND PENSIONS