



Work and Pensions Select Committee –  
Further evidence on incapacity benefits  
and Pathways to Work

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## Introduction

1. CPAG has already submitted evidence to the Work and Pensions Select Committee's inquiry into reform of incapacity benefits. We welcome the opportunity to provide additional evidence following the publication of the Welfare Reform Green Paper.
2. We agree with the Government that many disabled people want to work and have the right to do so. We welcome the emphasis on what disabled people can do rather than their incapacity, and the new rates will be higher.
3. We are greatly concerned about the conditional aspects of the reform. We see no need for this and suggest it may undermine both good will and anti-poverty policy. We are also doubtful that the resources provided will be sufficient to roll-out Pathways to Work. Neither do the ongoing staff reductions in the Department for Work and Pensions auger well for effective implementation.
4. This submission draws on the experiences and opinions of a small number of sick or disabled parents we have interviewed over the past few weeks. Although these parents are by no means a representative sample, we feel that their opinions and experiences of Government policy are valid and illuminating.

## Benefit sanctions

5. If the Government believes that a million disabled people are keen to access paid employment, we cannot see the justification for conditionality. The provision of excellent quality support – which should include benefit advice – is quite sufficient to attract disabled adults to participate.
6. We are concerned that the most vulnerable groups, such as those with fluctuating conditions or mental health problems may be the least able to fulfil any job-search requirements and to incur benefit sanctions. This will plunge them and their children into poverty and may worsen their health.

## Benefit adequacy

7. We welcome the promised increase in the benefit rate for new claimants who are awarded the Employment and Support Allowance (ESA). However, given the loss of existing disability premiums within income support (IS) and the abolition of age additions and adult dependency increases we are concerned there may be significant losers.
8. If the 'Support' component has a higher rate than the 'Employment' component, and both are higher than current incapacity benefit (IB) levels, this will generate three different rates for incapacity benefits. We are concerned that existing claimants who will not receive the new Employment and Support Allowance will continue to receive less irrespective of need.
9. We welcome the Government's commitment to 'continue to look for further ideas to help people take opportunities without fear of their benefits being removed'. (para 107). Disabled people often feel that if they undertake any activity – even if it is good for their health – they will lose their benefits.

*'The stupid thing is you've only got to do something on a regular basis, they think you're doing something you shouldn't be doing...'*

However, the Green Paper contains mixed messages about the benefit system:

- On the one hand it reports that many people who move onto incapacity benefits 'will never return to the workplace, with a devastating impact on themselves (and), their family.' (para 34) If moving onto incapacity benefits has 'a devastating impact' upon sick or disabled people's lives, then clearly the benefit system is not currently providing security for those who cannot work.
- On the other hand it implies that the generosity of the benefit system prevents people from working 'by offering more money the longer someone is on benefits...' (para. 1) We do not believe that the 'generosity' of benefits is a deterrent to employment.

*'I was on £20,000 a year and then I was on £3,500 a year... And every year you get little bit more benefit money, but everything else goes up much more extremely ... so you're a little bit worse off every year... incapacity benefit is rubbish, it's awful...'*

- We accept that the inefficient manner in which the benefit system is currently administered makes people think twice before moving off benefits and into work.

*'It takes a long time to get benefits put into place, and get to know what you're entitled to... for example, six to eight weeks to get benefits like income support and housing benefit and things like that put into place ... it makes you think twice, it makes everybody think twice...'*

## Employment

10. Those disabled parents we spoke to recognise that paid employment can bring significant financial and psychological benefits. Many would like to work. However, their experience of, and attitude to, paid employment reveal ongoing problems with discrimination and highlight the failure of the Government to communicate its message effectively or sensitively.

*'... Until people are accepted in society with their disabilities you're not going to get disabled people into work and happy...'*

11. Although the Green Paper places greater responsibility on employers, many disabled people assume that they are being blamed for 'languishing' on benefits. Despite the introduction of the Disability Discrimination Act, many disabled parents feel that society – and employers - continue to discriminate against them, and that appropriate support is seldom provided. The commitment to improve funding and delivery of Access to Work is welcome in this regard.

12. Although the Green Paper states 'the problem is not a lack of jobs' (para 14), some parents are concerned about the quality and appropriateness of jobs that are available to them

*'All they're interested in is targets, they don't care about what sort of a dead end job they put you into...'*

13. The Green Paper argues that work is 'good for individuals, good for families, good for communities and good for Britain' (para 23). However, some disabled parents report that balancing paid work alongside their health needs and family responsibilities damages their health, and has an impact on their ability to parent.

*'I was always exhausted, I hadn't got the energy to work and be a parent, it was either/or...'*

*'... if my mum hadn't had the pressure of work... she wouldn't have been as ill as she was and she wouldn't have needed to be hospitalised...'*

## Support Services

14. The Green Paper contains a welcome focus on prevention - but only for people who are already in paid work. Given that most claimants move onto incapacity benefits from other benefits, prevention should involve the delivery of an adequate financial safety net that protects the health of all.

15. Disabled parents are sceptical about the availability of the sort of reliable 'joined-up' services that they need to cope on a day-to-day basis, let alone help them engage in work-focused activities or access paid employment.

*'It's hard enough getting care in the home, how are they going to get care in the workplace... I had to fight tooth and nail (to get my care needs met)...'*

16. Some disabled parents feel that services do not address the complexity of their lives, and ignore parenting responsibilities, even though many are lone parents.

*'The professionals around us don't see me as a mother... They see me as a 23 year old Asian adult with mental health problems ... they don't see the impact it has on my daughter ...'*

17. The ability to engage in work-focused activities and access employment is directly linked with the availability of appropriate and accessible transport and childcare. Both issues have been largely ignored in the reform process.

*'I'm not happy about leaving her (in an inner city) school club until 6.30 in the evening... I want to see my daughter...'*

## The new system

18. The Green Paper is vague in many places, and we have a number of queries about the new system.

19. We are concerned about the very low level at which the basic allowance will be set during the assessment process which, at basic jobseeker's allowance rates, will place disabled people into poverty.<sup>1</sup>

20. The combination of increased complexities alongside staff cuts may render the 12 week target for assessments challenging and could generate a postcode lottery.

21. The Green Paper accepts that the PCA is 'one of the toughest in the world' (para 62). The revised PCA will not just establish an individual's entitlement to benefit, but it will distinguish between recipients capable of work focused activities and those who are not, a highly complex and sensitive task.

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<sup>1</sup> 80% of children in households with a parent claiming JSA were in income poverty in 2003/04. National Statistics, Households Below Average Incomes, (DWP, 2005)

22. Decision makers will have to stream disabled people on the basis of evidence from a variety of medical practitioners. But disabled parents report that medical practitioners do not always agree.

*'Now the government are saying "We've got to assess you to see if you can go out to work", but how much does a person have to be pulled, and prodded and poked and questioned?... How can they separate people out? .... I was under a GP, then you're under a neurologist, a cardiologist, you can add in a couple more (Ear Nose and Throat) people ... and they're all telling you different things...'*

23. There are a number of issues that need to be clarified with regard to the Employment and Support Allowance (ESA). For example:
- Will the increased rates protect benefit recipients' income over time? Will all recipients be better off even after the loss of disability premiums, age additions and adult dependency increases?
  - Will the ESA be backdated to the time of the original claim if awarded after the PCA?
  - Can a person ask to be moved from one component to another? Will they have to go through the PCA again? How often will somebody be able to request a review?
  - How long will people have to remain on the employment component if they can't access work?
  - The Green Paper is unclear about how the new benefit will impact upon entitlement to other benefits, for example, jobseeker's allowance, tax credits, income support, carer's allowance, disability living allowance, housing benefit and council tax benefit.
  - If recipients return to previous ESA levels following a period in work, will other benefits – such as housing benefit - automatically return to their previous level?

## Delivery

24. We are concerned about delivery issues, particularly given proposed staff cuts within Jobcentre Plus. Increasing the number of work focused interviews and personal capability assessments will be expensive and labour intensive. An increasing reliance upon medical practitioners also has resource implications.
25. We do not think that £360 million is sufficient. If current spending levels within the Pathways to Work areas were rolled out nationally, the cost would be nearer £500 million<sup>2</sup>. As it is, we are concerned that the Pathways pilots may have engaged easier to help groups, and that if all new claimants are involved costs will be higher.

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<sup>2</sup> Opportunity for All – 7th Annual Report (Department for Work and Pensions, 2005, para 111) reports that "This will extend Pathways to Work to cover a third of the country at an annual cost of around £167 million per year, on the road to making this a nationwide offer." If you multiply £167 million by three you get £501 million.

26. The Government proposes to 'use private and voluntary sector expertise to provide personal advice and support for individuals to help them back to work.' (para 84). Although both private and voluntary sectors have a role to play, we are concerned about them being principal providers. We feel that it is neither realistic nor appropriate to expect the voluntary sector, which varies hugely in coverage and capacity, to take on a role as a primary provider. We do not accept the voluntary sector exists to deliver state functions.
27. We are especially worried about non-state providers being given the power and the discretion to sanction claimants. Extending delivery through these sectors raises difficult questions around accountability, and the impact that delivery contracts - and the financial motives these create - will have on quality of service.

### Is the Government getting its message over?

28. As this submission indicates, there is much to be welcomed in the Green Paper - particularly with regard to additional support. However, it is important to reassure and engage disabled people themselves. Ministers were complicit in a very negative press campaign prior to its publication and hints in the press about benefits cuts have generated high levels of anxiety. While the Green Paper is couched in more constructive language it remains peppered with references to 'benefit dependency'.
29. Mixed messages have taken their toll both on the way in which disabled people view the Government's attitude to incapacity benefits, and how the general public view disabled people.  

*'You feel put down all the time because you don't work - people look down on you, people call you low life...'*
30. If disabled people are to be 'bought in' to the reform process, both rhetoric and policy must emphasize support rather than threats.

## About CPAG

CPAG is the leading charity campaigning for the abolition of poverty among children and young people in the UK and for the improvement of the lives of low income families. CPAG aims to: raise awareness of the extent, nature and impact of poverty; bring about positive income policy changes for families with children in poverty; and enable those eligible for benefits and tax credits to have access to their full entitlement.

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