

PREM 19/3026

REPORT of the COMMITTEE on RESTRICTIONS  
AGAINST DISABLED PEOPLE;  
Invalid Care Allowance;  
Discrimination Against Disabled  
People:

HOME AFFAIRS

MAY 1982

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
<del>2-3-82</del>		1-3-90					
12-5-82		<del>13-6-90</del>					
<del>---</del>		21-6-90					
25-1-83							
<del>2-11-83</del>		PART /					
17-4-86		ONE					
<del>2-4-86</del>		(CLOSED)					
19-6-86							
25-6-86							
15-7-86							
3-2-87							
13-7-87							
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12-12-89							
<del>2-1-90</del>							
9-1-90							

PREM 19/3026

PART 1. ends:-

SS/NI to SS/Empl 27.6.90

PART 2 begins:-

SS/Empl to PM - July 90.





Northern Ireland Office  
Stormont Castle  
Belfast BT4 3ST

*ce/11*

The Rt Hon Michael Howard QC MP  
Secretary of State for Employment  
Department of Employment  
Caxton House  
Tothill Street  
LONDON SW1H 9NF

*n. b. P.M.  
BHP  
27/6*

27 June 1990

*Dear Michael,*

REVIEW OF EMPLOYMENT AND TRAINING SERVICES FOR PEOPLE WITH  
DISABILITIES

*rap*

In your letter of 13 June to Geoffrey Howe, you sought comments on the conclusions of the above Review, shortly to be published in a Consultative Document.

Although the Review did not cover Northern Ireland, the report will be studied with much interest here. We are already developing our disablement services along lines compatible with the Review's findings. Because of its size, our Employment Rehabilitation and DRO services have always worked closely within a single organisation, presently the Training and Employment Agency. We are in the process of re-organising our DRO service much along the lines proposed in your document. We are also taking part in an EC Helios project which is trying to establish continuity between medical and employment rehabilitation for severely disabled people.

I agree with your cautious approach towards any changes to the present Quota system. It does not work properly here either, but there is no alternative which would command widespread support.

I would be content that the consultative document should be published and I look forward to seeing the results of the consultation process.

Copies of this letter go to the Prime Minister, the Lord President, members of H Committee and Richard Luce and to Sir Robin Butler.

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Pr  
PB*

HOME AFFAIRS. Dabled  
Man 82



*cf*



PRIVY COUNCIL OFFICE  
WHITEHALL, LONDON SW1A 2AT

25 June 1990

*n.b. P.M.  
JHP  
26/6*

*In Michael*

**REVIEW OF EMPLOYMENT AND TRAINING SERVICES  
FOR PEOPLE WITH DISABILITIES**

Thank you for your letter of 13 June seeking colleagues' agreement to the publication of a Consultative Document on the conclusions of the Review of Employment and Training Services for People with Disabilities, and to announcing this by way of a written Parliamentary Answer.

Nicholas Ridley, Tony Newton and Malcolm Rifkind wrote supporting your proposal.

No other colleague has commented. You may take it, therefore, that you have colleagues' agreement to proceed as you propose.

I am copying this letter to the Prime Minister, members of H Committee, Richard Luce and to Sir Robin Butler.

*[Handwritten signature]*

GEOFFREY HOWE

The Rt Hon Michael Howard MP

HOME AFFAIRS: Disabled  
Reshe May 22





CONFIDENTIAL



hw  
A: Employment

10 DOWNING STREET  
LONDON SW1A 2AA

*From the Private Secretary*

22 June 1990

**EMPLOYMENT AND TRAINING SERVICES FOR THE DISABLED**

Thank you for your letter of 20 June which I submitted to the Prime Minister yesterday evening.

The Prime Minister is content for the Consultative Document to be published, taking on board the further changes suggested in your letter and, if your Secretary of State is content, the proposed changes to Paragraph 9.9 in the attached annex.

I am copying this letter to Carys Evans (Chief Secretary's Office).

BARRY H POTTER

Martyn Waring, Esq.,  
Department of Employment.

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ST



n.b. P.M.  
22/6

*[Handwritten initials]*

SCOTTISH OFFICE  
WHITEHALL, LONDON SW1A 2AU

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The Rt Hon Michael Howard QC MP  
Secretary of State for Employment  
Caxton House  
Tothill Street  
LONDON  
SW1H 9NF

21 June 1990

*Dear Michael*

REVIEW OF EMPLOYMENT AND TRAINING SERVICES FOR  
PEOPLE WITH DISABILITIES

*Also with BUP*

Thank you for copying to me your letter of 13 June to Geoffrey Howe covering the draft of this consultative document which you propose to publish.

I am happy with the approach which the review has taken; and (subject to a change in the footnote to chapter 4 which refers to local enterprise companies, which I understand our officials have agreed) I am content that the draft be published as you propose.

I shall be grateful to be kept in touch with developments.

A copy of this letter goes to the Prime Minister, members of H Committee, Richard Luce and to Sir Robin Butler.

*Yours ever*  
*Malcolm Rifkind*

MALCOLM RIFKIND

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HOME AFFAIRS: enabled Peckh May '82.



# dti

the department for Enterprise

*afp*

*n.b.P.M.  
RHP*

*22/6*

The Rt. Hon. Nicholas Ridley MP  
Secretary of State for Trade and Industry

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The Rt Hon M Howard Esq QC MP  
Department of Employment  
Tothill Street  
LONDON  
SW1H 9NF

Department of  
Trade and Industry

1-19 Victoria Street  
London SW1H 0ET

Enquiries  
071-215 5000

Telex 8811074/5 DTHQ G  
Fax 071-222 2629

Direct line  
Our ref  
Your ref  
Date

071-215 5623  
PE4AYP

*21* June 1990

*Dear Michael*

*Aap*

Thank you for sending me a copy of your letter of ~~13~~ June to Geoffrey Howe, together with a proposed consultative document about employment and training services for people with disabilities.

I think that the draft consultative document makes clear the undoubted defects of the quota system, which involves costs both for employers and for your Department without commensurate benefits for disabled people, and which has sustained serious criticism from the Public Accounts Committee of the House. I recognise the sensitivity of any proposal for abolition of the quota system, but I do not think that you should imply, whether as part of a package involving such abolition or otherwise, that we should extend or strengthen the requirements in the Companies Act 1985 with respect to disclosure in directors' reports of companies' policies towards the disabled. As you will know, during the passage of what is now the Companies Act 1989 we resisted opposition amendments which sought to add to the burden of disclosure on companies in pursuit of social objectives, including one amendment relating to employment of the disabled. We should be reluctant now to introduce such additional burdens ourselves, and the document should come down in favour of not doing so.

I understand that our officials have been in touch about a redraft of paragraphs 5.19 and 5.20 which takes these concerns into account, and subject to a satisfactory resolution of the reference to the Companies Act provisions, I am content that you publish the consultation paper.



Recycled Paper

**dti**

the department for Enterprise

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I am copying this letter to the Prime Minister, the Lord President, the other members of H Committee and to Richard Luce and Sir Robin Butler.

*John ...*  
*London*



Recycled Paper

HONG KONG - Disabled People



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PRIME MINISTER

EMPLOYMENT AND TRAINING SERVICES FOR THE DISABLED

I attach a reply from the Department of Employment to your concerns (as set out in my letter of 18 June (attached)) about the proposed consultation document on employment and training services for the disabled.

The Employment Secretary has accepted many of the points made in that letter.

- (i) He has agreed to amend the consultation document to tone down further the arguments for abolition of the disabled employment quota scheme.
- (ii) In presenting the consultation document, he will emphasise the wider initiatives and the large sums of money already going to help the disabled.
- (iii) He has accepted the need for sensitive handling of the proposals to reduce, over time, the role of Remploy factories in favour of sheltered employment placings - although the attached Policy Unit note suggests further changes to improve the draft.

It is also clear that the consultation document must be issued, preferably this month. Policy Unit remain unhappy about the section on the merits and demerits of the quota scheme. However while Policy Unit are urging you to question the proposed approach, they do not suggest an alternative.

Content to approve issue of the consultation document in principle, subject to the changes on drafting on the Remploy factories? *Yes mb*

OR

Do you wish to press the Employment Secretary further on his proposed approach to the quota scheme?

*BHP*

BARRY H. POTTER

21 June 1990

A:\economic\education (pmm)

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DEPARTMENT OF SOCIAL SECURITY

Richmond House, 79 Whitehall, London SW1A 2NS

Telephone 071-210 3000

*From the Secretary of State for Social Security*

The Rt Hon Michael Howard QC MP  
Secretary of State for Employment  
Department of Employment  
Caxton House  
Tothill Street  
London

n. b. p. m.

BHP

21/6

21<sup>st</sup> June 1990

*For Michael,*

REVIEW OF EMPLOYMENT AND TRAINING SERVICES FOR PEOPLE  
WITH DISABILITIES

Thank you for sending me a copy of your letter of 13 June to  
Sir Geoffrey Howe.

My Department welcomes the publication of your Review of services for  
disabled people. It fits in well with the review of benefits, and  
indeed references to "The Way Ahead" and the proposed Disability  
Employment Credit make this link explicit.

I am particularly pleased to see the proposals to integrate the  
Employment Rehabilitation Service with the Employment Service. This  
should help to encourage effective liaison between medical assessment  
and employment advisers in handling the difficult cases where a person  
is both unemployed and disabled. I know that in the context of the  
Disability Employment Credit, officials are considering how far the  
work of the Rehabilitation Service can be harnessed to avoid  
subjecting disabled people to a number of similar assessments for both  
employment and benefit purposes.

I am copying this letter to the Prime Minister, members of H  
Committee, Richard Luce and Sir Robin Butler.

*Mr. Tony*

TONY NEWTON





CEPU

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Department of Employment  
Caxton House, Tothill Street, London SW1H 9NF

Telephone 071-273 5802  
Telex 915564 Fax 071-273 5821

Secretary of State

Barry Potter Esq  
Private Secretary  
10 Downing Street  
LONDON SW1A 2AA

26 June 1990

*Dear Barry*

*Step*

**EMPLOYMENT AND TRAINING SERVICES FOR THE DISABLED**

I am replying to your letter of 18 June setting out the Prime Minister's views on the proposed Consultative Document 'Employment and Training for People with Disabilities'.

The Review on which the Consultative Document is based was announced publicly by Sir Norman Fowler some two years ago. A commitment was made by our Ministers to publish a Consultative Document setting out the Review's conclusions. Since then there has been increasing parliamentary pressure to publish the document. Its publication was promised "shortly" in the Command Paper 'The Way Ahead: Benefits for Disabled People', which was published in January. As the Secretary of State indicated in his letter of 13 June, we subsequently answered a Parliamentary Question in March with the statement that we 'anticipated' publishing the document in June.

We are, therefore, firmly committed to publishing a Consultative Document, and any further delay will almost certainly cause non-publication itself to become a major issue in Parliament.

In the Document, we have sought to set the proposals in the context of wider Government strategy. We refer to the recent improvements in disability benefits both in the foreword and at other relevant parts of the Document. Officials at the Department of Social Security are satisfied that our proposals and theirs have been properly linked together in the Document.

We have sought both to show sensitivity to the feelings of people with disabilities and their champions, and to ensure that our proposals are firmly in line with Government policies on deregulation and on public expenditure. We accept completely the Prime Minister's point that the shift from sheltered workshops to





Secretary of State  
for Employment

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sheltered placements needs to be handled sensitively. We would intend to proceed with great care in this area, and that is made clear in the Document itself (for example in paragraphs 9.8 and 9.10).

We also recognise the important point which the Prime Minister has made about the Quota scheme. In the Document we do not propose its abolition, but rather seek comments taking account both of the substantial arguments which can be put against it and of the need not to send employers wrong messages about our expectations concerning their attitude towards people with disabilities. In the light of the Prime Minister's concerns, we are proposing some drafting amendments (attached) to further tone down the arguments for abolition. However, we do think it important not to appear to give too much credence to what we see as a bureaucratic and ineffective system of regulating employers' behaviour. We believe, for example, that improving reporting requirements would not overcome the basic difficulties, and that it would involve more bureaucracy for employers and significant additional administrative cost.

The Document does seek to take credit for the large sums of money which the Government is spending to help people with disabilities get jobs. We will, of course, in any press briefing highlight further what the Government is already doing. We have, however, made clear that resources are limited and that debate must take place within those resource limitations. The Document is very much concerned with more effective use of resources. It carefully avoids any commitment to significant increased expenditure. Since my Secretary of State, with the Chief Secretary's agreement, wrote his letter of 13 June to the Lord President, the Chief Secretary has written to us accepting that a Consultative Document should be published and suggesting several amendments which will have the effect of making the expenditure constraints even clearer. We are now incorporating those suggestions into the text. In his letter the Chief Secretary has made the point that no budget can be considered sacrosanct in the current PES round, and for that reason we do not think that it would be wise to refer in the Document to the planned increases in our disablement budgets over the next three years.

I hope that, in the light of this clarification, the Prime Minister will be able to agree to the publication of the Consultative Document, including the amendments indicated.

I am copying this letter to Carys Evans (Chief Secretary's Office).

*Yours  
Marty*

**MARTYN WARING**  
Principal Private Secretary

POSSIBLE CHANGES TO THE CONSULTATIVE DOCUMENT REFERENCES TO QUOTA

1. The end of paragraph 5 of the summary to read:

It might be argued that, even if it cannot be made effective, the Quota scheme should be retained at present. This might be justified on the grounds that its abolition would send the wrong signals to employers about public expectations of them, though there are difficulties in justifying an ineffective law on these grounds. In Chapters 5 and 6 comments are invited on the merits and demerits of the Quota scheme and other forms of legislation, and on other approaches to securing better employer involvement.'

2. The ending of 5.22 to omit the sentences:

'Sanctions appeal as a short-cut solution. But there is no short-cut.'

And the first 'over 45 years' to be omitted in the following sentence.

3. Paragraph 5.23 might read:

'The Government, therefore, does not believe that it would be right to introduce new legislation aimed at securing good practice through sanctions. Moreover if the current Quota scheme did not exist, it would be difficult to justify introducing it. There clearly is an issue about whether abolition of the Quota scheme would send employers the wrong signals about public expectations of them, and about whether this justifies its retention at least for the present, though there are difficulties in justifying an ineffective law on these grounds.'

The invitation to comment in 5.24 then follows, omitting the piling up of arguments against Quota which appears in the current 5.23.

HOME AFFAIRS:

Disabled People May '82



20 June 1990

EMPLOYMENT AND TRAINING FOR THE DISABLED

I have seen Martyn Waring's letter to you dated 20 June. FILED BY

My comments on it are as follows.

I raised three concerns in my earlier note.

1. Presentation. I still question whether the proposals come across clearly enough as part of a seamless web of policies towards the disabled. But the point has been registered and D/Emp appear to have taken it on board vis a vis the press briefing. I would be inclined to let this one lie.

2. Quota. Waring's note is ingenuous on this point. The document does not advocate outright abolition. And the suggested drafting amendments make a marginal improvement. But it will be clear to anyone reading the document in what direction the Government would like to move. The only option the document treats with any favour is the improved reporting requirements under the Companies Act. Although Waring's note appears to cast doubt on even this option.

He says that this option would "not overcome the basic difficulties, and that it would involve more bureaucracy for employers and significant additional administrative cost". These criticisms are not mentioned in the document! (See para 5.19 and 5.20).

Moreover, the most important question is not addressed at all. The disabled lobbies are known to favour either a levy/grant system or anti-discrimination legislation. We are inviting them to comment "on the merits and demerits of the Quota Scheme and of alternative legislative approaches ..." No prizes for guessing the sort of answers we will get. Is this wise?

The Prime Minister should continue to question the proposed approach.

Remploy Factories. There are indeed references in the document to the need to handle sensitively the shift towards sheltered placements. But the document fails to address what will be the central concern of many people. We have to reassure those who might say: "you are cutting the number of Remploy factories. How will my severely disabled relative cope, if the nearest sheltered factory within the reduced network is not within travelling distance".

An alternative drafting which might meet this point is as follows:

Para 9.9

(a) Omit: ".... with a more modest framework of sheltered factories and workshops offering help for those who can be assisted in no other way".

(b) Replace by a new sentence: "For some, however, sheltered placements will never be a viable option. Special care will be taken to ensure that the more modest framework of sheltered factories and workshops will continue to give them adequate access to the world of work".



ANDREW DUNLOP

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Cep 4



10 DOWNING STREET  
LONDON SW1A 2AA

*From the Private Secretary*

18 June 1990

*Dear Martyn,*

EMPLOYMENT AND TRAINING SERVICES FOR THE DISABLED

The Prime Minister understands that your Secretary of State is considering publication of a consultation document on employment and training services for the disabled.

The Prime Minister has noted that any such consultation document would have to be fitted into the wider strategy for the disabled. Reference should be made to the recent improvements to disability benefits and to the planned increases in the Department of Employment disabled budget over the next three years.

The Prime Minister has also questioned whether it is wise to invite comments on the abolition of the statutory quota on disabled within the workforce, when lobby groups are known to favour statutory arrangements. An alternative might be to retain the present quota while perhaps improving the reporting requirements.

The Prime Minister has also noted that the shift away from Remploy factories to sheltered placements would need to be handled carefully and sensitively, not least for those for whom sheltered placements will never be a viable option.

In the light of the above concerns, the Prime Minister has commented that there is room for doubt about whether a consultation document is desirable.

The Prime Minister would be grateful for your Secretary of State's views.

I am copying this letter to Carys Evans (Chief Secretary's Office).

*Yours,  
Barry*

Barry H. Potter

Martyn Waring, Esq.,  
Department of Employment.

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Prime Minister

Context to follow Policy Unit

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Recommendations at 'X' - they seem wholly sensible.

15 June 1990

BHP

15/6

PRIME MINISTER

Yes - but doubt whether we need a document at all. It

EMPLOYMENT AND TRAINING SERVICES FOR THE DISABLED

will only be used as a basis for more money etc

Michael Howard is seeking agreement to publish a lengthy Consultative Document. It will mark the culmination of a review set up over two years ago. The disabled lobbies will fall on it like birds of prey. It needs careful scrutiny and sensitive handling politically.

The Existing Programme

This accounts for a large tranche of government spending: in the region of £400 million a year. Around 225,000 disabled people are helped back into employment.

Government involvement takes three forms:

- providing a legislative framework: employers with 20 or more employees have a statutory duty to ensure that at least 3 per cent of their workforce are registered disabled;
- specialist D/Emp services: this includes the promotion of good practices amongst employers, counselling and rehabilitation facilities, sheltered employment and grants to employers to reduce the barriers to work for the disabled;
- general programmes: the disabled have access to mainstream programmes like YT, ET and Jobclubs. The normal eligibility criteria are, however, relaxed for them.

The Proposed Changes

The main changes canvassed in the Consultative Document are as follows:



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1. A re-examination of the quota system: The document highlights the existing nonsense: the quota is 3 per cent, but only 1 per cent of the workforce register as disabled (although if all the disabled in the workforce did register they would account for 3 per cent). So it is not possible for employers to meet the quotas. It is, therefore, honoured only in the breach with D/Emp issuing exemptions to employers. The main reasons why so few disabled register appears to be that they (a) do not wish to be stigmatized (b) find work without difficulty.

Michael Howard has shied away from outright abolition of the quota. He calculates (rightly) that the disabled lobby would claim this as a sign of the Government's lack of commitment to the disabled. His strategy is to try to kick the whole issue into the post-election long grass. The document, therefore:

- sets out the inadequacies of the quota system;
- outlines the possible alternatives (which include a levy on all recalcitrant employers and anti-discrimination legislation analagous to race and sex) and the strong arguments against them;
- gives a strong steer in favour of a voluntary approach (eg The Companies Act requires employers to set out in their annual report what their policy is towards employing the disabled. At present they could fulfil this requirement by saying they don't have one. One suggestion might be to require employers to report the extent to which they have met a Code of Practice set out by the Government).
- invites comments on the quota and its alternatives.

2. Rationalisation of Special Services: To get the disabled into jobs often requires a combination of services:

- rebuilding confidence;

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- physiotherapy;
- skills training.

At present this is done by a network of 26 Employment Rehabilitation Centres (ERCs) around the country. They counsel the disabled, assess their needs and help to rehabilitate. But they have two drawbacks:

- one third of people live beyond daily travelling distance from ERCs;
- they are expensive to run.

The plan is:

- (a) to cut the number of ERCs to around 9. They will become the equivalent of "teaching hospitals" providing a full range of services for their immediate area, support and training for voluntary organisations and developing new techniques;
- (b) to set up 50 field teams (probably based in local Jobcentres) to cover the whole country. They will take over much of the assessment work from ERCs and provide advice to voluntary organisations;
- (c) to contract-out most of the rehabilitation work to the voluntary organisations who are specialists in the field eg the Spastics Society.

This should promote better and more cost-effective access to services.

### 3. Changing the emphasis of Sheltered Employment

Some 21,000 severely disabled people - who are unable to obtain or retain jobs in open employment - are provided with sheltered employment through:

- Remploy, a government supported company;

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- Local authority sheltered workshops;
- Sheltered placements with private sector employers (with public funds used to compensate employers for the lower productivity of the disabled).

At present nearly 90 per cent of the £140m budget is spent on Remploy and the local authority workshops. But these are much more costly than sheltered placements: a place at Remploy costs nearly twice as much as a place with an employer (due to the high overheads). Moreover Remploy is more limited in the range of jobs it can offer and does nothing to integrate the disabled with the non-disabled (something that is highly valued).

D/Emp propose to shift resources away from Remploy and the local authority workshops towards sheltered placements with employers.

COMMENT

I have three main concerns:

First, the document may be seen by the disabled lobby as a damp squib. The length of time taken to produce it and the length and repetitiveness of the text is inverse proportion to the number of concrete proposals! "What have you been doing for the last two years" might be the cry.

In many ways this is inevitable. We cannot dispense largesse when the public spending round is so tight. In any case the disabled as a group have done quite well out of the Government over the last year:

- a Disability Employment Credit worth £80 million was announced as part of the review of Disability Benefits. It will offer a work incentive similar to Family Credit;
- overall the Disability Benefits package will increase net spending on the disabled by £230 million between 1990-1993;

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- as a result of last year's PES round spending on employment measures for the disabled was increased by £63 million between 1990-1993.

It is essential that presentation accompanying the publication of the document fits this review into the context of the Government's overall strategy and generosity towards the disabled. Although this is alluded to in the document it doesn't come out strongly.

Second, we are inviting trouble by asking the lobby groups to comment on alternatives to the quota. The disabled lobbies strongly favour either the introduction of a levy or anti-discrimination legislation. Neither is acceptable to us. If we ask the wrong questions we are liable to be presented with the wrong answers: what do we do then? We could end up losing twice over:

- criticised for wanting to abolish the quota;
- presented with a strong wish for even more unacceptable alternatives.

Michael Howard needs to be asked whether this is not a case for letting a pretty toothless dog lie. *Agreed*

Third, the rationalisation of Employment Rehabilitation Centres and Remploy factories (which will inevitably be portrayed as cuts) needs careful presentation and implementation.

This is particularly true if some Remploy factories close:

- many of those who have been working in these factories for a long time will have become institutionalised. The transition to sheltered placements with employers will not be easy. It must be gradual and sensitively handled;
- for some severely disabled people sheltered placements with

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employers will never be a viable option. We must ensure that these people continue to have easy access to the sheltered workshops that Remploy and local authorities provide.

D/Emp should be asked to give special consideration to these points.

RECOMMENDATIONS

1. ✓ Stress the importance of the need for effective presentation to accompany the publication of the Consultative Document.
2. ✓ Ask that the Document is placed more clearly as part of an ongoing strategy towards the disabled.
3. ✓ In particular, more explicit reference needs to be made to (a) the recent improvements to Disability Benefits (b) the increases agreed in last year's PES round for the D/Emp "disabled" budget over the next three years.
4. ✓ Question whether it is (a) wise to invite comments on the abolition of the quota when the lobby groups are known to favour statutory arrangements (b) possible to retain, for the present, the quota (in the absence of acceptable statutory alternatives) whilst improving the reporting requirements of the Companies Act.
5. ✓ Ask how the shift away from Remploy factories to sheltered placements will be handled to protect those who have become institutionalised or for whom sheltered placements will never be a viable option.

Louise Ashton  
SV

ANDREW DUNLOP

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Department of Employment  
Caxton House, Tothill Street, London SW1H 9NF

Telephone 071-273 5802  
Telex 915564 Fax 071-273 5821

Secretary of State

*cc PLT*

*NBPM GWS*

*14/6*

The Rt Hon Sir Geoffrey Howe QC MP  
Lord President of the Council  
Privy Council Office  
68 Whitehall  
LONDON SW1A 2AT

13a June 1990

*Den Gannon*

**REVIEW OF EMPLOYMENT AND TRAINING SERVICES FOR PEOPLE WITH DISABILITIES**

In March 1988 Norman Fowler commissioned a Review of our employment and training services for people with disabilities. The Review is publicly known, and we have promised to publish its conclusions in the form of a Consultative Document. I enclose a draft of the Consultative Document and seek your agreement and that of colleagues to its publication. I plan to announce the publication of this document by answering an appropriate Parliamentary Question towards the end of June.

A review of employment and training services in this area is timely for three reasons. First, demographic changes make it more important to make full use of people with disabilities in the labour force in the 1990s and employment and training services need to be adequate to that end. Secondly, Tony Newton's proposal for a Disability Employment Credit opens up new opportunities for people with disabilities to work, and effective employment and training services will help them seize those opportunities. Tony Newton's paper 'The Way Ahead' referred to our Review and made clear that the two sets of proposals were part of a common strategy. Finally the existing services have been criticised in some respects, particularly as regards the legislative framework and the coherence of services, by the Public Accounts Committee and the Review represents a fully considered response to these criticisms.

The review covers both the legislative framework (particularly the current requirement on employers to employ a Quota of registered disabled people equal to 3% of their workforce), and our services for helping prepare people for, find and keep jobs and for encouraging employers to employ more people with disabilities.



Employment Department Training Agency  
Health and Safety Executive - ACAS



Secretary of State  
for Employment

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The Quota requirement has been widely criticised, not least by the Public Accounts Committee. It reflects the circumstances of 1944 when it was expected that significant numbers of ex-servicemen with varying degrees of mainly physical disability would need to be reintegrated into post-war economic activity. Declining numbers of people seek to register as disabled, and this of course strikes at the heart of the Quota system. I would therefore like to find alternative mechanisms for encouraging more employers to consider recruiting people with disabilities. However, although some in the disabled lobby are personally sympathetic to criticisms of the Quota they will certainly resist any proposal to abolish it without putting some other statutory arrangements in its place. The Consultative Document does not therefore propose abolition but analyses the weaknesses of the Quota, and of various alternative forms of legislation that have been proposed. I intend to make clear that, although we are prepared to consider proposals for effective statutory alternatives, the Government believes that a voluntary approach is most likely to be successful.

The main proposals in the document, therefore, relate to services, rather than legislation. In the 1980s the Government substantially improved services for people with disabilities, particularly through putting in place new instruments to encourage good practice among employers, through ensuring that people with disabilities have full access to non-specialist services and programmes (such as Employment Training and Youth Training), and through developing the Sheltered Placement Scheme which allows people with severe disabilities to work in firms alongside able-bodied colleagues. The Consultative Document proposes not radical changes of direction, but building further on these improvements, in a number of cases through initiatives designed to find the best way forward.

The main proposals are:

- a) More effective involvement of voluntary and private sector organisations through contracting-out most employment rehabilitation. We also propose to consider how far outside organisations can provide support in assessment and counselling of individuals and promotion of good practice to employers.
- b) Improving the Departmental specialist service through better management and training of staff and through making our assessment service available on a wider geographical basis in conjunction with contracted-out rehabilitation.
- c) Affirming our intention to move the balance of the sheltered employment programme for people with severe disabilities over time towards the more cost effective sheltered placements with employers rather than sheltered factories and workshops.



Secretary of State  
for Employment

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d) The development of a symbol which employers can use to indicate a welcome for people with disabilities and show their commitment to good policies and practices. We would want Government Departments as employers to use the symbol. However the commitment does not go beyond what is already contained in the Code of Good Practice on the Employment of Disabled People, which Departments are expected to follow.

e) Restructuring the advisory machinery. In the short term we propose reducing the size of the National Advisory Council. Comments are invited on more radical options - Ministerial chairmanship of the National Advisory Council and replacing the current network of local advisory bodies with a smaller network of regional bodies. But I would need to find an appropriate legislative vehicle for those to be implemented, and it is made clear that we cannot at this stage say when that would be possible.

In compiling the document we have been able to use material which has just become available from a major new study on people with disabilities in the labour market. This report - entitled Employment and Handicap - will be published around the same time as the Consultative Document. It meets a criticism put by the Public Accounts Committee that we lack adequate information on which to base planning of services.

The expenditure implications of commitments in the Consultative Document are modest and have been discussed with Treasury officials. I would emphasise however that the accent in the document is not on new public money but on more effective use of resources. I wrote recently to Norman Lamont and my officials are in discussion with his on one or two outstanding details in the Consultative Document itself, which will of course be cleared before publication.

There has been considerable interest expressed in Parliament about the Consultative Document, and some impatience. We have told Parliament that we anticipate publishing the document in June. I should therefore be most grateful if you could let me have your agreement to publication, together with any comments you wish to make, by 21 June.

I am copying this letter to the Prime Minister, all members of H Committee, Richard Luce and to Sir Robin Butler.

*Yours ever  
Michael*

**MICHAEL HOWARD**



# EMPLOYMENT AND TRAINING FOR PEOPLE WITH DISABILITIES

## CONSULTATIVE DOCUMENT

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## Foreword by Secretary of State

The publication of this consultative document marks an important point in the development of services to assist people with disabilities to prepare for, gain and retain employment. It follows a comprehensive review of the existing provision in this area. The proposals in it complement that for a Disability Employment Credit announced in the Command Paper "The Way Ahead: Benefits for Disabled People" (Cm917) recently published by the Department of Social Security.

The need for people with disabilities to be given the maximum opportunity to undertake suitable employment will become increasingly evident as we move into the 1990s and current demographic trends have an impact on the labour market. The review leading to this consultative document has taken account of this, together with views previously put to the Government by, for example, the Public Accounts Committee and the National Advisory Council on Employment of Disabled People.

The consultative document sets out various developments which will be put into effect immediately or in the very near future. It also seeks comments on a wide range of other proposals and questions. What is now most important is that all concerned in this vital area, not least people with disabilities themselves, should make their views known on these aspects of the Consultative Document. I look forward to receiving comments and to being able to make the most of this opportunity of ensuring that the resources available for employment and training provision for people with disabilities are used to best effect in helping to meet their needs and those of the labour market.

MICHAEL HOWARD

## INTRODUCTION

This Consultative Document is about how best to help people with disabilities find, keep and advance in work, so that society can draw more effectively on their talents and skills.

Recent reports (eg by the Public Accounts Committee) have questioned the continuing effectiveness of aspects of existing machinery for helping people with disabilities. As the White Paper "Employment for the 1990s" shows, the coming decade will present new challenges and opportunities for people in, or seeking work. For these reasons it is time for a fresh appraisal of services. We believe that certain key considerations need to be taken into account in making that appraisal.

First, there is a need fully to respect the changing aspirations of people with disabilities themselves. People with disabilities increasingly insist on their right to be treated as individual people, not categorised; to be served and not managed by services; not to be unnecessarily segregated in training and work from their non-disabled colleagues; to have their full potential and its development fairly recognised by employers and public services.

Second, the full commitment of employers must be secured. It is employers who, through their policies and practices, will primarily determine how far people with disabilities are able to find, keep and advance in work. It is in employers' interests to utilise the talents of people with disabilities. Policies must cause them to recognise that interest. Employers and their organisations can also help the effective delivery of public programmes.

Third, services must be relevant to the changing structure of the labour market in the 1990s. The reduction in numbers of young entrants will create new opportunities for people with disabilities. Many of these will be in service

industries or self-employment and programmes need to develop an appropriate focus on these areas. They also need to equip people with disabilities with the flexibility and new skills to cope with occupational and industrial change.

Fourth, the contribution to public services which voluntary organisations and others in the community can make must be fully exploited, to tap sources of expertise and knowledge, and to bring to bear a particular commitment, sensitivity and flexibility. In the 1940s, when the foundations of many of the current services were laid, it was assumed that normally Government would provide services directly. To meet the needs of the 1990s, an appropriate mix of direct and contracted-out provision is required.

Fifth, services must be coherent in working together, where necessary, to meet needs. Some people with disabilities will have multiple problems some of which (eg health, family) are the concern of non-employment services but all of which may affect their prospects of getting work. There must be effective arrangements to chart, with individuals, the best routes for them to take to get suitable work; to plan and manage employment-related services so that relevant forms of help are available; and to secure the links required with non-employment services needed to ensure that the whole range of individuals' problems are tackled as coherently as possible.

Sixth, people with disabilities must have appropriate incentives to work. The Department of Social Security has separately published "The Way Ahead: Benefits for Disabled People" (Command Paper Cm917). This includes proposals for improvements in the balance and structure of disability benefits which will help ensure that they do have such incentives, in particular proposals for a new in-work Disability Employment Credit, and describes the context within which these changes will take place. The proposals in this Document seek to ensure that people eligible for the

new benefit are adequately supported in their search for work.

Finally, clear priorities must be chosen since resources available for public services need to be used to best effect. It is simply not possible to meet every potential demand on public services by people with disabilities. Resources must be deployed cost-effectively to ensure that the maximum number of people with disabilities benefit from any given level of resource. This involves not only efficient management of services, but also professionalism, coherence and utilising to the full the commitment and expertise of all who can help people with disabilities to find, keep and advance in work in the 1990s.

These considerations underlie the discussion in the Consultative Document. Following a summary of the proposals for a new framework, Chapters 1 to 4 review the various services - assessment, counselling, rehabilitation, training, help with finding jobs - which may help unemployed people with disabilities find work.

Chapters 5 and 6 discuss the central issue of how best to secure the commitment of employers to good practices in the recruitment of people with disabilities and their development within firms. Chapter 7 discusses how to ensure that the growing importance of self-employment in the labour market, and the particular advantages which it offers for people with disabilities seeking work, are properly taken into account in designing services. Chapters 8 and 9 discuss how provision for people with severe disabilities can best be adapted to meet their aspirations in, and exploit the possibilities of, the labour market of the 1990s.

Chapter 10 reviews the overall planning and management of services, and how to secure effective involvement, particularly of employers and of organisations of and for people with disabilities, in advising about the shape of

services.

Throughout the Consultative Document, passages printed in italics identify action which the Government now intends to take. Proposals are shown in bold print, and the Government would welcome observations on them. Requests for comments on specific proposals or issues are shown in bold print and shaded in blue.

Comments should be sent to: Miss C Johnson, Employment Training and Policy Division, Employment Department, Caxton House, Tothill Street, London SW1H 9NF by 31 December 1990.

Additional copies of the Consultative Document are available free, from: Mr P Swales, Employment Service, Room 304, Steel City House, Moorfoot, Sheffield S1 4PQ (Telephone No 0742 596137). A taped version of the Consultative Document is also available free, from Mr P Swales.

## THE NEW FRAMEWORK : A SUMMARY

1. The Consultative Document "Employment and Training for People with Disabilities" sets out the results of an internal Employment Department review, commissioned by the Government in 1988 to ensure that the Department's services meet the needs of people with disabilities in the 1990s. That review is the latest in a series which have been undertaken since the foundations of the current approach to helping people with disabilities in the employment sphere were first established in The Disabled Persons (Employment) Act 1944. Since then the relevant services have been steadily improved, and additions made to them. In the 1980s in particular new approaches were developed in promoting good practice among employers and helping them achieve it, in assessing, counselling, rehabilitating and training people with disabilities and in designing ways in which people with severe disabilities can take part in productive work. Major progress has also been made in helping people with disabilities to find work through general employment and training programmes, in which they participate alongside non-disabled people.

2. In this document, the Government proposes further improvements in the framework of services. These build on past experience, and in many cases involve a process of experiment to ensure that any new provisions which are put in place are carefully designed and effective. The proposals in the document are the first step in the continuing process of development of services for people with disabilities which will be needed in the 1990s.

3. The 1990s will be a decade of increased opportunity for people with disabilities. New job opportunities are being created for them by demographic change. People with disabilities themselves have increased aspirations to control their own affairs, to realise their full potential at work and to train and work alongside non-disabled colleagues. The Government believes that it is right to help people with disabilities to seize these opportunities

and to realise these aspirations. The Government already makes a very large investment of resources in helping people with disabilities find work - in 1989/90 it is estimated that the Employment Department spent around £400m in helping 225,000 people with disabilities through general and special services - and the Consultative Document discusses how the Government's investment can yield an even better return.

### Creating More Job Opportunities

#### (a) Employers

4. A central need is to ensure that more and better employment opportunities are open to people with disabilities. That requires a full commitment by employers to good practice. The Review proposes a reinforcement of arrangements for encouraging and supporting good practice. If its proposals are to be agreed and implemented there would be a higher profile and more professional programme of promotion of good practice. In particular, there would be more effective arrangements for helping to place people with disabilities with employers. The government will shortly publish an evaluation of the special schemes which help overcome barriers to work through eg the provision of special aids.

5. There is widespread agreement that the Quota Scheme - which places a duty on employers with 20 or more workers to employ a 3 percent quota of registered disabled people in their workforces - is unsatisfactory as it currently operates. There is no obvious way of making it effective. The Government notes the view of the Parliamentary Committee on Public Accounts that the Quota Scheme is "ineffective, outdated and unenforceable". The associated arrangements for people to "register" as disabled encourage stereotyping. Alternative proposals for encouraging good practice through legislative sanctions however appear to have drawbacks.

Some might argue that, even if it cannot be made effective, the Quota Scheme should be retained at present, on the



grounds that its abolition would send the wrong signals to employers about society's expectations of them, though it is hard to justify an ineffective law on these grounds. A possible alternative way of setting standards for employers would be to reinforce the Companies' Act requirements for reporting on company policies on employing people with disabilities. In Chapters 5 and 6 comments are invited on the merits and demerits of the Quota Scheme and other forms of legislation, and on other approaches to securing better employer involvement.

(b) Self-Employment

6. More advantage needs to be taken of the job opportunities which self-employment can offer to people with disabilities. It is recommended, therefore, that all people who help or advise people with disabilities recognise their capacity for self-employment; and that action is taken to ensure that advice, training and other help including, where appropriate, special help for self-employment, is available to people with disabilities. Comments are invited on what further action voluntary and charitable organisations, active in this area, might take.

(c) People with Severe Disabilities

7. Finally, it is recommended that arrangements for creating job opportunities for people with severe disabilities should be modernised. The 1980s have shown the extent to which they can be placed successfully in firms alongside non-disabled people, with, where necessary, a subsidy which recognises their lower output. Not only does that avoid the segregation involved in special sheltered workshops and factories; because overheads are less, more people can be helped; and wider coverage of localities, industries and occupations becomes possible, so expanding individual choice. Some people with severe disabilities will continue to require support from sheltered factories and workshops. But the Government believes that there should be a shift over time in the balance of provision

towards sheltered placements with employers, proceeding with sensitivity towards the dependence of existing employees on the programme for their livelihood. It is proposed to give close attention to matching provision to need, and also experiments to explore ways of promoting progression.

#### Helping People with Disabilities Seize the Opportunities

8. The focus of public services in this area is inevitably on direct help to unemployed people with disabilities to get jobs. The Government proposes a four-pronged approach to achieving, over time, substantial improvements on the considerable achievements of current services.

9. First it proposes strengthening the capacity of non-specialist employment and training services to help. This would be done by exploiting more fully what can be offered by newer employment programmes such as Jobclubs or Restart courses, and also by the capacity to meet individual needs flexibly which is built into the basic design of Youth Training and Employment Training (and which will become even more evident as Training and Enterprise Councils (TECs) begin to take over local delivery of these programmes); and by developing a system of periodic audit of non-specialist programmes against the needs of people with disabilities. Most people with disabilities currently helped by the Employment Department (ED) are helped through non-specialist programmes. Better direction of their role will promote integration, strengthen geographical coverage, and allow specialist services to give adequate time to those who need them.

10. Secondly it proposes to create a more integrated and professional ED specialist service, covering assessment, counselling, and rehabilitation (as well as promotion of good practice to employers). These services would be brought together within the Employment Service and staff training and management arrangements examined.

11. Thirdly, it proposes examining whether and how more use should be made of bought-in expertise and help from voluntary and employer organisations and others who can contribute, in assessment, counselling and promotion to employers. The majority of rehabilitation would be contracted out, with ED staff concentrating on advice, development, research and training of agents' staff.

12. Finally, it proposes steps to help establish how people with multiple problems may be better assisted. These include an experiment to test the cost-effectiveness of Employment Service staff devoting more effort to working with other relevant services to help such people surmount their problems and get back to work. There will also be better targeting of information about employment services on the health care professions, and we will be exploiting the opportunities for improving links with non-employment services created by establishing a stronger ED specialist service and by buying in support from voluntary organisations.

13. Improved services need to be backed by adequate incentives to people with disabilities to work. The Department of Social Security has published<sup>(1)</sup> proposals for a Disability Employment Credit which will provide financial support for many people with disabilities in work. These proposals will make a major contribution towards securing independence for more people with disabilities. The improvements in services proposed in this document, and in particular those for a stronger and more professional specialist service operating more coherently with non-employment services, will greatly help those eligible for the new benefit to find and retain work.

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(1) "The Way Ahead: Benefits for Disabled People" (Command Paper Cm917)

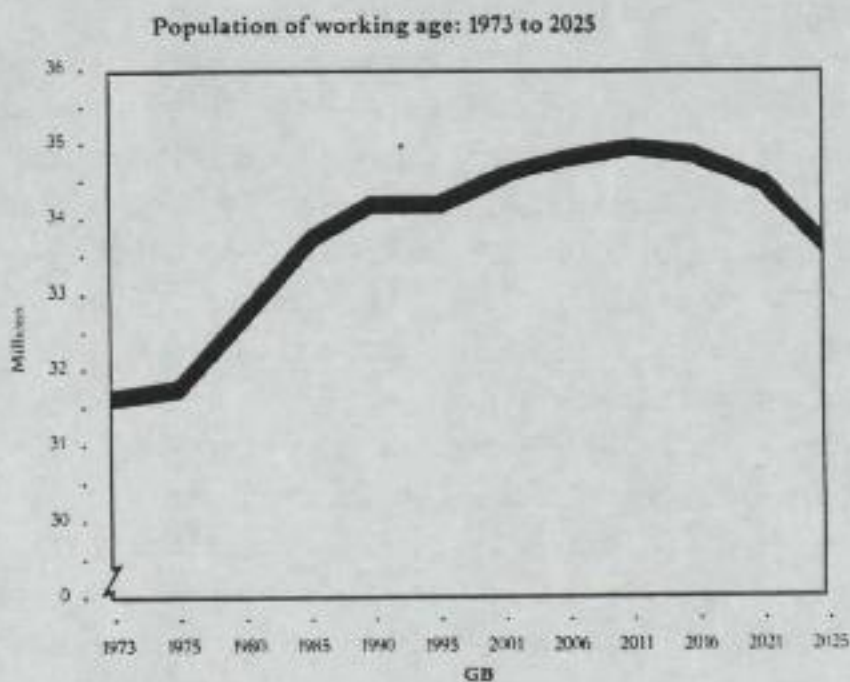
## Advice and Feedback

14. The process of developing the new framework will be a continuing one. Adequate arrangements are essential to obtain advice from people with disabilities, employers, voluntary organisations and others who can contribute. The Government therefore proposes arrangements for direct local feedback from clients with disabilities and action to ensure adequate representation of people with disabilities on advisory bodies. It recommends strengthening national advisory arrangements through making the National Advisory Council on Employment of Disabled People (NACEDP) a smaller and more compact body and seeks views on whether there is a case for a Minister to chair it. Finally comments are sought on how best to strengthen local advisory arrangements. One option would be to replace the current Committees for the Employment of Disabled People with regional committees.

## CHAPTER 1: PEOPLE WITH DISABILITIES AND THE LABOUR MARKET

1.1 People with disabilities<sup>(1)</sup> will have more opportunities to get work in the 1990s. The labour force will grow much more slowly and the numbers of young people will decline sharply.

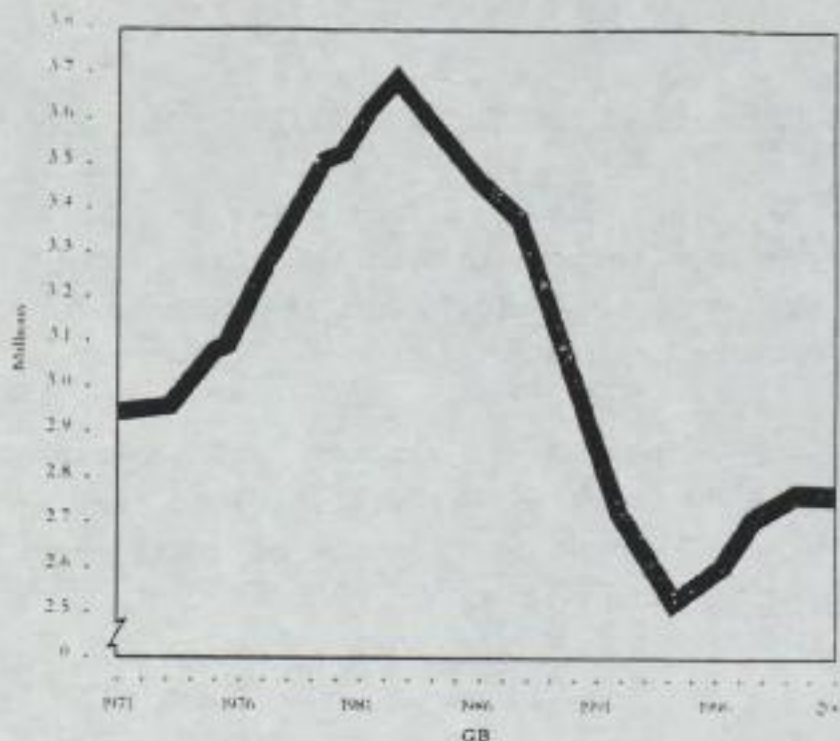
Employers in many areas already face shortages of labour. More will do so, and they will need to make better use of people and to seek new sources of recruitment, including people with disabilities.



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(1) See Annex 1 for definition.

Figure 2: Population aged 16-19: 1971 to 2001



1.2 Given the chance people with disabilities could make a greater contribution to the economy than at present. Estimates of the number of economically active people with disabilities vary according to the definition used. The newly published study "Employment and Handicap" (SCPR 1990<sup>(2)</sup>) used the definition 'economically active and having a health problem or disability that affected the work they could do'. This study puts the number of self-declared people with disabilities at 1.272 million of whom 845,000 are employees and 142,000 are self-employed. This leaves 285,000 who are not in employment but want work, 22% of the total. These figures fall slightly when registrability was assessed by a Disablement Resettlement Officer to 1,061,000 registrable 734,000 of whom are employees, and 120,000 self-employed with 207,000 wanting work. A comparison with the published unemployment rates is difficult to make, because of definitional problems. Published unemployment rates include only those available and looking for work but in the SCPR study, many of those included as wanting work had in fact not looked for work. These people may begin seeking jobs however once demographic pressures create opportunities for them.

1.3 Definitional problems aside it is clear that the chances of someone with a disability being unemployed are

(2) Summarised in the appendix to annex 2.

significantly higher than someone without a disability, the 1989 EC Labour Force Survey (LFS)<sup>(3)</sup> puts the rates at 20.5% and 5.4% respectively.

1.4 Not only is there a pool of capable people wanting work but people with disabilities in work can contribute more; LFS and "Employment and Handicap" both show that they are disproportionately likely to be in lower level jobs; this may be partly because of limited capacity but this is unlikely to be the only reason.

Table 1<sup>(4)</sup>

Socio-economic group of present occupation

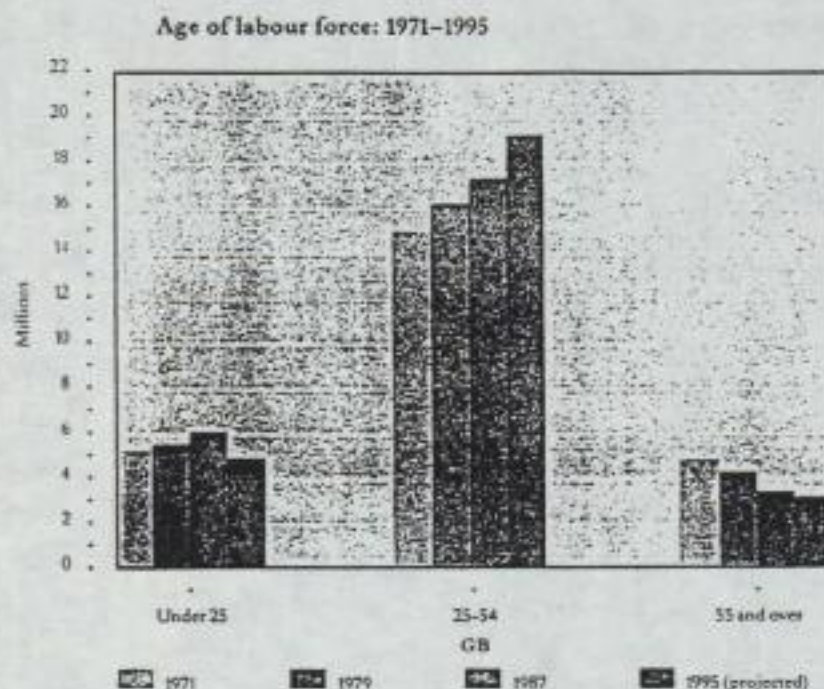
	1989 SCPR (People with disabilities)	1987 General Household Survey (General in-work population)
	%	%
Professional or Managerial	13	21
Other non-manual	30	33
Skilled manual	26	25
Semi skilled and personal service	25	16
Unskilled manual	6	5

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(3) The LFS study used a different way of identification than "Employment and Handicap".

(4) Reported in "Employment and Handicap", SCPR Report 1990.

1.5 Another reason why people with disabilities should be regarded as a resource for the 1990s is simply that there will be more of them. The workforce in the 1990s will be older; it will contain many more 25-54 year-olds and almost as many over 55s as now, and an older workforce means a workforce containing more people with disabilities. This makes it even more important to ensure that they can contribute to the full.



1.6 "Employment and Handicap" has greatly increased our understanding of the types of disability people have and how that affects their capacity to work. It is apparent that most problems are straightforward and amenable to a work place solution. Of all people with disabilities the proportion who had an impairment of some significance in key areas were:

	%
(5) Mobility	40
Dexterity	16
Sight	14
Hearing	20
Behaviour	18
Intellectual Function	19

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(5) "Employment and Handicap" 1990



1.7 There is clear evidence that most people with disabilities can be as productive as the general population, "Employment and Handicap" reports 64% as saying they got about the same amount of work done and 16% as saying they did more<sup>(6)</sup>. Even severe handicap, whilst clearly giving rise to difficulties, has frequently been overcome." Employment and Handicap" estimates that there are 188,000 economically active people who estimate their output to be three quarters or less of someone without their handicap<sup>(7)</sup> but of these 128,000 are in work with self-employment proving to be a particularly helpful option.

1.8 The opportunity for people with disabilities to make a more effective contribution in employment is increasing. Medical advances are reducing the number of conditions which result in unemployability. New technology has eliminated once insuperable handicaps. Further advances will broaden the range of jobs which people with more severe disabilities can do. These changes, and the increased drive behind the general theme of equal opportunities, are leading to increased self-confidence and higher aspirations among people with disabilities and this process also will continue.

1.9 It is clear from the research that amongst people with disabilities there is a reserve of underused labour ready for the employment market of the 1990's but to take full advantage of the new opportunities, many will have to overcome obstacles, some of which may be directly linked to their disabilities, others not so linked or linked less directly. For example, surveys have shown that people with disabilities are less likely than others to change their occupation, industry or region. That means that the pace of occupational and industrial change will pose particular challenges. For some the discouragement and lack of

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(6) "Employment and Handicap" 1990

(7) "Employment and Handicap" 1990

confidence which disability can create will need to be overcome. A sizeable proportion of people with disabilities report themselves as having some kind of psychological problem.

1.10 The relative occupational immobility of people with disabilities is particularly important in that they are less likely than their non-disabled counterparts to possess recognised qualifications. "Employment and Handicap" indicates that 42% of people with disabilities have no qualifications (the figure is even higher for those who are wanting but not in work, 59%), compared with 32.2% for non-disabled people. A comparably lower proportion of people with disabilities possess qualifications at the various levels up to degree or equivalent. Yet new jobs increasingly require people who are both qualified and capable of further training.

1.11 Although, like most people, people with disabilities normally find work quickly if they leave a job, usually within two months, unemployed people with disabilities are more likely to be long-term unemployed. The 1987 EC Labour Force Survey <sup>(6)</sup> suggested that the average length of unemployment for people with disabilities was more than 2 years 3 months, compared with around 20 months for people without disabilities. Quite apart from difficulties resulting from disabilities, long term unemployment itself creates problems; eg discouragement, reluctance by employers to hire, to add to those resulting from disability. Age can be a barrier to obtaining employment, and people with disabilities tend to be older.

1.12 The labour market of the 1990s will provide more opportunities for people with disabilities to find work. We have good grounds, therefore, for being optimistic about

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(6) Source: "Disability in the UK: Incidence and Trends" - Derek Bosworth, University of Warwick Institute for Employment Research.

the future for people with disabilities. However, it is also clear that many people with disabilities will need help to take full advantage of the new opportunities. There are many barriers to people with disabilities making the most of their abilities in work. Mistaken attitudes to or misconceptions about disability (and about older workers) by some employers and others in society will need to be challenged. People with disabilities themselves may require advice about what work to aim for, help in finding work, rehabilitation to build up confidence, training to give them relevant skills, or financial help to take full advantage of the new technological possibilities or otherwise overcome barriers to work imposed by their disabilities. For some the need for help will be directly linked to their disabilities; for others it may result from other problems such as poor qualifications, which may, of course, be an earlier consequence of disability.

1.13 The Employment Department is already making a very major investment in action to tackle these problems and to help remove the barriers to employment. Estimated expenditure in helping people with disabilities through its general and specialist services has risen from around £270m in 1986/87 to around £400m in 1989/90. The number of people with disabilities helped over the same period has risen from 166,000 in 1986/87 to 225,000 in 1989/90. People with disabilities have access to the full range of its non-specialist employment and training services. In many cases easier eligibility or length of stay rules have been provided, as well as special help within the programmes. The Department supports a wide range of special action to help people with disabilities in the labour market. These include the promotion of good practice in employing people with disabilities among employers, the provision of specialist assessment, counselling and rehabilitation, special help (such as technical aids) to overcome barriers to work resulting from disability, and assistance in the employment of people with severe disabilities both in sheltered workshops and factories and in placements within firms.

1.14 The 1980s were a decade of innovation in those services as the labour market and the expectations of people with disabilities changed. They saw the publication of the Code of Good Practice on the Employment of Disabled People, the establishment of the Disablement Advisory Service to encourage and help employers to apply good practice and the development and growth of the Sheltered Placement Scheme which supports people with severe disabilities within firms. The beginnings of a major programme of development of employment assessment and rehabilitation have made assessment available outside the confines of Employment Rehabilitation Centres and have led to a more professional and individually tailored approach to rehabilitation. There has also been substantial expansion in schemes such as those providing technical aids to overcome barriers to work, and a very substantial increase in help to people with disabilities to train through the establishment of YTS, now Youth Training, and Employment Training and through ensuring that people with disabilities have full access to these schemes. The chapters which follow discuss how the investment of resources by the Government can be made even more effective.<sup>(9)</sup>

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<sup>(9)</sup> Main events in the development of Government employment provision for people with disabilities are listed in Annex 3. Current Employment Department services are described in Annex 4.

## CHAPTER 2: ASSESSMENT, ADVISING AND PLACING OF UNEMPLOYED PEOPLE WITH DISABILITIES

### Introduction

2.1 Many unemployed people with a disability obtain work without help. Others need help, which may involve counselling and, in some cases, more in-depth assessment. Such help will enable some people to get work directly; others will require rehabilitation or training first. Assessment, counselling and job-finding services are closely linked and this chapter reviews how they might be developed. Chapters 3 and 4 discuss, respectively, employment rehabilitation and training.

### Current Services

2.2 Most unemployed people with disabilities can get the help they need through non-specialist services. People requiring only information about jobs, can use jobcentre self-service displays - an estimated 38,600 found work in this way in 1989/90. People with disabilities, like others, can get extra help in finding jobs through placing action by jobcentre staff or through Jobclubs, which provide training in jobsearch and help people to follow up job leads themselves. They can obtain advice from the Employment Department's (ED) general advisory staff or through Restart courses, and "Employment and Handicap" shows that, of those who seek advice, non-specialist jobcentre staff help about twice as many as do specialist Disablement Resettlement Officers (DROs). They can also receive counselling and assessment about training in Employment Training or in Youth Training<sup>(1)</sup>. The normal 6 months unemployment qualifying period for Jobclubs and Employment Training is waived for people with disabilities.

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<sup>(1)</sup> From 29 May 1990, YTS gave way to the new arrangements for Youth Training announced in November 1989.

2.3 For those who need it, a range of specialist help is available. Specialist advice about the employment implications of disability or special help to get jobs comes from the ED's DROs, who found jobs for 17,800 people in 1989/90. Fuller assessments of capacity, utilising physical and psychological tests, are provided by the Department's Employment Rehabilitation Service (ERS), which assessed nearly 25,300 people with disabilities in 1989/90. The ERS provides both assessment and employment rehabilitation (discussed in Chapter 3) mainly through 26 Employment Rehabilitation Centres (ERCs) and 5 Asset Centres (the latter do not have the in-house workshop facilities of ERCs). Those centres employ specialist staff such as instructors, social workers and psychologists and have access to the services of the Health and Safety Executive's employment medical advisers and nurses, who play a vital part in their operations. The Job Introduction Scheme encourages employers to take on people with disabilities for a trial period where the ability to do the job is doubted. Under the Scheme, a grant is paid towards the disabled workers wages or salary. The usual period is six weeks and the current grant is £45 per week. In 1989/90 1,817 people with disabilities were placed with employers under the Scheme.

2.4 Current services have considerable strengths. Provision of help, where possible, through non-specialist services avoids unnecessary segregation and targets specialist resources on need. Integration of advice with jobcentre services gives clients ready access to vacancies and to referral to other help, with advice firmly focused on getting a job. The numbers of people with disabilities helped to find jobs through jobcentres has risen from 55,300<sup>(2)</sup> in 1983/4 to 76,900 in 1989/90.

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(2) Excluding those finding jobs in the Community Programme. The totals include those finding jobs through self-service, with the help of DROs and with the help of other jobcentre staff.

2.5. Non-specialist services have been strengthened in recent years. Restart provides counselling interviews every 6 months. Training in jobfinding is now widely available through Jobclubs, and some experimental specialist Jobclubs have been set up to establish best practice in helping people with disabilities. Employment Training has brought with it a system of individualised training plans well suited to meeting special needs (see Chapter 4).

2.6 Specialist services have also been strengthened. The ERS modernised its assessment techniques in the 1980s and is now increasingly providing on a mobile basis, in jobcentres, benefit offices, schools, hospitals and employers' premises, the assessment services formerly available only in its Employment Rehabilitation and Asset Centres.

#### Areas for Further Development

2.7 The ED's services in this area have much to offer and are used by large numbers of people with disabilities each year. However "Employment and Handicap" shows that many people would have wished for more or better advice and there is a need to publicise the help available and to use resources more effectively. The Government sees four areas where further progress can be made:

- use of non-specialist services;
- access to specialist services;
- further reinforcing the quality of specialist help;
- links with non-employment services.

2.8 The following paragraphs describe action already planned and make further proposals.

Comments are invited on these proposals.

## Non-Specialist Services

2.9 In April of this year the Government announced a new framework for its non-specialist advisory services for all unemployed people:

- following an interview with a Claimant Adviser, every client would receive a written Back to Work Plan summarising steps agreed in the interview;
- the roles of Restart Counsellors and Claimant Advisers would be merged so that in most cases a single adviser can respond to all a person's needs;
- a flexible caseloading facility so that people who need more help, in addition to the regular 6-monthly Restart interviews, can be given it;
- intensive help at 2 years to check the drift into very long term unemployment.

The Government believes that these measures will benefit all unemployed people and they will make it more likely that, where necessary, people with disabilities are identified and given effective help.

2.10 The role of non-specialist services in serving people with disabilities could be further strengthened through more training, particularly of staff involved in newer forms of help. Table 11.1 of "Employment and Handicap" shows that nearly twice as many people with disabilities wanting work at the time of the study had sought advice from non-specialist Employment Service staff than from specialist staff. *The Employment Department intends over the next year to reinforce the training of general advisory staff in identifying people with disabilities and the level of help*



they need. Enhancing the ability of non-specialists within the Employment Service's new counselling framework to advise those people with disabilities who do not need the help of Disablement Resettlement Officers, will release valuable DRO resource to assist those who do need specialist advice.

2.11 The Employment Department also intends to improve the help available in other non-specialist programmes and services. Training for Restart course providers will be strengthened, and following evaluation of current provision for people with disabilities in Jobclubs, fuller guidance about meeting the needs of people with disabilities in Jobclubs will be issued.

#### Access to Specialist Services

2.12 Existing arrangements ensure contact between the Employment Department and people with disabilities registered as unemployed, but the Employment Department has less contact with those (eg on incapacity benefits) not registered as unemployed. Despite improved publicity material, many do not know what help is available.

2.13 The Employment Department intends to give more priority to building better contacts between Disablement Resettlement Officers and the advisers of people on incapacity benefits, who may need help to return to work when their disabilities allow. It has begun discussing with medical bodies how best to target information about its services on the health care professions, so that they will be better placed to draw it to the attention of patients.

#### Quality of the Specialist Services

2.14 Specialist services already have substantial expertise. The ERS uses a range of professionals, including psychologists, social workers and the Employment Medical Advisory Service's doctors and nurses; DROs receive special training, and through experience can gain substantial

knowledge about disability. However, DROs' training does not give them enough knowledge to deal with some clients, and some DROs stay only a short time in post.

2.15 The ED service is supported by expertise available from others, particularly voluntary organisations who provide services on contract. The Royal National Institute for the Blind (RNIB) is paid to help place blind people, and a pilot scheme is underway to test whether its special knowledge can be better used in the alternative role of giving specialist advice to the ED service. 21 small projects to provide placing services complementary to the ED's have been given initial funding since 1986 under the Pilot Employment Initiatives for Disabled People Scheme. A small number of agencies are used by the ERS to provide specialist assessment in national centres for people with specific disabilities. But the contribution of voluntary organisations, despite their specialist knowledge of particular disabilities, is small in this area, compared with the use of outside agents in the delivery of training programmes.

2.16 There are other areas where special expertise could be bought more closely to bear on improving employment opportunities to people with disabilities. For example, the potential contribution of the medical professions to this work needs to be harnessed more effectively. The National Advisory Council on Employment of Disabled People (NACEDP) has argued that there would be value in them focusing more of their attention on employment implications of patients' conditions and that they need to be given more knowledge of the employment services available. The importance of ensuring that doctors are aware of the help available is reinforced by the finding in "Employment and Handicap" that doctors are a major source of advice to people who become occupationally handicapped. Last but not least, employers and their organisations, who know about business and who after all provide the work, have had little involvement in helping people with disabilities find jobs.

2.17 The Government envisages a two-pronged approach to improving the specialist service. First it intends to strengthen the quality of ED's own service. Chapter 10 contains proposals for improving its management and for reinforcing the training of DROs. A key element in strengthening the service will be ensuring easier access by people to the specialist assessment provided by the ERS, and closer integration of the counselling and assessment functions. In Chapter 3, plans are set out for substantially reducing the extent to which ERS services generally are associated with fixed centres. In the area of assessment that will involve moving the bulk of the work out of centres and locating it in teams of staff which would, unlike the network of centres, cover the whole country. Probably around 50 teams would be needed to cover Great Britain. They would work closely with DROs (and with the Disablement Advisory Service teams) who would be able, because of their wider geographical spread, to access their specialist back-up more easily than now.

2.18 Secondly, the Government also wishes to consider how far it would be possible, and cost-effective, to secure a greater contribution from other organisations. If this is to happen it is clearly desirable for those in contact with people with disabilities, such as the health care professions or voluntary organisations, to develop more knowledge of employment issues. It would be for them to decide whether to invest their resources in doing so, so as to improve their capacity to advise their clients in the round. But consideration could be given to provision by ED of help eg in the form of information.

Comments are invited on how far those in contact with people with disabilities about other issues would want to develop a better understanding of employment matters so that their advice can take account of this aspect of their client's life.

2.19 The Government is also prepared to consider further experiments to establish whether it would be cost-effective, and if so in what circumstances, to purchase support in counselling or assessing individuals whose needs the ED service could not meet. The ED service should be able to deal with the special needs of most people with disabilities, particularly if strengthened as proposed in Chapter 10; and indeed since individuals generally want their problems dealt with expeditiously and in as few stages as possible, it would be important to avoid creating a system of advice which is more complex than is necessary. Large-scale purchase of support is unlikely, therefore, to be justified. However in the case of particular individuals help might be useful with, for example, vocational guidance, convincing employers of clients' suitability for jobs, assessing requirements for technical aids, counselling or assessing some people with particular disabilities (eg mental health problems) where special expertise would be valuable.

2.20 Potential sources of help might include voluntary organisations (local as well as national, volunteers as well as employees), employer organisations or sheltered employment providers. It would, of course, be necessary for those providing help to have knowledge both of labour market issues and of disability, and to be sensitive to the needs both of employers and of individuals. It would also be desirable for help to be provided on as local a basis as possible by people aware of the local labour market position and of what local services were available.

Comments are invited on how far voluntary or employer organisations, or others have or could develop the capacity to offer cost-effective employment counselling and assessment to people with disabilities who, in order to get a suitable job, require more in-depth help than the ED service can offer, and on what sort of help they are best placed to provide.

The Government will reach final decisions on whether to mount experiments and, if so, in what form, following consideration of comments received and of evaluation results to date of the Pilot Employment Initiatives for Disabled People Scheme.

2.21 Improved quality of service does not simply mean more professionalism. People with disabilities can help each other in ways professionals cannot. Mutual support groups exist, but none currently focus on employment. Most advantage is gained if such groups are self-managing and self-sustaining.

Comments are invited on the role which such groups might play in the employment area and whether ED staff should have a role in facilitating their formation.

#### Links with Non-Employment Services

2.22 Finally, some people have problems outside the scope of the ED Service which reduce their prospects of getting work - eg problems with health, benefits, housing, family. DROs do contact doctors, social workers and others about such problems. The involvement, in the work of the Employment Rehabilitation Service, of doctors and nurses from the Health and Safety Executive's medical services, and the employment of social workers by the ERS, helps the ERS to deal in the round with the problems of those for whom it is providing assessment or rehabilitation. However, it is widely felt that current arrangements do not guarantee that multiple problems, relevant to getting a job, are tackled coherently in all cases.

2.23 The Government has already initiated steps to meet better the general needs of people with disabilities who have multiple problems. The White Paper on "Caring for People" recognised that some people with disabilities will

also have problems covering social and health care needs, and made proposals for the appointment of a case manager, where an individual's needs are complex. Social services authorities will be expected to indicate in their community care plans how they propose to apply case management techniques. It will be important to ensure that DROs are aware of arrangements planned for their areas, so that they can, when appropriate, put clients in touch with them. The proposals, in Chapter 10, to strengthen the ED specialist services will help them relate effectively to non-employment services.

2.24 In considering what further action could be taken by the Employment Department, it will be important to take into account that co-ordination structures can involve substantial costs, which can be justified only where clear gains to clients result. It is also important that ED initiatives should maintain a clear focus on getting people jobs, and that ED should not seek to take over the proper role of social services departments. The National Advisory Council on Employment of Disabled People has proposed that ED should experiment with an arrangement for a "named person" to be responsible for helping people with disabilities with multiple problems to work out a coherent plan for tackling those problems, and getting work, and, where appropriate, to be responsible for helping the people to obtain assistance from relevant agencies. The Government has carefully considered this proposal, but it does not believe that in practice a clear focus on employment could easily be maintained. It would be particularly difficult to maintain an employment focus if, as proposed, the roles of "named person" and employment adviser were distinct. Indeed, it is arguably wrong to approach the needs of people with severe multiple problems primarily from an employment standpoint. The Government does not, therefore, intend to proceed with the proposed approach, which, it believes, goes beyond the proper range of activities of ED. *The Government does, however, propose to consider further mounting a limited number of experiments to establish whether it would*

be cost-effective for DROs to devote greater effort, where clients have serious multiple problems, to working with appropriate authorities to help ensure that the problems are tackled in a coherent way.

## CHAPTER 3: EMPLOYMENT REHABILITATION FOR UNEMPLOYED PEOPLE

### Introduction

3.1 Employment rehabilitation is provided for people who need more help than can be provided through jobfinding services or employment counselling and assessment. Its aims are to help them develop confidence in themselves as productive members of society; to gain additional skills in finding and keeping work; to help them adjust to new working environments and demands; and to overcome employment problems caused by the onset of disability and its restrictions.

3.2 The process of employment rehabilitation is an integral part of the return to work for a significant number of people with disabilities and is often a natural progression from medical treatment or medical rehabilitation. Aspects of employment rehabilitation are present during a number of Employment Department (ED) programmes, for example, when people gain in self-confidence by participating in Restart Courses or Jobclubs or when they acquire working disciplines and routines during Youth Training or Employment Training courses.

### The present situation

3.3 Currently, however, the specialist function of employment rehabilitation as well as assessment for people with disabilities (discussed in Chapter 2) is provided by the Employment Rehabilitation Service (ERS) (see 2.3). In 1989/90 about half of the 25,000 people for whom the service provided assessment and guidance proceeded to a further period of rehabilitation.

3.4 Since 1987 a development programme has progressively moved the ERS away from an institutionalised approach. This programme has covered rehabilitation as well as assessment (for which see 2.6).



3.5 Improvements in the actual process of rehabilitation have focused particularly on encouraging people to become more involved in their own rehabilitation programme. The component parts of the process have been more clearly defined and easier for clients to understand and there are now, in all ERCs and Assets, specific sub-programmes or modules of rehabilitation. Some of these modules concentrate on developing self-confidence or assertiveness; others focus upon improving physical capacity by programmes of physiotherapy or ergonomics; and others on improving core skills, such as basic hand and tool skills, literacy and numeracy and computer familiarisation.

3.6 Open learning techniques are being used increasingly to extend the range of subjects available. More employers are also supporting the Programme by providing opportunities for people to test themselves in real working environments during their period of rehabilitation. In summary, consumers of rehabilitation are able to exert much more choice over the components of their rehabilitation.

#### Future developments

3.7 Another significant recent advance has been the greater involvement of the voluntary sector in providing rehabilitation in support of the in-house services of ERCs and Asset Centres. The voluntary sector (and some organisations supported by local authorities or health authorities) have responded positively to recent invitations by the ED to increase their contribution to rehabilitation and in the last two years the number of external organisations, including voluntary organisations involved has increased to 75. In 1990/91 it is expected that of the 15,250 courses of rehabilitation, about 4,500 will be provided by these organisations.

3.8 This kind of development is welcome for a number of reasons:

- although ERCs and Asset Centres are fairly well distributed around Great Britain, almost one-third

of the population live beyond daily travelling distance of these facilities. It is not cost-effective to enlarge the network of in-house rehabilitation establishments when there are already suitable agency opportunities in appropriate locations;

- external agencies normally have more specialist skills and in-depth knowledge of the employment problems of particular disabilities such as mental illness, mental handicap and sensory disabilities; and
- agencies may be able to explore and establish more flexible approaches and some may be able to offer a more effective and coherent route for a client's return to employment by having both rehabilitation and training services in one establishment.

These considerations call for a continued shift in the balance of the rehabilitation programme towards provision through agents.

#### An evolutionary approach

3.9 As the participation of external agencies in rehabilitation is increased the need for an in-house network of ERCs and Asset Centres to provide individual rehabilitation will diminish. However, in-house services will have a vital role to play for the foreseeable future and transition will need to be carefully managed.

3.10 Although some agencies already have a long history of providing rehabilitation new entrants will need help in providing good quality and cost-effective rehabilitation. Departmental staff will arrange and monitor contracts and their skills and collective experience of the wide range of client needs will be invaluable in assisting in the selection and development of agency programmes.

3.11 To sustain quality we intend to retain a limited number of centres directly managed by the Employment Department. These centres, which would in general be smaller than the present Employment Rehabilitation Centres, would focus particularly on developing new techniques in employment rehabilitation and assessment and would also assist where appropriate in the training and development of agency staff. They would directly provide services to a number of clients and, by doing so, be able to adopt a 'teaching hospital' style of operation. In addition the 50 or so assessment teams described in 2.17 would, as well as their assessment functions, have the responsibilities of encouraging, supporting and monitoring agency rehabilitation in their areas.

### Conclusion

3.12 In summary our intentions for employment assessment and rehabilitation are as follows,

- a) employment assessment to be provided by around 50 ED teams, working closely with DROs and DAS, and no longer located in Employment Rehabilitation Centres; supported by a small core network of ED Centres focusing particularly on development of new techniques. The Government also proposes to consider mounting experiments (para 2.19) to test the case for some contracting-out of specialist forms of assessment.
- b) employment rehabilitation to be provided through agents (voluntary bodies and others) supported and monitored by the 50 ED teams; and in the core network of ED Centres, which would assume a "teaching hospital" role.

This shift in the method of delivery would be gradual, taking place perhaps over 5 years.

3.13 In Chapter 2 we have invited comments on how far other agencies could develop the capacity to offer cost-effective

specialist assessment, and on what sort of help they are best placed to provide.

Comments are also invited on how the plans for developing rehabilitation which are in this chapter (which build on action already under way) might most effectively be implemented.

## CHAPTER 4: TRAINING FOR UNEMPLOYED PEOPLE

### Introduction

4.1 This chapter looks at the contribution currently made to the employment prospects of unemployed people with disabilities by Employment Department (ED) sponsored training programmes, and examines how that training might be improved or modified.

### Current Activity

4.2 In 1989/90, altogether approximately 59,000 new participants with disabilities entered Employment Training (ET) and YTS at a cost in the full year of about £238.5m. Figures for the first eighteen months of ET suggest that participation rates for people with disabilities (averaging 11-12%) are substantially in excess of those being recorded for the Community Programme at its closure, and around three times those for ET's predecessor training programmes. At the same time Youth Training<sup>(1)</sup> is also attracting young people with disabilities.

### Evolution of training design and delivery

4.3 Careful consideration was given to the design and development of YTS and, more recently, ET and YT to encourage participation of people with disabilities.

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(1) Youth Training superseded YTS at the end of May this year under arrangements announced by the Government in November 1989.

4.4 The introduction of Training and Enterprise Councils (TECs) and in Scotland, Local Enterprise Companies (LECs) will offer further scope for adapting these training programmes to needs of people with disabilities in their localities. TECs<sup>(2)</sup> will administer publicly-funded training for the Training Agency; and manage the Agency's help for people wanting to start their own businesses. They will be looking to employers and others involved in training to increase their involvement and co-ordination. In both these areas the TEC contracts with the Training Agency will require them to promote equal opportunities in all their provision. TECs will be able to offer greater flexibility in the entry to, and operation of their programmes to the advantage of people with disabilities, and the extent to which this happens will be monitored carefully now that the first TECs have begun to take over.

4.5 ET and Youth Training encourage and facilitate progression through a planned series of stages in an integrated package of training and practical experience. Training is responsive to and shaped by the needs of the individual. Where the ED has been influencing others and acting as a catalyst for development in a wider educational setting (Work Related Further Education; Technical and Vocational Education Initiative in Schools - TVEI), it has sought to follow the same objectives and broaden the choice of paths and options open. Wherever possible this is done by complementing and building on the work already being done by institutions of further and higher education and specialist provision.

#### Integration and Special Help

4.6 Within all ED training programmes, the guiding principle in helping people with disabilities is that

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(2) References to Training and Enterprise Councils (TECs) throughout this Consultative Document should be read as applying also to Local Enterprise Companies (LECs).

provision for them should be integrated with that of other participants wherever possible. This principle will continue to guide TEC operations. It has the backing of medical and social evidence, serves to enhance labour market relevance, and is almost always more cost effective. Most important of all, from the evidence of "Employment and Handicap", it has the support of by far the majority of people with disabilities themselves. At the same time, it is recognised that special assistance might be needed to help people with disabilities obtain real access to and benefit from the provision.

4.7 Examples of basic design features of ET and Youth Training which support integration include:

- the emphasis in both programmes on the assessment of individual needs at the point of entry;
- their variety of delivery arrangements which, through providers with relevant experience and expertise, allows participants to experience different training environments, at skill levels and learning speeds adjusted to individual needs, and to a pattern which can be adjusted according to progress;
- the funding of both programmes takes account of the extra resource cost of special training needs should these arise;
- the extremely broad range of vocational and occupational activities and qualifications available. This helps to overcome the problem of a poor or interrupted educational record and to meet demand of employers for objectively demonstrable skills.

4.8 Special assistance exists in the form of extended eligibility conditions, provision of aids and adaptations and communication assistance to the sensorily impaired, and practical advice and guidance to training providers. Specialist provision is delivered by a variety of organisations, often devoted to the needs of particular disability groups, and including a number of residential centres.

#### Future Developments

4.9 Despite past progress and continuing developments in training provision, work needs to continue to make existing provision operate even more effectively in the light of changing economic and organisational conditions. Questions that need to be kept under review are:

- (i) how to achieve the optimum amount of specialist provision alongside integrated provision for people with disabilities in mainstream programmes and in other initiatives taken locally by TECs;
- (ii) the difficulty in securing the same level of penetration into employer placements for Youth Training and ET participants with disabilities as for others;
- (iii) the benefit arrangements in relation to access to and progression from training programmes.

4.10 Addressing these concerns - and others - poses an agenda for the future - primarily for TECs as they come on stream but for all organisations seeking to help people with disabilities find and keep work. Voluntary organisations need little convincing of the positive and constructive influence which training and work can have on the social rehabilitation of people with disabilities. But this



appreciation requires harnessing, and marrying with the changes in employers' attitudes which we can expect the very different demographic outlook of the early 1990s to bring about, for the benefit of disabled jobseekers and others at a disadvantage in the labour market. There is much room here for the development of effective partnerships between the private and voluntary sectors to tackle current and future challenges in more effective ways. This will complement the development of the skills and awareness of training providers' staff in dealing with trainees with disabilities.

4.11 At the same time, the announcement, in the recently published Department of Social Security Command Paper (Cm917) "The Way Ahead: Benefits for Disabled People" of proposals to introduce a new in-work benefit for people with disabilities on low incomes will, we believe, provide a strong incentive for many to become more economically self-reliant.

4.12 It will be important also to build on the foundations already laid in ET and Youth Training. A key and very beneficial feature of both programmes has proved to be the range of so-called 'special help schemes' -the Special Aids to Employment (SAE), Adaptations to Premises and Equipment (APE), and Reader Service for the Blind (RSB) schemes (equivalent to those available for people in work), together with the Communicator Service for Deaf trainees (CSD). These have made training accessible to many people for whom physical and communication obstacles would otherwise have been insuperable.

4.13 ED therefore proposes to work with TECs and other organisations to see how the help schemes can continue to develop to suit the particular requirements of their local labour markets.

4.14 Open learning and information technology can be helpful for people with mobility, sensory or other more

severe impairments. The changing face of the economy and of communication and knowledge-based media both offer opportunities for people with disabilities to exploit their talents and abilities and to make a greater economic contribution through self-employment. Where people have difficulty attending a fixed training centre or workplace, computers and computer networking can in particular bring first training and work experience, and then real work in programming and applications into their homes.

4.15 We cannot predict or identify precisely which applications of technology or approaches to open learning will prove most cost-effective for the future generally or for people with disabilities in particular. We will, however, continue to work with others to review the development of those which seem promising.

4.16 It is proposed that uses of more flexible and open learning methods for people with disabilities, clearly targeted at their training and prospective future work, should be kept under review and that TECs and other organisations should examine the cost-effectiveness of different training methods to help people with special needs.

4.17 In both ET and Youth Training a conscious decision has been taken to involve participants with more severe disabilities. Under TECs, for example, people with disabilities are eligible to enter ET even if unemployed less than 6 months - the normal entry criteria. While special and specialist provision is available, in the longer term most severely disabled individuals will be better served by increasing the readiness and ability of integrated organisations to provide for their needs. In the shorter term, there are still opportunities for a greater involvement of specialist, including residential, providers.

*The Employment Department will continue to examine how innovations and developments can be encouraged which open up*

*different and better solutions to the needs of trainees with disabilities. In this way ED staff in the local areas, (until TECs are set up) will be better able to respond to ideas and requests from training providers as they arise. The Training and Enterprise Councils will be given encouragement to do likewise.*

4.18 To summarise, arrangements for training people with disabilities, within the overall design of programmes for the unemployed, provide a sound basis for fitting them for employment in the labour market of the 1990s. They offer, for many people for perhaps the first time, a range of vocational choices, flexibility in learning style, and the opportunity to acquire generic as well as occupationally-specific skills and to develop these in a real workplace. We expect all these features to be further supported and developed under the stewardship of TECs.

4.19 This chapter has highlighted aspects of the arrangements which might benefit from further development or review.

Comments are invited on the proposals and on where priorities for action should lie.

## CHAPTER 5: THE ROLE OF EMPLOYERS - THE ROLE OF LEGISLATION

### Introduction

5.1 The role of employers is crucial in helping people with disabilities to get, keep and advance in work. It is in their interests to adopt good practice in employing people with disabilities, very many of whom have the same talents to offer as non-disabled people.

5.2 Pursuing good practice means that employers

(a) consider job applicants with disabilities solely on their ability to do the job;

(b) integrate employees with disabilities smoothly into work and consider any special needs they may have concerning work or the working environment;

(c) create an environment in which all their employees accept colleagues with disabilities as readily as non-disabled colleagues;

(d) develop the skills and potential of employees with disabilities to the full, and offer them training and promotion opportunities according to their abilities;

(e) seek, where possible, to retain in suitable employment employees who become disabled;

(f) develop, communicate, implement and sustain an explicit policy to achieve these objectives.

5.3 The role of Government is to encourage employers to adopt good practice and to help them, where appropriate, to implement it. Current action to that end consists of legislation, encouragement, practical help and in appropriate cases financial support. Legislation sets the context in which other action occurs and this chapter

reviews its role. Other forms of action to encourage employers are reviewed in Chapter 6.

#### The role of legislation

5.4 The Government is committed to removing unnecessary burdens on employers which may inhibit job growth. It is not, however, its policy to remove necessary protections which are effective in achieving objectives. Assessing this balance means considering whether any legislation in the employment field is:

- (a) necessary to promote the Government's policy objectives;
- (b) effective;
- (c) acceptable in terms of costs to the taxpayer and businesses.

5.5 Legislation to protect people with disabilities could take a number of forms. The main ones are:

- (a) the current Quota Scheme established by the Disabled Persons (Employment) Act 1944 or a variant;
- (b) a levy/grant system on the German model;
- (c) anti-discrimination laws;
- (d) a statutory duty on employers backed by a statutory code;
- (e) the current requirement in the Companies Act 1985 for large companies to describe policy on employing people with disabilities in their Directors' reports; or a variant.

The following paragraphs examine each in turn, and then the general case for legislation is reviewed.

#### The Quota Scheme

5.6 The 1944 Act imposes a duty on employers with 20 or more employees to employ a "Quota" of registered disabled people of at least 3% of the workforce. It is not an offence to be below the Quota, but in such circumstances it is an offence to engage anyone other than a registered disabled person without a permit. Permits are issued if no suitable registered disabled people are available.

5.7 The current operation of the Scheme is generally agreed to be unsatisfactory. It would be arithmetically impossible for all employers to meet a Quota of 3% since registered disabled people make up only about 1% of the workforce. Moreover "Employment and Handicap" suggests that some of those who are registered may no longer be economically active. Although a greater number of people with disabilities are eligible to register, they have chosen not to do so. "Employment and Handicap" shows that, in addition to lack of awareness of the Register, the main reasons for not registering are that potentially eligible people either do not think registration is appropriate to them, or they have seen no need to register. Lack of perceived advantage in registration is particularly marked among those who already have jobs. A significant minority of people thought that registration would result in being treated as "abnormal". In practice only about 24% of employers with 20 or more employees meet the Quota despite the fact that "Employment and Handicap" suggests that there are approximately 734,000 registrable people with disabilities as employees in employment (just over 3%). More than 75% of employers in a recent survey on the employment of people with disabilities, the main findings of which are summarised in Annex 5, believed that the Scheme had never encouraged them to recruit or retain people with disabilities. The Scheme costs about £1.4 million to

administer.

5.8 It has been suggested that the Quota Scheme could be made more effective eg by modifying its terms or by tightening enforcement. But tighter enforcement (eg abandoning or modifying the practice of issuing "bulk" permits covering estimated engagements in particular occupations on the understanding that the employer notifies all vacancies to jobcentres and gives sympathetic consideration to applicants with disabilities) would be difficult. It would depend on jobcentre staff successfully sustaining arguments with employers that particular people with disabilities were "suitable" for particular jobs; it would very substantially increase administrative costs. The likely deterioration in relationships with employers would also damage other efforts to win commitment from them. An experiment in tighter enforcement in 1975 led only to more people with disabilities already in employment being induced to register.

5.9 It is difficult to see a practical way of modifying the Quota approach to make it successful. Reducing the Quota to, say, 1% would be a cosmetic measure which would do nothing to promote employment of people with disabilities. In any case, it would not avoid some of the difficulties and the requirement would be too easy for employers to meet by simply inducing a fraction of their unregistered employees with disabilities to register. Offering financial inducements to people to register would be inconsistent with the message that people with disabilities as a group do not require special favours, and it would be difficult to avoid abuse. Operating the Quota Scheme without a register would involve extra administrative cost in checking employers' declarations, and would not avoid the essential difficulties of the register system since people could not acceptably be counted without their consent and without evidence of disablement.

5.10 There are strong grounds for thinking that the Quota Scheme is inherently flawed. It relates only to the recruitment (and to some extent retention in employment) of people with disabilities, but does nothing to promote effective employment policies. In addition, its dependence on people "registering" as disabled conflicts with the wish of people with disabilities to be treated as individuals and not to be seen as stereotypes. The combination of a compulsory Quota with voluntary registration necessarily creates problems, but compulsory registration would be unacceptable to people with disabilities and to the Government.

5.11 There are, therefore, strong arguments to support the conclusion of the Public Accounts Committee that the Quota Scheme is "ineffective, outdated and unenforceable". It might nevertheless be argued that, however imperfect it is, its abolition would weaken the position of people with disabilities by sending the wrong signals to employers about society's expectations. Before reaching conclusions on the Quota Scheme, we need to examine possible alternatives.

#### Legislative Alternatives to the Quota Scheme

##### (1) A Levy/Grant System

5.12 A levy/grant system on the German model would involve imposing a levy on employers who failed to meet a quota requirement and using the money raised for schemes of assistance to people with disabilities. Its attractions are that a financial penalty is arguably a more appropriate and so effective sanction than criminal prosecution (as under the 1944 Act) and that funds would be raised to help people with disabilities in proportion to employers' failure to employ them.

5.13 However, it has severe disadvantages. It shares with the Quota Scheme the problem of how people with



disabilities are to be identified in ways which are at once fair to employers, acceptable to people with disabilities, and consistent with the right message about their talents and individuality. If permits were not allowed, the system would operate inequitably where an employer was genuinely unable to meet the Quota. The experience of the levy/grant system of the Industry Training Boards suggests that administrative costs would be high. It may also be undesirable for the level of help for those people with disabilities who need extra help to be linked to employers' willingness to employ people with disabilities generally. A levy/grant system would not clearly focus on the objective of securing jobs for people with disabilities - employers might choose simply to pay the levy. Such a system does not, in the Government's view, offer significant advantages over the Quota Scheme.

(2) Anti Discrimination Legislation

5.14 Anti-discrimination legislation, along the lines of that applying to race and sex, backed by a statutory code of practice, would have the advantage of sending positive messages to employers about people with disabilities and of putting enforcement into their hands. It would also bite on areas other than recruitment. However, a major difficulty is that disability, unlike race or sex, can be relevant to job performance and what to some might seem like discrimination may in reality be recruitment based on legitimate preferences and likely performance.

5.15 An anti-discrimination law would be complex to draft and uncertain in its application. There is a danger that faced with a law uncertain in its application, employers would become more reluctant to hire people with disabilities. The relationship of people with disabilities with employers might be damaged and the task of persuasion made harder. Some kind of enforcement agency (perhaps like the Commission for Racial Equality) would probably be needed, involving substantial cost. Anti-discrimination

legislation, therefore, is unlikely to be effective in achieving policy objectives and might be counter productive by making a constructive approach by employers less likely.

(3) A Statutory Duty

5.16 A statutory general duty could be imposed on employers to promote the employment of people with disabilities, linked to a statutory code of practice. Enforcement might be the responsibility of Employment Department staff though it would be open to individuals to complain to them. They would first seek voluntary action, and if that failed serve a notice requiring specific improvements in practice, with failure to comply leading to prosecution.

5.17 This proposal shares some of the advantages of anti-discrimination legislation, in going beyond recruitment, and in not requiring people to place themselves on a register. It allows for a coherent message to employers - that good practice is in their interests but that failure to recognise this has serious consequences for people with disabilities and that, though very much a last resort, legal action will be taken if an employer persists with indefensible practices.

5.18 However, it has drawbacks. Effective enforcement is necessary to the credibility of a law, and a law lacking credibility also lacks moral force. It is far from clear that enforcement action would achieve more than token changes of procedure within firms, certainly not without costly monitoring exercises. The diversion of resources into investigating complaints, and undertaking protracted negotiations with a minority of particularly unenlightened employers, would not be in the best interests of promoting the employment prospects of people with disabilities generally. This proposal therefore seems unlikely to yield results that would justify pursuing it.

(4) Companies Act

5.19 The Companies Act (1985) requires Directors' Reports for companies with over 250 employees to state company policy on the recruitment, retention and development of staff with disabilities. The requirement could be extended by requiring the statements to cover a number of the points (eg who is responsible for the policy, how success is monitored) which the Code of Good Practice on the Employment of Disabled People suggests should be covered. The requirement, in a simpler form, could also be extended to smaller companies, eg those employing 20 to 250 people.

5.20 The objective would be to ensure that companies had policies covering the points required, and that the issue had been brought to directors' attention, not to prescribe their content or ensure that they were carried out. The value would be in stimulating action by firms which were basically well-intentioned but had not got round to addressing the issue of how to carry those intentions into effect. There undoubtedly are such firms. This proposal might therefore be useful though more through supporting encouragement than by compelling employers to employ people with disabilities under pain of sanction.

Conclusion

5.21 The general case for legislation has to be seen against the labour market background, in which people with disabilities will have more opportunities to develop their potential for employment and self-employment. The context is also one of increasing attention by employers to equal opportunity issues and to developing policies on the employment of people with disabilities, sometimes as part of general equal opportunity policies. Take up of offers of help from the ED - eg advice about employees with disabilities, grants for adapting premises - has sharply increased. People with disabilities themselves have gained in confidence, rejecting categorization with increasing

force. In these circumstances, a voluntary approach, particularly if strengthened in the ways described in the next chapter, has much potential.

5.22 Moreover there are good reasons for doubting whether any approach based on encouraging good practice through the threat of sanctions can work. Two stand out. First, clarity about the nature of the obligation imposed is indispensable to the effective operation of legal sanctions. This clarity cannot be achieved since disability, unlike race or sex, can be relevant to performance and there will be room for argument about the reasonableness of employers' actions. Second, disability is not a clearly definable condition, and that makes it impossible to operate effectively any legislation which imposes numerical targets on employers. Sanctions appeal as a short-cut solution. But there is no short cut. Legislation involving sanctions has been in force over 45 years under successive Governments and in a range of labour market conditions, and over 45 years it has failed to work satisfactorily.

5.23 The Government, therefore, does not believe that it would be right to introduce new legislation aimed at securing good practice through sanctions. Moreover if the current Quota Scheme did not exist, there would be no good argument for introducing it. There clearly is an issue whether abolition of the Quota Scheme would send employers the wrong signals about society's expectations of them, and whether this justifies its retention at least for the present; or whether a better way of conveying society's expectations can be found, perhaps strengthening the requirements imposed by the Companies Act, as well as pursuing the reinforced voluntary approach proposed in the next chapter. It is, however, not easy to justify an ineffective law as a good way of conveying messages, particularly when its administration consumes resources which would otherwise be available to support other forms of action and those who support the Quota Scheme have to address the substantial logical and practical arguments

against it.

5.24 Comments are invited on the merits and demerits of the Quota Scheme and of alternative legislative approaches to securing good practice in the employment of people with disabilities.

## CHAPTER 6 : THE ROLE OF EMPLOYERS - STRENGTHENING THE FRAMEWORK

### Introduction

6.1 Irrespective of the legislative provisions, the Government's aim is to encourage employers to greater effort in voluntarily applying good policies and practices in the 1990s. The foundations of an effective Government framework for encouraging and supporting employers have already been laid in the 1980s. The Government's aim will be to strengthen progressively the framework for encouraging and supporting employers, and so to achieve a gradual but steady improvement in the position of people with disabilities at work.

6.2 This chapter discusses the principles which should underpin the framework and the basic structural elements it will need, and seeks views on the next steps for putting these elements fully in place.

### Overall Approach

6.3 "Employment and Handicap" confirms that most people with disabilities have as much to give at work as non-disabled people. The aim of current arrangements is to persuade employers, in their own interests, to recognise this. Financial help is targeted on helping, where appropriate, with specific costs which arise in a minority of cases.

6.4 This approach is well suited to the labour market of the 1990s, and a framework based on it requires four main structural elements:

- effective and professional promotion of good practice;

- effective ways of bringing employers and unemployed people with disabilities together;
- encouragement to employers to apply good practice to people with disabilities in employment;
- appropriate recognition that employing some people with disabilities involves extra costs, and help to employers with those costs in appropriate cases.

The rest of this chapter sets out proposals to strengthen current practice, and priorities for action, and seeks comments on them.

#### Promotion of Good Practice

6.5 In the 1980s, the Government took major steps to promote good practice: publication in 1984 of its Code of Good Practice on the Employment of Disabled People and, since then, additional information and guidance for employers, trainers and individuals; establishment in the same year of the Disablement Advisory Service (DAS) whose nearly 200 staff promote good policies and practices both locally and nationally to firms; the Fit For Work Award Scheme which, since 1979, has given about 100 awards each year to firms for exemplary practice. Others also have been active: the CBI, the TUC and the Institute of Personnel Management (IPM) have published codes of practice, and the Royal Association for Disability and Rehabilitation and other voluntary organisations have mounted campaigns.

6.6 This effort has borne fruit. Many employers now have explicit policies on the employment of people with disabilities, often as part of wider equal opportunities policies, and the new initiatives have contributed. Most employers who have read the Code of Good Practice have found it very useful; firms visited by DAS are more likely to have

explicit policies and extra provision for people with disabilities - (see Annex 5).

6.7 Although much remains to be done to improve employers' practices, it is important to understand what employers already do. A view based on data on registration is liable to under-estimate considerably the degree of involvement and good practice. "Employment and Handicap" confirms that the number of people in employment with substantial employment handicaps is much greater than the number who have chosen to register under the 1944 Act, and that many of these have very substantial handicaps.

6.8 The Government believes that it is now time to strengthen its action further, through sharpening focus and professionalism, heightening the profile of action and mobilising a wider range of resources. In some cases, specific proposals for improvement can be made now; in others, we need to study problems or test out approaches to establish the best way forward.

6.9 A guide to good policies and practices is needed which is both authoritative and easily accessible to busy employers. The current Code meets the first test, but it has been suggested that some of its contents and the presentation are not appropriate to smaller employers. Smaller firms are of increasing importance in the economy, and it is important to give them relevant effective guidance. This could be done by producing a revised and tailored version of the Code.

Comments are invited, especially from organisations representing small firms on the value of producing a version of the Code designed for the needs of smaller employers.

6.10 Arrangements for promoting good practice need to be fully professional and credible. Much has already been



achieved through DAS. The proposals in Chapter 10 for an integrated specialist disability service within the Employment Department (ED), will further strengthen DAS' professionalism. But the capacity to promote good practice also exists outside the ED and some potential sources, eg employer organisations, may have greater credibility with employers. The development of Training and Enterprise Councils will help here as employers take more responsibility for planning to meet the training needs of individuals and their local labour markets. The Government is also prepared to consider experimenting with ways in which employer - based organisations or expertise available in the private sector might be used, alongside the Disablement Advisory Service, to deliver a local programme of promotion.

Comments are invited on what would be the best approach to involving employer-based organisations or expertise available in the private sector in the task of promotion of good practice.

6.11 Action along these lines would help bring the issues more prominently to the attention of employers. There is scope also for the CBI, the TUC and voluntary organisations to take further initiatives in this area. But we also need ways for employers to commit themselves publicly to good practice and to encourage each other. The Fit For Work Award Scheme has played a valuable role in doing this, but in the ED's view is not now adequate to the task. Its coverage of employers is inevitably limited and after 11 years it is becoming more and more difficult to maintain its impact. As measured by numbers of Awards given, the Scheme is much more successful in some Regions than in others.

6.12 *The Government therefore intends to put in place a different approach, involving employers more broadly. This would involve a symbol which employers could use on*

letterheads, job advertisements etc, to express commitment to good policies and practices. The aim would be to involve, eventually, several thousand employers and there would be a major launch of the symbol and continuing action to promote it. There would be guidelines on its use. Employers themselves would judge whether their policies and practices met those guidelines. Indeed, displaying the symbol, and so inviting people with disabilities to apply, would itself be part of good practice. It is unlikely that an employer who was not keen to have applicants with disabilities would display the symbol. The symbol would complement, not displace, existing symbols which refer to specific disabilities. The Government is discussing the symbol proposed with relevant interests and, subject to securing adequate support, intends to launch it as soon as possible.

6.13 Although the Fit For Work Award Scheme has played a valuable role, and those who have won awards can take pride in having done so, the Government believes that it is now yielding diminishing returns.

It therefore proposes to wind it up after this year.

Comments are invited on this proposal and also on whether there would be a value in mounting a periodic national conference and exhibition on employing people with disabilities in association with the "Symbol" initiative.

#### Bringing Employers and Unemployed People with Disabilities Together

6.14 General promotion needs to be backed by effective arrangements for helping employers to find suitable recruits. Otherwise, commitment will give way to scepticism. Currently, employers find 70-80,000 recruits with disabilities through jobcentres each year. But some employers who have actively sought to recruit people with

disabilities have reported that suitable candidates have not been forthcoming.

6.15 Elsewhere in this document, proposals are made for improving the awareness of the medical profession and others who come into contact with people with disabilities of the services which ED can offer, to create a stronger assessment, counselling and job-finding resource within the ED and to consider backing it with specialist bought-in help, and further to strengthen rehabilitation and training for unemployed people with disabilities. These will do much to help bring more employers and suitable unemployed people with disabilities together. The Sheltered Placement Scheme also has an important role to play in the case of people with severe disabilities.

6.16 The most convincing argument on behalf of individuals is an actual demonstration of what someone with a disability can do. The use of work experience in Employment Training and of work placements in rehabilitation will multiply the opportunities for people with disabilities to demonstrate their capacities to potential employers. *In addition, the Employment Department intends to encourage greater use of the Job Introduction Scheme, which supports "trial periods" with employers, to overcome employers' doubts about the suitability of particular people with disabilities for jobs.*

#### Good Practice Towards Employees

6.17 Employers know best the demands of jobs in their firms and, normally, the capacities of employees. But they may need advice eg about the options where an employee has become disabled, or about the capacity of someone with a disability to cope with advancement. Sometimes retraining may be needed where an employee has become disabled.

6.18 Currently, advice about employees is available from DAS (who provided it in over 10,000 cases in 1989/90) and from the Employment Rehabilitation Service. Employed people

with disabilities have access to ED help in training through Career Development Loans, and will benefit from the action which TECs are expected to take to disseminate good training practices locally.

6.19 The prime need is to encourage in employers a full commitment to good practice and to ensure that they have appropriate access to information and advice. The proposals made earlier in this chapter for strengthening encouragement, and in particular the "Symbol" initiative, will have an important role to play. *Existing information eg the range of advisory videos and publications about particular disabilities will be more actively publicised and, if need be, extended. In addition, it is intended to review, in consultation with those responsible, existing systems of professional training for employers' personnel staff in counselling people with disabilities and to consider whether these can be improved.*

#### Extra Costs

6.20 Employing people with disabilities can involve extra costs. That does not, of course, necessarily mean that it is right for the Government to meet those extra costs. It may, for example, be in the interests of employers to invest in maximising the productivity of their employees with disabilities, or in action to retain employees who have become disabled, where otherwise substantial costs in recruiting and training a replacement might arise. Generous and sympathetic treatment of employees who become disabled will also help build commitment among other employees.

6.21 In the 1980s, a great deal was done to help employers. A range of measures (described in Annex 4) is currently available, providing grants or assistance in kind to employers or individuals to overcome specific barriers to work - for example, provision of special aids, grants to adapt premises and equipment. Take up has increased from

2,814 successful applications in 1982/3 to 7,545 in 1989/90.

6.22 Some have suggested that the current, targeted, approach should be replaced by a general subsidy, whether through grants for employers, or vouchers for individuals, for the employment of people with disabilities. This would not be desirable. It would signal to employers that people with disabilities are sub-standard employees, waste money on subsidising recruitment of people who would have been recruited in any case, and divert help from those in real need. Some standardization of the rate of subsidy would be inevitable, so that even among those needing help, some would get more, others less, than was needed. And it would be wrong to single out people with disabilities for subsidy; other disadvantages also create employment handicaps.

6.23 *The Government will shortly be publishing an evaluation of current schemes. This will cover such issues as the effectiveness and cost-effectiveness of provision and targeting on need.*

## CHAPTER 7 : SELF-EMPLOYMENT

### Introduction

7.1 Self-employment is becoming increasingly important in the economy. Over the past ten years numbers of self-employed have increased by 1.3 million - to 12% of the employed workforce. Self-employment will continue to grow in the 1990s.

7.2 That is one reason why it is important that people with disabilities should benefit from opportunities for self-employment. But, in addition, self-employment may have particular advantages for some people with disabilities. Those who face paternalism in employment can develop a sense of independence in self-employment. Those who find it difficult to work a regular 5-day week or even a regular part-time option can benefit from the greater flexibility in hours which self-employment can allow. It is easier to work from home when self-employed than when employed.

7.3 People with disabilities are already seizing opportunities for self-employment. "Employment and Handicap" shows that 14% of people with disabilities at work are self-employed, compared with 12% of the general workforce. A higher proportion of self-employed, than of employed, people with disabilities have serious employment handicaps. In a situation where unemployment rates among people with disabilities remain much higher than among non-disabled people it remains important to ensure that full advantage is taken of the solutions which self-employment can offer.

### Current Programmes and Services

7.4 People with disabilities who wish to become self-employed can obtain information and advice from the Employment Department's counselling staff (see Chapter 2) about help available. A number of general Government-

funded schemes to support the self-employed and small businesses are equally available to people with disabilities. These schemes will increasingly be organised locally by Training and Enterprise Councils (TECs) rather than being delivered directly by the Training Agency as at present. They include:

- the Enterprise Allowance Scheme (EAS), where estimates of the proportion of participants who have disabilities range from 3% to 8%, and the record of success of the businesses they set up is comparable to that of other businesses. Special efforts are made to help applicants with disabilities, and TECs will have a portion of the budget which inter alia can be used to help overcome non-financial barriers to self-employment which prevent people from joining the Scheme.
- training programmes for small businesses, currently available through the Training Agency, such as the Business Enterprise Programme and Business Skills Seminars; in this area TECs will have a wide measure of discretion as to the design and content of their programmes; and
- business counselling for the self-employed and small businesses, which will be the responsibility of TECs to organise in their areas, and which outside those areas is currently available through the Small Firms Service (SFS) and Local Enterprise Agencies (LEAs). SFS gives 3 free counselling sessions to people with disabilities in addition to the 3 available to all clients.

7.5 Special help available includes:

- help to self-employed people in removing barriers

created by disabilities, through the Special Aids, Adaptations, Fares to Work and Reader Service Schemes;

- the Business on Own Account (BOA) Scheme can provide a grant towards the costs of setting up a business to people with severe disabilities who cannot be resettled in any other way; and
- the Blind Homeworkers Scheme (Homeworkers) provides people with severe disabilities with grants to set up businesses at home and with a subsidy to bring income to a guaranteed level. The Scheme is administered by local authorities, who finance the income subsidy and 25% of the setting-up costs, with the ED paying 75% of the setting-up costs and grants for administrative and training costs.

#### Developing Provision

7.6 It is convenient to consider under the headings advice, training, incentives and help in cash or kind the further development of provision in the 1990s.

#### Advice

7.7 A key prerequisite to success is a positive attitude, among those advising or marketing services to people with disabilities, to self-employment as an option for them. They must not assume, unconsciously or otherwise, that people with disabilities cannot cope with self-employment. People with disabilities themselves also need to have the confidence to recognise the potential value of self-employment, whether in businesses set up by individuals, in partnership or as a co-operative.

7.8 "Employment and Handicap" for the first time provides hard statistical evidence that, far from being unable to



cope with self-employment, many people with serious handicaps find that it offers positive advantages. It is intended to ensure that this evidence is disseminated to Employment Department staff, voluntary organisations and organisations involved in advising about self-employment. The Employment Department will review its instructions to its own advisory staff to ensure that they give full weight to self-employment as an outcome for people with disabilities.

7.9 Advisers can help those people with disabilities who may lack confidence to gain it. It is also intended to consider further whether the Employment Department and Training and Enterprise Councils might usefully publicise examples of successful entrepreneurs with disabilities.

In addition comments are invited on whether there is more action which voluntary or charitable organisations involved in encouraging entrepreneurship could take to encourage it among people with disabilities.

7.10 Although business advice is available from the SFS and LEAs, there is little outreach or marketing of their services to would-be entrepreneurs with disabilities. A project is in preparation, however, led by Business in the Community, to prepare guidelines and run workshops for LEAs to equip them better to support entrepreneurs with disabilities. The counselling role of SFS is being transferred to TECs.

Comments are invited on whether there are further steps which LEAs or TECs might usefully take to improve the accessibility of advice to entrepreneurs with disabilities and whether there would be value in forging closer links with organisations working with people with disabilities to that end.

## Training

7.11 The Government believes that Employment Training, the Business Enterprise Programme and owner-manager training within Business Growth Training, in general, provide a sound framework for helping train entrepreneurs with disabilities. The establishment of TECs is likely further to enhance the relevance of the training to local needs. TECs will need to consider whether courses helpful to disabled entrepreneurs are widely enough publicised, the scope for joint initiatives with disability organisations and whether there is a need to encourage more special courses to be run eg for blind or deaf people or others who cannot use standard learning materials.

## Incentives

7.12 Initially self-employment may yield only a small income. That makes it difficult for people on benefits to enter self-employment, if the benefit is immediately withdrawn. In the case of unemployment benefit, the EAS was established to solve the problem by providing a £40 per week supplement to income for the first year of self-employment. The Scheme can also help people who have been on incapacity benefits, but who become fully capable of work, and then qualify in the usual way.

7.13 Hitherto, however, equivalent help has not been available for all people on incapacity benefits who become partially capable of work. Such people may not be able to give the full-time commitment to enterprise which the EAS requires, and where their capacity is in doubt might not wish to take the risk of moving from incapacity to unemployment benefit or income support. This problem is addressed by the Department of Social Security's proposals, in "The Way Ahead", for a Disability Employment Credit which will supplement, where necessary, the work-income of people who are partially capable of work, and who either have been in receipt of a long-term incapacity benefit or disability

premium on income-related benefits, or are in receipt of the proposed Disability Allowance. The Government believes that when operational the new credit will have an important role to play in opening up opportunities for self-employment in the 90s to the very people with disabilities for whom the flexible working patterns possible in self-employment will offer particular advantages. The new benefit will be available in both employment and self-employment. *When the Disability Employment Credit is introduced it is intended to draw the attention of those advising people with disabilities to the help it can offer to those considering self-employment.*

#### Help in Cash or Kind

7.14 People with disabilities who wish to be self-employed may, like those seeking employment, need help to overcome barriers to particular jobs created by disabilities. Moreover some may find in self-employment itself a way of avoiding barriers to work, but need help with general setting-up costs. Currently the Government helps meet the first need through the Special Aids, Adaptations and Reader Service Schemes, and the second through the BOA and Homeworkers Schemes and provisions, within Special Aids, to lend 'standard' equipment where self-employment offers the only appropriate means of resettlement.

7.15 The cost-effectiveness of help provided has been examined in an evaluation of the special schemes to be published shortly (see 6.23).

## CHAPTER 8 : SHELTERED EMPLOYMENT

8.1 This chapter reviews the support provided for those with severe disabilities. Chapter 9 will consider the development of support for this group within the Sheltered Employment Programme.

8.2 The Sheltered Employment Programme caters for those who require more substantial, and longer-term support - for example, people with acute sensory problems, or with severe epilepsy, or who experience mental illness or handicap. Those assisted by the Programme are bounded on one side by people who are, or have become, able to work with little or no long-term assistance. At the other side are those with little capability for work, or who are capable of diversionary work only, whose support is limited to assistance through social security benefits.

8.3 Special support is provided through the Sheltered Employment Programme, which offers a protected environment as well as income subsidy to compensate for limitations to output brought about by disability. The need for a protected environment varies according to individual circumstance. Some people are unable to work without considerable protection and support. On the other hand, many people with a wide range of severe disabilities can work perfectly well in subsidised sheltered placements alongside their non-disabled counterparts in open industry, if care is taken in selecting jobs and in providing appropriate supervision.

8.4 "Employment and Handicap" provides information which has not previously been available about the number of people with severe disabilities in the labour market, and about their characteristics. The survey provides information based on self-assessment by those interviewed and additional information based on paper reviews by the DROs of the data collected in the interviews. Information derived from this study has only recently become available, and will require

careful and detailed examination. However, the principal indicators that emerge from the information now available suggest - on the basis of the two approaches adopted in the survey to establishing the size of the group concerned - that it is likely that:

- there are between 130,000 and 270,000 people with severe disabilities who are in employment or self employment (including those people, numbering rather more than 20,000, supported by the Sheltered Employment Programme)
- between 60,000 and 100,000 people are actively seeking work, and have characteristics which suggest that they might have sufficient difficulty in finding work to require help under the Sheltered Employment Programme.

Great care is needed in interpreting this information, which is derived from a small sample, and in particular in considering its relevance to the sheltered employment programme. On the face of it the figures suggest that the number of people who are probably eligible for support under the Programme are substantial, and that at the same time larger numbers are finding it possible to hold jobs without support. However, the methodology of self assessment, backed up by paper assessment by DROs - does not allow precise judgements about the extent to which the individuals concerned in either group would or would not prove to be eligible for support under the sheltered employment programme. Observation shows that these people have a wide range of characteristics in terms of capacity and previous employment history, and it has not been possible to obtain reliable information about output. There is the further difficulty in interpreting the information about those in employment or self-employment that, by definition, people who are in employment without assistance are ineligible for support under the Programme for as long as they are able to retain open employment.

### Size, Shape and Cost of the Sheltered Employment Programme

8.5 Some 20,700 people with severe disabilities were in sheltered employment in March 1990, where they are supported for their working lives or until they move elsewhere. Just over 14,000 of those supported work in Remploy factories or in sheltered workshops run by local authorities or voluntary bodies - almost entirely in manufacturing work. However, an increasing number - just under 6,500 at end March 1990 - are employed under the Sheltered Placement Scheme (SPS) in a wide variety of jobs in both the manufacturing and service sectors, as well as in agriculture and horticulture. SPS placements are sponsored by voluntary organisations and local authorities in roughly equal proportions.

8.6 The Employment Department (ED) has made available resources to help a steadily increasing number of people in sheltered employment over the past 10 years - by about 5.1% per annum on average. Most of that growth has been in SPS, which increased by 5,400 between 1985 and 1990 - or by 45% per annum on average. Employment in Remploy (8,750) and in local authority and voluntary body sheltered workshops (5,550) has been broadly maintained. Expenditure by the ED has increased in real terms by £0.9m - or by 1% - between 1984/85, and 1989/90; total expenditure, it is estimated, by £9.6m (10.4%).

8.7 The financial costs of the Programme are found from contributions from the ED, and local authorities and voluntary organisations, to which is added in the case of factories and workshops the revenue achieved through sales. In 1989/90 the ED spent £101m on revenue and capital support for sheltered employment; that is about 79% of the money available for all programmes run exclusively for the benefit of people with disabilities. Of this, £67m (66%) was spent by Remploy; £21m (21%) by providers of sheltered workshops; and £13m (12%) on SPS. The ED meets in full those costs of Remploy's operations which the company cannot cover through

sales, and a proportion of the cost of provision managed by local authorities and voluntary organisations. The ED's contribution covers 75% of the revenue cost to local authorities of supporting sheltered employment (whether it is managed directly or paid for in establishments elsewhere) up to a ceiling of £2,600 per head in 1989/90 (currently £2,730), and the full revenue costs of voluntary organisations up to a ceiling of £3,280 per head in 1989/90 (currently £3,480). In addition it meets up to 75% of the costs of capital expenditure by local authorities and voluntary organisations.

8.8 Reliable information about the total expenditure on sheltered employment by local authorities and voluntary bodies is derived from annual accounts, and the last full year for which reliable information is available is 1988-89. In that year local authorities spent £33m, to which the ED contributed £16.4m; voluntary bodies spent £14.1m to which the ED contributed £11.1m. These figures include expenditure on both revenue and capital. In 1988-89 it is estimated the total cost of the Programme, including the Department's subvention to Remploy, was £110m; it is estimated that it will be £141m in 1990-91.

#### Cost and Cost-Effectiveness

8.9 Economy and cost-effectiveness are particularly important to a programme where potential demand exceeds the amount of provision for which resources can be made available. There have been considerable improvements in cost-effectiveness in recent years.

8.10 In Remploy there has been a substantial increase in the contribution made by the Company through its sales to the cost of employing the disabled labour force. In 1984/85 the subsidy represented 106% of the disabled wage costs. By 1986/87 sales were sufficient to cover the Company's costs with the exception of the wages of the disabled labour force. In 1988/89 the Company contributed £2.9m to the wage

bill.

8.11 The ED has also been encouraging and helping local authorities and voluntary organisations since 1984 to get as close as is reasonable to a position where the final deficit does not exceed the labour costs of the severely disabled people employed. Considerable progress has been made in this area. For example in 1984/85, 43 workshops (35% of total) achieved this objective; in 1988/89 there were 67 (54%).

8.12 The average cost per person employed in the main components of the Programme is illustrated in the following table

	REMPLOY	LA	LA	VB	VB
		SPS	W'SHOPS	SPS	W'SHOPS
	£	£	£	£	£
1983/4	6,600		6,343		4,641
1984/5	6,403	3,187	6,488	3,525	4,721
1985/6	6,474	3,063	6,363	3,343	5,162
1986/7	6,268	3,267	6,446	3,365	4,967
1987/8	6,341	3,275	6,634	3,302	4,933
1988/9	6,314	3,388	6,335	3,285	4,896

- Notes :
- (1) SPS and workshops costs not separately identifiable before 1984/85
  - (2) source - claims from sheltered employment providers
  - (3) figures are at constant 1988/89 prices
  - (4) 1988/89 is the latest year for which figures are at present available

Care is needed in comparing these costs because of differences in the way in which the information is collected. Even so there are significant variations between the costs of the components which cannot be explained in terms of differences in the range and quality of the support offered. They arise essentially from the high overhead costs of Remploy factories and sheltered workshops and the vicissitudes of business. A further important point is that there are large differences between the costs of individual



workshops, and differences exist also in the costs of SPS sponsors. For example, although the average cost per worker in local authority workshops in 1987/88 was £6167, there were eight workshops with costs 50% above that figure. Again differences of this order cannot be justified simply by reference to differences in the quality of the service offered.

The remainder of this chapter considers a number of features of sheltered employment that need particular consideration at this time.

### Lack of Planning

8.13 The distribution of provision has arisen in a haphazard way, and largely as a response to the interest that sponsors have shown from time to time in developing provision as resources allowed. As a result, some areas have no provision; others have concentrations - often of competing provision of similar kinds. In general there has been no systematic effort to establish methodically and objectively the needs of people with severe disabilities for help under the Programme, to relate that to existing provision, and to design sheltered employment provision as part of a framework which allows and encourages movement across a continuum of support ranging from Adult Training Centres through, where possible, to open employment.

8.14 There are wide differences in the way in which provision is managed and delivered. On the one hand, Remploy is a centrally-managed commercial organisation operating through 93 factories; on the other hand there are 143 local authorities and 61 voluntary organisations responsible for the management of about 130 sheltered workshops operating independently of each other, and for sponsoring SPS provision. The ED is not without influence over the direction of the Programme, particularly through its substantial financial contribution. It exerts particular influence over the general objectives for

Remploy, but for the remainder of the provision it has to rely upon the goodwill and co-operation of the local authorities and voluntary organisations concerned.

#### Absence of Mobility

8.15 Although sheltered employment should involve progression towards open employment, the number of people who move on from SPS or from employment in sheltered factories or workshops is negligible; for example, in 1988/89, 93 Remploy employees moved to open employment. The proportion moving into open employment increases as labour demand rises, but the major factor is that the encouragement of progression where possible towards open employment does not feature as an important requirement of the Programme. Indeed the pressure on sheltered factories and workshops to improve cost efficiency offers a major disincentive to progression, because managers are understandably reluctant to release those with the better developed skills, or capable of higher output, who are the natural candidates for progression.

#### The Balance of Provision

8.16 At the present time the predominance of provision - and most expenditure - within the Sheltered Employment Programme is in Remploy - the largest single provider - and in sheltered workshops. Despite considerable improvements in efficiency, this provision continues to cost significantly more than sheltered placements, where the scale of provision has increased substantially in recent years. Although the costs of sheltered placements would be likely to rise if the pattern of provision were to change, this relationship is unlikely to be reversed.

8.17 The SPS Scheme was the subject of an official review in 1988, the recommendations from which have for the most part been put into effect. That review generally confirmed the popularity of the Scheme, its relevance to the needs of

a wide range of people with severe disabilities, and the adequacy of the arrangements which support it. Nevertheless the problems of managing the Scheme will increase as it grows in size. Ways may also need to be found to accommodate a wider range of jobs and their related earnings than sheltered placements cover at present, and to find the means to help support groups of disability for which it is particularly difficult to cater -such as those suffering from mental illness, and the visually handicapped. Attention also needs to be given to important variations to be found in the costs of individual providers. There is, therefore, much that still needs to be achieved and to be tested over time.

8.18 Nevertheless the advantages sheltered placements can offer are considerable. They include the opportunity:

- to offer people with severe disabilities support where and when it is needed
- to offer a very wide range of jobs not confined to manufacturing industry, in particular in the rapidly growing service industries.
- to work alongside fit people in an integrated environment.
- to support more people because of the significantly lower relative costs.

8.19 The value of Remploy factories and sheltered workshops cannot be overlooked, nor should the work put into improving the efficiency of that provision. However, the quality and benefits of such provision have to be tested against what sheltered placements can provide in other more flexible and cost-effective ways.

## Funding Arrangements

8.20 A number of problems arise from the existing arrangements. In particular:

- the revenue costs of SPS are supported on the same basis as those of sheltered workshops, although the two forms of provision are quite different, and affected by quite different considerations. In particular, sheltered placement costs are inevitably affected by movements in wage levels in open industry, and it is illogical that the level of support should be determined by the variable fortunes of sheltered workshops;
- sponsors are at present allowed to average out the generally higher costs of sheltered workshops and the generally cheaper costs of SPS provision by presenting claims which aggregate expenditure on both. This arrangement was introduced originally as an incentive to promote SPS, but it is undesirable in that it disguises the real costs of workshops and sheltered placements;
- there is little incentive towards improving efficiency; and
- the arrangements are complicated, relatively expensive to manage, and information about actual expenditure is usually incomplete or out of date.

8.21 In the case of Remploy the problem is a difficult one of balance. Funding needs to be organised in a way which meets essential public expenditure requirements and yet allows the Company the fullest freedom and flexibility to operate effectively in the commercial environment in which it trades. Discussions are proceeding about how the Company can be given a greater degree of commercial freedom in the interests of improved efficiency.

### The Priority Suppliers Scheme

8.22 The viability of Remploy and sheltered workshops depends upon their ability to obtain sufficient work, and at a price which ensures a suitable return. This presents a major and continuing problem for small workshops, and the choice of the trades within which to work can have a major influence on the effectiveness of the operation. The following figures illustrate the value of the work required

	1986/87	1987/88	1988/89
	Sales £m		
Remploy	77.6	91.0	99.4
LA	44.6	48.0	47.8
VB	8.5	9.7	10.4
<hr/>			
Total	130.7	148.7	157.6
At 88/89 Prices	144.0	157.6	157.6

8.23 Traditionally the public sector has been seen as the natural place for sheltered factories and workshops to find work. However, they are also engaged substantially in work for the private sector, and the private sector may well be a better source for work, particularly for smaller workshops.

8.24 Sheltered factories and workshops enjoy certain advantages in the public sector through the operation of the Priority Suppliers Scheme which aims to increase Government business with Priority Suppliers (which comprise Remploy, sheltered workshops and Prison Industries Services and Farms), without departing from the principle of obtaining best value for money in public purchasing. Priority Suppliers are given every opportunity to tender for goods and services, and, where they do not provide the most

economically advantageous tender, they are given the opportunity to match the best commercial bid on an "offer back" basis. If only part of the requirement is met by a Priority Supplier, the unit price paid to that Priority Supplier should be no lower than that paid to the trade supplier. The Priority Suppliers Scheme has been greatly valued by Remploy and by sheltered workshops. In particular it is seen as confirming the Government's commitment to help meet the needs of people with severe disabilities in employment, and it provides opportunities to tender which the smaller workshops at least would otherwise find it difficult to obtain.

8.25 However, the value of the Priority Suppliers Scheme has been significantly affected by recent developments. For example, privatisation has led to organisations moving outside the scope of the scheme - although in some cases care has been taken to retain the co-operation that had existed with Priority Suppliers. Then within central Government departments, the number of purchasing points has increased, which adds to the difficulties of ensuring that all purchasing staff are aware of the PSS and the way it operates.

Comments are invited on this review of the arrangements for helping those with severe disabilities through the Sheltered Employment Programme

## CHAPTER 9 : THE DEVELOPMENT OF SHELTERED EMPLOYMENT

9.1 Chapter 8 reviewed some of the difficulties and the opportunities found in the Sheltered Employment Programme. This chapter considers how the Programme should be developed to deal with these difficulties, and to take advantage of opportunities for improvement that are now on offer, and against the widespread recognition of the need for development and rationalisation in the Programme, and for clarity in its objectives.

9.2 The Employment Department (ED) recognises the continuing importance of the Sheltered Employment Programme to those who depend upon it for their livelihood. It also greatly values the contribution made by those who sponsor and manage provision for sheltered employment, without whose efforts the Programme could not exist.

9.3 Sheltered Employment is an important and well-established programme, and the ED remains committed to maintaining support through the Programme, and to its development as the availability of resources allows.

9.4 The need is to build on the best of what has been achieved; to make the most effective use of the resources so as to be able to extend the coverage; and to exploit the opportunity that now exists for extending the choice of support available to those who have to depend on the Programme for their livelihood. Development at this time needs to be based upon the following underlying principles:

- effective planning and development of provision based on the analysis of need
- close attention to the needs of the individual
- the promotion of the maximum amount of mobility

- close and continuing attention to economy and cost-effectiveness
- effective management locally and nationally

#### The Needs of the Individual

9.5 The need to place the requirements and interests of the individual at the centre in planning and delivering programmes is of particular significance for sheltered employment. Most of those needing help under the Programme have been denied choice both in the variety of jobs on offer, as well as between employers. In many areas the Remploy factory or sheltered workshop has been the only employer. The development of sheltered placements has very greatly increased the range of options that can be offered in terms of both employers and types of job and raises the question of how far people have been segregated into sheltered workshops and factories, not because they needed to be there but because no other choice was available at the time. It remains as important with sheltered placements as with other forms of provision that they should provide the opportunity which match well the particular needs of the individual.

#### Economy and Cost Effectiveness

9.6 The need for economy, and improved cost-effectiveness, are particularly important to this Programme. It absorbs already a high proportion of the money available for specific help for people with disabilities, and the information provided in "Employment and Handicap" relating to unmet need (see para 8.4) reinforces the importance of ensuring that the resources available are used cost-effectively. Opportunity clearly exists for improvements in the efficiency of particular operations, and for the transfer of support from more to less expensive components of the Programme.



### The Balance of Provision

9.7 The central issue for the future of sheltered employment is the balance to be struck between the components of the Programme. The value of sheltered placement provision attracts strongly held views from both those who support the scheme, and those who argue for the maintenance and development of provision in sheltered factories and workshops. However, it is clear that a consensus exists that it is in the general interest that the future balance between workshop and sheltered placement provision over the foreseeable future should now be made clear. This balance needs to be struck on the basis of the best judgement that can be made on how the particular needs of those needing help under the Programme can most effectively be met, exploiting fully the range of options that now exist, and the scope - particularly with sheltered placements - for further development.

9.8 The ED believes that the relative advantages of sheltered placements for those who can obtain the help they need from them are considerable, and should be fully and whole-heartedly recognised and developed within the Programme as a whole. The longer term objective should be, therefore, that wherever possible sheltered placements should be the preferred form of provision. For some, sheltered factories and workshops will still provide the only suitable form of employment, although the essential need of this kind may well prove to be relatively modest as experience with sheltered placement provision develops further to meet the particular needs of those who require a level of care and support beyond that which can be offered already. The ED welcomes the interest some organisations have been showing in such development.

9.9

In general, therefore, the Employment Department proposes as a longer term objective that employment in sheltered factories and workshops should be confined to those who cannot be supported properly under sheltered placement arrangements. The general effect would be to move over time to a position where the bulk of the provision would be provided through sheltered placements, with a more modest framework of sheltered factories and workshops offering help for those who can be assisted in no other way.

There may also be a case for seeing a supplementary role for some workshops and factories as providers of training and assessment for people who are moving into sheltered placements, as well as into open employment. This would need to be considered as an alternative for this group to the provision for assessment and training mentioned earlier in this document. Furthermore there may possibly be an additional role for workshops as a holding post for people moving between placements.

9.10 There are at present some 14,000 people employed in Remploy factories and in sheltered workshops, many of them for many years. The development of new arrangements must be sensitive to this situation and must recognise the dependence of seriously disabled people on continuity of employment for their livelihood. At the same time an early and significant start must be made towards the longer term objective, in particular with increasing the range and number of opportunities available by switching resources from factories and workshops to additional sheltered placement provision as resources can be made available.

9.11 The Employment Department proposes, therefore, that:

- the rebalancing of the programme in favour of sheltered placements should be undertaken over a transitional period of no longer than five years;
  
- as a first step in that process, early consideration should be given to the withdrawal from the Programme - as the availability of provision allows - of resources which are duplicated in individual labour markets -eg where there is a Remploy factory and a sheltered workshop operating in close proximity whose provision could be combined - and those where the costs are particularly high; and
  
- that consideration should be given to arrangements to ensure reasonable continuity of earnings for individuals affected by reorganisation.

#### Funding

9.12 The direction of expenditure of the money available for sheltered employment will need to contribute to the achievement of the shift of balance described above. There will need to be some transfer to new sheltered placement provision over a period of time of money which would otherwise have been available for allocation to factories and sheltered workshops. This process needs to be handled sensitively, and in a way which does not lead to unnecessary disruption of the business activities of factories and workshops. The ED is already in discussion with Remploy about proposals put forward by the Company for the reconstruction of its activities, and it will be seeking to establish with the Company objectives which are consistent with the longer term framework proposed.

9.13 The Employment Department proposes to enter into early discussion with those representing the interests of sponsors of workshops and sheltered placements about ways in which deficiencies in the funding arrangements identified in Chapter 8 can be addressed. Among the issues that need to be considered here are whether the funding of workshops should be put on a separate basis to that of SPS, and whether a basically different approach to funding, possibly through block-funding, can be devised which would be more helpful to sponsors and reward efficiency and good performance.

Views are invited on the existing funding arrangements and on possible cost effective improvements to them which could be met within existing resources.

9.14 The development of Remploy's funding arrangements to enable it to operate with greater effectiveness in the commercial environment is being dealt with in the context of the proposals under consideration for restructuring the Company's activities.

#### Mobility

9.15 Progression within and from sheltered employment is at present very limited. It may be that it will inevitably remain relatively small, but it remains important in terms of personal development, and of the desirability of greater integration, that sheltered employment should be designed to help people with severe disabilities move as close to open employment as their circumstances permit. The information in "Employment and Handicap" about the large numbers of people who are in employment or self-employment without the assistance of the programme (see para 8.4), provides encouragement for the view that it should be possible to achieve more through progression. There is currently an

interest amongst some sponsors in the development of arrangements which provide a coherent and logical framework of provision, including the incorporation of existing provision, in ways planned to encourage progression, and to offer at each stage the support necessary to help the individual continue to move on. The ED wishes to encourage the development of proposals of this kind and will be prepared, as available resources allow, to support some selective experiments to that end.

Comments are invited on how progression can best be encouraged.

9.16 A different aspect of mobility is how to respond to the needs of those who because of deterioration in health, or for other reasons, find themselves unable to maintain their output and performance. This has proved to be an area of particular difficulty for sponsors and managers. The Programme is not designed to deal with all levels of ability, and forms part of a wider framework of support. The ED believes that just as people with severe disabilities have to demonstrate a certain level of productive capacity to enter the Programme, so they should be ready to leave the Programme for more suitable support should their capacity fall below the normal threshold. Otherwise, distortions enter into the operation of the provision concerned, and the retention of those involved is likely to prevent others from entering the Programme. It is suggested that the acceptance of this principle should be made a condition of entry into the Programme.

Comments are invited on this proposal.

#### Management of the Programme

9.17 Chapter 8 has drawn attention to major weaknesses in existing arrangements which prevent the effective management of the Programme. The proposed change in the balance of provision will greatly reinforce the need for effective

management structures. A particular problem is to define the responsibilities which those who at present contribute to the Programme have for its longer term development and management, and to ensure that clear leadership and direction is provided in individual labour markets.

9.18 The ED has been encouraging the interest being shown by some local authorities and other organisations in reviewing the relevance of existing provision against objective assessments of the present, and likely future, needs of individuals for particular types of support. At the local level this approach should be developed widely.

The Employment Department proposes that the satisfactory completion of an examination of need and provision in this way should in future be an essential pre-condition to the consideration of requests for major capital support, and for other significant new developments.

9.19 A partnership between action by local authorities and voluntary organisations, and by the ED, stands at the centre of arrangements for supporting and delivering the Programme. The ED is aware that some local authorities and voluntary organisations have felt a need to question the implication of this partnership because of worries about costs, and other competing social problems. It believes, however, that the partnership approach remains appropriate to the needs of the programme.

9.20 One alternative approach to the management of sheltered employment would be to place responsibility for its delivery in the hands of a separate agency. The main advantage of this approach would be to bring central direction clearly to bear on the various components of the programme, and so make easier the task of planning the rebalancing of the programme along the lines discussed above. It would also open up the possibility of a strong commercial approach to the management of factories and

workshops, and of achieving some economies of scale in their operation.

9.21 There are, however, a number of difficulties in an arrangement of this kind. It would need to reflect the responsibility that is shared between local and central Government for financial support for the programme. It would tend in fact to work against the development of local interests which are seen as being of increasing importance in the delivery of employment and training programmes and, for example, local authorities and voluntary bodies with long association with the provision of sheltered employment would find themselves less able to influence the way in which it was operated in their particular areas. Furthermore, the provision of sheltered employment is one of a range of services that ED offers to those with disabilities, and the programme depends substantially upon the specialist services which the DASMs and DROs are able to offer. There is, therefore, a need to ensure that the linkage with other services to benefit those with disabilities is maintained, and this need is likely to increase as progression develops momentum.

9.22 The arrangements for the management of the programme will need to be kept under review as the size and balance develops over time along the lines proposed above. It may be, for example, that a case might emerge at some stage for different arrangements in the interests of efficiency for the management of the factory and workshop activities needed to support the rebalanced programme. At this point in time, however, the ED is not advocating the creation of a separate agency to manage the programme.

Comments are invited on the adequacy of the present arrangements for the joint support and delivery of the programme for the demands of the future.

### The Priority Suppliers Scheme

9.23 The ED recognises the problems that have emerged in recent years with the operation of the Priority Suppliers Scheme, and the importance of ensuring that Remploy and sheltered workshops are able to obtain the work needed in order to operate efficiently. It will continue to promote the interests of priority suppliers in obtaining access to suitable public sector contracts. Experience in recent years has demonstrated the great potential that exists for work in the private sector, and there are considerable advantages, for smaller workshops in particular, in seeking work in this area. There may be a role for Remploy in developing a marketing service which would cater for sales requirements of sheltered workshops.

*The Employment Department will be discussing the issues here with those concerned with the operation of sheltered factories and workshops, with a view to establishing how the longer term needs of providers can best be met.*

### Consultative Machinery

9.24 The ED values the opportunities that exist for consultation about the management and the operation of the Sheltered Employment Programme. The changes proposed in the direction of the Programme will increase the need for effective arrangements for consultation, and for the exchange of information. *The Employment Department will be entering into discussion with the main parties involved with the operation of sheltered employment to establish effective arrangements for consultation on matters of policy, and for the effective flow of information relating to the day to day operation of the Programme.*

9.25 Comments are invited on the proposals made in this chapter for the development of support for those people with severe disabilities requiring special



help in obtaining and keeping jobs.

## CHAPTER 10 - PLANNING AND MANAGEMENT OF SERVICES

### Introduction

10.1 This chapter reviews how the Employment Department's services function as a whole. It considers certain common issues, specifically:

- the information base for planning;
- securing the best contribution from non-specialist services;
- the management of specialist services and the contribution which sources of help outside the Employment Department (ED) might make;
- coherence of employment and non-employment services;
- responding to customers' wishes;
- advisory machinery.

### Information

10.2 The data now available in "Employment and Handicap", summarised in Annex 2, helps to meet criticism from the Public Accounts Committee that the Government lacked adequate information about people with disabilities in the labour market needed to plan services (eg on the type and severity of disability).

10.3 Planning cannot be based only on statistics. Impairments, labour market demand, social attitudes and individuals' qualifications, circumstances and qualities of personality come together to shape the level of employment handicap in ways which cannot readily be captured statistically. But the information base has been improved.

"Employment and Handicap", supplemented where appropriate with data from the Office of Population Censuses and Surveys' reports on Disability in Great Britain, commissioned by the then Department of Health and Social Security, will provide a sounder base for planning services.

#### Non-Specialist Programmes and Services

10.4 In developing a coherent approach, it is essential to use appropriately non-specialist programmes and services. The help given by most programmes to people with disabilities is regularly monitored, some significant evaluation work has been done and the adequacy of information is kept under review. *The Employment Department intends in future to 'audit' appropriate programmes and services, both before any new one is launched and at appropriate intervals for established programmes and services against tests designed to ensure that they meet the needs of their clients with disabilities.*

It proposes the following tests:

- (a) responsiveness, as far as possible, to properly identified individual need;
- (b) accessibility to people with disabilities;
- (c) appropriate exploitation of the programme's potential contribution to helping them get suitable work;
- (d) appropriate encouragement of integration;
- (e) coherence with other services helping people with disabilities;
- (f) cost-effectiveness of help offered to people with disabilities.

Comments are invited on this approach.

### Specialist Service: Coherence

10.5 Earlier chapters have demonstrated the capacity of the specialist services to adapt, innovate and achieve results, and have proposed improvements. There remains the issue of their coherence.

10.6 There is currently no mechanism for looking at the total impact of specialist services nationally or in localities. They are split between the Employment Service, (Disablement Resettlement Officers (DROs), Disablement Advisory Service (DAS), sheltered employment funding) and the Training Agency, (Employment Rehabilitation Service (ERS), training funding), and are managed from different levels (DROs, locally; DAS, area level; training funding, locally; ERS and sheltered employment funding, nationally).

10.7 This arrangement links closely specialist and related non-specialist services. Arguably, it ensures for each service an appropriate form of management; for example, national management of the ERS was introduced to carry forward an accelerated phase of development. However it can involve discontinuities between related specialist services (eg counselling and assessment) and insufficient managerial drive and co-ordination. It also confuses employers. We believe that DAS, DROs and ERS should be as far as possible integrated into a single service, in a way that maintains effective links with non-specialist services.

### Plans for a New Structure

10.8 The option of establishing an agency separate from either the Employment Service or the Training Agency to deliver the services has been considered but has been rejected because it would disrupt links with non-specialist services and programmes. *It is, therefore, intended to develop the specialist services as follows:*

- *The Employment Rehabilitation Service will be transferred to the Employment Service, where it will take its place alongside the other specialist services;*
- *management arrangements for the specialist services will be examined with the aim of ensuring that there is adequate managerial drive behind them and adequate arrangements for professional guidance and support at all levels. One option which will be considered will be placing the Employment Rehabilitation Service, Disablement Resettlement Officers and the Disablement Advisory Service under their own management line reporting to Employment Service Regional Offices, though in considering that option it will be important to take full account of the need for effective links with non-specialist services;*
- *as part of this examination, the allocation of functions to staff within the specialist services, and their deployment, will be examined with the aim of achieving a fully integrated approach to clients;*
- *the training of Disablement Resettlement Officers and the Disablement Advisory Service to be strengthened, and the possibilities of developing a stronger specialist career structure, involving, inter alia, longer stays in post, to be further examined;*
- *use of others' expertise in support of counselling, assessment, rehabilitation and promotion of good practice to be carried*

*forward, through means to be decided in the light of comments on proposals in earlier chapters.*

10.9 *It is also intended to give priority to ensuring close working relationships between Training and Enterprise Councils (TECs) and the Employment Service and providers of training and workshops for people with disabilities.*

10.10 These changes would create a more coherent, professional and effectively managed service, and one better able to mobilise potential contributions from voluntary and employer organisations and others.

#### More Radical Options

10.11 A review such as this ought also to consider the possibility for the longer term of more radical approaches.

10.12 One is to give responsibility for the specialist services to TECs, with ED staff being seconded. The aim would be to involve employers more closely in their planning and direction and to link the services more closely with action on training and enterprise.

10.13 A second is to contract out the services to local agencies on the model of ET Training Agents, which might be consortia of relevant employer and voluntary interests. The aim would be to improve planning and management and to exploit the advantages of competitive tendering, and of the possible potential of such agencies to form better links with non-employment services.

10.14 Although these options have attractions, pursuing them involves serious difficulties. Both would mean disruption of links with non-specialist employment services, which constitute a major strength of current arrangements. TECs are designed as sub-contracting organisations rather than for direct delivery of services, and it is unreasonable to expect them to put real drive behind specialist

disability services beyond training when they are establishing themselves to perform their main task in promoting training and enterprise. There are no existing organisations to which the services could readily be contracted out, and time would be needed to grow the required combination of expertise. These options therefore do not seem possibilities at present.

Comments are however invited on how far they should be borne in mind in the further development of services.

#### Coherence of Employment and Non-Employment Services

10.15 The importance of ensuring that employment and non-employment services work together effectively to help people with disabilities to get back to work has been stressed in earlier chapters. Here the issues involved are briefly drawn together.

10.16 There are two main needs. The first is for income maintenance arrangements, as far as possible, to encourage people with disabilities who are partially capable of work, to take it up. The Department of Social Security proposals for a new in-work Disability Employment Credit are specifically designed to meet this need.

10.17 Experience with people undergoing training or rehabilitation has shown that there can be particular difficulties in securing a smooth financial transition from disability or sickness benefits to training or rehabilitation allowances. There can also be problems when a person with disabilities leaves training or rehabilitation in reassessing their benefit status. The ED and the DSS are aware of these problems and are already working together to achieve an easier and more consistent flow. It is especially important that good local links exist between the staff of both Departments and training organisations to address particular cases quickly and knowledgeably.

10.18 The second need is to ensure, as far as possible, recognition that some people have multiple problems. The proposals for case managers in the White Paper "Caring for People" are designed to help those who have both social and health care needs. A number of the proposals made in this document are relevant eg:

- the establishment of a stronger specialist service charged with developing better links with other services;
- the proposal to consider experiments for DROs to devote greater effort to working with other services in tackling multiple problems coherently;
- the proposals to buy in support from voluntary organisations which may have better links than ED with other services;
- the discussions with medical bodies about how to ensure that the health care professions have adequate knowledge of employment-related help available to their patients.

*Over the next 2 years, the Employment Department will keep under review the lessons emerging from implementing these proposals, and from the local projects being mounted within the European Community's Helios<sup>(1)</sup> programme, and will consider whether they suggest any general lines along which services should be developed.*

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(1) The latest in the series of the EC's action programmes for people with disabilities, aimed at developing and disseminating good practice among member states.



10.19 Comments are invited on whether there is further action which might usefully be taken now to improve the coherence of employment and non-employment services in cost-effective ways

#### Responding to Customers Wishes

10.20 People with disabilities must be fully involved in shaping both individual action plans and the design of services. *The need to produce mutually agreed action plans has already been introduced in various elements of The Employment Department's counselling and assessment services. This concept will be developed more widely.*

10.21 *The Employment Department intends to get more direct feedback from people with disabilities about its services generally, not only in the course of formal evaluations, but also through piloting the use of small groups of people with disabilities, selected at random among clients of one jobcentre in each Employment Service Region, to discuss how far their needs are being met. Summaries of the results of those discussions would be made available to local advisory bodies. User groups for training and rehabilitation would also be useful to build upon or to establish where they do not yet exist.*

10.22 *The Employment Department will also ensure that advisory bodies appropriately represent the views of people with disabilities. It will appoint a due proportion of members with disabilities and of members from voluntary organisations which represent people with disabilities.*

#### Advisory Bodies

10.23 Employers and voluntary organisations must be effectively involved in advising about services. Under the 1944 Act advice is given to the Secretary of State for Employment, locally through Committees for the Employment of Disabled People (CEDPs) and nationally through the National

Advisory Council on Employment of Disabled People (NACEDP). These arrangements, described in Annex 6, were established under the 1944 Act. Any fundamental changes to the arrangements would require legislation. At this stage the Government is unable to say when, if it is agreed that changes should be made, any such legislation could be accommodated with the legislative timetable. Comments would nevertheless be welcomed on possible changes to the current arrangements.

#### Local Advisory Bodies

10.24 Committees for the Employment of Disabled People (CEDPs) have two roles: advising ED, and helping to promote good practice. The conclusion of a Review which reported in 1988 was that they make a significant contribution in both roles, but that:

- a) individuals with much to contribute were excluded because they did not fit the recommended categories for membership;
- b) members were inadequately briefed or trained in their role;
- c) limitations on the number of meetings, and on secretarial support, restricted their impact.

10.25 There are other grounds for raising questions about existing arrangements. It has never been easy to define for CEDPs a fully clear and satisfying role. Although their two current roles can fit together, they are not a perfect fit, since the formal procedures surrounding selection for a statutory advisory committee may exclude people well fitted to promoting good practice. The creation of Training and Enterprise Councils (TECs) has raised new issues. CEDPs' statutory role is in relation to ED, but ED is ceasing to be directly involved in local delivery of training and enterprise programmes. The Government's

policy, in dealing with TECs, is to specify ends, but to allow flexibility about means. TECs have been given clear responsibilities in meeting the needs of people with disabilities, but have used various means, (eg the creation of equal opportunities sub-committees) to develop their thinking and to obtain advice about how to carry these responsibilities out. Although it has been made clear that they should consult CEDPs, it is not proving easy to define the TEC - CEDP relationship in ways fully satisfactory to both. CEDP representation on TEC Boards has been suggested as a solution. But that is incompatible with the nature of TEC Boards, whose members act in an individual capacity rather than as representatives of particular bodies.

10.26 It is difficult to find a perfect solution to these problems. The Government sees two main issues. First is the composition of CEDPs. The 1944 Act contains minimum requirements about appointing some members after consultation with employer and worker organisations, but otherwise Ministers have discretion. In practice guidelines have been developed about the categories from which other members should be drawn, and these have tended to harden into rules. A range of points of view is needed on CEDPs to ensure considered advice, particularly those of the users of services - people with disabilities and employers - but individuals with much to offer should not be excluded simply because they do not meet these guidelines.

The Government proposes that in selecting CEDP members it should give more weight to ensuring that individuals who can make a major contribution are included.

It is of course also right to aim that a significant proportion of members should themselves have disabilities.

10.27 The second issue is the structure of the CEDP network. More than one option is possible. One is simply to retain the current network, but to train and brief

members better, and to work at developing the TEC-CEDP relationship (eg appointing suitable TEC Board members to CEDPs). This would have the advantage of continuity, of requiring no legislative change and of continuing to provide a clearly defined mechanism for obtaining advice locally.

10.28 A second option is to have regional rather than local CEDPs. This would have a number of advantages. Regional committees would have more status. They would be better placed to advise ED about training and enterprise, since it is at regional level that ED will have a direct presence in those areas. Since regional committees would be fewer, they could more easily be given stronger secretarial support. Their links with local Employment Service (ES) managers would be less close than those of current CEDPs, but they would have better access to the ES Regional Director, and be able to comment on the strategies being pursued in the region.

10.29 Regional committees could not readily act as advisory bodies to individual TECs. And to supplement them with local committees would create an over-complex structure. But arguably the best solution, and the one most consistent with the Government's general approach to TECs, would be to reaffirm that TECs had a responsibility to obtain adequate advice, accepting that different TECs, given their different structures and circumstances, would devise different procedures for meeting that responsibility. This would underline to TECs their responsibilities in the disability area, and help to mobilise their commitment. Regional committees could offer only limited help with promoting good practice locally. But promoting good practice in the employment and training of people with disabilities is a task on which the Employment Service and TECs must work together. The involvement of local employers in TECs, and TECs' needs to develop local contacts to obtain advice, would provide a good basis for building informal networks of people who could help in that task.

10.30 Each of these two options has advantages. That of creating regional, rather than local CEDPs would require legislation and could not be implemented immediately. Taking account of the above discussion,

comments are invited on how local advisory arrangements might best be developed.

#### Advice at National Level

10.31 The National Advisory Council on Employment of Disabled People (NACEDP) has played an indispensable role in shaping the services. The retention of an authoritative source of national advice is essential in the future framework of services for people with disabilities. It is important that the perspective of the users of services - people with disabilities and employers - should have proper weight in determining advice. It is also important that a significant proportion of members should continue to be people who themselves have disabilities. However, issues do arise about the future size of NACEDP. It is large - 26 members at present. Its size makes it harder to structure discussions and secure agreed advice. A smaller body could still reflect an adequate range of points of view. Moreover unlike parallel bodies covering race and sex, which are chaired by Ministers, NACEDP does not have regular access to Ministers (though requests by its Chairman to meet Ministers are, in practice, accepted). Arguably NACEDP's advice has, as a result, sometimes had less weight than it deserved.

10.32 The Government proposes that the size of the National Advisory Council on Employment of Disabled People should be reduced - say to 10 to 15 members. This does not require legislation. The Council would continue to meet quarterly and focus on major issues of strategy. The issue of access to Ministers is an important one. Ministerial Chairmanship of Advisory Committees clearly enables both Ministers and advisers to remain closely in touch. Primary legislation would be needed to change the current arrangements for Chairmanship but the Government believes that it is worth considering whether the advice may be more effectively

offered through a committee chaired by a Minister.

Comments are invited on these proposals, and on the  
issue of possible Ministerial Chairmanship.

## DEFINITION OF PEOPLE WITH DISABILITIES

1. The Disabled Persons (Employment) Act 1944 defines a disabled person for employment purposes as -  
"a person who, on account of injury, disease, or congenital deformity, is substantially handicapped in obtaining or keeping employment or in undertaking work on his own account, of a kind which apart from that injury, disease or deformity, would be suited to his age, experience and qualifications"

The key points in this definition are that to be regarded as disabled in relation to employment a person must

- (a) have an impairment,
- (b) be handicapped in the labour market as a result,
- (c) be substantially handicapped.

2. In its discussion on the report by its working party on the principles underlying provision for the employment of disabled people the National Advisory Council on Employment of Disabled People agreed to recommend adoption of the following definition:

"someone who because of physical, sensory, mental or psychiatric impairment is handicapped in realising his or her potential in the labour market."

3. For the purpose of this document a person with a disability is normally defined as someone -

"who because of a physical, sensory, mental or psychiatric impairment is substantially handicapped in realising his or her potential in the labour market"

This simplified and modernised version of the definition in the 1944 Act has been developed in the light of the definition suggested by the National Advisory Council. The word "substantially" has been retained so as to focus help on those who have a real requirement for it. However the view taken in this document is that it should not be applied over-rigidly in considering eligibility for services. Some have suggested that the definition should be extended to cover people handicapped by disadvantages other than impairments. This is not really an issue about the definition of disability. It is about what services should be available to people with other disadvantages. As such it is beyond the scope of this document. The definition in the 1944 Act should continue to be assumed when discussing provision under the Act, but there is no practical difference between that definition and the one used for the purposes of this document.



## PEOPLE WITH DISABILITIES IN THE LABOUR MARKET

"EMPLOYMENT AND HANDICAP"

1. In 1988 the Employment Service (ES) commissioned a major study of the numbers and characteristics of people in the labour market who are occupationally handicapped. The study was conducted during 1989 and early 1990 by Social and Community Planning Research (SCPR). It has provided, for the first time, comprehensive information about people with disabilities based on a definition of disability specifically related to employment handicap, and which is thus directly relevant to the planning of services in this area. The findings, which have been taken into account in drawing up this document, are set out in "Employment and Handicap" (SCPR 1990).<sup>(1)</sup> The Summary from "Employment and Handicap" is reproduced in the appendix to this Annex.

Other Information(1) From the Employment Service

2. Other sources add only limited information to that in "Employment and Handicap". The ES collects some information about people with disabilities as defined in the 1944 Act - the numbers registered as disabled under the 1944 Act, and the numbers of unemployed people with disabilities (whether registered under the 1944 Act or not) who register for employment at jobcentres and Careers Offices.

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(1) A limited distribution of "Employment and Handicap" will be made, without request, by early July 1990. Thereafter copies of the report, priced £21.50 including postage, will be available from SCPR (Social and Community Planning Research), 35 Northampton Square, London EC1V 0AX.

### Registered Disabled People

3. In April 1990 there were 355,591 people recorded on the Register set up under the 1944 Act. However, this figure does not include people with disabilities who would be eligible to register, but who have not done so. No breakdown is available by employment status. "Employment and Handicap" suggests that some of the people on the Register may no longer be economically active.

### Unemployed People with Disabilities

4. The figures for unemployed people with disabilities registered for work at jobcentres or Careers Offices as at 5 January 1990 are:

#### UNEMPLOYED PEOPLE WITH DISABILITIES REGISTERED FOR WORK AT ES JOBCENTRES AND LEA CAREERS OFFICES

	Section I (Suitable for open employment)	Section II (Suitable for sheltered employment)	Total
People with disabilities registered under the 1944 Act	13,931	3,987	17,918
People with disabilities not so registered	27,362	2,994	30,356
Total	41,293	6,981	48,274

These figures understate, to an unknown extent, actual levels of unemployment among people with disabilities - because registration for employment is no longer compulsory for people claiming unemployment benefits.

(2) From The Office Of Population Censuses And Surveys Reports And EC Labour Force Survey

5. The Office of Population Censuses and Surveys' (OPCS) reports on Disability in Great Britain, commissioned by the (then) Department of Health and Social Security and published during 1988 and 1989, and the European Communities' annual Labour Force Survey (LFS) also provide information about the employment situation of people with disabilities. Both the OPCS report Number 4: "Disabled Adults : Services, Transport and Employment" and the LFS undertaken in Spring 1989 confirm that the rate of unemployment among people with disabilities is higher than it is for people without disabilities. The OPCS report also shows that people with disabilities who are in full-time employment earn, on average, less than other full-time workers. However in neither the OPCS surveys nor the LFS does the definition of disability used correspond to that in this document, that is someone:-

"who because of a physical, sensory, mental or psychiatric impairment is substantially handicapped in realising his or her potential in the labour market."

To fall within this definition -

- a. someone must have an impairment;
- b. the impairment must give rise to an employment handicap; and
- c. that handicap must be "substantial".

OPCS covers people who have:

"a restriction or lack of ability to perform normal activities ...".

Thus it does not specifically relate to the effect of disability on a person's capacity or prospects for employment. Furthermore it uses a low threshold of disability in order to obtain information about as many people with disabilities as possible.

LFS covers people of working age who have:

"a health problem or disability which limits the kind of work they can do".

It thus relates to employment, but is not limited to "substantial" handicaps.

6. Thus only broad conclusions about the position of people with disabilities in the labour market can be drawn from the information available from these sources.

#### Future Trends

7. There are indications of an increase over the coming years in the importance of people with disabilities in the labour market. Projections based on the OPCS surveys suggest that the number of people with disabilities in the labour market will increase due to the general ageing of the work force. By the years 2006 for women, and 2021 for men, there will be an additional 10% of people with job-limiting disabilities. The OPCS surveys have also identified 3 roughly equal groups among people with disabilities under pension age:

- those working or seeking work;
- those permanently unable to work; and
- those who are neither in the labour market nor permanently unable to work.

The size of the third group depends crucially on the questions asked of them as well as the opportunities available to them. As demand for labour improves there could potentially be a significant number of people seeking employment who are not actively doing so at present.

SUMMARY OF THE SCPR REPORT - EMPLOYMENT AND HANDICAP

SURVEY METHOD

A representative sample of around 40,000 private households was selected and a short sift interview was carried out. Full interviews were then conducted with anyone found to be of working age, economically active (or expecting to become so in the next twelve months) and having a health or disability problem that might lead to occupational handicap. The interview, which lasted around 50 minutes, obtained full details of their circumstances and employment history.

The 1446 full interviews comprised three distinct groups. 1037 were in work at the time of the interview. 302 were not in work but would like to have work. The third group of 107 were those who said they expected to be wanting work within the next twelve months. Together, the first two groups make up the "economically active" population. Wanting work in this survey had a much broader definition than the claimant based official unemployment figures. The survey took account of the fact that someone may have given up looking for work because of their handicap but may nevertheless want to work. Wanting work is therefore not an accurate guide to the rate of unemployment as shown in official statistics.

These numbers are unweighted. The survey results, however, are based on the weighted sample which for some purposes has also been grossed up to the estimated population size.

ESTIMATED SIZE OF TARGET POPULATION

In percentage terms, 3.8% of the working population of Great Britain were economically active and occupationally handicapped, 2.9% were in work and 0.8% wanted work.

The number of people who were economically active and occupationally handicapped is estimated at 1,272,000. Of these, 987,000 were in work (845,000 employees and 142,000 self-employed), and 285,000 wanted work. Each of these figures has a sampling error associated with it, for example, there is a 95% chance that the true figure for economically active and occupationally handicapped lies in the range 1,171,000 to 1,392,000.

Because information at the sift stage sometimes had to be obtained by proxy from someone else, there is a possibility that the estimates may be slightly on the low side. An examination of the evidence available suggests that if the percentage of 3.8% quoted above is too low - which is not necessarily the case - the true figure is unlikely to be higher than 4.3% (before taking account of sampling error).

A higher proportion of men than women were economically active and occupationally handicapped (4.2% compared with 3.3%).

The level of occupational handicap increases with age.

Disablement Resettlement Officers (DROs) assessed each economically active case for registrability under the terms of the Disabled Persons (Employment) Act 1944 and also whether individuals would be classified as Section I or Section II if they registered for employment assistance at the jobcentre. As a result, 3.1% of the working age population were judged to be registrable (2.1% were assessed as Section I and 1.1% as Section II). These represent estimated populations of:

Registrable	1,061,000
- Section I	695,000
- Section II	366,000

These figures should however be treated with some caution. The DROs were unable to make use of the personal interviews and medical evidence normally required before such classifications are made.

The data allows a tentative assessment of number of occupationally handicapped flowing into the labour market - this is estimated to be around 100,000 a year.

#### HEALTH AND DISABILITY PROBLEMS

In this and most of the following sections of the summary, analysis of the results is confined to the economically active members of the sample.

27% had been occupationally handicapped since the age of 19 or earlier. It must be remembered that the sample represents the stock at a point in time, and not the flow into occupational handicap.

17% had been born with the health problem or disability that gave rise to their occupational handicap. For 23%, it had been the result of an accident (half of these at work, half elsewhere). For 20% it had started with an illness. About a quarter were unable to give any specific cause.

The most common types of problem were those that affected the musculo-skeletal system - for 41% this was their main problem. For 16% it was caused by arthritis or rheumatism, and for 25% by injury, disease or deformity.

Next came respiratory problems (11%), heart and circulatory complaints (8%), mental disorders (7%) and diseases of the nervous system (7%).

It is likely that the short sift interview did not reveal everyone with a mental problem. The incidence of mental problems is

therefore probably understated in the above figures. Support for this hypothesis is provided by main survey questions. The proportion identified early on in the interview as having mental problems was lower than that identified by later questions when the interviewer had established more rapport with the respondent. These later questions showed a higher incidence of mental problems than reported above. If this is true for those who passed the sift, it is likely to be true for a number of those who did not. A comparison of those in work with those wanting work shows the latter to have a higher proportion of mental disorders.

73% would be classified as disabled on the criteria used in the recent OPCS survey of disability. This proportion was higher (79%) among those wanting work than those in work (71%).

About two-thirds reckoned they did about the same in a working day as someone without a health or disability problem. 20% said they did less. 15% said that they did more.

15% said that they did three-quarters or less of the work done by a person without a handicap. This compares with 26% assessed by DROs as Section II cases.

74% could work a normal week involving work on at least 5 days and at least 7 or 8 hours a day. 7% could not do as much as 15 hours a week. For 8%, the hours they could work varied from week to week.

46% said that the number of days per year that they took off for sickness (or would take off if they were in work) was less than 5. 10% said they took 30 or more days off. 15% had had three or more spells of at least a month off work within the last 5 years.

A quarter said they had to stop work regularly to take a rest because of their condition. For 8% this happened several times a day. The breaks taken were mostly short, about two-thirds of them being of 20 minutes or less.

Although 29% said that there were some tasks that were normally part of their job that they could not perform, including 21% who needed help from others to do their job, only 6% needed help all or most of the time.

Nearly half believed they could get a more skilled job if it were not for their condition, and over a quarter said they earned less than other people doing the same job. About a quarter of those in work said that their promotion chances were affected. A proportion (18%) of those whose employer offered training courses said their condition prevented, or limited, their participation in these courses.

About a quarter could not ride a bicycle or motorcycle, but only small proportions could not use other forms of transport. 56% had the use of a car or van they drove themselves. However, 39% said



their condition made travel more tiring than it would otherwise be. 10% of those in work said they had to pay more to travel to work than if they did not have their condition.

Employees current work journey was made by car in 54% of cases (44% driver and 10% passenger), by bus or works bus 16%; by bicycle or motorcycle 5%; by train tube or metro 5%; and by taxi 1%. 18% walked all the way. Only one person used a special bus for the disabled. Only 1% did not have a work journey as they worked at home.

### JOBS

Of the economically active, 78% were in work (66% as employees and 11% as self-employed), while 22% were wanting work (again this is a broader definition than that used in official statistics).

Part-time jobs accounted for a quarter of those in work, but of a much higher proportion of women (46%) than men (9%). About a quarter (mainly men) worked 45 or more hours a week.

3% of those in work were in sheltered employment.

42% were in non-manual work. According to the 1987 General Household Survey (GHS), the corresponding proportion for the working population as a whole is 54%. The comparison with GHS also shows that within both non-manual and manual groups, the jobs of the present sample tended to be at a lower skill level than those of the working population as a whole. 42% of those in work had no formal educational qualifications, compared with about a third of the working population as a whole (GHS). 6% had a degree or equivalent, and altogether 28% had a qualification at A level or better.

Taking full and part-time work together, 60% had a gross weekly income of £100 or more. For 24%, it was £200 or more, and for 7% £300 or more. These figures represent earnings from employment/self-employment, and do not include benefits or partners earnings or any other source of income.

A comparison of the earnings of full-time males with those of full-time males on adult rates in the 1989 New Earnings Survey suggests that the earnings of occupationally handicapped males is below that of all males. The income group into which their median income falls is:

SCPR survey	£150-199
New Earnings Survey	£200-249

70% were in work when they first started to experience problems to do with their work because of a health or disability problem. The majority had worked prior to this, the average length of time worked being around 15 years. Much of this prior experience was in the job that was held at onset: this job had been held for an

average of 8 years.

For about half, the onset of their problem had been sudden, and for half gradual. The latter group were more likely to have needed time off: half of them had needed at least three months off, and one in six over a year. Nearly a quarter of this group had not returned to work afterwards.

In the majority of cases (76%) employers knew of the problem at the time of onset.

Of those who were employees in a job they held at time of onset, 34% were still employed by the same employer. In 14% of cases this was the identical job. In 7% changes had been made to accommodate the problem and in 4% they had been switched to a different job because of it.

65% had left their onset employer, 37% for reasons to do with their health problem and 28% for other reasons. Among those leaving for health reasons were 11% who were dismissed or felt that they had been pressured into leaving, 10% who were advised by their doctor to leave, and 13% who decided themselves to leave.

There was a marked tendency for retention of the onset job to be positively related to length of service in it prior to onset. While this partly reflects normal turnover patterns, the tendency remains even when these have been allowed for. In particular dismissal/pressure appears to be more prevalent in smaller organisations.

Of those self-employed in their onset job, 61% were still self-employed. 32% had stopped self-employment for health-related reasons and 54% for other reasons.

23% of those in a job at onset had not worked again, appearing in the sample either because they wanted work now (15%) or because they anticipated re-entering the labour market within 12 months (7%). It must be remembered that those who had left the labour market after leaving their onset job would not be included in the survey.

Of those finding another job, over half had done so within two months of starting to look, but a quarter had taken over six months to find one.

Of those wanting a job at the time of interview, 66% were actively looking for one, 15% had given up because unsuccessful and 19% had never seriously looked. Many of those actively looking had been doing so for a long time (half for at least a year, and 30% for three years or more).

59% wanted full-time work, 29% part-time work. Far more women than men wanted part-time work.

## DIFFERENCES BETWEEN THOSE IN WORK AND THOSE WANTING WORK

There were substantial differences between those in work and those wanting work. Those wanting work were more disabled and more handicapped than those in work. 79% of those wanting work compared to 71% of those in work were classified as disabled on the criteria used in the recent OPCS survey of disability and 61% (compared to 53%) had at least one handicap. Those wanting work were also less well qualified - 59% had no qualification compared to 42% of those in work.

## SELF-EMPLOYMENT

Those in work within the sample were more likely to be self-employed than the working population nationally.

	<u>Proportion in self-employment</u>		
	(base: all in work)		
	All	Males	Females
1989 SCPR survey	14%	18%	10%
1986 Labour Force survey	11%	15%	7%

Self-employment appears to play an important role among the occupationally handicapped.

Although there is little difference between employees and self-employed in terms of DRO assessment of registrability or in terms of numbers of type of disability, the self-employed appear to have greater occupational handicaps. In particular, they appear to need the flexibility offered by self-employment as their disability or health is such that regular working hours are problematic. Thus, although they report larger numbers of hours worked in a week, fewer can work a standard working week of 5 days and 7 or 8 hours a day. A substantial number (19%) said they had to work at home because of their condition.

## USE OF SERVICES AND ADVICE SOURCES

59% of the economically active had heard of the Disabled Persons Register, but only 13% claimed to have a valid Green Card. (This is lower than would be expected from the number of Green Cards issued. The reasons for this are discussed in the body of the report.)

The main reason for having a Green Card was that it would help get a job.

Most of those who did not have a Green Card said they had never thought about it, or that it was not relevant to them. The main advantage of a Green Card was seen as its assistance in getting work, though about half did not think it had any advantage. About

one in five thought that a Green Card made it more difficult to get a job and one in ten that it labelled people as different.

Respondents were asked about who they had approached for help and advice at various stages since the onset of their handicap. They were also asked what they wanted help and advice about.

At the onset of the problem, it was mainly medical aspects about which advice was sought, though a wide variety of other matters, many of them job-related, were also involved. Later, the advice wanted was much more job-related - the help most commonly wanted being advice on what sort of jobs could now be realistically applied for.

At onset, two-thirds said they had sought advice, by far the most common source being doctors (51%), followed by employers (19%) and Trade Union representatives (8%) and DROs (5%), followed by other jobcentre staff (4%). Advice was more likely to be sought by employees of large organisations than of smaller ones.

Of those currently wanting work, 47% had sought advice, and rather more than half of those who had not done so said they would like advice. Men were much more likely to seek advice than women. Advice sources included DROs (13%), BPROs (1%), other Jobcentre staff (25%), DAS teams (2%), Unemployment Benefit Offices (11%), social workers (5%), doctors (7%) and the Careers Service (2%).

Respondents were asked specifically about nine schemes and services provided by the Department of Employment group. Only small proportions of those currently in work were receiving these services. The most frequently mentioned (by 2%) was the Fares to Work Scheme. It is of note that 10% of those in work said the cost of their journey to work was increased as a result of their health or disability problem.

Few of those in work at onset had received any of these services. The most widely used was Employment Rehabilitation Centres (3%). 6% would have liked this form of help. 6% felt that the Job Introduction Scheme would have been helpful.

The Job Introduction Scheme had been used by 13% of those not in work at onset when looking for their first job. This scheme and Employment Rehabilitation Centres were the two schemes that were felt to be of most benefit in the search for work. 23% of those currently looking for work said they would find the Job Introduction Scheme useful and 18% said the same about Rehabilitation Centres. Sheltered workshops and placements were also of interest to those currently job hunting (mentioned by 14% and 10% respectively), along with the Fares to Work Scheme (10%).

Government training schemes which integrate the disabled with those without such problems were preferred by the large majority (77%).

#### DEMAND FOR SPECIAL AIDS AND EQUIPMENT AT WORK

Demand is probably understated in what follows, since people's horizons are very much constrained by what they know to exist.

8% of the economically active said they needed special equipment or aids. The proportion was higher among professional and managerial workers, perhaps as a result of greater awareness of the possibilities.

The most likely to need aids were those with sight or hearing problems.

Relatively small numbers used special aids or equipment at work and few reported an unmet need.

The small figures involved make it difficult to draw conclusions about specific types of aids or equipment. The biggest unmet needs of those in work were special chairs and devices for lifting heavy objects.

#### ANTICIPATING WANTING WORK WITHIN 12 MONTHS

This group, who have a potential demand for services, are substantially different in character from those currently economically active.

Over half (55%) are female and only 8% are aged 55 or over (compared to 21% of the economically active). Three in ten report mental disorders (28% had seen a psychiatrist or other specialist about a mental problem within the preceding 12 months). Over a quarter (27%) said the amount of time they would be able to work each week would vary depending on their condition and only 43% said they could work a full week. 27% also reported that their productivity was likely to be three-quarters or less that of someone without a health problem. 47% were registered sick, compared to 23% of those currently wanting work.

MAIN EVENTS IN THE DEVELOPMENT OF GOVERNMENT EMPLOYMENT PROVISION  
FOR PEOPLE WITH DISABILITIES: CHRONOLOGICAL SEQUENCE

YEAR	EVENT
1943	Report of the Inter-Departmental Committee on the Rehabilitation and Resettlement of Disabled People (The Tomlinson Report).

Main Recommendations

- Adoption of a definition of disability related to employment;
- establishment of a register of disabled persons;
- employers should have a statutory duty to employ a proportion of people with disabilities (Quota Scheme);
- reservation of certain occupations for people with disabilities;
- provision of sheltered employment for severely disabled people;
- provision of vocational rehabilitation and training;
- establishment of a specialist placing and follow-up service; and
- establishment of local advisory committees which would assist with administration of Quota Scheme.

1943	First Industrial Rehabilitation Unit - (later known as an Employment Rehabilitation Centre (ERC)) opened at Egham.
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1944	Disabled Persons (Employment) Act.
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Main Provisions

- Definition of a disabled person ;
- Register of disabled persons;

YEAR	EVENT
	<ul style="list-style-type: none"> <li>- Quota Scheme;</li> <li>- Designated Employment Scheme (reserved occupations);</li> <li>- sheltered employment for severely disabled people;</li> <li>- vocational rehabilitation and training for people with disabilities; and</li> <li>- establishment of a national advisory council and local advisory committees.</li> </ul>
1946	Quota Scheme introduced for employers with 20 or more employees - initially placed a duty on them to employ 2% registered disabled people but this was raised to 3% later in the year.
1946	Remploy established as a Government supported company with the prime objective of providing meaningful sheltered employment for severely disabled people.
1947	Government commenced funding of rehabilitation centres run by specialist voluntary organisations.
1948	National Assistance Act extended local authority welfare powers to cover the welfare of <u>all</u> persons substantially and permanently handicapped by illness, injury or congenital deformity. The Act repealed the Blind Persons Act 1920 which had only covered the welfare of the blind.
early 1950s	Residential Training Colleges (previously run entirely by charitable organisations) began to receive Government funding.
1956	Report of the Committee of Inquiry on the Rehabilitation Training and Resettlement of Disabled Persons (the Piercy Report) concluded that "the facilities for enabling disabled persons to get suitable employment are

## YEAR

## EVENT

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comprehensive and well established, needing little change or development ... (and) would be the most suitable whatever the economic circumstances".

- 1958 Disabled Persons (Employment) Act consolidated responsibility for sheltered employment under the Minister of Labour, and made minor changes regarding eligibility to register as disabled.
- 1960s Development of Sheltered Industrial Groups to provide employment for severely disabled people alongside workers without disabilities.
- 1962 Stewart Committee - Review of Workshops for the Blind.
- 1970 Chronically Sick and Disabled Persons Act amended the role of the National Advisory Council on Employment of Disabled People (NACEDP) to include advice on the training of persons concerned with helping disabled people into training or employment.
- 1973 Consultative Document issued by Department of Employment on the Quota Scheme for Disabled People - led to transfer of responsibility for the Scheme to the Manpower Services Commission (MSC)
- 1979 Fit for Work Award Scheme introduced.
- 1981 Disablement Advisory Committees replaced by Committees for the Employment of Disabled People.



YEAR	EVENT
1981	Review of the MSC's Employment Rehabilitation Service. Report recommended a series of developments to be tried (Chapter 10.3 et seq).

Main Recommendations

- A service should be established for recently disabled people;
- one ERC to concentrate on basic core skills;
- examination of employment rehabilitation facilities at a National Health Service rehabilitation unit; and
- voluntary bodies should be encouraged to develop projects aimed at rehabilitating clients through temporary employment.

1982	Report by the MSC on its Review of Assistance to Disabled People.
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Main Recommendations

- Specialist occupational advice and counselling should be concentrated on those who need it. Mainstream employment service to help the majority of people with disabilities; and
- a more systematic approach should be developed towards advice to employers and towards people with disabilities at work.

These recommendations were implemented. The last one led to the introduction of DAS (see below).

1983-4	Introduction of Disablement Advisory Service.
1984	Code of Good Practice on the Employment of Disabled People launched.

1984 Report on the "Proposals for the Development of the MSC's Rehabilitation Service" published. Noted that the ideas proposed in the 1981 Report had not, after more than 2 years of development, proved cost-effective, with a few exceptions - eg the use of employers for placement.

Recommended

- A progressive programme of change to bring in those new approaches which did prove effective;
- a pilot project to develop new vocational assessment teams (later called Asset Teams); the adoption of new assessment materials; and
- more emphasis on jobfinding.

1984 Asset Centres set up to provide assessment and rehabilitation services in areas not well served by Employment Rehabilitation Centres.

1985 Sheltered Placement Scheme for severely disabled people replaced Sheltered Industrial Groups.

1985 Quota Scheme for the Employment of Disabled People: Report by MSC-led Working Group on suggestions for improving the Scheme's effectiveness. The Working Group made a number of recommendations for strengthening the administration of the Quota Scheme if it were to be retained. Their main recommendation was, however, for research into the numbers and characteristics of people with disabilities who might be eligible to register as disabled, to help the Government to address issues related to the Scheme's potential. The Government agreed to the commissioning of research, and postponed decisions on the future arrangements for the Scheme until more information becomes available.

1987 Asset Evaluation Report published. Identified the strength and weakness of Assets and ERCs - both having value. Recommended the continued development of Assets and the adoption by the rest of the ERS of the good features of Assets. Less emphasis on workshops and more use of employer placements and agencies. The main lessons of the October 1984 report had been implemented.

1987 Report on the Development of the ERS considered the progress of the ERS, taking note of National Audit Office criticisms. Came to similar views to the Asset Evaluation.

#### Recommended

- Improved geographical coverage, eg. through mobile teams;
- the use throughout ERS of new techniques;
- more extensive use of agencies and other innovative approaches; and
- a centralised management structure with short management lines.

The approaches recommended in 1987 have been brought in with marked improvements in the cost-effectiveness of the service.

1987 Employment Rehabilitation Service managed at national level.

1988 Evaluation of Sheltered Placement Scheme.

#### Main Findings

- Scheme is widely regarded as a simple but effective means of getting people with severe disabilities into open employment, and one which has potential for considerable further expansion;

- it is catering for people within all of the broad disability categories;
- SPS workers are found in a wide range of occupations;
- people with disabilities working under the Scheme are generally well integrated with their non-disabled counterparts working for the employer direct;
- Scheme has achieved a good level of geographical coverage, even in areas of relatively high unemployment; and
- cost-effectiveness of the Scheme could be further enhanced by changing fundamentally the basis on which it is funded.

DESCRIPTION OF EXISTING EMPLOYMENT AND TRAINING PROGRAMMES FOR PEOPLE WITH DISABILITIES

(Inc. performance and expenditure relating to people with disabilities)

PROGRAMME SERVICE AND DESCRIPTION	ACTIVITIES	PERFORMANCE 1989-90	EXPENDITURE 1989-90
A. <u>EMPLOYMENT SERVICE</u> <u>DEDICATED PROGRAMMES</u>			
<u>Disablement Resettlement</u> <u>Officers (DROs)</u>			
DROs work in Jobcentres. They provide help to people with disabilities who require specialist occupational counselling and advice and those who have special needs arising from their disabilities - in particular those recently disabled and those whose disability impedes jobsearch.	<ul style="list-style-type: none"> <li>. Assessment of client needs;</li> <li>. Promotion of Training/rehabilitation;</li> <li>. Counselling/placings;</li> <li>. Advice and placing help on employment for people with severe disabilities, and advice for those seeking self-employment;</li> <li>. Help in convincing employers and other organisations of clients' suitability;</li> <li>. Liaison with health and social services, other government organisations;</li> <li>. Registration under the provisions of the 1944 Act;</li> <li>. Administration of the Quota Scheme;</li> <li>. Information about ES Special Schemes.</li> </ul>	20,500 people with disabilities placed into jobs including sheltered employment.	Cost of DROs' work cannot be precisely disaggregated from overall expenditure on jobcentre mainstream services. On 6.4.90, 490 staff units were estimated to be allocated to the disablement resettlement service - including 507 people working full or part-time as DROs.

PROGRAMME SERVICE AND DESCRIPTION	ACTIVITIES	PERFORMANCE 1989-90	EXPENDITURE 1989-90
<u>Disablement Advisory Service (DAS)</u>	<ul style="list-style-type: none"> <li>. Promoting positive policies and practices in the employment of people with disabilities;</li> <li>. Providing practical advice to employers on the recruitment, career development, retention etc of disabled employees;</li> <li>. Providing advice on the Employment Service's special schemes for people with disabilities;</li> <li>. Developing job opportunities under the Sheltered Placement Scheme (SPS);</li> <li>. Offering practical advice to employers about Quota obligations;</li> <li>. Promoting the Fit for Work Award Scheme;</li> <li>. Maximising employment opportunities for blind people.</li> </ul>		<p>Cost of DAS cannot be precisely disaggregated from overall expenditure on jobcentre mainstream services. On 31.3.90, 195.4 staff units were estimated to be allocated to DAS.</p>

PROGRAMME SERVICE AND DESCRIPTION	ACTIVITIES	PERFORMANCE 1989-90	EXPENDITURE 1989-90
<u>Special Schemes</u>			
A range of special assistance designed to overcome some of the problems which people with disabilities may encounter in getting or keeping work. Comprises:	Appropriate help is given to assist people with disabilities to overcome some of the problems which they may encounter in getting or keeping employment.	7,545 successful applications (some people will have been helped by more than one Scheme)	£6.74m
<ul style="list-style-type: none"> <li>. Special Aids to Employment Scheme;</li> <li>. Adaptations to Premises and Equipment Scheme;</li> <li>. Assistance with Fares to Work Scheme;</li> <li>. Personal Reader Service (for blind and partially sighted workers);</li> <li>. Job Introduction Scheme;</li> <li>. Remote Working Scheme;</li> <li>. Business on Own Account Scheme</li> </ul>			

PROGRAMME SERVICE AND DESCRIPTION	ACTIVITIES	PERFORMANCE 1989-90	EXPENDITURE 1989-90
<u>Sheltered Employment</u>			
This programme provides employment under sheltered conditions for people with severe disabilities, who are unable to obtain or retain jobs in open employment - through	<ul style="list-style-type: none"> <li>. Assessment;</li> <li>. Training/rehabilitation;</li> <li>. Counselling/placing;</li> <li>. Influencing employers in developing employment opportunities;</li> <li>. Help for people in employment;</li> <li>. Employment for people with severe disabilities;</li> <li>. Self-employment.</li> </ul>	20,667 people with severe disabilities employed at year end.	£101.4m
. <u>Remploy</u> - a Government supported company;			
. <u>Sheltered Workshops</u> - run by local authorities and voluntary bodies;			
. <u>Sheltered Placements</u> - an alternative to traditional workshops. Allow people with severe disabilities to work alongside non-disabled workers.			
. <u>Blind Homeworkers Scheme</u> - supports self-employed severely disabled people working from home. Local authorities augment homeworkers' earnings.			



PROGRAMME SERVICE AND DESCRIPTION	ACTIVITIES	PERFORMANCE 1989-90	EXPENDITURE 1989-90
<u>Pilot Employment Initiatives for Disabled People</u>			
<p>This experimental programme provides financial support for voluntary bodies undertaking job-finding services for people with disabilities which complement, but do not duplicate, the activities of the ES. Funding of a proportion of the appropriate costs is on a pump-priming basis for 3 years.</p>	<ul style="list-style-type: none"> <li>. Assessment;</li> <li>. Counselling/placing;</li> <li>. Influencing employers in developing employment opportunities;</li> <li>. Employment for people with severe disabilities;</li> <li>. Self-employment.</li> </ul>	<p>12 projects (as at 1.4.90)</p>	<p>£127,000</p>
<u>B. EMPLOYMENT SERVICE MAINSTREAM PROGRAMMES</u>			
<p><u>Jobcentre Mainstream Service</u> Provides help to people with disabilities where the disability . has clearly defined limitations on employment choice . is understood and accepted by the client . is not the main obstacle to placing</p>	<ul style="list-style-type: none"> <li>. Assessment of client needs;</li> <li>. Training/rehabilitation;</li> <li>. Placing;</li> <li>. Advice for people seeking self-employment;</li> <li>. Information about ES special schemes.</li> </ul>	<p>17,800 people with disabilities placed into jobs.</p>	<p>Expenditure on people with disabilities cannot be precisely disaggregated from overall expenditure on jobcentre mainstream services.</p>

PROGRAMME SERVICE AND DESCRIPTION	ACTIVITIES	PERFORMANCE 1989-90	EXPENDITURE 1989-90
<u>Restart</u>			
<p><u>Restart Interviews</u> are designed to review the situation of long-term unemployed people, to ensure that they know what opportunities are open to them and that they are making use of them; to agree referral to an opportunity for work, training or other help.</p>	<ul style="list-style-type: none"> <li>. Assessment;</li> <li>. Training/rehabilitation;</li> <li>. Counselling/placing;</li> <li>. Advice for those seeking self-employment.</li> </ul>	<p>People with disabilities not separately identified in Restart performance statistics.</p>	<p>Expenditure on people with disabilities cannot be precisely disaggregated from overall expenditure on Restart.</p>
<p><u>Restart Courses</u> help participants rebuild confidence and motivation, to reassess their strengths and skills and to decide the next action to take.</p>			

PROGRAMME SERVICE AND DESCRIPTION	ACTIVITIES	PERFORMANCE 1989-90	EXPENDITURE 1989-90
<u>Jobclubs</u>			
<p>Jobclubs help long term unemployed people to get jobs by providing coaching in jobhunting techniques, support and motivation - including free use of stamps, telephone, newspapers, stationery etc. People with disabilities are exempt from the normal requirement to be unemployed 6 months before joining. There is also provision for special assistance to participants with disabilities to cater for individual needs.</p> <p>Some jobclubs are run at jobcentres. Others are run by outside agencies.</p> <p>Some experimental jobclubs are exclusively for people with disabilities.</p>	<ul style="list-style-type: none"> <li>. Counselling/placing;</li> <li>. Advice to people seeking self-employment.</li> </ul>	<p>10,442 new participants with disabilities.</p>	<p>£1.2m (Agency jobclubs only. Expenditure on jobcentre jobclubs cannot be precisely disaggregated from overall expenditure on jobcentre mainstream services).</p>

PROGRAMME SERVICE AND DESCRIPTION	ACTIVITIES	PERFORMANCE 1989-90	EXPENDITURE 1989-90
<b>C. <u>TRAINING AGENCY</u> <u>DEDICATED PROGRAMMES</u></b>			
<u>Training Colleges</u> Provide specialised/ residential opportunities for those people with disabilities who require them. Since September 1988, the colleges have been supported as training providers within the Employment Training Programme.	. Assessment; . Training/Rehabilitation; . Counselling/placing.	1,214	£10.6m
<u>Employment Rehabilitation Service</u> The Service provides specialist help for people with disabilities through its network of 26 Employment Rehabilitation Centres, 5 ASSET (Assistance Towards Employment) Centres, mobile assessment teams and agencies.	. Assessment; . Training/rehabilitation; . Counselling/placing; . Help for people in employment; . Help for people with severe disabilities; . Help for people seeking self-employment.	37,143 courses (Assessment and rehabilitation) for 25,298 people.	£20m

PROGRAMME SERVICE AND DESCRIPTION	ACTIVITIES	PERFORMANCE 1989-90	EXPENDITURE 1989-90
<b>D. <u>TRAINING AGENCY</u> <u>MAINSTREAM PROGRAMMES</u></b>			
<b><u>YTS*</u></b>			
<p>Provided a programme of integrated on and off-the-job training and work experience over 2 years (16 year old school leavers) or 1 year (17 year old school/college leavers). People with disabilities (including those with moderate or severe learning difficulties) could stay in full time education until approx age 21 and still be eligible. There were also length of stay concessions and special types of assistance and fundings for young people with disabilities in YTS.</p>	<ul style="list-style-type: none"> <li>. Assessment;</li> <li>. Training/rehabilitation;</li> <li>. Counselling/placing;</li> <li>. Influencing employers and developing employment opportunities;</li> <li>. Continuing help for people who entered employment from YTS;</li> <li>. Help for people seeing self-employment.</li> </ul>	<p>11,570 new participants with disabilities.</p>	<p>£88.5m Programme costs.</p>
<p>* On 29 May 1990 YTS gave way to the new arrangement for Youth Training announced in November 1989.</p>			

PROGRAMME SERVICE AND DESCRIPTION	ACTIVITIES	PERFORMANCE 1989-90	EXPENDITURE 1989-90
<u>Employment Training (ET)</u>			
<p>The programme provides long term unemployed people with up to 12 months training and practical placements based on an agreed personal action plan. Eligibility rules are relaxed for people with disabilities. There is also provision for special assistance and funding to participants with disabilities to cater for particular needs.</p>	<ul style="list-style-type: none"> <li>. Assessment;</li> <li>. Training/rehabilitation;</li> <li>. Counselling/placing;</li> <li>. Continuing help for people who enter employment from ET;</li> <li>. Help for people entering self-employment.</li> </ul>	<p>47,400 new participants with disabilities.</p>	<p>£150m</p>

PROGRAMME SERVICE AND DESCRIPTION	ACTIVITIES	PERFORMANCE 1989-90	EXPENDITURE 1989-90
<u>Enterprise Allowance Scheme</u>			
This scheme helps unemployed people who wish to start their own business by providing a weekly allowance (£40) to compensate for the loss of benefit during the first year of trading.	<ul style="list-style-type: none"> <li>. Assessment;</li> <li>. Counselling;</li> <li>. Help for people in employment;</li> <li>. Employment for people with severe disabilities;</li> <li>. Self-employment.</li> </ul>	5,500 new participants with disabilities.	£11.6m

SUMMARY OF MAIN FINDINGS OF SURVEY COMMISSIONED BY THE EMPLOYMENT DEPARTMENT - "THE EMPLOYMENT OF PEOPLE WITH DISABILITIES: RESEARCH INTO THE POLICIES AND PRACTICES OF EMPLOYERS".

### The Quota Scheme

The degree of awareness and understanding of the Scheme was relatively low. Over a quarter of respondents had not heard of the Scheme, while a further tenth had, but were not familiar with its requirements. Detailed understanding of the Scheme varied by size of establishment; awareness being highest among larger establishments. Less than three quarters of small establishments had heard of the Scheme. Of these, half were unaware of the legal obligations of the Scheme. The survey indicates that there is limited communication between head offices and branches of multi-site firms about the Quota Scheme.

There was some support for increasing awareness of the Scheme; introducing different Quotas for different types of employer; and, bringing unregistered people with disabilities within the scope of the Scheme. Although many respondents expressed little support for the Quota Scheme, two thirds felt that any alternative methods should be operated in conjunction with it.

In general employers felt that the Quota Scheme played no major part in their recruitment practices towards people with disabilities. Over three quarters of the respondents stated that the Scheme had never influenced them to recruit or retain an employee with disabilities.

### Effectiveness of the Disablement Advisory Service (DAS)

The survey found that DAS had moved away from its previous concentration on large towards smaller establishments. A similar shift towards the service sector was found. However, small service establishments, along with small fabrication and transport/



construction establishments, remain among the least contacted groups. It is estimated that DAS teams have achieved a penetration level of over a fifth of all business establishments.

Initial contacts between employers and DAS teams frequently led to further contacts. DAS contacts focused mainly on recruitment and the Quota Scheme, though it was found that DAS teams had a significant influence on the formation of corporate policies on disability. This was primarily the case amongst larger firms, who were more likely to have written policies already. However, there is a clear indication of the effect of DAS teams on the smaller firm. Over half of the smaller firms that had been contacted by DAS teams had written policies against less than a quarter of those not contacted. It is also the case that the level of provision for people with disabilities is higher in DAS contacted firms.

DAS teams appear to be less effective in bringing about changes in managerial and other staff attitudes. There appears to be a tendency for employers to feel that they are already predisposed towards the employment of people with disabilities. However non-DAS contacts are significantly less inclined to feel that their managers and staff would adopt a positive attitude towards employing people with disabilities than those contacted by DAS. There is evidence also that non-DAS contacts are more likely to cite problems which they might face in employing people with disabilities.

In the main, negative comments about DAS focus on the service's low profile and somewhat passive role. A small, yet significant minority of the respondents felt that DAS should be doing more than at present. Respondents also requested more practical assistance for firms, based on greater knowledge of the needs of the firm and its employees.

DAS teams also had a positive effect in promoting the Code of Good Practice on the Employment of Disabled People, and the video "It Worked Fine". The Code was generally well received particularly for its clarity and presentation. However, some employers felt that a summary would be beneficial. Respondents felt that the Code

highlighted the "employability" of people with disabilities, while providing practical advice on recruitment, retention and the law relating to disability. Even among DAS contacted firms, the degree and direction of distribution of the Code was not as extensive as might have been expected or desired and was largely focused upwards. The video was very much less well distributed, having been seen by only 2% of the respondents. Those managers who had seen it thought the video was effective. However, some in some larger establishments criticized it for being rather simplistic.

#### Publication of Report

The full report on the findings of this survey will soon be published by the Employment Department as a Research Paper "The Employment of People with Disabilities: Research into the Policies and Practices of Employers". The paper will be distributed widely. Copies will also be available free from: Employment Department, Research Administration, Steel House, 11 Tothill Street, London SW1H 9NF (Telephone 071-273 4883).

ADVISORY ARRANGEMENTS**NATIONAL ADVISORY COUNCIL ON EMPLOYMENT OF DISABLED PEOPLE  
(NACEDP)**

The National Advisory Council on Employment of Disabled People was established under the Disabled Persons (Employment) Act 1944. Its statutory responsibility is to advise the Secretary of State on matters concerning the employment and training of people with disabilities. The Chairman and the members of the Council are appointed by the Secretary of State for Employment. The present membership of 26 includes 5 members appointed after consultation with organisations representing employers, including the CBI, and 5 members appointed after consultation with organisations representing workpeople, including the TUC.

**COMMITTEES FOR THE EMPLOYMENT OF DISABLED PEOPLE (CEDPS)**

CEDPS were set up in 1981 under the Disabled Persons (Employment) Act 1944. There are 85 throughout the country. The role of CEDPs is to advise the Secretary of State (in practice local officials of the Employment Service) on matters related to the employment of people with disabilities in their areas. Each CEDP has an independent chairman, 4 representatives of employers, 4 representatives of workpeople and 4 other members. This latter group usually comprises representatives of the local authority, the medical profession and a disabled people's organisation and the manager of a sheltered workshop. There is provision for appointing up to 3 additional members. CEDP Chairmen are appointed by the Secretary of State. Members are appointed by the Employment Service's Regional Directors on behalf of the Secretary of State, after consulting appropriate organisations locally.





Treasury Chambers, Parliament Street SW1P 3AG

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Lord Strathclyde  
 Parliamentary Under Secretary of State  
 Department of Employment  
 Caxton House  
 Tothill Street  
 London  
 SW1H 9NF

/ March 1990

*Dear Tom*

REMPLOY PAY

Thank you for your letter of 21 February to Malcolm Caithness about Remploy's negotiating remit for this year's pay negotiations. *attached*

2 You proposed that basic rates should rise by 8 per cent in a full year and 7.5 per cent in the first year. In the circumstances I am willing to accept the first year increase you propose, but I must ask you to ensure that the full year increase is no more than 7.5 per cent. I am also willing to accept your proposals on the bonus provided that the overall increase in earnings (including bonus payments) between 1989-90 and 1990-91 is no more than 7.5 per cent.

3 Finally, I am grateful for your assurance that a settlement along these lines can be met from within your Department's existing PES provision. However, I would emphasise that the settlement should also be accommodated within the PES provision in all years, not just 1990-91.

4 I am copying this letter to the Prime Minister, members of E(PSP) and Sir Robin Butler.

A handwritten signature in dark ink, appearing to be 'N. Lamont', written in a cursive style.

NORMAN LAMONT

CONFIDENTIAL

PS. Earl



Department of Employment  
Caxton House, Tothill Street, London SW1H 9NF

Telephone 01-273 5806/7  
Telex 915564 Fax 01-273 5821

Parliamentary Under Secretary of State  
Lord Strathclyde

The Earl of Caithness  
The Paymaster General  
HM Treasury  
Treasury Chambers  
Parliament Street  
LONDON  
SW1P 3AG

21 February 1990

*Lord Strathclyde*

**REMPLOY PAY**

I am writing to consult you on the proposed level of pay negotiating ceiling for Remploy's disabled workforce.

I met company representatives last week to discuss the limits within which they should negotiate: they were seeking authority for an increase of up to 7% on basic rates from 1 April and a further 2% from 1 October plus a lump sum bonus payment of 1% in recognition of performance.

I took the view that a settlement at such a level in the public sector would be difficult to defend. I propose that the company should be given clearance to negotiate within a ceiling of 7% on basic rate from 1 April 1990, a further 1% payable from 1 October and a 1% performance related bonus, which would be unconsolidated. This represents a 7.5% increase on basic rates over the year and an unconsolidated bonus reflecting the lower productivity achieved this year (last year the bonus negotiating ceiling was set at 2%).

I understand that a settlement within such limits can be met from within Remploy's existing PES provision. To achieve such a settlement will not be an easy task for Remploy management given pay movements in the private sector and the relatively low levels of Remploy pay. I must leave you in no doubt that negotiations within the proposed ceilings may produce difficulties and I cannot rule out the possibility of



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industrial action in Remploy factories. However, the management have a good negotiating track record and will approach the negotiations in a determined way.

I would be grateful for your confirmation that the proposed ceilings are acceptable. As negotiations had been due to comment on Monday 19 February I would appreciate a very early response.

A handwritten signature in dark ink, appearing to read 'Y. R. Strathclyde'.

LORD STRATHCLYDE

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## Disability Benefits

3.30 pm

**The Secretary of State for Social Security (Mr. Tony Newton):** With permission, Mr. Speaker, I wish to make a statement about the Government's proposals for developing and improving the system of social security benefits for disabled people.

As the House is aware, at the time when major areas of social security were reviewed between 1983 and 1985, we commissioned the Office of Population Censuses and Surveys to carry out the most thorough and comprehensive study ever undertaken of disability in Great Britain. The aim was to provide information on which to base a review of benefits in this field. Six reports were published between September 1988 and July 1989.

In October, when I announced a number of initial steps following the reports, I said that we would come forward in due course with a wider range of proposals to improve the balance and structure of the system. That wider response to the OPCS reports is contained in the paper, "The Way Ahead: Benefits for Disabled People" which my right hon. Friend the Minister with responsibility for the disabled and I are laying before the house today. In formulating it, we have taken account of the many comments and suggestions that we have received, and of the very valuable report on this subject published by the Social Security Advisory Committee in 1988.

Before outlining our proposals, I should briefly remind the House of some of the main features of the OPCS surveys. The threshold for defining disability was deliberately set low, with the result that it includes people who are well able to participate in normal daily activities and who are not dependent on disability benefits or services. They found that, in general, the gap in income between disabled and non-disabled people was much greater for those under pension age. They also found, again in general that for those in receipt of the existing mobility and attendance allowances, the value of the benefits was greater than the average extra costs that the survey identified.

In the light of that, we see three main strategic needs. One is to improve, for those of working age and below, the coverage of help with the extra costs which disability can bring. A second is to improve the balance of benefits available to those disabled people who are unable to work, in particular to do more for those who are disabled from birth or early in life. The third is to help those disabled people who can and wish to work by making it easier for them to keep or take up jobs.

Our proposals address those objectives with a programme for action in three main phases.

First, we shall shortly take the legislative or other action necessary to implement the initial package of improvements within the existing benefit structure that I announced in October. The House will recall that those changes included increasing in real terms the disability premiums in income support and housing benefit; raising premiums for disabled children to the adult rate; extending attendance allowance to disabled babies under two and to terminally ill people without any waiting period; extending mobility allowance to people who are both deaf and blind; improving incentives to rehabilitation for employment; and introducing a £10 carers' premium into income

support and housing benefit for those receiving invalid care allowance. We intend that those changes should mostly be in place by April, and all by October.

Secondly, the forthcoming Social Security Bill will contain measures to enhance the benefits of severely disabled people who were never able to work or who were disabled early in life, while at the same time ensuring a better balanced and more sustainable overall structure of income replacement benefits for incapacity, taking account of the encouraging growth of occupational provision in this field.

From the latter part of this year, we shall introduce an age related addition to the non-contributory severe disablement allowance, at the same rates as the present additions paid with contributory invalidity benefit. This will mean up to £10 a week extra for some 250,000 severely disabled people. Also from the latter part of this year, while protecting existing entitlements, we shall end new entitlements to what are known as reduced earnings allowances in the industrial injuries scheme, thus removing an overlap with entitlement to the main invalidity benefit.

From April 1991, again while fully protecting rights and entitlements built up before that time, we shall end the accrual of new rights to the earnings related additions to invalidity benefit. The build-up of these rights, which would otherwise go on well into the next century would, we believe, have inhibited the growth of occupational provision, constrained the Government's ability to help those most in need, and further widened the gap between those disabled people who have been able to work and those who have not.

**Mr. David Winnick (Walsall, North):** Cuts.

**Mr. Speaker:** Order.

**Mr. Newton:** The third phase of our programme will be to bring forward further legislation at the earliest practicable opportunity to provide for two new benefits which we aim to have in place by April 1992. One will be a disability allowance with two elements, directed respectively at the care needs and at the mobility needs of disabled people of working age and below. The care element will have three rates, of which the upper two will match the rates of the present attendance allowance. The mobility element will have two rates, of which the upper one will match the existing mobility allowance. The new lower rates of each element will give extra help to about 150,000 people in each case. Attendance allowance will remain for those over retirement age.

The other new benefit will be a disability employment credit, to promote disabled people's independence by supporting those who are in work or who would like to work and could, but whose earning capacity is low. Thus it will respond to the widely perceived need for what has often been called a partial incapacity benefit. Much detailed work will be required, particularly for this third stage. In carrying it out, we will of course take account of comments made by disabled people's organisations and others.

These proposals build in a practical and constructive way on the achievements of 10 years in which the coverage of benefits for the long-term sick and disabled has massively increased and expenditure has correspondingly doubled in real terms. While ensuring a sustainable foundation for disability benefits into the next century, including the continued growth of occupational provision,



**Mr. Waldegrave:** We are delighted by progress towards successful completion of the United Nations plan for Namibia and look forward to close relations with an independent Namibia.

**Mr. Hayward:** I welcome my right hon. Friend's reply. Does the United Nations have any further plans in relation to Namibia in terms of progress through and beyond independence and democratic government?

**Mr. Waldegrave:** It will be for the countries which regard themselves, as we do, as friends of independent Namibia to help in the future. I am happy to say that, next week, in response to requests from Namibia, we will be sending a Ministry of Defence technical advisory team to assess the requirements for establishing and training an army for Namibia after independence. I believe that steps of that kind—by the supporters' club, as it were, of friends of Namibia—now need to be taken.

**Mr. Pike:** Will the Minister ensure that Her Majesty's Government do everything possible to make sure that there are no efforts to destabilise the position as progress is made towards independence in Namibia? Will he also ensure that in negotiations on the outstanding debt incurred by the illegal regime, every support is given to reducing that debt?

As Britain created the problem of Walvis bay, which will be a problem for negotiation following independence, will Her Majesty's Government provide all possible support to ensure that that port ultimately goes to Namibia?

**Mr. Waldegrave:** The hon. Gentleman will agree that the pessimists who thought that progress to independence would not succeed have been proved wrong. It has been a process in which South Africa and all the parties have kept their commitments, and we should welcome that. Problems remain for the future, and Walvis bay is one of them. We thought it right not to introduce that into the process at this stage, but it must be settled in the future.

they will bring extra help to some 850,000 people in the next few years at a net cost of some £300 million in 1993. This is new money, which was agreed in the 1989 public expenditure survey. The extra provision for the first three years, beginning in 1990-91, has been included in the totals for my Department published in the Autumn Statement. These extra amounts are £84 million in 1990-91; £138 million in 1991-92; and £213 million in 1992-93.

Together with the proposals for improved community care announced by my right hon. and learned Friend the Secretary of State for Health in November, and the consultative document that my right hon. and learned Friend the Secretary of State for Employment will shortly publish on his review of training and employment services for disabled people, this improved structure of disability benefits reflects our firm commitment to improving the quality of life for Britain's disabled people.

**Mr. Michael Meacher** (Oldham, West): Is the Secretary of State aware that an improvement in disability benefits is desperately needed in Britain and is to be welcomed, but that, after 10 years of waiting, today's announcement falls far short of a comprehensive disability income, which is the real answer?

Is the right hon. Gentleman aware that seven out of eight disabled people are left completely outside his statement today, and that for the remaining one in eight who are covered, virtually all the extra money that he speaks of will be met by savings or clawbacks on other benefits, so that almost none is net new money for the social security system?

Specifically, with regard to the package of measures that the right hon. Gentleman announced in October and repeated today, will he confirm that the £100 million cost is largely accounted for by the almost equivalent £80 million cut in statutory sick pay? Will he not recognise that it is frankly not acceptable to transfer money from one group of claimants to another?

Secondly, with regard to the age-related addition to the severe disablement allowance, the right hon. Gentleman said that it meant up to £10 a week for 250,000 disabled people. Will he confirm that the cost of that is entirely covered by the loss of other benefits, income support and housing benefit, so that there is no net extra income for those very disabled people?

Thirdly, is the right hon. Gentleman aware that we welcome the new disability allowance, although it largely subsumes the existing mobility and attendance allowances? But will he confirm that only one in 40 disabled people will be eligible and that, once again, one third of the cost will be clawed back by cuts in other benefits?

Fourthly, will the right hon. Gentleman confirm that the new disability employment credit is also extremely limited and that only one in 30 disabled people of working age will be eligible? Will he also confirm that, yet again, the whole of the cost will be covered by savings from other benefits, so that this is merely a transfer within the social security system? Will he also confirm that this will be an income-related benefit, so that it will confine disabled people to low-paid jobs?

Those are the supposed gains in the statement. It also contains two significant losses for disabled people. Is the right hon. Gentleman aware that his ending the build-up of new rights to the earnings-related addition to invalidity benefit is a huge retrograde step for disabled people? Is he aware that the extent of their losses is made clear by the

fact that the Government, as a result of the cut that he has announced today, will save no less than £350 million by 1998?

Therefore, the significance of today's announcement is that it creates, for the first time, a two-nation approach to disablement. Two thirds of all disabled people—that is, those who are 60 and over—are to be treated as second-class citizens, and the massive cuts in invalidity pensions, amounting to £350 million a year, are a promise of poverty for the elderly disabled.

Secondly, is the right hon. Gentleman aware that his ending today the reduced earnings allowance amounts to a further major cut in the industrial injuries scheme, which has already been decimated under the Government? Will he confirm that the cut will amount to no less than £40 million by 1992-93?

The Opposition welcome any genuine improvement in benefits for disabled people, but today's announcement, with its distorting mirrors of clawbacks, of savings of other benefits and of transfers between claimants within the social security system, is, regrettably, more political rhetoric and hype than real substance.

**Mr. Newton:** In six or seven years of facing the hon. Member for Oldham, West (Mr. Meacher) across the Floor of the House, and even with a good deal of experience of his usual reaction to my statements on such matters, I have rarely heard a less generous response to a substantial package of improvements for long-term sick and disabled people.

I hope to achieve a degree of agreement with the hon. Gentleman, but I suggest that it is common ground even with many outside this House who press for extensions additional to those that I have announced that his figures on the number of disabled who will benefit from the changes relate to the OPCS survey statistics, which constitute quite a low threshold for the starting point. In fact, the Disablement Income Group has indicated that it is too low a threshold for assessing disability. No one has seriously suggested that changes to the system could respond in the way that the hon. Gentleman implied to the needs of all the disabled covered by the survey.

Against that background, I turn to the questions asked of me by the hon. Member for Oldham, West. I can categorically tell him that it is not the case that the extensions do not represent net new money. My statement referred to a build-up of expenditure over the next three or four years of £300 million of new money by 1993-94 in benefit improvements. As to the age-related addition to the severe disablement allowance, of course there will be some offsets—and I emphasise the word "some"—in income-related benefit, but the net increase in expenditure for about 250,000 people will, when the change takes full effect, be about £50 million.

Similarly, although it is correct to say that many of the people receiving the new disability employment credit will be less dependent on unemployment benefit, I regard that change as a net gain for everyone—including the disabled, who will be helped to be partly employed rather than be trapped and wholly dependent on unemployment benefit.

As to the earnings-related addition to invalidity benefit and the reduced earnings allowance—the second of which, we consider, considerably overlaps with the provision of ordinary invalidity benefit that the same beneficiaries receive—if left unchanged, the existing provision would build up very large entitlements in the next century, which

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would have made it far more difficult for me to announce increases now that would go on top of them in the next century. Despite the fact that the measures I have announced are balanced in such a way as to create a sustainable structure in the next century, there will be a net increase in spending beyond that previously planned in every remaining year of the present century.

**Sir George Young** (Ealing, Acton): Is my right hon. Friend aware that his announcement of new benefits for the disabled amounting to £300 million in three years' time will be warmly welcomed by those campaigning for a squarer deal for the disabled? The OPCS report identified two problems for the disabled: first, their incomes are less than average; secondly, because of their disability, their expenditure is higher than average. My right hon. Friend's statement will do much to fill that gap, particularly in respect of those in work and the less well-off.

Can my right hon. Friend confirm that the new benefits will be easier to claim and speedily paid, using, where possible, common methods of assessment? Can he confirm also that they will be disregarded for the purposes of housing benefit, so that the disabled may enjoy those extra benefits to the full? Will my right hon. Friend consult the voluntary organisations on his new measures, and take the opportunity to abolish the age limit for mobility allowance?

**Mr. Newton:** I cannot, I am afraid, hold out much prospect of hope to my hon. Friend on the last issue that he raised. In answer to his earlier points as I have already said, during the longer-term third phase of our programme, on which detailed work will need to be done, we shall seek and will be ready to take account of the comments of organisations for the disabled.

My hon. Friend mentioned housing benefits. I envisage that the new disability allowance would be disregarded as he suggests. One of our aims in introducing a common waiting period and system of adjudication is to eliminate some of the present unhappy tangles between the attendance and mobility allowances, and to simplify the way that claimants make their claims.

**Mr. Frank Field** (Birkenhead): Would it be right for voters outside the Chamber to draw the conclusion that there is almost nothing in the package for carers? If so, how does that square with the Government's policy on community care and strengthening the family? Am I right to think that the only carers who will benefit are those on invalid care allowance who also claim income support or housing benefit? Can the Minister tell us how many tens of thousands of carers, among the millions in the country, will benefit from his statement today?

**Mr. Newton:** The hon. Gentleman is not entirely right to suggest that the needs of carers are overlooked in my statement. He referred to the proposed introduction of a carers' premium into income support, which will benefit a significant number of carers. He failed to mention that the extension of attendance allowance to disabled babies and to the terminally ill, without a waiting period, will carry an automatic extension of invalid care allowance to carers in those two fields, who would not be entitled to it at present. The number of carers who will benefit from the extensions of attendance allowance to which I have just referred, is

difficult to estimate because it depends whether or not somebody is staying at home to look after the person in question. Data are not sufficient for me to give him a specific figure. My recollection is that the number of people benefiting from the carers' premium is approximately 30,000.

**Mr. Nicholas Winterton** (Macclesfield): I am sure that the House will warmly welcome my right hon. Friend's statement, because any net increase in resources for the disabled is surely something that right hon. and hon. Members on both sides of the House should warmly welcome. However, will he accept that it is difficult for some of us to judge how many people will gain from his announcement this afternoon, because we have not had the opportunity to look in detail at the statistics, as he has done?

Will my right hon. Friend take on board the valid point that has just been made by the hon. Member for Birkenhead (Mr. Field), who chairs the Select Committee on Social Services with considerable distinction, that we are concerned that those who care for the disabled should not lose in any way. We know that carers sacrifice a great deal because of the devotion they give, and it is wrong not to ensure that they have an enhanced standard of life.

**Mr. Newton:** Of course I recognise what my hon. Friend and the hon. Member for Birkenhead (Mr. Field) have said. Incidentally, I can confirm that the number of people who benefit from the carers' premium is of the order of 30,000. We have sought to recognise the needs of carers in my announcements of last October and today. It is also important to recognise that carers need a greater awareness and recognition of what they do and they need greater support from the services provided. I think that my hon. Friend will agree with me on that, and it is very much the focus of my right hon. and learned Friend the Secretary of State for Health's paper on community care.

**Mr. Archie Kirkwood** (Roxburgh and Berwickshire): Is the Secretary of State aware that, although the statement is welcome as far as it goes, it seems that the emphasis is on disabled people who are in work? There is concern that the needs of those people beyond pensionable age will be ignored, and if that is the case, it is deeply to be regretted. There is widespread worry that there will not be adequate consultation. The Social Security Advisory Committee has made it clear that this is a unique opportunity to get a model for the future, and I hope that we seize that opportunity and consult properly with disabled groups. With a budget of £62 billion, an increase of £300 million over three years for 6 million disabled people and carers is a less than adequate response.

**Mr. Newton:** I have already commented on the numbers involved, against the background of the relatively low threshold used for the OPCS surveys, and I shall not repeat myself.

The hon. Gentleman referred to the Social Security Advisory Committee. I should perhaps remind him that the committee also felt that, in regard to additional resources, people who had been born handicapped or disabled—or who had become so early in their lives—should be given priority, and I believe that that view is widely shared. Let me also remind him that, as I said in my statement, expenditure on the long-term sick and disabled

has already doubled in real terms since the Government came to office, and is expected to rise by a further £4 billion in real terms by the end of the century.

**Dame Elaine Kellett-Bowman (Lancaster):** I welcome my right hon. Friend's excellent statement, with the news of an additional £300 million for 850,000 disabled people, and reject utterly the mean-spirited response of the hon. Member for Oldham, West (Mr. Meacher). I particularly welcome the disability employment credit, which will enable many people who at present cannot afford to work to do so—and to feel that they are taking a full part in the life of this world, as is their right.

**Mr. Newton:** I am grateful for what my hon. Friend has said, and entirely agree with her. Let me add, however—I especially wish to say this in the presence of my hon. Friend the Under-Secretary of State for Employment—that one of the merits of my statement is that it ties in with proposals that will shortly be presented by my right hon. and learned Friend the Secretary of State for Employment, aimed at helping disabled people to find and keep work. The two sets of proposals go together.

**Mr. Jack Ashley (Stoke-on-Trent, South):** I welcome the proposals, but I do not think that the Secretary of State should complain about a less than generous response from the Opposition, as the proposals themselves are less than generous.

The £300 million that the right hon. Gentleman has given to disabled people compares very badly with the £23 billion in tax cuts given to top earners. What we really require is a comprehensive disability income scheme that includes the 4.2 million pensioners who will not be helped by the proposals, most of whom rely on invalidity benefit. That benefit has increased by less than 1 per cent. during the decade in which the Government have been in power, while average male earnings have risen by 37.5 per cent. Where is the justice in that?

**Mr. Newton:** May I correct one point? Is it not the case that people over retirement age are generally dependent on invalidity benefit, although they may sometimes retain it for five years after retirement. They are normally dependent on pension provision, and I hope that the right hon. Gentleman will not mind my reminding him that the average total net incomes of pensioners in general have risen rapidly as a result of the policies that we have pursued.

**Ms. Clare Short (Birmingham, Ladywood):** Average.

**Mr. Newton:** Average, yes: I have never tried to run away from that fact. I have also emphasised, however, that, with the increases in income support premiums—most recently, those paid in October—we have given significant extra help to the least well-off pensioners, including many disabled pensioners, who have not benefited from some other trend.

**Mr. David Nicholson (Taunton):** Will my right hon. Friend contrast the sour carping of the hon. Member for Oldham, West (Mr. Meacher) with the record of the Government of whom the hon. Gentleman was a member? Is he aware of the wide welcome, in the House and elsewhere, for the extra money that will help hundreds of thousands of disabled people? We particularly welcome the help enabling those who wish to work to do so, especially in areas where employment is tight; and I

personally give a particular welcome to the disregard for housing benefit. Will my right hon. Friend tell the House how the independent living fund is now working?

**Mr. Newton:** The independent living fund—for which my right hon. Friend the Minister for Social Security, who has responsibility for the disabled, deserves great credit—is doing very well, and is helping many severely disabled people.

As we have said in the paper published today, in the light of proposed changes in the general arrangements for community care in 1991, it is probably appropriate to expect new cases—who might otherwise qualify for the independent living fund—to look to the arrangements announced in the White Paper on care in the community from that date onwards. We intend, however, to discuss carefully with local authorities any question of a handover or changeover of existing cases, and, to discuss with the fund's trustees and with the Disablement Income Group in England and DIG Scotland the possible need for a supplementary scheme to deal with the requirements of a small number of very severely disabled people.

**Ms. Mildred Gordon (Bow and Poplar):** What does the Minister propose to do about providing an allowance for the millions of carers who are not entitled to the invalidity care allowance but who are unable to continue with full-time jobs if they are properly to take care of their invalid spouse or relatives? Where will the money come from to fund the rehabilitation and the transfer of severely disabled people from hospitals to the community? Who will pay for the training of community carers? Will there be a national wage agreement, according to whose terms the carers will be paid?

**Mr. Newton:** I think that the hon. Lady is aware that the latter point is primarily for my right hon. and learned Friend the Secretary of State for Health. He has made it clear that he will be giving close attention to the resource implications of the proposed change in the policy structure, which is to take place in April 1991. I am sure that he will look carefully at what the hon. Lady has said. As for carers, when I replied to the hon. Member for Birkenhead (Mr. Field), I said that the package as a whole contains important improvements for many carers. Just as important is the fact that their needs should be properly taken into account under the care in the community arrangements.

**Mr. Peter Thurnham (Bolton, North-East):** Does my right hon. Friend accept that this welcome statement is further evidence of the Government's commitment to increasing expenditure on the long-term sick and disabled every year? In real terms, the average increase is 70 per cent. greater than that which was given by the Labour party when it was in power. Should not the spokesman for the Opposition, the hon. Member for Oldham, West (Mr. Meacher), concentrate on helping to make the consultation period a fruitful one, so that those who are disabled and who want to work are given every encouragement to get back into work?

**Mr. Newton:** I am sure that we shall have the benefit of the suggestions and comments of the hon. Member for Oldham, West (Mr. Meacher) and we will take proper account of them. My hon. Friend was right when he said that the average real increase in expenditure on benefits for

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the long-term sick and disabled has been substantially greater under this Government than it was under the Labour Government.

**Mr. Dafydd Wigley (Caernarfon):** While we welcome any additional funds, does the Secretary of State realise that we may not necessarily accept the way that they are distributed among different groups? Will he confirm that he has still been unable to find any way of providing a mobility allowance for mentally handicapped people? Will he confirm that some people who will be eligible for the mobility element within the new disability allowance previously had the benefit of the full mobility allowance? If part of the allowance is to be at a lower rate, some people will receive a lower mobility allowance than would otherwise have been the case.

**Mr. Newton:** No intention is expressed in the document to bring about a change in the present mobility allowance rules in the way that the hon. Gentleman fears. However, I have already said that there is a great deal of detailed work to be done in drawing up the common adjudication and assessment mechanisms for the new disability allowance.

I do not want the hon. Gentleman to form the impression that we intend to bring about what he suggested in the latter part of his question; nor was he right to suggest that we have yet found a way of extending mobility help to severely mentally handicapped people. We expect many of the severely mentally handicapped, about whom there has been long argument in both Houses of Parliament, to be included among the groups who benefit from the lower rate of mobility component that is included in the new disability allowance.

**Mr. Teddy Taylor (Southend, East):** As the Secretary of State has made significant progress in providing for the elderly and the disabled, would he be willing to make a special study and direct his enthusiasm towards the waiting time for securing benefit and the complexity of the forms that people have to fill up? Is he aware of the huge frustration that is felt by many disabled people because of the long time they have to wait before they receive benefit? Would he be willing to make a special study and direct his attention towards reducing waiting times and the complexity of form filling?

**Mr. Newton:** I am tempted to say that the short answer is yes, but I had better make it clear what I mean by that. We intend carefully to review the adjudication and assessment mechanisms for the mobility and care components of the new disability allowance with a view to overcoming precisely those complexities and delays which understandably cause concern to my hon. Friend's constituents and to mine. That will involve careful study and looking at the comments of the disability organisations and others. I am hopeful that we can make real progress on that front.

**Mr. Harry Ewing (Falkirk, East):** How is it that the Secretary of State can give us the financial costs of package yet he seems unable to tell us the exact numbers of people who will gain or lose benefit? Does the Secretary of State have the figures but is afraid to give them, or is he so badly briefed that he simply does not have the figures?

The Secretary of State will not be surprised to know that, as one of the ministerial team in the last Labour Government who introduced the mobility allowance, I have retained a continuing interest in it. Can he confirm that, as a result of his statement today, the mobility allowance will be frozen at its present level to bring more people into the scheme at a much lower level, or do the Government intend to increase the present level of mobility allowance?

Finally, may I take advantage of having the Secretary of State at the Dispatch Box, not unfairly, I hope, to ask him to instruct his junior colleague the Under-Secretary of State for Social Security, who unfortunately has left the Treasury Bench for a moment, to answer the question that was transferred to her on 7 December—

**Mr. Speaker:** Order. That is well beyond the scope of the statement.

**Mr. Newton:** I will nevertheless bear in mind what the hon. Gentleman said. There is certainly no intention to cease uprating the mobility allowance in the way that the hon. Gentleman suggested. As he will no doubt be aware, the mobility allowance is among those benefits which have been increased substantially in real terms—quite apart from having been made tax-free—under the present Administration. As for the numbers, regrettably I was not able to lay my hands on the exact figure that the hon. Member for Birkenhead (Mr. Field) wanted when he asked for it, but I extracted the right figure from my mind and confirmed it in my reply to the following question.

**Several Hon. Members rise—**

**Mr. Speaker:** Order. I have to have regard for the subsequent business which is an important Second Reading debate which is interrupted at 7 o'clock for opposed private business, so I shall call three hon. Members from each side, and then, I am afraid, we must move on.

**Mr. Tony Favell (Stockport):** Can my right hon. Friend say how many disabled people he expects will be able to work? Certainly, in my experience and I suppose that of most right hon. and hon. Members, disabled people want to lead lives as normal as possible, which includes not only looking after themselves but making a contribution to society. I am sure that my right hon. Friend will agree that his announcement will be quite as welcome as the abolition of the dreaded earnings rule for pensioners.

**Mr. Newton:** I am grateful to my hon. Friend. We must all remember that a great many disabled people already work happily and successfully. The problem is that those who may be able to work only part time may fear the consequences if they work at all of losing, for example, the whole of their invalidity benefit. That is the problem that we are seeking to address. Our present estimate—although, for a variety of reasons, estimates are difficult to make—is that, initially at least, about 50,000 people will benefit from the disability employment credit.

**Mrs. Margaret Ewing (Moray):** The Secretary of State has repeatedly emphasised the fact that he seeks to simplify adjudication and assessment procedures for those who apply for mobility and carers' allowances. Can he tell us what time limit he is placing on those discussions and how he will ensure that all interested parties are involved? Is he prepared to draw up a diary of negotiations to

publish in the *Official Report* or to place in the Library, so that we all know exactly the background against which we are operating?

**Mr. Newton:** I am hesitant—indeed, I am not quite willing—to offer negotiation, partly because I am extremely anxious to make rapid progress. I indicate in the paper that we hope to introduce the disability allowance, which would entail sorting out the adjudication and assessment procedures, from April 1992. That will entail primary legislation, which I have said, in words traditional in the House, will be introduced at the earliest practicable moment. That is probably the best clue that I can give the hon. Lady at present.

**Mr. John Bowis (Battersea):** Does my right hon. Friend agree that disabled people, on whose behalf we speak, will welcome the new measures, the new money, and the renewed commitment to putting them high on our list of public spending priorities? Will he accept that, while they particularly welcome the employment measures that he is introducing, they will look for training along with them? Will he talk to our right hon. and hon. Friends at the Department of Employment to ensure that organisations such as the Share Community can look forward and plan ahead each year with confidence, knowing for certain how many disabled people they will be able to train?

**Mr. Newton:** I thank my hon. Friend for his earlier remarks. I have a messenger ready to hand for the latter part of his remarks, which will certainly fall on receptive ears. The consultative paper that my right hon. and learned Friend the Secretary of State for Employment will publish shortly will be concerned not only with employment services in the narrow sense for disabled people, but with improving the training opportunities available to them.

**Mr. Jeff Rooker (Birmingham, Perry Barr):** Will the Secretary of State accept that it would be helpful if hon. Members knew the gross figures from which he arrived at the net figure of £300 million, so that we do not bandy figures? Two figures must be available to enable us to judge on the one hand how much extra money is available and on the other what is being taken away to arrive at the figure of £300 million.

May I ask one question about the mobility allowance, about which I am not clear? Has the right hon. Gentleman changed the age limits for applying for mobility allowance?

**Mr. Newton indicated dissent.**

**Mr. Rooker:** If that is not the case, will we still be left with two classes of pensioners—those who can obtain mobility allowance before retirement, who can therefore keep it, and those who become immobile after retirement, who suffer exactly the same immobility but have no chance of receiving it? If the right hon. Gentleman has not done that, why has he not taken the opportunity to increase mobility allowance, or the opportunity, for our elderly citizens to receive it?

**Mr. Newton:** There is no proposal at present to extend new entitlements to mobility allowance—which, technically, in some circumstances, would be at 66—but we have said that we intend to extend the provisions that enable people who receive it before they retire to keep it. The reason why I did not feel it right to do so—especially against the background of the expressed preference of the Social Security Advisory Committee for giving priority to people who are disabled early in life or from birth—is simply that the costs would be very high indeed and it would make it much more difficult to do some of the other things that need to be done.

On the hon. Gentleman's initial question, the pattern of the figures—there is a different build-up on the different proposals that I have outlined—makes it difficult to give one figure. In so far as I can help the hon. Gentleman, for the net figure of £300 million that I quoted for 1993-94, the gross figure would probably be about £500 million.

**Mr. Jim Lester (Broxtowe):** May I press my right hon. Friend most strongly to keep a careful eye on the independent living fund, which has already been mentioned and which has been a most successful innovation? All those, including the Disabled Income Group particularly, who have found it very supportive indeed would be wary of moves to change it, unless we were positive that the change would be better than the fund, which is working now.

**Mr. Newton:** I referred to this in an earlier answer, and there is a paragraph on it, to which we gave careful consideration in the "Way Ahead" document that has been published today. I acknowledge what my hon. Friend has said, but within the new community care arrangements it would look odd to be trying to run two parallel systems of meeting the needs of this group of people. There may be a small group for whom supplementary provision over and above the community care arrangements will be required, and that is one of the matters that we shall consider.

**Mr. Meacher:** Will the right hon. Gentleman confirm—he did not mention this in his statement, but it confirms my point about its limited coverage—that the number of carers who will receive the carers' premium is on average about 50 per constituency, which is minuscule and pathetic? Will he confirm, as against the £300 million figure that he keeps mentioning, that there has been a cut of £80 million in statutory sick pay; that there has been a cut of £175 million through the freezing of child benefit; and that there will be a cut of £350 million from the ending of the earnings-related addition to invalidity benefit? Therefore, will the right hon. Gentleman now accept that, for those reasons, the statement represents almost no net extra money put into the social security system for disabled people?

**Mr. Newton:** I sought to respond to the hon. Gentleman at the outset. I can only repeat plainly what I said. The net result of the measure announced in the statement in respect of long-term sick and disabled people is a net increase in expenditure, in 1993-94, of £300 million, over and above present plans and for every remaining year of this century. I should have thought that he would have the grace to welcome that.

## Points of Order

4.15 pm

**Mr. James Lamond** (Oldham, Central and Royston): On a point of order, Mr. Speaker. I have noticed in recent weeks that it has become more difficult to hear Back Benchers when they speak in the House. I wonder whether the story that I have heard is correct. Is it the case that, because of the sound that television cameras need, there has been some damping down of the microphones? If so, I should like you to know that I, for one, should like them to be turned up a little. I can hear Ministers, but I cannot hear questions from Back Benchers.

**Mr. Speaker:** I am aware that the microphones are of a certain age. If the House decides to make permanent the televising of our proceedings, we may have new microphones. I note what the hon. Member said, and I shall look into it.

**Mr. D. N. Campbell-Savours** (Workington): On a point of order, Mr. Speaker.

**Mr. Speaker:** I hope—

**Mr. Campbell-Savours:** Unrelated to yesterday.

Have you had an application for a statement on the same subject as that of today's from a Treasury Minister? I have a letter from a Treasury Minister which says:

"We believe there is a case for bringing invalidity benefit into tax."

We understood that there was to be some announcement today about the taxation of invalidity benefits, but none has been made.

**Mr. Speaker:** I have had no indication that there is to be a statement on that matter.

European Community documents.

**Mr. Stephen Dorrell** (Loughborough): Not moved.

**Mr. Speaker:** Statutory Instruments.

**Mr. Dorrell:** Not moved.

**Mr. Graham Allen** (Nottingham, North): On a point of order, Mr. Speaker. On the Statutory Instrument relating to the Official Secrets Act 1989, would it be in order not to bring it before the House until public guarantees are made that the staff of the National Audit Office will not be prohibited from doing their job on behalf of the Public Accounts Committee?

**Mr. Speaker:** That is entirely a matter for the Leader of the House, if and when the matter is brought before the House, but not today.

## Aviation and Maritime Security Bill

*Order for Second Reading read.*

**Mr. Speaker:** I remind the House that this business will be interrupted at 7 o'clock by opposed private business. Many right hon. and hon. Members wish to participate, so I hope that they will bear in mind the basic time limit when they make their speeches.

4.17 pm

**The Secretary of State for Transport (Mr. Cecil Parkinson):** I beg to move. That the Bill be now read a Second time.

One of the hallmarks of this Government has been their determination to stand firm against the terrorist. We have never shied away from taking the measures necessary to crush the threat of terrorism—be it on the international stage or at home. This Bill will be another valuable weapon in the battle. It will help to combat international terrorism in the sky and at sea.

The Lockerbie disaster was further evidence of the depths to which these cowardly people will sink. It was an appalling manifestation of the growing scourge of international terrorism against aviation and increased the terrible toll of sabotage attacks causing the total destruction of aircraft. In the four years before Lockerbie there were three bombing incidents on international flights. Since Lockerbie a UTA aircraft and an internal flight in Colombia have been destroyed by bombs.

Passenger ships have suffered, too. In both the Achille Lauro and the City of Poros incidents we saw terrorists murder passengers in cold blood.

Conventions to deal with attacks on civil aviation have been in place for many years. The International Civil Aviation Organisation has now established standards for aviation security. More recently, through the International Maritime Organisation, the Rome convention now deals with the prevention of terrorist attacks on ports and shipping.

It is the responsibility of individual states to put those international agreements into effect. The Aviation Security Act 1982 consolidated previous legislation that has provided the framework for aviation security in this country. The time has come to review and to enlarge its provisions, and to extend them to maritime operations.

We have been determined to learn all that we can from the Lockerbie disaster. As my noble and learned Friend the Lord Advocate said recently, remarkable progress has been made by the international investigation team which is seeking to identify the perpetrators of this appalling terrorist outrage and to bring them to justice. The chief constable of Dumfries and Galloway, and his predecessor, have made impressive progress, with the help of outstanding forensic work and unprecedented international co-operation. The police have taken more than 14,000 statements and recorded about 16,000 items of property. More than 35,000 photographs have been taken. Vehicles used by the police in the investigation have travelled more than 1.5 million miles. The cost so far has exceeded £7 million.

The air accident investigation branch has reconstructed a large part of the aircraft and the baggage container in which the explosion took place. As a result of its outstanding work it has pin-pointed the precise place where the bomb blew up.

CONFIDENTIAL



*PM*

10 DOWNING STREET  
LONDON SW1A 2AA

*From the Private Secretary*

10 January 1990

*Dear Stuart,*

DISABILITY STATEMENT

The Prime Minister was grateful for your Secretary of State's further minute of 9 January. In the light of his further comments, she is content for him to proceed with the proposed redrafted statement today.

I am copying this letter to Tim Sutton (Lord President's Office), Murdo Maclean (Chief Whip's Office), Clive Norris (Department of Employment) and Andy McKeon (Department of Health).

*Pa*

PAUL GRAY

Stuart Lord, Esq.,  
Department of Social Security.

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Prime Minister

DISABILITY STATEMENT

1. I am replying to your private secretary's letter today on the presentation of the disability benefits package.

2. As his letter recognises, the package balances the need to restrain growth in expenditure on disability benefits against the political pressures that arise from the OPCS evidence that some disabled people have needs that are not met by the existing benefits. It also takes account of the aim stated in our 1987 Manifesto "to improve the framework of benefits for disabled people". It alters the balance and structure of benefits in favour of those shown to be most in need, particularly the congenitally disabled and those disabled early in life who had little or no opportunity to build up entitlement to contributory benefits or occupational provision.

3. To do this the package contains substantial savings measures, totalling some £100 million in 1993/94 and £500 million by 2000/01. These come on top of savings measures in recent years in Invalidity Benefit and Industrial Injury Benefit now totalling about £75 million annually in current prices, and in addition to annual savings of some £80 million on SSP recently announced. There is a vocal lobby well able to mobilise sympathy for disabled people, and considerable potential for disquiet among our own supporters. It is therefore extremely important to present the package

positively. But I also share your concern not to give the wrong impression of our policy on public expenditure and I have therefore amended the statement to give greater prominence to the savings measures and to emphasise that the additional expenditure was included in our plans in the Autumn Statement.

4. Of the new measures I plan to announce tomorrow only two - the Disability Allowance and the age-related additions to Severe Disablement Allowance - require additional public expenditure (the other increases were announced in my Uprating Statement). The Disability Allowance will be accompanied by a radical overhaul of the adjudication and assessment procedures which should ensure a more tightly administered system. The Disability Employment Credit is planned to save money by helping people now entirely dependent on State benefits to get back to work. The other two measures - the abolition of reduced earnings allowance in the Industrial Injuries Scheme and of additional pension in invalidity benefit - are savings measures. The savings mount up from a fairly modest start to £86 million in 1993/4 and to £500 million by the end of the decade. The abolition of additional pension continues to produce mounting savings up to £2 billion in the year 2025. I regard this as a very important long-term shift in the scope of State support, taking further the cutting back of SERPS we have already accomplished and allowing room for employers occupational schemes to take over the provision of earnings-related help for employees long-term sickness and disability.

5. I believe that this package will be sufficient to present as the Government's definitive response to the OPCS surveys and to enable me to resist pressures for policy changes for the sick and disabled which would result in net increases in social security spending. Nor do I think that providing an increase for the disabled exposes us more to pressure from other groups. I am very conscious of the significant share of

public expenditure represented by the social security programme. That is why I have kept the programme under critical review, as did my predecessors, and have taken difficult decisions to curb expenditure in some areas. Norman Lamont and I were able to agree in the last Survey on the package of measures for disabled people, partly because of the substantial long-term savings in the package itself, and partly because of other savings measures - including a further freeze on child benefit saving some £250 million.

6. Looking further back, the Government has a strong record of taking firm measures to control social security spending - for example, the decision in 1980 to break the link between benefit upratings and rises in earning is now saving some £4 billion a year, and more recently we have saved hundreds of millions of pounds on benefits for unemployed people. It is true that social security spending has risen significantly in real terms since we came into office, and we have rightly taken credit for that, but we need to bear in mind that most of the rise is because of increased numbers of beneficiaries properly entitled under long-standing legislation. Spending on policy improvements has been very carefully selected and targeted and is far outweighed by the substantial and controversial measures we have taken to hold spending in check.

7. I enclose a redraft of the statement which I hope you will agree to me making tomorrow. Copies go to Geoffrey Howe, Tim Renton, Norman Lamont, Michael Howard and Kenneth Clarke.

T.H.

9 January 1990

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DRAFT STATEMENT - DISABILITY BENEFITS

With permission, Mr Speaker, I wish to make a statement about the Government's proposals for developing and improving the system of social security benefits for disabled people.

As the House is aware, at the time when major areas of social security were reviewed between 1983 and 1985, we commissioned the Office of Population Censuses and Surveys to carry out the most thorough and comprehensive study ever undertaken of disability in Great Britain. The aim was to provide information on which to base a review of benefits in this field. Six reports were published between September 1988 and July 1989.

In October, when I announced a number of initial steps following the reports, I said that we would come forward in due course with a wider range of proposals to improve the balance and structure of the system. That wider response to the OPCS reports is contained in the paper "The Way Ahead: Benefits for Disabled People" which my rt hon friend the Minister for the Disabled and I are laying before the House today. In formulating it, we have taken account of the many comments and suggestions we have received, and of the very valuable report on this subject published by the Social Security Advisory Committee in [ ] .

Before outlining our proposals, I should briefly remind the House of some of the main features of the OPCS surveys. The threshold for defining disability was deliberately set low, with the result that it includes people who are well able to participate in normal daily activities and who are not dependant on disability benefits or services. They found that, in general, the gap in income between the disabled and the non-disabled was much greater for those under pension age.

They also found, again in general, that for those in receipt of the existing Mobility and Attendance Allowances the value of the benefits was greater than the extra costs the survey identified.

In the light of this, we see three main strategic needs. One is to improve the coverage of help with the extra costs which disability can bring, for those of working age and below. A second is to improve the balance of benefits available to those disabled people who are unable to work, in particular to do more for those who are disabled from birth, or early in life. The third is to help those disabled people who can and wish to work, by making it easier for them to keep or take up jobs.

Our proposals address those objectives with a programme for action in three main phases.

First, we shall shortly take the legislative or other action necessary to implement the initial package of improvements within the existing benefit structure I announced in October. The House will recall that these increase in real terms the disability premiums in Income Support and Housing Benefit; raise premiums for disabled children to the adult rate; extend Attendance Allowance to disabled babies under 2, and to terminally ill people without any waiting period; extend Mobility Allowance to people who are both deaf and blind; improve incentives to rehabilitation for employment; and introduce a £10 carers' premium into Income Support and Housing Benefit for those who receive Invalid Care Allowance. We intend that these changes should mostly be in place by April, and all by October.

Secondly, the forthcoming Social Security Bill will contain measures to enhance the benefits of severely disabled people who were never able to work, or were disabled early in life, while at the same time ensuring a better-balanced and more sustainable overall structure of income-replacement incapacity benefits, taking account of the encouraging growth of occupational provision in this field.

From the latter part of this year, we shall introduce an age-related addition to the non-contributory Severe Disablement Allowance, at the same rates as the present additions paid with contributory Invalidity Benefit. This will mean up to £10 a week extra for some 250,000 severely disabled people. Also from the latter part of this year, while protecting existing entitlements, we shall end new entitlements to what are known as reduced earnings allowances in the industrial injuries scheme, thus removing an overlap with entitlement to the main Invalidity Benefit.

And from April 1991, again while fully protecting rights and entitlements built up before that time, we shall end the accrual of new rights to the earnings-related additions to Invalidity Benefit. The build-up of these rights which would otherwise go on well into the next century would, we believe, have inhibited the growth of occupational provision, constrained governments' ability to help those most in need, and further widened the gap between those disabled people who have been able to work and those who have not.

The third phase of our programme will be to bring forward further legislation at the earliest practicable opportunity to provide for two new benefits which we aim to have in place by April 1992.

One will be a Disability Allowance with two elements, directed respectively at the care needs and at the mobility needs of disabled people of working age and below. The care element will have three rates, of which the upper two will match the rates of the present Attendance Allowance. The mobility element will have two rates, of which the upper one will match the existing Mobility Allowance. The new lower rates of each element will give extra help to about 150,000 people in each case. Attendance Allowance will remain for those over retirement age.

The other new benefit will be a Disability Employment Credit, to promote disabled peoples' independence by supporting those who are in work or who would like to work and could, but whose earning capacity is low. Thus it will respond to the widely perceived need for what has often been called a partial incapacity benefit.

Much detailed work will be required, particularly for this third stage. In carrying it out, we will of course take account of comments made by disabled peoples' organisations and others.

Mr Speaker, these proposals build in a practical and constructive way on the achievements of ten years in which the coverage of benefits for the long-term sick and disabled has massively increased and expenditure has correspondingly doubled in real terms. While ensuring a sustainable foundation for disability benefits into the next century, including the continued growth of occupational provision, they will bring extra help to some 850,000 people in the next few years, at a net cost of some £300 million in 1993. Provision for the extra expenditure in the Survey period is included in the Autumn Statement and will be reflected in the Public Expenditure White Paper.

Together with the proposals for improved community care announced by my rt hon Friend, the Secretary of State for Health in November, and the consultative document my rt hon Friend the Secretary of State for Employment will shortly publish on his review of training and employment services for disabled people, this improved structure of disability benefits reflect our firm commitment to improving the quality of life for Britain's disabled people.





CONFIDENTIAL

PRIME MINISTER  
DISABILITY PACKAGE

Following our discussion this morning about your reaction to the papers you saw last night I minuted out in the terms of my letter at Flag A below. As I explained when we spoke again at lunchtime my letter asked for a further minute covering the points that were causing you concern.

Tony Newton is keen to press ahead with the Statement, as previously planned, tomorrow Wednesday 10 January. He has this evening sent in a further minute at Flag B which responds to the points set out in my letter. In paragraphs 5-6 he addresses the issue of resisting pressures for other increases in social security spending. And in the early part of his minute he seeks to set out the background to the agreement reached with the Chief Secretary; an important point at the end of paragraph 3 is that the expenditure implications were included in the Autumn Statement figures. This is an important distinction from some of the other recent announcements, eg, Barlow Clowes, which will involve additional calls on the Reserve.

Attached to Tony Newton's minute is a revised draft of his proposed Statement for tomorrow. This also now brings out the point that expenditure provision has already been made for the package; and greater emphasis is given to the longer term savings measures.

I also attach, in case you wish to refer back to it, the note from the Chief Secretary that you saw last night (Flag C) to which is attached the table summarising the expected profile of the different elements of the package.

I got the impression at lunchtime that you were now prepared to accept that the announcement should be made tomorrow. Content, in the light of the points set out in Tony Newton's Flag B minute, for him to proceed on that basis?

Paul

PAUL GRAY

9 JANUARY 1990

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*RA 6*  
*2/1*

Treasury Chambers, Parliament Street, SW1P 3AG

Stuart Lord Esq  
 Private Secretary to the  
 Secretary of State of Social Security  
 Richmond House  
 79 Whitehall  
 London  
 SW1A 2NS

9 January 1990

*Dear Stuart*

**STATEMENT ON DISABILITY BENEFITS**

The Chief Secretary has seen your letter dated 5 January to Paul Gray and your Secretary of State's draft oral statement. He has a number of comments on the draft and on the draft briefing which DSS officials have also sent to the Treasury.

2. The Chief Secretary believes that the statement should aim to take more credit for the Government's record on disability benefits. The present draft refers to this only in a slightly throw-away line at the end of the penultimate paragraph. The Chief Secretary suggests that the near doubling of expenditure on benefits for the long term sick and disabled since 1979 could be brought forward, nearer to the beginning of the statement, in order to help set the context for the measures to be announced. The point could also be reinforced by reference to the large increase in take-up of these benefits over the same period.

3. As for the new measures, the Chief Secretary would like the penultimate paragraph to make it clear that the £300 million net increase in expenditure is the estimate for the increase in 1993-94 and that the amounts will build up to that level in the preceding years.

4. While recognising the need to take full credit for these measures, the Chief Secretary believes that it should be made clear that the cost of the additional expenditure was included in the programme totals announced in the Autumn Statement. He would accept the following form of words:

"This is new money, which was agreed in the 1989 Public Expenditure Survey. The extra provision for the first three years, beginning in 1990-91, has been included in the totals for my department published in the Autumn Statement. These extra amounts are £84 million in 1990-91; £138 million in 1991-92; and £213 million in 1992-93."

The Chief Secretary emphasises that the second sentence must accompany the first.

## CONFIDENTIAL

5. The Chief Secretary would also like the description of the first phase of the new measures (pages 2 and 3 of the draft) tightened up. It needs to be made clear that the first phase consists of measures which have already been announced in the uprating statement last October. Leaving an impression that these measures are being announced for the first time could back-fire. This could be remedied by inserting "as I announced in my uprating statement of 25 October" after "First" on page 2. On page 3, the second sentence of the first full paragraph would better read:

"Altogether, the measures I announced in October will give additional help to some half a million disabled people and carers, at a cost of about £100 million in a full year."

6. A further question which the Chief Secretary believes may be raised concerns the effect on public expenditure in the longer term. The Chief Secretary recognises that you will not wish to link the savings in statutory sick pay with the package for long term sickness and disability benefits, but even excluding SSP the package will roughly break even by the end of the decade; and net savings will increase thereafter as the savings from phasing out of the additional pension increase. If this question is raised, the Chief Secretary believes that it would be wrong to attempt to fudge the point, as this might only lead to criticism that the Government has something to hide or create an impression that the Government is not fully committed to the savings measures. The Chief Secretary believes there is a good defence against any criticism of these longer term savings in the fact that, even taking account of the savings from the package, overall expenditure on disability benefits is still projected to rise substantially in real terms, at least to the end of the decade.

7. There is a reference in your draft briefing to the new carer's premium in income support, to be worth £10 a week. This is to be restricted to people receiving invalid care allowance (ICA). The briefing states, in a background note, that your Department are exploring whether the new premium could be extended to people not receiving ICA but that no commitment should be given to such an extension. The Chief Secretary is concerned that no reference should be made to the possibility of such an extension, as this would only raise expectations that it would be done. He points out that there is no public expenditure provision to extend the coverage of this new premium. He also recalls that, in discussion of the package last Autumn, an alternative proposal to provide a lower premium to a wider range of carers (at the same expenditure cost) was rejected by the Department, on the grounds that a wider group could not be tightly enough defined.

8. We spoke about these amendments. It would be helpful to see the revised version as soon as possible.

9. I am sending copies of this letter to Paul Gray (No 10), Tim Sutton (Lord President's Office), Murdo MacLean (Chief Whip's Office), Clive Norris (Department of Employment) and Andy McKeon (Department of Health).

*Yours*

*Miss C Evans*

MISS C EVANS  
Private Secretary

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EM  
C. Economic  
Disabled

10 DOWNING STREET

LONDON SW1A 2AA

*From the Private Secretary*

9 January 1990

STATEMENT ON DISABILITY BENEFITS

Thank you for your letter of 5 January, which the Prime Minister has seen together with the attached preliminary draft of the statement proposed for 10 January.

The Prime Minister continues to fear that the proposals will lead to pressures for far higher and growing public expenditure. She would therefore be grateful for an assurance that, if it is felt this package is the appropriate response, it will be possible to resist other pressures for policy increases in social security spending.

The Prime Minister understands that the figure of a net expenditure increase of £300 million in 1993-94 represents the expected peak annual cost of the package; and that in later years it is estimated that the value of the savings measures will rise faster than the spending increases. She is concerned that, as presently drafted and following other recent announcements, the statement could give the impression that public spending is out of control. Though she recognises the argument for positive presentation to the disabled lobby she feels that, if an early announcement is to be made, consideration should be given to providing more emphasis to the savings measures. She would therefore be grateful if your Secretary of State could minute again on how he plans to proceed.

BF ||

I am copying this letter to Tim Sutton (Lord President's Office), Murdo Maclean (Chief Whip's Office), Carys Evans (Chief Secretary's Office), Clive Norris (Department of Employment) and Andy McKeon (Department of Health).

PAUL GRAY

Stuart Lord Esq  
Department of Social Security

CONFIDENTIAL

PRIME MINISTER

DISABILITY PACKAGE

*This is a 500m package*  
*and involves NEW legislation. Other*  
*departments are rightly worried to consider their claims*  
In December you saw the papers setting out details of the *are being*  
disability package agreed between Tony Newton and Norman Lamont *urgently*  
during the 1989 Public Expenditure Survey. You reluctantly *brushed*  
agreed to let it proceed but expressed concern that the package *aside*  
could lead to pressure for still higher expenditure and commented *not*  
that it would be important to ensure that its terms were  
strictly defined. In particular you asked that, in developing  
the new Disability Allowance, measures should be taken to tighten  
up assessment and adjudication; and that the new Partial  
Incapacity Benefit should not be at a higher level than Family  
Credit. On the presentation of the package you asked Tony Newton  
to include in the command paper an executive summary.

You mentioned again to the Chief Secretary in passing last week  
your concerns about the potential expenditure increases in this  
area.

Following detailed comments from other colleagues Tony Newton is  
now ready to publish the command paper and make an Oral Statement  
to the House. After consultation with the Business Managers he  
proposes to do this on Wednesday this week, 10 January. At  
Flag A is a copy of the draft Statement.

Following your comments to the Chief Secretary last week I have  
been exploring with the Treasury and DSS the overall shape of the  
disability package in terms of expenditure increases and savings.  
The Chief Secretary has now provided a further note on this at  
Flag B.

In the early years the package does involve a net expenditure  
increase. But as we move into the next century it is estimated  
that the balance will shift, and the value of the savings  
measures being introduced will exceed the increases. Of  
particular importance are ending new entitlements to reduced  
earnings allowance in the Industrial Injuries Scheme, and ending

the accrual of new rights to the earnings-related additions to Invalidity Benefit. In essence this is the removal of SERPS-type benefits.

In presenting the package this feature of rising savings over time is not being highlighted. But both Tony Newton and Norman Lamont feel that, faced with the pressures from the disability lobby, the package they have worked out is as good an outcome as could have been achieved.

Do you want to make any comments on the disability statement for Wednesday at Flag A?

I am familiar with the arguments - spend more now and for several more years and then expenditure will reduce. But we have to get through the next 10 years expenditure.

PLG

PAUL GRAY  
8 JANUARY 1990

With all the pressures upon you and following a disability package a few weeks ago, I do not understand how that package went through and have little confidence in the "wings" which is already in the "scope" for policy concessions elsewhere - is surely contained. The whole thing gives the impression that public expenditure is out of control and



FROM: CHIEF SECRETARY  
DATE: 8 January 1990

PRIME MINISTER

DISABILITY BENEFITS

You were concerned about the £300 million cost in 1993-94 of the disability package. I thought it might be helpful if I were to put this figure in context.

- ... 2. I attach a schedule listing the package. It is a restructuring package of increases and savings including substantial longer term savings from abolishing the additional pension in invalidity benefit. By 2000-1 the net effect of the package is a public expenditure saving, at 1989-90 prices, of some £70 million a year. This net saving will increase, as the effect of phasing out the additional pension grows.
3. Before agreeing I discussed the package extensively with Tony Newton and Nigel Lawson in the Survey. We felt that if nothing was done and our response to the OPCS reports was thought to be inadequate, there was a distinct danger of irresistible pressure for much greater help for the disabled which would result in greater long-term costs. As it turned out we agreed significant long-term savings which will more than offset the costs of the package. Moreover, we agreed the package on the basis that this was our response to the OPCS report. We did not want a Green Paper which might have generated rather than limited the pressures for expenditure.
4. The £300 million is the net cost in 1993-94 of changes in long-term sickness and disability benefits, and thus excludes the savings of over £90 million in statutory sick pay agreed as part of the Survey deal, reducing the net cost to around £205 million. DSS Ministers have quoted the larger figure to put the most positive gloss on the package. It compares with the 1992-93 cost we agreed in the Survey of £120 million. We recognised at the time that increased take-up of the new disability allowance in its second year would add some £100 million in 1993-94, partly offset by increasing savings.

PERSONAL AND CONFIDENTIAL

5 I do not believe it would have been possible to reduce the extra costs significantly in the early years by accelerating the main savings measure on the additional pension. This would have meant cutting back on entitlements which people have already earned by paying national insurance contributions. As it is, we can say that accrued rights will be fully protected and uprated in line with earnings. And those actually receiving an additional pension at the point of change will be entirely unaffected. We will therefore have a good defence against any criticism of this very substantial long-term savings measure.

6. You may have been concerned that we were creating a new entitlement and thus unleashing tremendous new pressures. Quite apart from the long-term offsetting savings, the new lower rate of disability allowance will, for Mobility Allowance, be limited to those who, while physically able to walk, need to be accompanied, including deaf and blind and mentally handicapped, and for Attendance Allowance, will be available only to people who need regular attention, which means assistance twice a day with bodily functions as certified by a doctor. However, I agree with you on the importance of ensuring that the criteria for the new benefits will be strictly defined. I had already made it clear to Tony that I would expect to be consulted on all the main points. I will also want to be satisfied that the Department responds positively to the National Audit Office report, about to be published, which identified weaknesses in the current system for reviewing claims for invalidity benefit.

7 Finally, as you know, I warned Tony in my letter to him of 18 December, commenting on his draft paper, that as a result of this package the scope for policy concessions elsewhere in the social security programme in the next few years is bound to be severely constrained.

*CLM*

NORMAN LAMONT

*approved by the Chief Secretary  
and signed in his absence*



DISABILITY BENEFITS PACKAGE (as agreed in Survey)  
(£ million)

1990-91 1991-92 1992-93 1993-94 2000-01  
(@ 1989-90 prices)

COSTS

Disability allowance	0.0	0.0	115.0	230.0	280.0
Add age-related allowances to Severe Disablement Allowance (gross costs)	35.0	110.0	110.0	115.0	110.0
Mobility allowance to over 75's	0.0	0.0	0.0	0.0	100.0
Disablement employment credit (gross costs)	0.0	0.0	80.0	80.0	70.0
AA: no waiting period for terminally ill	13.0	28.0	29.0	30.0	25.0
Increase disability premium by £1/£1.60	18.4	18.5	18.6	19.0	20.0
£10 carer's premium in Income Support	6.0	15.0	15.0	15.0	20.0
Raise disabled child's premium	8.0	8.0	8.0	8.0	10.0
Attendance Allowance (AA) for children under 2	5.0	6.0	6.0	6.0	5.0
Increase in higher rate invalidity allowance	0.9	1.2	1.3	1.4	1.0
Mobility allowance for deaf-blind	4.0	5.0	0.0	0.0	0.0
Independent living fund	19.0	26.0	27.0	28.0	0.0
<b>TOTAL GROSS COSTS</b>	<b>109.3</b>	<b>217.7</b>	<b>409.9</b>	<b>532.4</b>	<b>641.0</b>

SAVINGS MEASURES (DISABILITY BENEFITS ONLY)

Phase out Additional pension to invalidity benefit	0.0	0.0	-5.0	-25.0	-370.0
Abolish reduced earnings allowance	-5.0	-20.0	-42.0	-61.0	-130.0
Disablement employment credit (gross savings)	0.0	0.0	-90.0	-90.0	-80.0
Age-related additions to severe disablement allowance - offsetting savings	-20.0	-60.0	-60.0	-60.0	-60.0
<b>TOTAL SAVINGS MEASURES (DISABILITY BENEFITS)</b>	<b>-25.0</b>	<b>-80.0</b>	<b>-197.0</b>	<b>-236.0</b>	<b>-640.0</b>

**NET COST, DISABILITY BENEFITS** 84.3 137.7 212.9 296.4 1.0

**SAVINGS ON SSP** -72.0 -86.2 -92.3 -93.0 -75.0

**NET COST IN SURVEY** 12.3 51.5 120.6 203.4 -74.0



DEPARTMENT OF SOCIAL SECURITY

Richmond House, 79 Whitehall, London SW1A 2NS

Telephone 01 210 3000

*From the Secretary of State for Social Security*

SA

Paul Gray Esq

5/1/90

Dear Paul

I mentioned the need for care in forming a view of the financial effects of my Secretary of State's disability package. The net cost of £300 million presented for 1993/94 -

- is for the year of peak additional net spending
- includes the disability benefit improvements announced in the October uprating statement
- omits the effects of changes to Statutory Sick Pay announced in the uprating statement and saving a net £90 million.

The two newly announced savings measures (the reduced earnings allowance element of industrial injuries benefit and earnings related additions to invalidity benefit) will save £500 million within ten years and the latter measure will save £2 billion by 2025.

370  
Yours,  
S Lord

S LORD



DEPARTMENT OF SOCIAL SECURITY  
Richmond House, 79 Whitehall, London SW1A 2NS  
Telephone 01 210 3000

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*From the Secretary of State for Social Security*

**CONFIDENTIAL**

Paul Gray Esq  
Private Secretary  
10 Downing Street  
London  
SW1A

5 January 1990

*Dear Paul*

**STATEMENT ON DISABILITY BENEFITS**

With the agreement of the Lord President and the Chief Whip (and subject to the need for unplanned urgent business to be conducted), my Secretary of State proposes to make an Oral Statement to the House on Wednesday 10 January. The Statement will introduce the proposals in the paper "The Way Ahead: Benefits for Disabled People" which has been approved by B Committee (Sir Geoffrey Howe's letter of 28 December) and which will be published on the same day.

I enclose a preliminary draft of the Statement. I am sending copies to Tim Sutton (Lord President's office), Murdo MacLean (Chief Whip's office), Carys Evans (Chief Secretary's office), Clive Norris (Department of Employment) and Andy McKeon (Department of Health).

*Yours,  
Stuart*

STUART LORD  
Principal Private Secretary

CONFIDENTIAL

PRELIMINARY DRAFT STATEMENT - DISABILITY BENEFITS

With permission, Mr Speaker, I wish to make a statement about the Government's proposals for developing and improving the system of social security benefits for disabled people.

As the House is aware, at the time when major areas of social security were reviewed between 1983 and 1985, we commissioned the Office of Population and Censuses and Surveys to carry out the most thorough and comprehensive study ever undertaken of the circumstances of people who are long-term sick or disabled. The aim was to provide information on which to base a review of benefit for this group. This major study resulted in six reports, published between September 1988 and July 1989.

At the time of my up-rating statement on 25th October, when I announced a number of initial steps following the reports, I said that we would come forward in due course with a wider range of proposals to improve the balance and structure of the system. That full response, which takes account not only of the information in the reports themselves but also of the many comments and suggestions we have received, is set out in a paper entitled "The Way Ahead: Benefits for Disabled People" which my rt. hon Friend the Minister for the Disabled and I are laying before the House today.

Our assessment is that there are three clear strategic needs. One is to improve the coverage of help with the extra costs which disability can bring, especially for those of working age and below who are significantly disabled but not sufficiently so to qualify for the existing Mobility and

Attendance Allowances. A second is to improve the balance of benefits available to those disabled people who are unable to work, in particular to do more for those who are disabled from birth, or very early in life, and are therefore never able to build up entitlements based on contributory or occupational provision, or their own savings. The third is to help those disabled people who can and wish to work to do so, by making it easier for benefit and earnings to be combined.

Our proposals address those objectives with a programme for action in three main phases;

First, we shall shortly take the administrative or regulation making action necessary to implement our proposed changes within the existing benefit structure.

These are:

- to increase in real terms the disability premiums in Income Support and Housing Benefit;
- to increase the premiums for disabled children to the adult rate, which more than doubles them;
- to extend Attendance Allowance to handicapped babies under 2, and the Mobility Allowance to people who are both deaf and blind;
- to increase earnings limits for people who receive Invalid Care Allowance, or who undertake work accepted as beneficial while in receipt of Invalidity Benefit or Severe Disablement Allowance, and to enable disabled people who go on an Employment Rehabilitation Course to retain their benefit while doing so; and

- to introduce a £10 carers' premium into Income Support and Housing Benefit for those who receive Invalid Care Allowance.

With the exception of the carers' premium, which for practical reasons cannot be introduced until October, we intend that all these changes should be in place by April. Together with the extension of Attendance Allowance to the terminally ill, which we also hope to have made by October, they will give additional help to some half a million disabled people and carers, at a cost of about £100 million.

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lyl<sup>n</sup>.*

Secondly, in the forthcoming Social Security Bill, in addition to the legislation needed for the Attendance Allowance extension I have just mentioned, we shall bring forward measures to achieve our aim of a better balance in the help given to those disabled people who are unable to work. There will be three elements:

- to introduce, we hope by the end of the autumn of this year, an age-related addition to the non-contributory Severe Disablement Allowance along the same lines as the present additions paid with contributory Invalidity Benefit, thus giving up to £10 a week extra to severely disabled people who were never able to work or who were disabled early in their working life;
- to end, from about the same time, new entitlement to what are known as reduced earnings allowances in the industrial injuries scheme, which in the government's view largely overlap with entitlement to Invalidity Benefit itself; and

- from April 1991, while fully protecting rights and entitlements built up before that time, to end the accrual of new rights to the earnings-related additions to Invalidity Benefit. These rights would otherwise go on building up in a way which we believe would, through the constraints inevitably imposed on the government's ability to do more for those with no such entitlement, have widened yet further the gap between those disabled people who have been able to work and those who have not.

Thirdly, we propose to bring forward further legislation at the earliest practicable opportunity to provide for two new benefits which we aim to have in place by April 1992: a Disability Allowance, extending help with the cost of disability for those of working age and below; and a Disability Employment Credit to help those disabled people who wish to work and are able to do so, to some extent at least.

The Disability Allowance will have two elements, one directed at disabled peoples' need for care and the other at their lack of mobility. The care element will have three rates and the upper two will match the rates of the present Attendance Allowance. The mobility element will have two rates and the upper one will match the existing Mobility Allowance. The new lower rates of each element will help for the first time many people - we estimate about 150,000 in each case - who fall altogether outside the present arrangements. Attendance Allowance will remain for those over retirement age.

The Disability Employment Credit will be designed to give benefit to those disabled people who are in work but whose earning capacity is low, in the same way as Family Credit seeks to assist low-income working families with children. Thus it will respond to the widely perceived need for what has often been called a partial incapacity benefit.

Much detailed work is needed, particularly for the third stage. In working up proposals in detail we will take account of comments made by disabled people's organisations and others.

We estimate that the benefit improvements contained in our proposals as a whole will give extra help to 850,000 people. In 1993-94 when the improvements are fully implemented the increase in expenditure on benefits directly concerned and the additional entitlements to income-related benefits and Invalid Care Allowance created as a consequence, will total over ~~£500~~ million. While this will be to some extent offset by reduced dependence on other benefits, and by the proposed changes concerning reduced earnings allowance and earnings-related additions to invalidity benefit, there will nevertheless be a substantial overall net increase of some £300 million to the £8.3 billion the government is already spending on benefits for people who are long-term sick and disabled - nearly twice, in real terms, the figure 10 years ago.

When completed, what I have proposed will bring about a more comprehensive and coherent system of disability benefits than ever before. Together with the proposals for improved community care announced by my rt hon Friend, the Secretary of State for Health in November, and those which my rt hon Friend the Secretary of State for Employment will shortly announce on better training and employment services for disabled people, this improved structure of disability benefits reflect our firm commitment to improving the quality of life for Britain's disabled people.







11/27/89  
CEPH

PRIVY COUNCIL OFFICE  
WHITEHALL, LONDON SW1A 2AT

Rob  
M  
M

28 December 1989

Dear Secretary of State,

**SOCIAL SECURITY BENEFITS FOR DISABLED PEOPLE**

Thank you for your letter of 12 December seeking H Committee's policy agreement to the publication of the paper "The Way Ahead, Improving the Balance and Structure of Benefits for Disabled People" setting out proposals to reform the structure of disability benefits, and to the inclusion in the forthcoming Social Security Bill of some of the legislation needed.

The Prime Minister has indicated that she is content with the broad framework of the package. She is concerned however about the possibility of new pressures for higher public spending in this area. To avoid this, she has suggested the tightening up of the assessment in adjudication procedures for invalidity benefits; and a level of Partial Incapacity Benefit no greater than the level of Family Credit.

John Belstead, Norman Fowler, Chris Patten, Peter Walker, Kenneth Clarke, Peter Brooke and Norman Lamont also wrote supporting the proposals subject to a number of drafting points and additions which I understand that you have agreed to make or are pursuing separately. On handling, John Belstead suggested that the proposals might be better received if battles over statistics could be avoided, and if the balance between improvements and reductions in benefits could be improved.

No other colleague has commented and you may take it, therefore, that you have H Committee's approval for your proposals.

I am copying this letter to the Prime Minister, other members of H Committee, Richard Luce and Sir Robin Butler.

Yours sincerely,  
Gillie Baxter

GEOFFREY HOWE

(Approved by the Lord President and signed in his absence)

The Rt Hon Tony Newton OBE MP

RECEIVED  
SECRETARY OF STATE  
28 DEC 1989





CPR

Department of Employment  
Caxton House, Tothill Street, London SW1H 9NF

Telephone 01-273 . . . 5802  
Telex 915564 Fax 01-273 5821

Secretary of State

NBM  
RCC  
22/12

The Rt Hon Nicholas Scott MP  
Minister of State for Social Security  
and the Disabled  
Richmond House  
79 Whitehall  
LONDON  
SW1A 2NS

Dear Nick  
at 10  
December 21

Thank you for your recent letter about liaison between Departments on disability issues in the period immediately following publication of the statement of your proposals for the restructuring of disability benefits.

I agree the need for coherence in the presentation of Departments' initiatives in this area in the early part of 1990.

We are aiming to publish our Consultative Document, following the review of our services for people with disabilities, shortly after publication of your statement on disability benefits. I hope to put the draft to colleagues in early January. This is clearly an area in which officials will need to keep closely in touch.

Lord Strathclyde wrote to you on 8 December about your proposal, to be made public in the Consultative Document, to introduce a new symbol for use by employers as a public manifestation of their commitment to progressive policies and practices in the employment of people with disabilities. Our officials have been in touch about this since, and are taking steps to ensure an integrated approach between our Departments.

The Consultative Document is likely to refer to three other documents which will be published. First, a further paper setting out proposals for the development of our special schemes (for example Adaptations of Premises and Equipment Scheme) to





Secretary of State  
for Employment

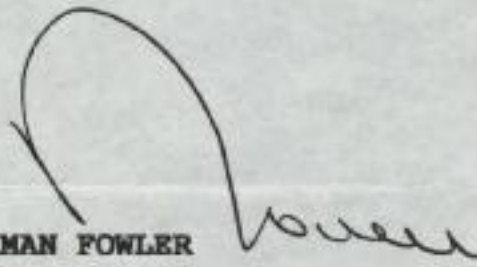
assist the employment of people with disabilities. These proposals have not been included in the Consultative Document because the findings of a recent exercise to evaluate the existing special schemes are still under consideration, but we hope to publish this fairly soon after the Consultative Document. Our officials will shortly be in touch with yours about this paper.

Second, a report on employers' policies and practices on the employment of people with disabilities, which is based on research into employers' perceptions of the Quota Scheme and the impact of the Disablement Advisory Service and the Code of Good Practice on the Employment of Disabled People. We intend to publish this Report at the same time as, or very shortly after, the Consultative Document. The report has been taken into account in preparing our proposals.

Third, the report on the study, commissioned by this Department, of the numbers and characteristics of people with disabilities in the labour market. This study is based on an employment-related definition of disability and will, therefore, provide more definitive information for our purposes than the recent OPCS surveys. It is unlikely that we will be ready to publish this report until the second quarter of 1990. We will, however, be able to take its conclusions into account before reaching final decisions on the policy issues raised in our Consultative Document. Our officials will be in touch with yours about any issues which the results, when available, raise.

I am copying this to Cabinet colleagues, to Richard Luce and Sir Robin Butler.

*Over*



NORMAN FOWLER

HOME AFFAIRS:

Disabled people May  
82



no



NBM  
PACB  
WLR



Rt Hon Tony Newton MP  
Secretary of State for Social Security  
Richmond House  
79 Whitehall  
London  
SW1A

Richmond House  
79 Whitehall  
London SW1A 2NS  
Telephone 01 210 4000  
*From the Secretary of  
State for Health*

*Mr Tony.*

SOCIAL SECURITY BENEFITS FOR DISABLED PEOPLE

I welcome the extra help that your proposals will give to younger disabled people, particularly those whose earning capacity is diminished.

I also welcome your decision to put the question of benefits in context by including a chapter setting out developments in other services and I am glad my officials were able to work closely with yours on this.

I agree that the fact that the proposals on benefits for disabled people are not going out for consultation in the same way as the proposals in the social security review will prove controversial as will the amount of expert help. But equally I understand the reasons for your wanting to publish firm proposals and I am content with this.

I am writing separately about the Independent Living Fund.

Copies of this letter go the Prime Minister, Geoffrey Howe, members of H Committee, Richard Luce and Sir Robin Butler.

KENNETH CLARKE







Northern Ireland Office  
Stormont Castle  
Belfast BT4 3ST

ccpy

NBS

ALC  
10/12

The Rt Hon Sir Geoffrey Howe QC MP  
Lord President of the Council  
Privy Council Office  
Whitehall  
LONDON  
SW1A

19 December 1989

Dear Geoffrey,

**SOCIAL SECURITY BENEFITS FOR DISABLED PEOPLE**

In his letter of 12 December <sup>below</sup> Tony Newton sought colleagues' agreement to the publication of a paper setting out proposals to reform the structure of disability benefits and to the inclusion in this Session's Social Security Bill of some of the legislation needed.

I am content on both scores. As regards the items to be included in this Session's Bill, it would be my intention to enact corresponding provision for Northern Ireland through the Clause in the Bill which enables this to be done by Order in Council subject to negative resolution. The assumption at this stage is that parity will also prevail in respect of the other proposals contained in the draft Command Paper but I would wish to consider carefully their presentation in Northern Ireland in the light of a current local survey of the disabled analogous of the OPCS Surveys in Great Britain.

I am copying this letter to the Prime Minister, members of H Committee, Richard Luce and Sir Robin Butler.

Yours ever

PM

PB



Social Services  
Upgrading of BENEFITS



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*file*

10 DOWNING STREET  
LONDON SW1A 2AA

*From the Private Secretary*

19 December 1989

*Dear Stuart,*

**SOCIAL SECURITY BENEFITS FOR DISABLED PEOPLE**

The Prime Minister has seen your Secretary of State's letter of 12 December to the Lord President, enclosing a detailed paper setting out proposals to reform the structure of disability benefits, together with the Chief Secretary's letter of 18 December.

The Prime Minister suspects that the proposed package could lead to pressures for far higher and growing public expenditure in this area. While she is content with the broad framework of the package she therefore thinks it will be important to ensure that its terms are strictly defined. In particular she feels that, in developing the new Disability Allowance, measures should be taken to tighten up the assessment and adjudication procedures; she also thinks that the new Partial Incapacity Benefit should not be at a higher level than Family Credit.

On the presentation of the package the Prime Minister suggests there would be advantage in including in the paper an executive summary, and that Chapter 2 should include a specific explanation of the different definitions of disability used in the latest OPCS survey and in the 1969 survey.

I am copying this letter to the Private Secretaries to the Members of H Committee, Martin Le Jeune (Minister of State, Privy Council Office) and Sonia Phippard (Cabinet Office).

*Yours  
Paul*

PAUL GRAY

Stuart Lord, Esq.,  
Department of Social Security

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CC PLA

Y SŵDFA GYMREIG  
GWYDYR HOUSE  
WHITEHALL LONDON SW1A 2ER  
Tel. 01-270 3000 (Switsfwrdd)  
01-270 0538 (Llinell Union.)



WELSH OFFICE  
GWYDYR HOUSE  
WHITEHALL LONDON SW1A 2ER  
Tel. 01-270 3000 (Switchboard)  
01-270 0538 (Direct Line)

Oddi wrth Ysgrifennydd Gwladol Cymru The Rt Hon Peter Walker MBE MP From The Secretary of State for Wales

19 December 1989

nblm

Also

19/12

SOCIAL SECURITY BENEFITS FOR DISABLED PEOPLE

pps with PA?

I am responding to Tony Newton's letter of 12 December.

In the short time available I want only to support John Belstead's points about presentation of the proposals and the balance of announcements and Tony Newton's efforts to avoid a decision on the Independent Living Fund until the case has been considered.

/ I am copying this letter to the Prime Minister, members of H Committee, Richard Luce and Sir Robin Butler.

The Rt Hon Sir Geoffrey Howe QC MP  
Lord President of the Council  
Privy Council Office  
Whitehall  
LONDON  
SW1N

Home App - Swatted



PRIME MINISTER 1

BENEFITS FOR THE DISABLED

You saw over the weekend my minute immediately below together with some of the attached papers. You asked what Treasury views were; and when the policy measures Mr. Newton proposes were brought forward and discussed.

The Chief Secretary has commented today and his letter is attached at Flag C. It reveals what I briefly mentioned this morning, namely that the £300 million package was agreed as part of this year's Public Expenditure Survey discussions. The announcements made at the time of the Autumn Statement concerned only a part of this overall response to the various OPCS studies.

You will see that the Chief Secretary confirms his acceptance of the package, but his letter makes a number of points on its presentation; in particular he questions the proposal to publish a Command Paper rather than a White Paper in case this is seen as a form of consultation document which would encourage proposals for ever larger public spending.

Are you now content to agree Tony Newton's proposals subject to the comments from the Chief Secretary and to the comments by Andrew Dunlop (summarised in my earlier minute below and spelt out in Andrew's note at Flag B)?

PLG

PAUL GRAY

18 December 1989

We should make both of Andrew's points (as well as your note). I fear that package will lead to far higher expenditure - and growth - than that for which Chief Secretary has provided. This will be very seriously delayed.



*capla*

*NBLm*

*ALG*

Treasury Chambers, Parliament Street SW1P 3AG *12/12*

Rt Hon Tony Newton MP  
 Secretary of State for Social Security  
 Department of Social Security  
 Richmond House  
 79 Whitehall  
 London  
 SW1A 2NS

18 December 1989

Dear Secretary of State

**DISABILITY BENEFITS**

You sent me a copy of your letter dated 12 December to Geoffrey Howe seeking H Committee clearance for your draft statement on disability benefits and for inclusion of some of your measures in this Session's Social Security Bill. As you say, we are in touch separately about the Independent Living Fund.

2. As far as the legislative proposals are concerned, I am content. But I would like to make some comments on the draft statement.

3. First, I note that you do not propose to publish this document as a White Paper. I have some concerns about this. As you know, we agreed in the Survey on a firm package of proposals which would represent the government's response to the OPCS reports. (This, incidentally, needs to be made clear, perhaps in paragraph 9.1.) While the disability groups and others would be bound to comment on the proposals, whether or not they were published in a White Paper, I think it important that no one is left in any doubt that this is how the government intends to proceed. Anything which smacked of a Green Paper or consultation document would be sure to encourage proposals for still larger commitments of public expenditure. As you say in paragraph 9.4, the details of some of the proposals still have to be worked out. But in doing this and in taking account of any comments on the paper, we will have to stay within the financial envelope we have agreed.

4. This brings me to my second point. As the paper says, we already spend a great deal on long term sickness and disability benefits: over £8 billion this year, excluding assistance provided through income support and other income-related benefits,

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and rising. I am sure that in presenting the paper you will want to take full credit for this and for the large increase in the number of people being helped over the last 10 years.

5. Your new measures will add a further £300 million (net) to this expenditure by 1993-94 on top of the already rising trend. As you know, we took a conscious decision in the Survey to give priority to this group in order to improve the benefit structure and to enable a positive response to the OPCS reports. We therefore went to the very limits of what could be afforded. As I said during the Survey, and you agreed, this will need to be made very clear if, for example during passage of the legislation, there is any pressure for further concessions. The build-up of additional expenditure on these benefits must also mean, inevitably, that the scope for policy concessions elsewhere in the social security programme in the next few years is bound to be severely constrained.

6. Third, the paper makes the important point (paragraph 2.3) that it is necessary to exclude the least severe disabilities in planning services and benefits. A great deal of attention was inevitably given to the OPCS estimate of over 6 million disabled people, and I hope that in presenting the paper you can get across the point that there are not remotely 6 million potential recipients of disability benefits. Indeed, it is important that, in responding to the OPCS reports, we do not appear to be lending credence to their estimate.

7. Finally, I am concerned that some parts of the report (especially chapter 5 on rehabilitation and partial incapacity) do not present a balanced picture of the relationship between the benefit system and the fact that a majority of disabled people under pension age are not employed.

8. In this connection, when I wrote to you on 6 December, I drew your attention to two points which would be worth including in your paper. The first is the National Audit Office report, about to be published, which identifies weaknesses in the current system for reviewing claims for invalidity benefit (IVB). The second is the OPCS finding (possibly related to the first point) that no fewer than 250,000 (1 in 4) claimants of IVB do not fall into any of the ten categories of severity used in the studies.

9. One possible implication of these findings is that a significant number of IVB claimants (contrary to the main qualifying condition for the benefit) are capable of work. The new partial incapacity benefit may encourage some of this group to seek employment, but there might also be a need to consider other measures to ensure that IVB claims are properly justified.

10. My officials have already been in touch with yours on these and other drafting changes to the text.

11. I am copying this letter to the Prime Minister, other members of H Committee, Richard Luce, and Sir Robin Butler.

Yours sincerely

*Aileen Campbell*

PP NORMAN LAMONT

Approved by the Chief Secretary  
and signed in his absence.





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*CC PIA*

2 MARSHAM STREET  
LONDON SW1P 3EB  
01-276 3000

My ref:

Your ref:



*MBM*  
*REC*  
*18/12*

Linda Oliver  
Private Secretary to  
The Rt Hon Tony Newton OBE MP  
Department of Social Security  
Richmond House  
79 Whitehall  
LONDON  
SW1

*18* December 1989

*Dear Linda*

SOCIAL SECURITY BENEFITS FOR DISABLED PEOPLE *WITH PG*

Mr Patten has seen Mr Newton's letter of ~~12~~ December to Sir Geoffrey Howe. He agrees that the paper on reforming the structure of disability benefits should be published as Mr Newton proposes.

I am copying this letter to Caroline Slocock (No.10), Private Secretaries to members of H, Martin le Jeune (OAL) and to Sonia Phippard (Cabinet Office).

*Yours*  
*A D Ring*

A D RING  
Private Secretary







*app*

**CONFIDENTIAL**  
Department of Employment  
Caxton House, Tothill Street, London SW1H 9NF

Telephone 01-273 5802  
Telex 913364 Fax 01-273 5821

Secretary of State

*Newton*  
*file*  
*19/12*

The Rt Hon Antony Newton OBE MP  
Secretary of State for Social Security  
Department of Social Security  
Richmond House  
79 Whitehall  
LONDON SW1A 2NS

*December 16*

*Dear Tony*  
*with PG?*

**SOCIAL SECURITY BENEFITS FOR DISABLED PEOPLE**

I very much welcome the paper, setting out proposals to reform the structure of disability benefits, which was enclosed with your letter of 12 December. I particularly welcome the proposal for a new in-work Partial Incapacity Benefit. It will make it possible for more disabled people to realise their aspirations to work, and should make some contribution to opening up new sources of recruitment for employers as the numbers of young entrants to the labour market declines.

As you know, my Department has been conducting a Review of its own services for disabled people. Your officials have been closely consulted in the course of that Review. I see our proposals and yours as mutually reinforcing. I hope to put a Consultative Document, embodying the conclusions of our Review, for agreement to colleagues in early January, and to publish it as soon as possible after your paper. I would intend to present our proposals as part of a common strategy with yours.

I have only one or two comments of substance on your paper (my officials are in touch with yours about minor, detailed, points). I note that eligibility for the proposed Partial Incapacity Benefit is limited to people who are receiving the Disability Allowance, or who had been receiving Invalidity Benefit, Severe Disablement Allowance, Severe Disablement Allowance or the disability premium before starting work. I also note that the new benefit is intended to help people who are currently unemployed. I believe that there are people on the unemployment register who find it difficult to get work because of partial incapacity but



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Employment Department Training Agency  
Health and Safety Executive - ACAS



Secretary of State  
for Employment

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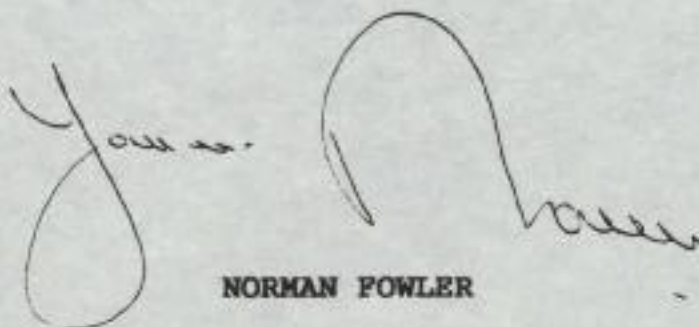
who will be eligible neither for the Disability Allowance (because of the nature of their disability) nor for full incapacity benefit (because they are partially capable of work). I think that the exclusion of such people is anomalous because they also have reduced income prospects resulting from disability and will unnecessarily swell the numbers of registered long-term unemployed people. It will also make it harder to find a solution to the problem of benefit administration which some of them currently pose - namely that they are arguably not truly "available for work" and yet are ineligible for benefits which do not impose that requirement. I accept that your scope for action is limited by resource constraints, but I hope that as part of the process of working up proposals for the new Partial Incapacity Benefit in detail, my officials and yours can look at whether a carefully defined route into Partial Incapacity Benefit might be provided for such people, taking account of those resource constraints.

I hope that our officials can similarly discuss the minimum hours threshold for Partial Incapacity Benefit, which I note your paper leaves open. Again, resource constraints need to be fully taken into account, but I should have thought that, for example, adopting the Family Credit threshold of 24 hours per week would limit the degree to which Partial Incapacity Benefit would have its desired impact.

Finally, it will be important to ensure that people do not lose eligibility for Partial Incapacity Benefit through taking training courses (for example prior to taking up work after a period of incapacity, or when moving from one job to another). The point here is that unless they are paid Invalidity Benefit or Partial Incapacity Benefit while on the course, 'linking' provisions will be needed to carry over entitlements.

I hope these points can be agreed. I support and welcome the publication of your paper.

I am copying this letter to the Prime Minister, Members of H Committee, Richard Luce and to Sir Robin Butler.

  
NORMAN FOWLER

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BENEFITS FOR THE DISABLED

This is clearly a very sensitive area.

*PP's with PK*

Tony Newton is seeking approval for:

- proposals to reform the structure of disability benefits;
- the inclusion of some (but not all) of these in this session's Social Bill;
- the publication of a paper explaining the Government's strategy.

*- We have already restructured them one*

BACKGROUND

Disability benefits were not included in the 1985 Review because of insufficient information about the circumstances of the disabled.

A major OPCS Survey was carried out. The final report came out in the summer. It provides the most comprehensive information on the disabled since the last national survey in 1969.

Among its main findings were:

- there are 6.2 million disabled adults in Britain;
- most disability is age-related;

- the disabled face extra costs which are less substantial than first thought, ranging from £3.20 per week for the least disabled, to £11.70 per week for the worst;
- it is disabled non-pensioners who are most disadvantaged in comparison to the able bodied. The average incomes of disabled pensioners were little different from that of pensioners as a whole;
- more disabled non-pensioners could supplement their incomes out of earning from work. Only 31% work at present. Of those not working, a quarter were estimated to be available for work.

The publication of the OPCS reports has raised expectations amongst the disabled pressure groups. The Disability Benefits Consortium (DBC) (an umbrella organisation for all these groups) is pressing for a full public review and the introduction of a new comprehensive disability income which "to be effected properly will cost substantial sums of additional money (billions rather than hundreds of millions)".

As an interim measure, improvements worth £100M were announced by Tony Newton in the uprating statement. But more farreaching proposals were signalled then.

#### THE POLITICAL STRATEGY

It is clearly right not to give in to the DBC's demand for a full public review:

- the Government would face unrealistic demands;
- an exhaustive internal Government review has already taken place;

Tony Newton is right, therefore, to press ahead quickly with his proposals.

The medium-term effect of the restructuring he proposes (which has broad Treasury agreement) is a package providing net additional resources of £300M when fully up and running in 1993-94. This will probably not satisfy the DBC. But given the Government's impressive record in this area already, these additional resources should be welcomed more generally. Other changes in the package will help to contain the longterm growth in disability benefits. These savings will not really impact substantially until the turn of the century. This "spend now, save later" strategy seems the right one politically.

#### THE BALANCE OF THE PACKAGE

The major "strategic" shifts in the package are:

First, the "never worked"

At present there is a clear distinction in the treatment of the disabled who have never been able to work, those working people incapacitated but not as a result of work, and those incapacitated as a result of work. Help for those who have never been able to work is currently the least generous.

The effect of the package would be to improve the relative position of those who have never worked. This seems right as it is these people who are amongst the poorest. Those receiving contributory benefits (Industry Injuries and Invalidity Benefit) will nevertheless retain a significant lead over those receiving the non-contributory benefit (Severe Disablement Allowance).



## Second, the partially disabled.

At present partially disabled people can, in one way or another, "fall through the cracks". This package will (a) extend to them help with extra costs (b) improve the incentives, for those who can, to work.

Tony Newton has chosen to give this group priority over disabled pensioners. This may provoke criticism from the DBC. But I believe he is right. The OPCS Reports indicated that 97% of disabled pensioners felt they were not faced with financial difficulties and 90% were satisfied with their standard of living.

## THE DSS PAPER

### Presentation (Chapter 2)

Overall the paper is admirably clear. But I have two specific suggestions:

First, the overall impact of the paper would be improved by a short executive summary at the front.

Second, the OPCS findings need to be put into context. The lobby group will cite the OPCS reports as evidence of massive growth in the numbers of disabled people in the UK. The apparent increase is due to the different definitions of disabled used by the latest survey and the 1969 Survey. Chapter 2 - which is otherwise a useful antidote to the "wheelchair-bound stereotype" - needs to bring this out explicitly.

### The Detailed Proposals

#### 1 Help with Extra Costs (Chapter 4)

At present there are two benefits which address extra costs: Attendance Allowance (for those in need of constant care) and Mobility Allowance (for those unable to walk). DSS propose to combine them into a new single Disability Allowance with two components. The upper level of the Mobility component and the upper two levels of the Attendance component will continue to be awarded at the same rates and on the same basis as now. So existing claimants will not lose.

But new lower rates will be introduced for those who do not at present qualify for either Mob A or AA:

- those who can walk but are not independently mobile, eg the blind or mentally handicapped;
- those who are not in need of constant care but who need help at the start and finish of the day.

My main concern is that this benefit could grow rapidly unless properly targeted:

- OPCS found that the rates of Mob A and AA were, on average, pitched far higher than required to meet actual extra costs incurred;
- expenditure on both these benefits has risen rapidly in recent years. We spend in the region of £1 billion on Attendance Allowance. Doctors who assess people for these benefits, have no incentive to control costs. There is some evidence that their assessments are over generous.

These problems are going to be intensified by extending

coverage to the less severely disabled. These cases are less clear cut and are therefore likely to be less easy to adjudicate. In working out the details of this new benefit, careful consideration needs to be given to tightening up the assessment and adjudication procedures.

## 2 Partial Incapacity Benefit (Chapter 5)

At present disabled people with children, who can work part-time, have a real incentive to do so. They qualify for Family Credit. But single disabled or those without children have no such incentive. DSS propose to remove this bias by introducing a new benefit for the disabled which would operate in the same way as Family Credit.

I support this idea. But DSS want to make the rate of the new benefit higher than Family Credit, to reflect the extra cost of disability. The Treasury are opposed to this and I agree with them:

- the extra costs problem will be dealt with through the new Disability Allowance;
- it will create a discrepancy with Family Credit where the read-across is strong.

## 3 Income Maintenance (Chapter 6)

On the non-contributory side, DSS to propose to add to the Severe Disablement Allowance (for those who have never worked) an element of compensation for the long-term loss of earning power. This will be similar to the age-related additions to the contributory Invalidity Benefit (IVB). This is a simple way of targeting those most in need.

On the contributory side, DSS propose to:

- abolish for new earnings the additional pension (AP) component of IVB (in effect SERPS paid before retirement). At present this is the fastest growing part of IVB;
- remove the Reduced Earnings Allowance (REA) from the Industrial Injuries Scheme for new claimants. REA already duplicates the help available to many people through IVB.

Both these proposals could be controversial, but (a) existing rights will be fully protected and (b) the new Partial Incapacity Benefit will offset the loss of REA for those who do not qualify for IVB. Moreover, greater private provision should be encouraged.

#### RECOMMENDATIONS

- 1 Agree to the publication of the DSS paper.
- 2 Suggest that it includes an executive summary and that Chapter 2 includes a specific explanation of the different definitions of disability used in the latest OPCS survey and the 1969 Survey.
- 3 Agree to the inclusion in the Social Security Bill of measures to:
  - remove the Reduced Earnings Allowance from the Industrial Injuries Scheme for new claimants;
  - remove for new earnings the additional pension in Invalidity Benefit;

- introduce age-related increases in Severe Disablement Allowance.
- 4 Ask that in developing the new Disability Allowance measures are taken to tighten up the assessment and adjudication procedures.
- 5 Question whether the new Partial Incapacity Rate should be at a higher rate than Family Credit.

*Andrew Dunlop*

ANDREW DUNLOP



NBPM

Department of Employment  
Caxton House, Tothill Street, London SW1H 9NF

Telephone 01-273 . . . 5802  
Telex 915564 Fax 01-273 5821

Secretary of State

The Rt Hon Nicholas Scott MBE JP MP  
Minister of State for Social Security  
Department of Social Security  
Richmond House  
79 Whitehall  
LONDON SW1A 2NS

*Dear Nick*

*Re: 20/12*

*R20/12*

You wrote to Nicholas Ridley on 28 November about how his Department might involve people with disabilities in future publicity and advertising campaigns with a view to promoting a more positive image of disabled people.

This theme has my enthusiastic support. I am sure that your initiative will help to encourage greater awareness and acceptance of people with disabilities in all sectors of the community. As you know, my Department is particularly concerned to enable people with disabilities - and their employers - to develop and implement their training and employment potential to the full.

My Department has produced a range of information leaflets for employers and for individual people with disabilities and their advisers. These were deliberately designed to put the subject matter across in a positive way, including the use of appropriate photographs. They have been very well received, and won a Plain English Award in 1988.

People with disabilities are also included in the pictorial material in a number of other Departmental publications about schemes and services available to both disabled and non-disabled applicants. We will continue to seek other suitable opportunities to do still more.



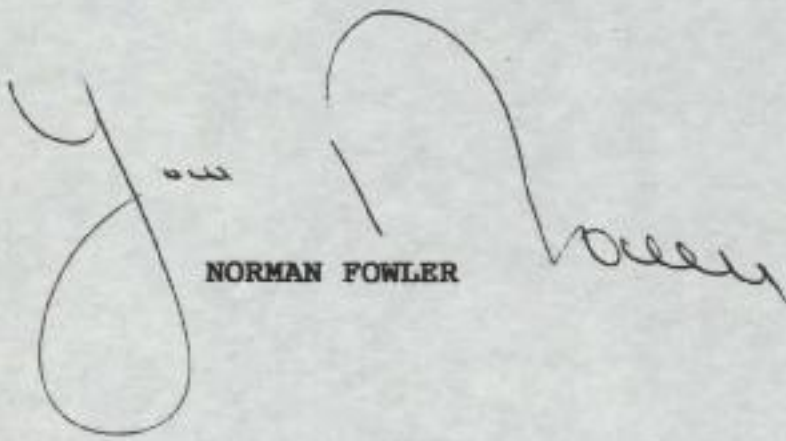
Employment Department Training Agency  
Health and Safety Executive - ACAS



Secretary of State  
for Employment

It is important to recognise, however, that there are limits to what can be achieved pictorially, notably in advertising, a medium where messages and images have to be clear and uncomplicated. So often, "disablement" is depicted by a wheelchair since so many disabilities cannot be portrayed effectively, yet the continuing use of the wheelchair induces stereotyped concepts of what is meant by disability. We also need to emphasise the ability of people with disabilities, and here, too, there are limits to what can be achieved solely pictorially. Hence, I would emphasise the need for suitably worded text to supplement pictorial messages, and vice versa.

I enclose some examples of my Department's publications in which people with disabilities are portrayed, in some cases integrated with their non-disabled colleagues. I look forward to continuing liaison between our Departments in furthering our common aim. I am copying this letter to Cabinet colleagues and to Richard Luce.



NORMAN FOWLER

PRIME MINISTER

## BENEFITS FOR THE DISABLED

As you know, Tony Newton has already announced an interim package of extra spending on the disabled of some £100 million. But he now needs to make the full scale response to the series of OPCS studies on the disabled. He proposes to do this in the form of a Command Paper.

His letter at Flag A summarises the proposals and attaches a draft of the Command Paper. Some but not all of the proposed measures will be included in the Social Security Bill for the present session.

I do not suggest that you go through the detailed Command Paper. You may like to glance at Tony Newton's covering letter, and then focus on the commentary Andrew Dunlop has prepared at Flag B.

On the substance of the package Andrew supports the three proposed key measures:

- the introduction of a combined disability allowance bringing together the existing attendance allowance and mobility allowance.
- the introduction of a new benefit for the disabled without children, encouraging them to take up work, operating in the same way as Family Credit.
- the introduction of age related increases in the Severe Disablement Allowance.

But Andrew recommends that you should:

- (i) ask for measures to tighten up assessment and adjudication for the new disability allowance.

*Treasury advice?  
Other were these  
policy measures  
worked forward  
disabled?*



- (ii) question whether the new benefit encouraging the single disabled to take up work should (as proposed) be at a higher rate than Family Credit.

On the presentation of the DSS paper Andrew recommends you should ask for the inclusion of an executive summary and a passage explaining the different definitions of disability used in the latest OPCS survey and in the earlier 1969 survey.

Content to agree Tony Newton's proposals subject to the comments by Andrew Dunlop?

*Paul*

PAUL GRAY

15 December 1989

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DEPARTMENT OF SOCIAL SECURITY  
Richmond House, 79 Whitehall, London SW1A 2NS  
Telephone 01 210 3000

*From the Secretary of State for Social Security*

**CONFIDENTIAL**

The Rt Hon Sir Geoffrey Howe QC MP  
Lord President of the Council  
Privy Council Office  
Whitehall  
London  
SW1A

12 December 1989

**SOCIAL SECURITY BENEFITS FOR DISABLED PEOPLE**

I am writing to seek colleagues' agreement to the publication of the enclosed paper setting out proposals to reform the structure of disability benefits, and to the inclusion in this Session's Social Security Bill of some of the legislation needed.

Disability benefits were excluded from the 1984-85 reviews of social security because at that time there were serious gaps in our knowledge about the numbers and circumstances of disabled people. Between September 1988 and July 1989, however, the Office of Population Censuses and Surveys published a series of reports on 4 major surveys of disabled children and adults at home and in institutions. The survey data, together with other research findings, have helped us analyse what changes are needed in the structure of disability benefits.

Having reached agreement with Norman Lamont in the recent public expenditure round on the financial response to that analysis, I was able to announce on 25 October a package of 10 interim measures costing some £100 million, directly chiefly at the poorest people who are themselves disabled, or who have disabled children, or who are carers. But I also announced my intention to come forward with proposals aimed at changing the balance and structure of social security help for disabled people. I am now ready to do so.

I have reached one general conclusion about the disability benefits structure as a whole, and three about specific elements within that structure. My general conclusion is that the overall structure should give priority for additional help to those disabled earlier in life, non-pensioners, for whom disability is more financially disruptive in terms of the lost opportunity to earn and save. The three specific conclusions, and the action proposed, are:

- there are disabled people under pension age who need more help with the extra costs that arise from their disability. The OPCS survey evidence shows that the people most in need of this help are those with moderate-to-severe disabilities and corresponding costs, but who fail to qualify for Attendance Allowance or Mobility Allowance. We propose to legislate at an early opportunity to create a new Disability Allowance for non-pensioners. This will incorporate the existing payments made through AA and Mob A within a common administration and introduce new lower rate payments for people with care and mobility needs lower down the severity scale.
- the existing structure of benefits turns on too stark a distinction between ability and inability to work, with the result that people with some - albeit reduced - capacity remain out of work and wholly dependent on benefits. We intend to legislate to create a partial incapacity benefit, which will give disabled people with low earnings assistance similar to that given to families through Family Credit.
- the help given to replace lost earnings for people unable to work should recognise and encourage the growth of occupational sick pay and should be improved for those with no access to occupational benefits. We will legislate in this Session's Social Security Bill to make age-related increases in the Severe Disablement Allowance. The Bill will also end, with effect from April 1991, any further growth in entitlement to Additional Pension, the earnings-related element paid with Invalidity Benefit: all entitlements accrued to that date will continue to be paid with current and future claims and to be revalued annually in line with earnings. We also propose to make provision in the Bill to cease payment of Reduced Earnings Allowance to new beneficiaries within the industrial injuries scheme.

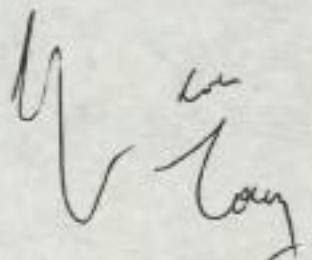
E.R.

Further work is needed before we can legislate for some of these changes. In this Session I intend to legislate only for the abolition of Additional Pension for new earnings, the removal of Reduced Earnings Allowance in new cases, and the introduction of age-related increases in Severe Disablement Allowance. We are aiming to introduce the Bill on 10 January. I am therefore seeking colleagues' agreement by 18 December to include these items in the Bill.

To explain our proposals and to set this Session's Bill in the context of wider changes, I intend to publish a paper detailing proposed changes in disability benefits immediately before the Bill is published. Our proposals will be controversial on two counts. Firstly, the proposed restructuring of disability benefits falls short of the lobby's demands for increased help - as indeed would any remotely conceivable level of expenditure. In addition, the lobby have pressed long and hard for an independent review of disability benefits. We have signalled that a public review is unlikely but the publication of firm proposals for change without the opportunity to comment will still be strongly criticised. To minimise difficulty on the second front I have therefore decided to publish our proposals simply as a Command Paper, and not as a White Paper. The disability lobby will of course be able to comment on the proposals both as this Session's Bill makes its passage through Parliament and, on remaining items, before legislation is introduced.

I am discussing with Norman Lamont the wording to be used in the paper on the future of the Independent Living Fund, together with some detailed presentational points. To ensure introduction of the Bill is not delayed we must send the accompanying paper on disability benefits to print before Christmas. I therefore need any comments on the paper from colleagues and approved for items to be included in the Bill by 18 December.

I am copying this letter to the Prime Minister, members of H Committee, Richard Luce and Sir Robin Butler.



TONY NEWTON

# *The Way Ahead*

**IMPROVING THE BALANCE AND  
STRUCTURE OF BENEFITS FOR  
DISABLED PEOPLE**

## CHAPTER 1: INTRODUCTION

### Growth of the present structure

- 1.1 The present structure of benefits for disabled people is the result of an unplanned growth with roots from before the First World War. For most of this century the help provided has focussed on people of working age with a qualifying record of National Insurance contributions but unable to earn because of sickness and disability. In the 1970s, however, improvements were made when non-contributory help with income maintenance was introduced for carers and for people never able to work because of their disability. Also in the 1970s, the Attendance and Mobility Allowances (AA and Mob A) introduced important new help with the extra costs that arise from disability.
- 1.2 Over the last decade, the Government has built on these advances. In response to particular needs, benefits have been extended in scope and increased in value. As part of the general reform of income-related benefits in 1988, significant extra money was also made available through the new structure of premiums for disabled people receiving Income Support or Housing Benefit.
- 1.3 Partly as a result of these improvements in scope and value, expenditure on benefits for people with long term sickness and disability has increased by almost 100 per cent in real terms since 1978/79, and now stands at an estimated £8.3 billion (1989/90). Most of this increase is due to the substantial rise in the numbers of people helped. It is gratifying that so many people in need of help are now receiving it. A consequence of the increase has been that long term sick and disabled people, as a whole, have gained more than any other group from the significant real increases in Social Security spending under this Government.

### Need for review

- 1.4 Although providing more help to more people, the underlying structure of these benefits, has remained unchanged since the improvements of the 1970s. Yet since that time there have been far-reaching changes affecting disabled people and their circumstances. Social Security does not exist in a vacuum - it must take account of the social and economic context which give rise either to people's capacity to help themselves, or to need. It must also recognise other resources of help, such as services.
- 1.5 As examples of changes in the wider context:
  - higher unemployment made it more difficult for people to get jobs if their employability was reduced by disability, but the

substantial decline in unemployment in the last 3 years has opened up new opportunities and this trend is being strongly reinforced as the supply of school leavers reduces;

- for employees the likelihood of financial support other than Social Security during absence from work has greatly increased. Since 1974 the coverage of occupational sick pay schemes has expanded from 80 per cent of employees to over 90 per cent: provision within these schemes for long term absence (over 6 months) and premature retirement appears to have expanded at the same rate but from a lower base, to about 60 per cent;
- an equally pervasive change affecting those with an employment record has been the growth in pensioners' incomes, mainly attributable to occupational and private pension schemes. Two-thirds of disabled people are pensioners and the 23 per cent growth in their real incomes between 1979 and 1986 has reduced their need for Social Security;
- since the 1970s there have been important changes in the pattern of health and personal social services for disabled people. The shift away from long term hospital care has continued with a greater emphasis on support by families, relatives and neighbours backed up by voluntary and statutory services. In the 1980s, there was also a large expansion of private residential and nursing homes made possible by the availability of Supplementary Benefit and subsequently Income Support. The recent White Paper, "Caring for People" (Cm 849), aims to give a new impetus to the continued development of community care, within a redefined balance of services and Social Security;
- disabled people have increasingly asserted their right to speak for themselves. No longer willing to be the passive recipients of a life-style ordained by others, they wish to make their own choices. For the small numbers of very severely physically disabled younger adults who would otherwise be obliged to live in some form of institution, this spirit has been expressed as a wish to live independently with high levels of support in their own households.

1.6 All these changes affect the need for disability benefits and the type of help required. "Disability" is an umbrella word that covers

great diversity. Developments since the 1970s have therefore affected different people in different ways, depending on their age and the nature of their disabilities. For some time, the Government has recognised that, to respond to these developments it is necessary to review the structure of help disabled people receive from Social Security.

- 1.7 In 1984-85 the Government reviewed all the major aspects of Social Security except disability benefits. They were excluded because of the lack of comprehensive, up-to-date information about disabled people. We now have the results of the four major surveys carried out by the Office of Population Censuses and Surveys between 1985 and 1988. They provide more information than ever before about the circumstances of disabled people, on which to base proposals for both benefits and services. This paper now puts forward our proposals for disability benefits.

### Scope and objectives of review

- 1.8 In developing our proposals we have studied not only the OPCS data but also the comments on the six reports published by OPCS. Comments have come from a variety of sources including disabled people and their organisations. We have also had the report "Benefits for disabled people: a strategy for change" published by the Social Security Advisory Committee in 1988 in advance of the OPCS reports. The SSAC's report provides a clear account of the pressures that have been perceived independently of the OPCS findings. We have also used other research findings and taken account of evidence and proposals put forward by interested organisations and individuals.
- 1.9 Our review has covered all benefits for people with long term sickness and disability. We have not looked at the preferential War Pensions Scheme although war pensioners, in common with other disabled people, will gain from the wider changes. We have had 4 key objectives:
- to improve the structure of benefits for disabled people to make it more attuned to their needs and circumstances and to establish firm foundations for an affordable structure;
  - to promote independence;
  - to balance the help given by the different benefits so that more is given to those most in need;
  - to avoid duplication with other sources of help.



## Conclusions

1.10 As an immediate response to the most pressing needs identified by our review, a package of 10 measures costing some £100m was announced last October to:

- improve the help provided by Income Support and Housing Benefit for the poorest people who are themselves disabled, or who have disabled children, or who are carers;
- extend to various specific groups the help with extra costs provided by the Attendance and Mobility Allowances;
- improve incentives to rehabilitation; and
- provide additional resources for the Independent Living Fund.

1.11 As more far-reaching consequences of the review, the evidence and comment before us - considered in the light of our 4 objectives - has led to one general conclusion about the disability benefit structure as a whole, and three about specific elements within that structure. The general conclusion is that:

- *the overall structure should give priority for additional help to those disabled earlier in life, non-pensioners, for whom disability is more financially disruptive in terms of the lost opportunity to earn and save.*

1.12 The three specific conclusions, and the action proposed, are:

- *there are disabled people under pension age who need more help with the extra costs that arise from their disability. The survey evidence shows that the people most in need of this help are those with moderate-to-severe disabilities and corresponding costs, but who fail to qualify for AA or Mob A.*

**ACTION:** Legislation will create a new Disability Allowance for non-pensioners. This will incorporate the existing payments made through AA and Mob A within a common administration and introduce new lower rate payments for people with care and mobility needs lower down the severity scale.

- *the existing structure of benefits turns on too stark a distinction between ability and inability to work, with the*

***result that people with some - albeit reduced - capacity remain out of work and wholly dependent on benefits.***

**ACTION:** Legislation will create a partial incapacity benefit, which will give disabled people with low earnings assistance similar to that given to families through Family Credit.

- ***the help given to replace lost earnings for people unable to work should recognise and encourage the growth of occupational sick pay and should be improved for those with no access to occupational benefits.***

**ACTION:** Legislation in this session to make age-related increases in the Severe Disablement Allowance.

**ACTION:** Legislation, at the same time, will end with effect from April 1991, any further growth in entitlement to Additional Pension, the earnings-related element paid with IVB: all entitlements accrued to that date will continue to be paid with current and future claims and to be revalued annually in line with earnings. Legislation in this session will also cease payment of Reduced Earnings Allowance to new beneficiaries within the Industrial Injuries scheme.

1.13 This paper explains the background to these changes.

**Chapter 2** explains what is meant by disability and describes some of the key findings from the OPCS surveys.

**Chapter 3** describes the existing system of benefits and how it developed; indicates the pressure for structural improvement; and describes how we intend to go about such improvement.

**Chapters 4, 5 and 6** describe specific proposals for benefits to help with extra costs, with partial incapacity for work, and with earnings replacement for people never able to work.

**Chapter 7** explains how disabled people will benefit from plans to improve the delivery of Social Security.

**Chapter 8** describes the broader context of developments in help for disabled people.

**Chapter 9** sets out the timetable for implementing the Government's proposals for change.

## CHAPTER 2: DISABILITY AND ITS FINANCIAL CONSEQUENCES

### What is disability?

- 2.1 It is important to be clear what we mean by "disability". The International Classification of Impairments, Disabilities and Handicaps produced for the World Health Organisation defines it as:

"any restriction or lack (resulting from an impairment) of ability to perform an activity in the manner or within the range considered normal for a human being".

In everyday terms it means things people cannot do - such as not being able to walk, or not seeing well enough to recognise a friend across the room. It is this definition which we use in this paper.

- 2.2 In this sense, "disability" must be distinguished from other words which we often use interchangeably:

**"impairment"** which is the underlying cause of disability and may be outwardly visible - a missing limb - or less immediately evident - chronic bronchitis. Both impairments could cause the same disability - inability to climb stairs. Some impairments may not cause disability: for example, diabetes and epilepsy can often be controlled by drugs.

**"handicap"** which is the wider effect of impairment and disability on particular people in particular circumstances. For example, arthritis reduces strength and mobility and can cause severe employment handicap to some people, but may have little or no effect on others whose work is less physical. Handicap reflects the social consequences of disability - and thus it may be as much the result of external factors such as the design of buildings, transport and jobs as of the underlying disability.

**"incapacity"** which tends to be used specifically to refer to someone's inability to work and to earn: it is a long-established usage in Social Security and the one adopted in this paper. There is only a partial overlap between incapacity and the disability addressed in this paper. Most people's incapacity arises from only short-term sickness and this does not concern us here. Far more significant for the proposals in this paper is the fact that disability need not result in incapacity.

- 2.3 It is also important to remember that there is no clear boundary between "disabled" and "not disabled". Disability is a continuum ranging from the very severe to the very slight, such as middle-aged difficulty with small print. For practical purposes it is

obviously necessary to exclude the least severe limitations when planning services and benefits. Popular stereotypes are no guide in directing help where it is needed: many people suffering from the disabilities which frequently attend old age think of themselves as just "old", not disabled. Similarly, the image of a disabled person as someone in a wheelchair excludes much other disability, equally serious, but less immediately evident. Whom we count as disabled will depend on where we draw the line on the continuum, and there is no obvious right answer.

### **What do we know about people with disabilities?**

- 2.4 The series of six reports by the OPCS on their four surveys of disability between 1985 and 1988 is now the largest single up-to-date source of information about disabled people. Two surveys were concerned with disabled adults in private households and in communal establishments, and two similarly with disabled children. The surveys were commissioned principally to assist in the review of disability benefits but have also provided much information relevant to the planning of services.
- 2.5 The surveys used the international definition of disability and applied it comprehensively so that, unlike the only comparable previous survey (Harris, AI [1971] "Handicapped and Impaired in Great Britain", London, HMSO), they covered mental as well as physical disability. Thirteen broad types of disability emerged:
- locomotion
  - reaching and stretching
  - dexterity
  - seeing
  - hearing
  - personal care
  - continence
  - communication
  - behaviour
  - intellectual functioning

- consciousness (ie liability to fits)
  - eating, drinking and digestion
  - disfigurement and deformity
- 2.6 The design of the surveys was based on the idea of disability as a continuum. This entailed a decision on what threshold of severity would cause someone to count as disabled for the purposes of inclusion in the survey. The threshold was deliberately set low to provide information over a wide range of individual circumstances. The result is that people are included in the surveys who are well able to participate in normal daily activities and who are not dependent on services or social security benefits.
- 2.7 Presentation of the results also reflected the idea of a continuum. A separate scale of severity was developed for each of the thirteen individual disabilities listed above. But because people often have more than one disability, a single overall scale of severity was also developed which combined the individual severity scores. This overall scale was divided into ten severity categories (1 - least severe, 10 - most severe).
- 2.8 It is not possible to do justice in a brief summary to the volume of information provided by the four surveys. Elsewhere in this paper specific OPCS findings are quoted because of their relevance to particular proposals. What follows is an account of the key findings to give an overall view of the size and diversity of the population falling within our definition. Details of the financial circumstances of disabled people do not take account of the financial value of services which they may have received.

### **Prevalence of disability**

- 2.9 Based on the surveys findings, there are an estimated 6.2 million adults and 360,000 children who had disabilities above the relatively low threshold of disability employed by the surveys. Of this number 400,000 adults and 5,600 children were resident in communal establishments.
- 2.10 For adults, the prevalence of disability dropped significantly with increasing severity. There were 1.2 million adults in the lowest of the ten severity categories and 210,000 in the highest category. This finding shows the importance of the decision of where to place the threshold of disability on the disability continuum. For example, if adults on the lowest two points of the severity scale had been excluded the number of disabled would only have been just over 4 million. In contrast the prevalence of disability in

children did not decrease with severity: there were roughly the same number of children in each severity category.

- 2.11 Prevalence and severity of disability among adults increased markedly with age. Nearly 70% of disabled adults were aged 60 or over and 64% of disabled adults in the highest two severity categories were aged 80 or over.
- 2.12 The relationship between age and disability was much less clear for children. Prevalence peaked in the 5-9 age group, dropping in the eldest age group of 10-15 years as some conditions cleared up in adolescence.

### **Types of disability**

- 2.13 Of the 13 different types of disabilities identified by OPCS, locomotion disabilities were the most common among adults: consciousness disabilities were the least common. Amongst children, behavioural disabilities were the most common: digestion disabilities were the rarest. The majority of adults and children identified in the surveys as disabled had more than one disability.

### **Financial circumstances: disabled adults**

#### **Employment and earned income**

- 2.14 Nearly a third of disabled people under pension age were working. However, because, as a whole, disabled adults were less likely than the general population to have earned income, disabled adults, below pension age had lower average incomes than the rest of the population. Disabled adults were both less likely to work and, if they were able to work, likely to earn less than adults in general. The least severely disabled people earned less because they worked fewer hours per week than other full-time employees. Most severely disabled people were likely both to be working fewer hours and to have lower earnings than other employees. The likelihood of employment decreased with severity of disability.
- 2.15 In 1985, the average equivalised<sup>1</sup> income of a disabled non pensioner family unit, adjusted to allow for differences in family composition, was £99.30, 73% of the average for the general population (£136.50). The difference between the incomes of

<sup>1</sup>Equivalised incomes are used in order to provide meaningful comparisons across families of different size and composition who may have markedly different needs. The adjustments in incomes take account of likely variations in need depending on the number of adults and the number and ages of children within a family unit.

disabled pensioners and pensioners in the general population was, in comparison, very small. The average equivalised income of a disabled pensioner family unit was £91.90 pw, 98% of the average for the general population (£93.70).

#### **Disability-related expenditure**

- 2.16 Extra expenditure as a result of disability was reported by the majority of disabled adults. The amount of extra expenditure varied considerably but for most people was substantially lower than the rates of Attendance Allowance and Mobility Allowance. It ranged from an average of £3.20 for those in the lowest severity category, to an average of £11.70 for those in the highest severity category. Levels of spending were found to be related to the nature and severity of disability as well as the income available to spend in connection with the disability.

#### **Receipt of state benefits**

- 2.17 The average disability-related expenditure was substantially lower than the rates of the main state benefits which help with that expenditure - Attendance Allowance and Mobility Allowance. As a result, these benefits go some way to compensate for lower incomes, and the likelihood of their receipt increased with severity of disability. This is illustrated by the fact that disabled people in the highest severity category had the highest average equivalent income of all disabled adults.

### **Financial circumstances: families with disabled children**

#### **Employment and earned income**

- 2.18 Parents of a disabled child were less likely to have earned income than parents in the general population, and if they did were likely to earn less. OPCS have, however, made it clear that the findings do not suggest a link between employment status and the presence of a disabled child in the family since other factors will have an important bearing on whether or not parents are in work.
- 2.19 Married couples with only one, disabled, child had higher equivalent incomes than families with other dependent children, £115.76 compared with £89.79. Whilst this was higher than the equivalent income of a married disabled adult with children (£79.30 pw) both types of family had average incomes which were lower than those of families in the general population; £126.20 for married couples with one dependent child and £107.45 for couples with two or more dependent children. Although single people with a disabled child had the lowest equivalent incomes at £79.01, their average income was, in fact, slightly higher than the average figure for this group in the general population, £78.12.

**Receipt of state benefits**

- 2.20 As was the case for disabled adults Attendance Allowance and Mobility Allowance helped to compensate for lower incomes and again likelihood of receipt of these benefits increased with severity of disability.
- 2.21 The level of extra expenditure as a result of disability was affected by severity and type of disability but the relationship was less clear than it was for adults. The amounts of extra expenditure varied little within the lower severity categories, averaging £4.55 per week but rose to a peak of an average of £12.53 per week in the highest severity categories.



## CHAPTER 3: EXISTING BENEFITS

- 3.1 Historically, the main preoccupation in providing benefits for disability and long term incapacity has been on help for people of working age unable to earn because of sickness and disability. [DN: ref to Beveridge]. The result is Invalidity Benefit (IVB), a long-term income maintenance benefit for people with a sufficient record of National Insurance contributions. Another part of the historical legacy is a complex set of preferential Industrial Injury (II) benefits for people suffering long-term illness or disability incurred through work.
- 3.2 Most existing disability benefits, however, are the result of innovations in the 1970s. Attendance Allowance (AA) and Mobility Allowance (Mob A) was extended to seriously disabled people generally to help with the extra costs of disability that had previously been available only to people disabled industrially or on military service. Also in the 1970s, help with lost earnings was given through the Non-Contributory Invalidity Pension (NCIP) to people never able to work because of their own disability, and through Invalid Care Allowance (ICA) to people who forego paid employment to look after a seriously disabled person.

### Further progress in the 1980s

- 3.3 Over the last decade, the Government has built on the advances in the 1970s. Mob A was taken out of tax and has increased in real value. Growing concern about equal treatment in Social Security for women and men caused the introduction in 1984 of Severe Disablement Allowance (SDA), to replace NCIP for which married women had to pass a test of inability to perform household duties.
- 3.4 The same concern about equal treatment prompted the extension of ICA to married women in 1986: it had earlier been extended to men and single women who were carers but not related to the disabled person.
- 3.5 As part of the general reform of income-related benefits in 1988, significant extra money was made available through the new premiums for disabled people receiving Income Support or Housing Benefit. These simplified and made more predictable the provision within the income-related benefits for disabled people's additional financial needs.
- 3.6 The full range of existing benefits for disabled people is set out in Annex A.

### Increased coverage

- 3.7 As well as further step-by-step improvement in the scope of financial help for disabled people and their families, the last decade has seen a substantial increase in the numbers of people helped. There are 1/2 million more recipients of IVB than in 1979. AA recipients have increased 3-fold and Mob A recipients 6-fold over the same period.
- 3.8 There is no single explanation for these increases. The rise in IVB numbers may have been influenced by the labour market. It appears to be more the result of people having longer periods on benefit than any increased propensity to claim. There is no reason to suppose an increase in the incidence of disability at all ages. There are, however, more old people, and they are living longer: the resulting increase in age-related disability will have contributed to the rise in AA numbers. Greater awareness has undoubtedly also played a part with both AA and Mob A.
- 3.9 Whatever the reason for the increased numbers, more people than ever before are now receiving help from a better than ever range of benefits. What is more, these benefits are already clearly aimed at the two possible financial consequences of disability illustrated by the OPCS findings:
- loss of earnings by people rendered incapable of work
  - extra costs caused by disability

But no-one could pretend that a system of benefits which grew up piecemeal is likely to offer an ideal answer to these twin needs.

### Pressure for structural improvements

- 3.10 Pressure for broad structural improvements - as illustrated by the SSAC's report - has focussed on a number of key issues:
- complexity - the number of different benefits makes it hard for people to know what they may be entitled to, and harder to secure their full entitlement;
  - inequity - despite similar disabilities, the levels of earnings replacement for people unable to work differ depending on whether they were never able to work, disabled during working life, or disabled at work. This is because SDA is lower than IVB, which in turn is lower than II benefit;

- incentives to rehabilitation - there are inadequate incentives for disabled people to achieve independence through employment;
- adequacy of coverage - there are disabled people who have extra costs which are not met by the existing benefits.

### **Proposals by the disability groups**

- 3.11 The Disability Alliance and the Disability Income Group (DIG) have each proposed a disability income scheme intended to tackle these criticisms. Both envisage a single scheme for all disabled people which would provide separately for earnings replacement and for extra costs. Both have a universal basic level of earnings replacement, based on the current long-term contributory benefits but paid irrespective of previous work or contribution record. Both also provide for reduced levels of earnings replacement for people who are only partially capable of working and earning.
- 3.12 The two schemes differ, however, in their respective proposals for extra costs. DIG envisage the retention of AA and Mob A, but with the addition of a third and higher rate of AA, and the introduction of a new disablement costs allowance to cover (without identifying them separately) the various other costs beside care and mobility. The Disability Alliance by contrast propose a costs allowance which would subsume AA and Mob A, but with a set of additional allowances for people whose disabilities entail exceptionally high costs.

### **Limitations of a grand re-design**

- 3.13 The disability groups' proposals for a disability income attempt to replace the present structure of benefits with something more clearly derived from first principles. However, since complexity is held to be one of the weaknesses of the present system, it needs to be emphasised that - unavoidably - the notion of a comprehensive disability income is not quite as simple as the name implies.
- 3.14 To provide the right help across a wide range of circumstances, a disability income scheme must consist of separate benefits. Thus, the distinction between benefits for earnings replacement and for extra costs is unavoidable: a significant minority of disabled people need one but not the other. Even with a universal earnings replacement benefit, special arrangements would be needed for people with partial incapacity. And the great variation in the cause and level of people's extra costs is such that neither DIG nor DA believe that a single, simple benefit would meet all needs.

- 3.15 In the hope of simplifying provision for extra costs, the SSAC recommended that the Government should explore whether an all-embracing points index of disabilities could be used as the basis for assessing title to an extra costs allowance and for assessing the rate of allowance to be paid. We have modelled a range of such systems which, drawing on the OPCS data, take account of the variation in extra costs according to both the type and variation of disability. When related to existing benefit entitlements, however, none of the points-based systems were able to avoid widespread changes in people's entitlements to benefit, with unacceptably high numbers of losers.
- 3.16 An elaborate points-related benefit would also be significantly more complicated than the existing benefits, both for claimants to understand and for staff to administer. As such it would run counter to our objective of simplifying the benefit structure where possible.

### **The Government's approach**

- 3.17 The principles on which a comprehensive disability income is based can be pursued by changes which establish a more coherent system of financial help by building on the existing benefits, as the SSAC have also recommended. This is the Government's approach.
- 3.18 Such an approach requires a judgement of which disabled people should have priority when deciding on the changes to be made. The OPCS findings show that the people whose disability casts the longest financial shadow are those disabled earlier in life, because of the lost or reduced opportunity to earn, to build up pension rights, and to save.
- 3.19 In the light of this priority and the pressures for improvement described at 3.9 above, we have therefore identified three features of the present range of benefits for disabled people which need improvement to achieve more coherent arrangements for disability income:
- earnings replacement for people who have never been able to work;
  - support and incentive for people with reduced capacity for work and earning;
  - improved coverage of help with extra costs.

### **Other sources of help**

- 3.20 The Government believes it is right, when ensuring that benefit expenditure is directed where it will do most good, to take account of other help that is available. Pensioners, who constitute two-thirds of all people identified in the OPCS report as disabled, have experienced over 23 per cent growth in real incomes since 1979, mainly because of the rise in private and occupational pensions. The coverage of long-term occupational sick pay and premature retirement schemes has grown and now stands at about 60 per cent of all employees. The SSAC recommended the encouragement of such occupational schemes to supplement Social Security.
- 3.21 The services available through health and local authorities are another form of help which will need to be taken into account. The recently published White Paper "Caring for people" (Cm. 849) has further developed the policy on community care by establishing a new balance between local authority services and Social Security. This new balance of responsibility is intended to ensure that local authority social services departments are responsible for securing the delivery of social care services for people assessed as needing them. In particular, after April 1991, local authorities will take responsibility for the financial support of people receiving residential and nursing care in private and voluntary homes, over and above, any general social security entitlement. It is consistent with this policy that Social Security should not take any greater financial responsibility than at present for domiciliary care.

### **The Government's proposals**

- 3.22 We have a wide range of proposals for action, some of them relatively easy to implement and therefore coming into effect soon, others requiring legislation which will take time and care to prepare. Some of our proposals are only interim changes in the sense that they concern benefits which will later be subject to larger changes. Chapters 4, 5 and 6 describe the action we intend to achieve these larger changes, as identified at 3.17 above. Meanwhile, in the Social Security uprating statement on 25 October 1989, we have already announced action to provide early extra help to over 500,000 disabled people and their carers.

## CHAPTER 4: HELP WITH THE EXTRA COSTS OF BEING DISABLED

### Existing extra costs benefits

- 4.1 Attendance Allowance and Mobility Allowance, the two main benefits which give help to people with the extra costs of being disabled, have been successful in directing help to ever increasing numbers of disabled people. The benefits are a valuable addition to the incomes of disabled people. Attendance Allowance is paid at two rates, from April these will be £25.05 and £37.55 per week, depending on the amount of care or attention a disabled person needs. From April, Mobility Allowance will be £26.25 a week. People who qualify for both benefits may therefore receive up to almost £64 per week.
- 4.2 The OPCS surveys found that Attendance Allowance and Mobility Allowance are well directed towards the most common of the more costly disabilities: locomotion (most common of the adult disabilities) and self care disabilities (3rd most common) are associated with relatively high disability-related expenditure. Equally important, the benefits provide help to people with other disabilities which are frequently combined with those affecting locomotion or self-care.
- 4.3 The OPCS findings also showed that in most cases Attendance Allowance and Mobility Allowance are more than sufficient to cover people's disability-related expenditure. In 1985 when most of the OPCS data was collected, the rates of Attendance Allowance were £20.45 and £30.60 and the rate of Mobility Allowance was £21.40. These rates compare with the OPCS findings for disabled adults that average extra costs varied from £3.20 for people in severity category 1 to £11.70 for those in severity category 10. For disabled children, average extra costs ranged from £4.55 for children in severity categories 1-6 to £12.53 for those in severity categories 9-10. For both children and adults, there was, however, considerable variation around the average in each severity category. The initial results of a follow-up to the OPCS surveys in the Family Expenditure Survey confirm the OPCS findings that on average extra costs are much lower than the level of benefits designed to provide help with such costs. The results of the FES follow-up study will be published in the next few months.
- 4.4 The OPCS findings are based on a sample of 10,000 people. The Government has also considered the results of a survey of 13 very severely disabled people carried out by the Disablement Income Group and published in a report "Being disabled costs more than

they said". In their report DIG suggested that the OPCS surveys had under-estimated the level of extra costs faced by disabled people. The Government does of course recognise that a small number of very severely disabled people do have extra costs over and above even the existing rates of Attendance Allowance and Mobility Allowance. This is primarily because of the need to pay for care and domestic assistance. Local authorities have long had powers to provide domestic assistance and care at home and the White Paper "Caring for People" (Cm 849) has given a new emphasis to their use of these powers to help disabled people to continue to live in the community. Financial help with the costs of domestic assistance and care is also currently available through the Independent Living Fund. [DN. Section on ILF under discussion with Treasury].

- 4.5 Both existing and proposed arrangements therefore recognise that exceptionally severely disabled people may have special needs which are not met in full by the financial help provided by Attendance Allowance and Mobility Allowance. The Government considers, and the OPCS findings confirm, that for the great majority of disabled people the rates of Attendance Allowance and Mobility Allowance make generous allowance for variations around the averages identified by OPCS.

#### **Limitations of existing benefits**

- 4.6 Attendance Allowance and Mobility Allowance succeed in directing significant amounts of help to well over a million disabled people who have to spend more because of their disabilities. But the effectiveness of these benefits is limited by their scope. There are people who have attendance needs but who are not sufficiently disabled to qualify for even lower rate Attendance Allowance. Concern has been expressed that people who are not independently mobile, for example, those with a severe mental handicap or behavioural disturbance, receive no help with mobility needs. This is because Mobility Allowance provides help on the basis of inability or virtual inability to walk, resulting from a physical disability.
- 4.7 The relative disadvantage of people not so disabled that they qualify for Attendance Allowance or Mobility Allowance is emphasised by the OPCS survey findings. OPCS found that the least severely disabled people of working age were most likely to be in work and have earned income. The most severely disabled were more likely to be receiving either or both Attendance Allowance or Mobility Allowance. Between these two groups is a third group who do not qualify for Attendance Allowance or Mobility Allowance but who are less likely to be able to increase their incomes by earnings from employment.

- 4.8 People who become disabled early in life are particularly disadvantaged because they have less opportunity to make financial provision to cushion them from extra disability-related expenses. The Government believes more help is needed to help this group who are less severely disabled than those who now qualify for Attendance Allowance and Mobility Allowance.

### **New Disability Allowance**

- 4.9 For new claimants whose disability begins before age 65, the Government proposes to introduce a new benefit, the Disability Allowance. It will extend help to less severely disabled people, and will also subsume the help currently provided through AA and Mob A. Once awarded, the Disability Allowance will continue irrespective of age, provided the criteria continue to be met. Attendance Allowance will remain to provide help for people whose disability begins after age 65.
- 4.10 The Disability Allowance will have two separate components, a self-care component, paid at three different levels, and a mobility component, paid at two levels. People will be able to qualify for either or both components. The upper level of the mobility component and the upper two levels of the attendance component will be awarded at the same rates and on the same basis as currently through Mobility Allowance and Attendance Allowance.
- 4.11 The initial rate of the attendance component - set at £10 - will be awarded to people who need help with self-care during the day but less frequently than those who currently qualify for Attendance Allowance. People who have attendance needs only at the beginning and end of the day, for example, but who are otherwise able to take care of themselves would for the first time be able to receive help. The Government estimate that some 140,000 people will benefit from the new lower rate of the attendance component.
- 4.12 The initial rate of the mobility component - also set at £10 - will be awarded to people who are not independently mobile and who do not otherwise fulfil the current criteria for Mobility Allowance. The Government estimate that 150,000 people will receive this new form of help.

### **Removal of upper age limit for deciding help with mobility needs**

- 4.13 In the Social Security Act 1989 we extended the upper age limit for paying Mobility Allowance from 75 to 80 years. To meet the concern that the extension in the upper age limit does not go far enough, the Government proposes that, when the Disability Allowance is introduced, there should be no upper age limit for payment of the mobility component or for current recipients of



Mobility Allowance. The first Mobility Allowance recipients will not reach age 80 until November 1994. The removal of the upper age limit will therefore ensure that benefit is not withdrawn from them because of their age.

### **A common qualifying period**

- 4.14 At present there is an important difference in the conditions for Attendance Allowance and Mobility Allowance. People must meet the qualifying conditions for Attendance Allowance for six months before they are awarded benefit. The only exception to this rule will be people who are terminally ill and whom the forthcoming Social Security Bill will exempt from a qualifying period. In contrast there is currently no qualifying period for Mobility Allowance. For people who are entitled to both the attendance and mobility components a common qualifying period would remove the need for two separate medical assessments. The Government believe a common qualifying period is essential to make the benefit easier to understand and to deliver. We propose therefore that the new Disability Allowance should have a common qualifying period of three months for both components.

### **Adjudication and appeals**

- 4.15 Major changes in administration will be needed before the Disability Allowance can be introduced. In particular we will need to legislate for a new adjudication and appeals structure for the new Disability Allowance to replace the existing arrangements for Mobility Allowance and Attendance Allowance. It will also be necessary to consider how these improved arrangements for the Disability Allowance will apply to the adjudication and administration of the Attendance Allowance for people over 65. The Government want to ensure that adequate time is given to planning for the introduction of the new benefit. The Government must be confident that when it is introduced, the Disability Allowance is easy to understand and is able to deliver help as effectively as possible to substantial new numbers of beneficiaries.

### **Help for the poorest disabled people**

- 4.16 The poorest disabled people are disadvantaged both by their disabilities and by their low incomes. In addition to the extra help we have already announced for this group, our proposal for a new Disability Allowance will be of double benefit to them. Like attendance and Mobility Allowances, the Disability Allowance will be disregarded for the purposes of the income-related benefits - Income Support, Housing Benefit, Community Charge Benefit and Family Credit. Also like the existing Allowances, all rates of the new Allowance will entitle people automatically, including

children, to the disability premium and disabled child premium in Income Support and Housing Benefit. Because the Disability Allowance extends help to less severely disabled people, even more people will qualify for the disability premiums.

- 4.17 The introduction of the Disability Allowance will increase expenditure by an estimated £230 million by 1993/94, of which £70 million will be spent on extra help for the poorest people through the disability premiums in income-related benefits. This increase in spending on help with the extra costs of disability is over and above the [£40] million for extensions in Attendance Allowance and Mobility Allowance announced in October 1989. Those changes will be fully reflected in the new Disability Allowance.

## FINANCIAL HELP FOR DISABLED PEOPLE

### SOCIAL SECURITY BENEFITS <sup>(1)</sup>

#### Income maintenance benefits

A.1 Invalidation Benefit is the main income maintenance benefit for people who are unable to work because of long term sickness or disability. It is a contributory benefit and is paid where set contributions conditions are met and when incapacity for work has lasted for more than 28 weeks. IVB has three elements:

- **Invalidity pension:** the basic benefit paid at the same weekly rate as retirement pension (£46.90). Dependency additions are also payable at £28.20 for an adult dependant and £9.65 for each child;
- **Invalidity allowance:** an age-related addition paid to people qualifying for Invalidity Pension who become incapable of work more than five years before pensionable age. It is paid at three rates depending on the age at which incapacity began. For people under 40, IVA is £10.00 a week, for those aged between 40 and 49 it is £6.20 and for those between 50 and 59 for men or 54 for women it is £3.10;
- **additional pension:** an earnings-related addition payable to those who become entitled to IVB on or after 6 April 1979. The estimated average amount paid in 1989-1990 is just over £9. IVA is reduced by the amount of any additional pension payable.

A.2 For long-term sick and disabled people who are unable to satisfy the contributions conditions for IVB, a non-contributory benefit, Severe Disablement Allowance (SDA) may be paid. It is available to people who become incapable of work on or before their 20th birthday and to people aged 20 or over who are both incapable of work and are assessed or treated as 80% disabled. SDA is paid at 60% of the basic invalidity pension in IVB. The weekly rate is £28.20 with dependency additions payable at £16.85 for an adult and £9.65 for each child.

<sup>1</sup>Benefit rates quoted are those current from April 1990

## CHAPTER 5: REHABILITATION AND PARTIAL INCAPACITY

- 5.1 The emphasis of the existing benefits providing income maintenance for disabled people is to support those who are incapable of work whether temporarily or permanently. Incapacity benefits to help people out of work are a crucial element of social security. One of the Government's aims in reviewing disability benefits has been to consider whether the existing benefits adequately meet our objective of promoting disabled people's independence.
- 5.2 Not all disabled people will be able to work and support themselves from earned income. But for people out of work who consider themselves able to work there appear to be barriers to employment. The OPCS findings indicate that disabled people looking for work considered that lack of suitable jobs was the main reason why they remained unemployed. By providing advice, rehabilitation and training for people with disabilities, and encouraging and helping employers to adopt good practices (including consideration, where appropriate, of the scope for restructuring jobs), the Employment Department is addressing this problem, and its services are currently being reviewed. [DN. Consider examples from "Fit to Work"]. We believe the disincentive effects of current benefit arrangements may also play a part in some disabled people remaining outside the labour market. Disabled people will be reluctant to return to or try employment if their overall income drops. People who are uncertain whether they will be able to cope with work may be particularly reluctant knowing that if they subsequently have to give up work, they may initially receive a lower rate of benefit than they had before attempting to return to work.
- 5.3 The basic qualifying condition for Invalidity Benefit is that a person must be incapable of work. However, a therapeutic earnings rule enables someone who is generally considered to be incapable of work to earn up to £35 a week from April, providing that the work is medically certified as beneficial. This is a useful easement in the otherwise rigid distinction between ability and inability to work.
- 5.4 The £35 therapeutic earnings limit is the result of a £6.50 increase - an important improvement in the help given to people who are unable to participate fully in employment. But on its own it does not go far enough. Not all types of employment will be considered to be therapeutic and benefit will be withdrawn entirely once earnings exceed £35 or a person is medically certified to be capable of work. Income maintenance help for people in work is

given through Family Credit, which was designed to give more help to low-income families with children and to ensure that families on relatively low earnings are better off in work than when unemployed. Disabled people with children have benefited from Family Credit but it does not help disabled people with low earnings who are single or one of a childless couple.

- 5.5 For some disabled people the current benefit arrangements contain a positive disincentive to try employment. This is particularly true for people whose earning potential is low, either because of the type of work they undertake or because they are only able to work part-time. For them, out of work income from benefits may be higher than earnings, and there is no financial benefit to be gained from working. The consequence of this financial disincentive is to deprive at least some disabled people of the social benefits of working which can bring greater independence and increased contacts with other people.
- 5.6 Current benefit rates for linking periods of interruption of employment may also discourage people from trying work if they suffer from a condition which is intermittently disabling or if they fear their recovery to health may suffer a relapse. This is because a person who was receiving Invalidity Benefit but who has returned to work and subsequently again becomes unable to work, will only re-qualify for Invalidity Benefit if he reclaims it within eight weeks. If he again becomes unable to work after eight weeks have elapsed he will only be entitled to the lower rates of short-term help for incapacity, either through Statutory Sick Pay or Sickness Benefit. Not until he has been incapable of work for a further twenty-eight weeks of incapacity will he requalify for Invalidity Benefit. The effect of these rules is that even people whose potential earning capacity is likely to be greater than the income they receive from out-of-work benefits may be reluctant to try work unless or until they are completely confident of their ability to keep working at full capacity.
- 5.7 The gaps and disincentives in the current benefit arrangements point to the need for a new approach to supporting and encouraging disabled people to take up work. That need is underlined by the results of the OPCS surveys which found that only 31% of disabled non-pensioners were earning. The surveys also found that average equivalent resources of disabled non-pensioners were 67% of the average equivalent income for non-pensioners in the general population. The absence of earned income is a major cause of this discrepancy.

## **A Partial Incapacity Benefit**

- 5.8 The Government believes the most important remaining gap in the existing structure of social security for disabled people is the absence of help targeted specifically on people who are only partially rather than wholly incapable of work. We propose to introduce a major new benefit to remedy this deficiency.
- 5.9 A Partial Incapacity Benefit (PIB) would encourage people to return to or take up work by topping up low earnings. The result would be improved incomes for at least some disabled people and improved opportunities for integration with non-disabled people. A PIB would also provide short-term rehabilitative help to people in the transition from unemployment to full-time work.
- 5.10 In formulating proposals for a Partial Incapacity Benefit we have drawn on the helpful and detailed suggestions put forward by the Social Security Advisory Committee in their report "Benefits for Disabled People: a Strategy for Change". We are grateful to the Committee for their advice.
- 5.11 The proposed PIB would be similar in type to Family Credit with a tapered withdrawal of benefit as incomes rise. The benefit could be claimed by people receiving the new Disability Allowance, or who had been receiving IVB, SDA or the disability premium before starting work, and who satisfied a doctor that they were only partially incapable of work.
- 5.12 The Partial Incapacity Benefit would be awarded for six month periods, in common with Family Credit, and would be subject to periodic medical evidence of partial incapacity. A key difference, however, will be that, unlike Family Credit, the PIB will be available to single disabled people and disabled partners in couples with no dependent children. Unlike Family Credit, it will also recognise disabled people's need to spend more because of their disabilities. It will be necessary to consider how far the two benefits should be identical in all other respects.
- 5.13 The Government proposes that anyone who was receiving the Partial Incapacity Benefit before becoming incapable of work should qualify for Invalidity Benefit immediately rather than for Statutory Sick Pay or Sickness Benefit. People will no longer need to worry that an unsuccessful experiment with work could make them temporarily worse off. The new linking rule will therefore remove a considerable anxiety for disabled people who would like to work but are uncertain about their ability to do so.
- 5.14 The new benefit will not only help people who are currently unemployed. It will also be available to people in work who are receiving the Disability Allowance and who are only able to work

part-time or who may not be able to work at full capacity. In particular it will help people who may have been struggling to work beyond their capacity to earn enough to support themselves and their families rather than rely on out-of-work benefits. The Partial Incapacity Benefit will radically improve the circumstances of such people, enabling them to work fewer hours without losing out financially. [DQ. We need to bring out the availability of the PIB to part-time workers. Does this require us to mention a lower hours limit than Family Credit?]. We estimate that about 40,000 people might be entitled to the Partial Incapacity Benefit and that the gross cost of the new benefit would be some £80 million. The net effect on benefit expenditure will depend on whether PIB recipients were previously receiving out-of-work benefits.

### **Implementation**

- 5.15 The introduction of a new Partial Incapacity Benefit represents a fundamental change in the structure of social security help for disabled people. For the first time the benefit system will explicitly promote disabled people's independence by supporting them in work rather than solely when they are unable to work at all.
- 5.16 In common with the Disability Allowance, the introduction of the Partial Incapacity Benefit must be preceded by careful and detailed planning. New administrative procedures will be needed including an assessment of partial incapacity for work. We want to ensure, however, that the new benefit is introduced as quickly as possible and therefore propose to legislate for the PIB at an early opportunity and to introduce it in April 1992.

## CHAPTER 6: INCOME MAINTENANCE FOR DISABLED PEOPLE: THE BALANCE OF STATE AND PRIVATE PROVISION

- 6.1 The introduction of the Disability Allowance and a Partial Incapacity Benefit will tackle two of the most important weaknesses in current social security help for disabled people. Further changes are needed to redress imbalances in the current system, to respond to the growth in long-term occupational sick pay, and to lay secure foundations for financing disability benefits.
- 6.2 The balance of State and private sector help for disabled people is heavily weighted on the side of people who have worked. People who have built up a contributions record through employment are entitled to a higher rate of benefit than those who have not. Increasingly State incapacity benefits for people who have worked are supplemented by occupational sick pay and by savings from earned income.
- 6.3 The introduction in the 1970s of the Non-Contributory Incapacity Pension was welcomed as a major step forward in the provision of social security help for disabled people who have been unable to build up entitlement to contributory benefits. The successor benefit, Severe Disablement Allowance, is now providing help to 265,000 people, including some of the most severely disabled people, those born with major disabilities. The Government is particularly sympathetic to the plight of the congenitally disabled people and people disabled early in life. Many of these people are unlikely to be able to earn enough to qualify them for a contributory benefit, or for occupational sick pay, and they will have little if any opportunity to make provision to support themselves. We believe extra help should be made available to this group.

### Extra non-contributory help

- 6.4 Legislation in this Session's Social Security Bill will provide additional help for this particularly vulnerable group through an age-related increase. The increase will be paid at three rates for those disabled early in life on the same basis as the current Invalidity Allowance in Invalidity Benefit. The youngest disabled people, those below 40, many of whom have never been able to work, will receive most help.
- 6.5 The new age-related increase in SDA will substantially increase the benefit income of large numbers of very severely disabled people. 160,000 people under 40 who are now receiving SDA will gain £10 a week. In addition, we estimate 50,000 will gain £6.20



a week, and 35,000 will gain £3.10 a week. The net effect will depend on whether SDA gainers are receiving income support and housing benefit. The increase in income will reduce dependence on income-related benefits. The change will increase spending by £15 million in 1990/91 rising to £50 million by 1992/93.

### **Growth in occupational benefits**

- 6.6 In reviewing income maintenance help for disabled people The Government has also considered the effect of State benefits on private sector provision. We want to ensure that the structure of social security benefits does not deter the encouraging growth which has taken place in long-term occupational sick pay schemes. Together with the Social Security Advisory Committee, we believe that financial help for disabled people should not be confined to State benefits. Private provision also has a significant contribution to make. We are pleased that 58 per cent of the workforce are now covered by long-term occupational sick pay schemes, compared with [about 20] per cent in 1974. [DN To be expanded with details of growth]. We want that growth to continue.

### **Additional pension with Invalidity Benefit**

- 6.7 We consider that increasing levels of Additional Pension, the earnings-related element of Invalidity Benefit, will, particularly in future years, be a major disincentive to private sector provision. Additional Pension is paid on top of the basic Invalidity Pension and any extra amounts for dependents. The average amount of Additional Pension is now £9.20 and the maximum payable is £41.30. But these amounts will increase to an average payment of £21 and a maximum of £84 by 1998, when the earnings-related scheme begins to mature. [DN: check figures]. State benefits paid at that level will not only discourage occupational sick pay: they will also widen the gap between help provided for disabled people who have an adequate contributions record and those who do not. What is more, the future growth in Additional Pension and the resulting substantial expenditure on better-off people receiving Invalidity Benefit - not all of whom will necessarily be disabled - would have constrained the Government's ability to target help on those who are in greater need.
- 6.8 We want to ensure that both now and in the future help can be directed towards the most vulnerable disabled people who are least able to make financial provision for themselves. We have therefore decided to take powers in this Session's Social Security Bill to remove Additional Pension for new earnings. No new rights to Additional Pension will accrue in respect of earnings which fall after April 1991 when the new legislation comes into force. The

change will reduce benefits expenditure by £5 million in 1992/93 rising by the end of the century to about £350 million. Spending on Additional Pension, which is currently £450 million, will, however, continue to rise to over £1,300 million by 2000-01.

- 6.9 Everyone receiving Additional Pension with Invalidity Benefit when the proposed change takes place will continue to receive their current entitlement. In addition, all accrued rights to Additional Pension will be preserved so that people who have already built up entitlement to Additional Pension based on their past earnings and who qualify for Invalidity Benefit in the future, will still receive Additional Pension. All Additional Pension entitlement will continue to be revalued in line with earnings and uprated annually.
- 6.10 Invalidity Allowance, which is currently reduced by the amount of any AP, will remain. Under current benefit rules a person under 40 entitled to the average amount of Additional Pension of £9.20 would receive no Invalidity Allowance. Under the revised provisions such a person who had no accrued rights to Additional Pension would receive the highest amount of Invalidity Allowance, £9.20 at current benefit rates and £10 from April 1990.

#### **Industrial injuries: Reduced Earnings Allowance**

- 6.11 In seeking to redress the balance between people who have worked and those who have not, we also propose to make changes in the Industrial Injuries scheme. At present the scheme provides compensation through the Reduced Earnings Allowance for loss of earnings for people whose disabilities are caused by industrial accidents or diseases. The Government will be taking powers in the forthcoming Social Security Bill to remove the Reduced Earnings Allowance (REA) from the Industrial Injuries scheme for new claimants. More emphasis within the Industrial Injuries Scheme will be placed on long-term and serious injury and disease, and the change goes some way toward meeting the view that the distinction between benefit provision made for work-related and other disabilities is becoming increasingly anomalous. Disablement benefit - the principal benefit within the scheme - is still a substantial preference, available both in and out of work, for those with an occupational disability of at least 14 per cent.
- 6.12 For the majority of REA recipients, those who are not capable of work, the availability of REA has duplicated the earnings replacement help available through IVB, the main incapacity benefit for people incapable of work, regardless of the cause of incapacity. The abolition of REA removes that duplication. For those who are partially incapable of work and whose earned

incomes are modest, REA will be overtaken by the proposed Partial Incapacity Benefit. [DQ. Can we use this argument? Following abolition of REA and before PIB is introduced, there will be an 18 month gap - during which some 20,000 RCA claims would otherwise have been made]. Existing beneficiaries will not be affected by the removal of REA. The change will reduce expenditure by £5 million in 1990/91 rising to £42 million by 1992/93.

- 6.13 The abolition of IVB additional pension and of the REA in the Industrial Injuries scheme will stimulate an increasing role for the private sector in helping people who have been in work. At the same time it will provide scope for an extension of State help for disabled people who are primarily dependent on social security for income maintenance.
- 6.14 The introduction of age-related additions in Severe Disablement Allowance, together with the removal of Additional Pension for new earnings, will align the structure of SDA and IVB more closely. It will also meet our key objective of recognising the special needs of people disabled early in life by providing substantial enhancements in income maintenance help for this group.

## CHAPTER 7: QUALITY OF SERVICE

7.1 We must ensure not only that we have better disability benefits but that the Social Security system delivers them efficiently and sympathetically to whoever needs them. At the same time as we are introducing these proposals for a better structure of disability benefits, major changes are afoot to improve the quality of service provided by Social Security:

- in May 1989 the Department published the first comprehensive definition of the service which its customers have a right to expect. This includes detailed and specific targets for key areas of work, such as benefit clearance times. Not only does the definition provide standards against which customers can judge the service they receive, it is also a clear statement of purpose for the organisation;
- one of the largest computer developments in Europe is providing the tools for the job - progressively taking over and improving the mechanical aspects of processing benefit claims, and leaving to the staff those aspects which people deal with best;
- the creation of separate Agencies accountable for Social Security operations will create the management framework best able to achieve the objectives of improved service.

For disabled people, the aim is that they should gain from these changes like everyone else, but that there should also be special action where that is required because of their special circumstances.

### The definition of service

7.2 As well as providing prompt, efficient and accurate payment of benefits, the delivery of Social Security must be responsive to people's needs. The definition of service published last May therefore lays down that the Department must:

- provide information to individuals, groups and the community at large on all aspects of contributions and benefits administered by the Department;
- provide a clear explanation of how decisions on claims are reached;

- provide a prompt, knowledgeable, courteous and accessible reception for all who make contact with the service - whether in person, by telephone, by post or by home visit;
- provide offices which are comfortable, welcoming and have a business-like atmosphere and ensure privacy for customers whenever necessary. This includes the appearance and organisation of the office;
- ensure that customers can deal, as far as possible, with one point of contact with the service. Work will be organised and the staff trained with this in mind;
- provide effective and collaborative liaison with statutory and voluntary bodies such as local authorities, the Department of Employment, Inland Revenue, Citizens' Advice Bureaux and other advice-giving bodies.

### **Processing claims**

- 7.3 The publication of targets for clearance times together with the definition of service recognised that for all customers the speedy and efficient processing of their claim is of paramount importance. Since April 1988, when the Social Security reforms were implemented, service delivery times have improved and there have been real improvements in the accuracy of benefit payments.
- 7.4 Special considerations apply to the main disability benefits, AA and Mob A. These are administered centrally at North Fylde, supported - in the case of AA - by regional offices, and customers' contact with local offices about these benefits is therefore necessarily limited. There is the added dimension of the need for an examination to be arranged and carried out by one of the Department's doctors. This unavoidably lengthens the time taken to process claims. Clearance times have, however, improved significantly following the streamlining of administrative procedures in the early 1980s.
- 7.5 There have been suggestions that AA and Mob A claimants have found the medical examination upsetting. The Department is therefore developing arrangements to monitor people's reactions to this part of the claims process: initial indications are that dissatisfaction is not widespread but the information obtained will be used to determine whether improvements can be made in the current arrangements.

- 7.6 The main Disability Allowance for people disabled before age 65 will require only a single claim and a single medical examination for either or both of the mobility or attendance components. It will result in a single payment, although it will still be possible for people to use part of their benefit for direct payments to Motability to obtain a car. The Department is working on an improved system of administration and adjudication for the Disability Allowance, which will apply also to AA, retained for people disabled after age 65.

### **Access to information**

- 7.7 Access to benefit information can be difficult for disabled people. The Department's communications strategy launched in 1987 a whole new range of more attractive and understandable leaflets and forms: a new overview leaflet, "Sick or disabled?" was introduced to provide comprehensive coverage in one place of all the relevant benefits. "Which benefit?" also contains comprehensive information and is produced in a number of languages. For housebound people with access to a telephone, or for people with visual impairments, Freeline Social Security offers another source of information and a similar service is also available to all parts of the country in Urdu and Punjabi to those ethnic minority groups. A 1988 traffic study indicated that about 15 per cent of all calls were about disability-related benefits, and it is reasonable to assume that many other calls were from people with disabilities.
- 7.8 In all the Social Security Regional Offices and in nearly every local office there is an Information Officer who takes a positive role in making information on Social Security available to members of the public. This frequently takes the form of giving talks to local associations, mounting information exhibitions and running "surgeries" for particular local client groups and their carers, in order to deal with enquiries. Invariably these client groups include the mentally and physically disabled.

### **Service at local offices**

- 7.9 Attention to the special needs of disabled people is a high priority in the Department's programme of improvement for the physical standards in local offices. The 1989/90 programme includes financial provision for all local offices to fit loop hearing-aid systems in their public areas. The new design guide confirms the policy that both new buildings and adaptations must include suitable facilities for disabled people.
- 7.10 Effective working relationships between DSS local offices and statutory and voluntary organisations are important in improving

service to the public. Claimants and potential claimants for Social Security benefits - particularly disabled people - are often clients of such organisations. It is important that these organisations understand what benefits and services are provided by DSS and equally that DSS staff are aware of the range of services available to disabled people and their carers. With this aim in mind the Department will shortly be publishing a new guide to liaison between local offices, local authority social services and social work departments. Prepared by a joint working party of the local authority associations and the Department, the guide contains comprehensive information about disability benefits and LA services for disabled people and their carers. It is specifically aimed at DSS local office staff and social services/work staff but will also be of interest to people working in voluntary organisations.

- 7.11 Training for local office staff, and the detailed instruction codes they follow, are directed to identifying and meeting the Social Security needs of the Department's disabled customers. The Operational Strategy, providing computer support for benefit administration, makes this aim increasingly practicable.

#### **The operational strategy**

- 7.12 The Operational Strategy is bringing about a network of interconnected computer systems for administering the different benefits. One of its main aims is to introduce these systems so that developments in the benefits themselves are complemented by a faster, more responsive, and more accurate service. The first of these systems are already running in several of the Department's local offices. They include the Departmental Central Index which will link together all the Strategy systems and provides an index to all National Insurance numbers, a new pensions system for Retirement Pension and Widows Benefit and the first phase of the Local Office Project automating Income Support and replacing the existing micro-computer systems. By mid-1991 these systems will extend to all 500 offices. As the new systems bed down, the Strategy will expand to cover other benefits. High on the list of current plans are local office paid Incapacity Benefits which currently have no direct computer support. Work has already begun on a project to automate Sickness Benefit, Invalidity Benefit, Maternity Allowance and Severe Disablement Allowance. When this is implemented all of the main local office benefits will have been brought into the Strategy.
- 7.13 AA and Mob A are currently paid by computer but using systems that do not offer the advantages of the Operational Strategy. The

immediate priority in implementing the new Disability Allowance in April 1992 is to ensure a safe and reliable system, perhaps by developing a relatively simple replacement for what currently exists. Eventually, however, the new Allowance will be brought into the Strategy. Staff will work at terminals with immediate access to the network of new computer systems. They will be able to process payments faster and call up claimants' details onto the screen to answer questions more quickly than is currently possible. Even though it is intended that the new Allowance will, like AA and Mob A, be administered centrally, links with the other systems in the network will make it easier for people to enquire at their local office about the progress of their claim.

- 7.14 For the new Partial Incapacity Benefit a model already exists. Family Credit has many of the features of PIB and is administered with the support of one of the first Strategy systems, which registers and helps assess claims, pays benefit and handles a wide range of enquiries. We expect that it should be possible to adapt this computer system for PIB.

### Conclusion

- 7.15 Greater responsiveness is inherent in the definition of service - applicable to all the Department's customers. Major developments are in train to achieve the objectives laid down in that definition. Through these developments the Government is committed to ensure that, just as the structure of benefits for disabled people becomes more responsive to their special needs, so does the manner in which those benefits are delivered.



## CHAPTER 8: SERVICES FOR PEOPLE WITH PHYSICAL AND SENSORY IMPAIRMENTS

### General

- 8.1 Social Security Benefits are important for many people with disabilities; this was, not unsurprisingly, one of the findings of the surveys carried out by the Office of Population and Censuses and Surveys (OPCS). But the OPCS reports also highlighted the fact that the quality of life for people with disabilities and for their families is influenced by the complex interaction of a number of factors, of which financial considerations (including the level of social security benefits) are just one, albeit an important one. Improvements in the quality of life of people with disabilities, and for their families, will only come about through practical measures, and will also in turn depend on the attitudes of able-bodied people to those with physical, sensory or mental impairments. The proposals for change in the structure of benefits for people with disabilities which are set out in this paper therefore need to be seen within the context of the progress that has already been made in recent years and of the developments which are constantly being introduced across a wide range of equipment, goods and services.

### Independent living

- 8.2 The last ten years have seen a major shift in the perception of "the disabled" from a client group separate from society, to citizens seeking to participate in the life of the community. While a number of factors have contributed to this development, a major element has undoubtedly been the increasingly active role taken by disabled people themselves. Perhaps the most dramatic evidence of the determination of a significant number of people with severe disabilities to take control of their own lives is to be found in the independent living movement. This change in perspective has been reflected in the action taken by Government, statutory authorities, the medical professions, voluntary organisations and by individuals. The Government recognised that in order to live independently in the community, a severely disabled person needs financial resources to meet the additional costs involved. In April 1988 the Independent Living Fund (ILF) was set up with an annual budget of £5 million, to enable severely disabled people to live independently in the community by providing help towards the cost of personal care and domestic support. To date, the Fund has helped more than 2,500 people, with weekly payments ranging from less than £5 to more than £400. Last October the Government announced that in 1990/91 the Fund will be

increased to more than £20 million. [DN. Cross-refer to Chapter 4 section on ILF, under discussion with Treasury].

### **Voluntary organisations**

- 8.3 In England in 1988/89, the Department of Health awarded grants totalling £38 million to voluntary organisations active in the fields of health and personal social services, an increase of 128 per cent in real terms over 1979/80. Of these, awards totalling £13.5 million were made under Section 64 of the Health Services and Public Health Act 1968, mainly for core funding of national voluntary organisations.

### **Family fund**

- 8.4 The Government have continued to support the Family Fund operated by the Joseph Rowntree Memorial Trust which provides help for families with severely disabled children under 16. In 1979 the money made available for families amounted to 2,750,000. Thirty six thousand payments were made in 1988/89, including 5,100 to families applying for the first time. Payments averaged £226 and the total amount disbursed was £8,120,000.

### **Local authority services**

- 8.5 In 1987/88 local authorities in Great Britain spent £2,350 million on community care: £1,183 million on residential care and £1,167 million on domiciliary and day care services. Across all client groups local authority personal social services net expenditure has grown by 37% in real terms during the decade up to 1989/90. Numbers of home helps grew by 20 per cent and the number of day centre places for elderly people by 18 per cent. In 1987/88 local authorities provided 46 million meals on wheels, 450,000 personal aids and 100,000 telephone rentals.
- 8.6 On 16 November 1989, the Government published its White Paper "Caring for People" (Cmnd 849) in response to Sir Roy Griffiths' report, "Community Care: Agenda for Action", which was published in March 1988. The White Paper sets out a number of key changes, which will come into effect in April 1991 for people not already in residential or nursing homes. It also announced a number of other measures designed to strengthen the planning role of local authority social service departments, improve their accountability and promote the independent care sector alongside good quality public services, by:
- improving coordination between agencies providing care;
  - providing for multi-disciplinary assessment of need, whether for residential care or support at home;

- Involving the disabled person more closely in decisions affecting him;
- taking more account of the needs of carers.

8.7 In 1986 a major piece of legislation concerning local authority services for disabled people reached the Statute Book, the Disabled Persons (Services, Consultation and Representation) Act. Six key sections have so far been implemented. These sections require local authorities

- when requested by or on behalf of a disabled person, to assess whether welfare services should be provided under the 1970 Act;
- to assess whether a child leaving school who is the subject of a statement under the 1981 Education Act requires such services;
- to take into account the wishes of carers in deciding what services to provide;
- to make available to users of such services information about any other relevant services provided by the ACP FA authority and information in their possession about relevant services provided by any other authority or organisation.
- in appropriate cases, to consult with organisations of disabled people before making appointments or co-options to councils or committees.

8.8 The White Paper "Caring for People" made it clear that the Government do not intend to implement Section 7, which would impose statutory obligations on health and social services authorities in respect of mental illness patients leaving hospital after six months or more as in-patients; however, the need to implement Section 7 will be reconsidered in the light of several years' experience of the arrangements set out in Chapter 7 of that White Paper.

### Community health services

8.9 Gross expenditure on NHS community health services for health aspects of community care (much of which is used to assist chronically sick and disabled people to remain in their own homes

or in a residential setting) rose by 35% in real terms over the period 1979/80 to 1987/88.

### **NHS reforms**

- 8.10 In its White Paper "Working for Patients" (Cmnd 555) published at the beginning of 1989 the Government announced a range of measures, which are due to come into effect by April 1991, designed to improve the hospital and family practitioner services. In particular these measures will ensure that district health authorities will be responsible for seeing that the health needs of their resident population, including those of people with physical or sensory impairments, are met and that patients have access to a comprehensive range of high quality, value for money services.

### **Services for people with sensory impairments**

- 8.11 The NHS hearing aids service is for the most part a hospital-based service. Since 1980 the standard range of NHS hearing aids has been extended by the introduction of three new high-powered aids. In July 1989 The Government announced a programme of action to make hearing tests and the supply of hearing aids more accessible to people in the community, including more schemes for direct referral of patients from general practitioners to hearing aids departments rather than through the hospital ENT department.
- 8.12 After widespread consultation, the form BD8 used for certification of blind and partially sighted people has been substantially revised, and the new version will be introduced in April 1990. It will provide better epidemiological data and, of more importance to people with a visual impairment, will improve and expedite liaison between the health and local authority social services.

### **Artificial limbs and wheelchairs**

- 8.13 In 1987 the Government established the Disablement Services Authority (DSA) in England to take over the Artificial Limb and Appliance Service previously administered by the Department of Health and Social Security with the remit to integrate the service into the NHS in 1991. In Wales, operational and management responsibility for the ALAS was transferred from the Welsh Office to the Welsh Health Common Services Authority in 1988, which has introduced a number of improvements in the management arrangements since that time and continues to seek to develop an enhanced service to patients.
- 8.14 DSA has national responsibility for provision of artificial limbs and wheelchairs. It has made significant progress towards the

implementation of a number of initiatives announced by the Government in 1987 to improve the wheelchair service, including the development of a new wheelchair specially designed with the needs of children in mind; the development of a wheelchair to meet the needs of younger disabled people; and the extension of the wheelchair service to include special seating support. The Authority is also currently testing a range of outdoor occupant-controlled powered wheelchairs.

### **Developments in technology**

- 8.15 Advances in technology have had positive and sometimes dramatic effects upon the lives of many disabled people over the last ten years. For example, the Government have provided assistance with the development of communication aids for people with speech and language impairment, which are available through a number of communication aids centres in the UK. The Government also maintain a keen interest in innovative projects in the voluntary sector, such as the Telephone Exchange for the Deaf provided by the Royal National Institute for the Deaf. Computerised environmental control equipment, provided from central funds after medical assessment, can enable people who are capable of only minimal movement to remain at home or to move from institutional care into their own homes. Environmental control equipment enables users to control electrical devices in the home such as lights, radio and television sets and the telephone, as well as an alarm bell system and an outside door. Electronic and other technological developments have become increasingly available for use by people with different impairments, greatly increasing the opportunities for employment and leisure activities. The Government, through a range of funding and in-house activity undertake evaluation of disability equipment and makes the results available to disabled people and professionals with whom they work.

### **Information technology**

- 8.16 The availability of information on services and equipment is very important to disabled people. An increasing number of voluntary organisations are developing computerised data bases on equipment and other services for disabled people. The voluntary sector in Wales, with Welsh Office funding, is setting up the Wales Information Network (WIN) which in due course will give access to computer databases relevant to the needs of disabled people. A national data base set up by the Disabled Living Foundation enables telephone enquirers anywhere in the country to find out promptly about the availability of suitable equipment. The Government are looking into the prospects for setting up links

between local and national data bases, in line with its aim of seeking to promote standards for databases in general. The Government have also designated the Disabled Living Foundation to participate in HANDYAIDS, which will be a link-up between national data bases in the European Community covering disability equipment. This link-up is part of the European Community's Second Action Programme for Disabled People (HELIOS), which as well as developing a system for linking data bases is helping to promote contacts between local voluntary activities working in the field of economic and social integration.

### **Transport and mobility**

- 8.17 Transport and mobility often hold the key to independent living. Over the past ten years, the Government has engaged in wide-ranging programme of initiatives to introduce new standards for public transport. Legislation has established a requirement for transport providers to take note of the needs of disabled people. The Disabled Persons Transport Advisory Committee was established under the Transport Act 1985 to advise the Government on matters of transport and mobility affecting people with disabilities.
- 8.18 In recent years, a considerable number of changes have been introduced to make travel easier for disabled people. Features in buses which have been modified or designed to meet the needs of elderly and ambulant disabled people include lower steps, better handrails, non-slip surfaces and colour contrasts on step edges and stanchions. British Rail has introduced services and facilities to meet the needs of disabled passengers at Intercity stations and on main line services. Facilities for people with disabilities have been introduced at airports, opening up improved access to foreign travel. In large shopping centres it is increasingly common for there to be a Shopmobility scheme, with wheelchairs available on loan to those who need them.
- 8.19 There are estimated to be 1/4 million disabled drivers in the UK. The numbers of even the most severely disabled people now able to drive is increasing rapidly with advances in redevelopment. The Motability scheme set up in 1979 to help disabled people obtain adapted cars issued 31,000 vehicles in 1988/89. There are now 12 assessment centres around the country giving advice to disabled people on driving and car choice.
- 8.20 Dial-A-Ride services providing door-to-door transport for people with disabilities are also now widespread throughout the country. A further major development in personal transport has come with the introduction of wheelchair accessible taxis. From 1 February 1989 all new London style taxis must be wheelchair accessible.

Local authorities in many other parts of the country are adopting the same or similar conditions.

- 8.21 Looking to the future, The Department of Transport is concentrating on the technical, financial and operational issues that need to be resolved so that future generations of buses and coaches can be wheelchair accessible as a matter of course. European-wide legislation on construction standards for fully accessible vehicles is under discussion.

## Education

- 8.22 The Education Act 1981 established the framework for special education in England and Wales. Implemented in 1983, it abolished statutory categories of handicap as the basis for special education, and established procedures for assessing and making provision for children's special educational needs where these are additional to, or different from, the educational provision made generally for children of the same age. The emphasis of the Act is on identifying the special educational needs (SEN) of the individual child, and then deciding the appropriate special educational provision the child requires in order to meet those needs. For those children whose special needs are pronounced and severe, the Local Education Authority is required to make a formal statement of SEN which identifies the child's needs and matches those needs with the appropriate provision. There were 138,067 children with statements of SEN in England in January 1988. Local education authorities have a duty, wherever possible, to educate young people with disabilities in ordinary schools - an important step in the integration of disabled people in the community in adult life.
- 8.23 There has been a corresponding increase in the scope for young disabled people to undertake a wide range of non-advanced education after the age of 16. During the 1960s, provision of places for students with special needs was improved in colleges of further education and adult education centres. This development was given greater impetus by the Warnock Report<sup>1</sup> which made arrangements for people over the age of 16 one of its three priorities. "Catching Up", the report published in 1987 by the National Bureau for Handicapped Students (now SKILL - the National Bureau for Students with Disabilities) looked at the provision for students with special educational needs in further

<sup>1</sup>"Special Educational Needs" Report of the Committee of Enquiry into the education of handicapped children and young people (Chairman Mrs H M Warnock, CMND 7212, HMSO 1978)

and higher education. This report showed that during the 1985/6 session, over 45,000 students with special needs had enrolled in over 300 English colleges. Although no special count has been done since then, the Government is most encouraged that recent surveys have indicated that there has been a significant increase of people over 16 with special educational needs who are making use of further education. In Wales for example, in 1988/89 a total of 1104 students with SEN enrolled in 25 colleges. The 1988 Education Reform Act requires Local Education Authorities to have regard for students with special educational needs in their strategic planning for further education; in England, such provision was given a "priority" label in the guidance for second round planning of curriculum change. A growing number of adults with disabilities are being catered for within the further and continuing education services. Where people are moving from long-stay hospitals as part of the care in the community initiative, education services are working in partnership with health and social services and voluntary organisations.

## Employment

- 8.24 In addition to extensive help provided through the general programme, the Department of Employment operates a wide range of schemes for people with disabilities who need special assistance with finding or retaining suitable employment. There are about 400 specially trained disablement resettlement officers (DROs) based in larger jobcentres who liaise with employers on behalf of their clients, both speculatively and in response to notified vacancies.
- 8.25 The Disablement Advisory Service (DAS) helps employers to adopt and implement good policies and practices in the employment of people with disabilities as recommended in the Code of Good Practice on the Employment of Disabled People. A number of special schemes are available to help meet the special employment needs of people with disabilities:
- **Special Aids to Employment Scheme** - special equipment is provided to help people with disabilities to work on employer's premises or at home
  - **Assistance with Fares to Work Scheme** - employees who cannot use public transport to work because of their disabilities may be able to get financial help
  - **Personal Reader Service** - provides financial assistance to visually impaired people to enable them to employ a reader to help them in their work



- **Adaptations to premises and Equipment Scheme** - helps employers make adaptations to meet the needs of specific employees with disabilities
  - **Job Introduction Scheme** - allows employers to offer a trial period of employment to people with disabilities
- 8.26 Unemployed people with disabilities are helped to gain the skills they need to compete for jobs in the labour market through the Department's Employment Training programme (for 18 year olds or over) and for younger people (up to 21 in the case of people with disabilities) through YTS. In both programmes, entry is made easier for people with disabilities and a range of special help, extra resources and flexibilities on length of stay are available to enable them to gain maximum benefit from their time on training. Where it is needed, specialist assessment of training and employment needs is provided through the Department's Employment Rehabilitation Service. Special help is also provided within the Jobclub programme.
- 8.27 The Sheltered Employment Programme supports over 20,000 jobs for people with severe disabilities in Remploy factories and sheltered workshops, and under the Sheltered Placement Scheme, through which people with severe disabilities are helped to work in a wide range of jobs alongside non-disabled colleagues.
- 8.28 The Employment Department has been conducting a wide-ranging review of these services for people with disabilities and will shortly publish a consultative document on this subject.

## Sport

- 8.29 An increasing number of people with disabilities are taking part in sporting and leisure activities, both as participants and as spectators. The successes of British athletes in the Seoul Paralympics highlighted the achievements of a number of talented disabled athletes. But as with any sport, those who win at international level are only a minority of those who regularly take part in national and local sporting events. Sports associations, local authorities and schools as well as Government have a part to play in facilitating and encouraging increased participation. In April 1989, the Government announced a grant of £500,000 to the British Paralympic Association to set up a Trust Fund to be used for the development of sport for people with disabilities. In August 1989, the Minister for Sport, Colin Moynihan, published the report of the Review Group which, over a period of 18 months, had undertaken wide-ranging consultation and detailed debate on the

existing situation. The report, which advocated greater integration with non-disabled sport, also made a number of recommendations for streamlining the organisation of sport for people with disabilities. A number of these recommendations are already being implemented and the remainder are being considered by the organisations to whom they were addressed.

### **Access to the arts**

- 8.30 Following the publication of the Arts Council's Code of Practice on Arts and Disability, arts venues across Britain are being asked to look at how to make their premises accessible to people with disabilities. The Arts Council has published an Action Plan which seeks to bring about real progress in implementing the recommendations in the Code. Under these arrangements, all venues that get Arts Council funding are required to meet a number of conditions, including awareness training of staff, information about accessibility, ticket concessions, and access facilities in new building schemes. In addition, the Arts Council itself will be providing bursaries to artists addressing arts and disability issues, promoting training opportunities for people with disabilities, and will be establishing new awards for artists and organisations who have achieved excellence in provisions for disabled people.
- 8.31 A major initiative to improve accesibility to arts centres was begun on 15 September 1989, when the Minister for the Arts, Richard Luce, launched the ADAPT fund. This fund, which has been set up with contributions from the Carnegie Council and Government, aims to improve access to existing arts venues - theatres, concert halls, cinemas, arts centres, libraries, museums and galleries - by challenging owners to think about essential improvements and to plan for these within their own resources, which may be augmented by grants from the fund.

### **Access to buildings**

- 8.32 Many of the public buildings in this country were designed and built before access to them by people with disabilities was considered important. Part M of the Building Regulations 1985, which apply to England and Wales, requires the provision of access for disabled people to new offices and shops and to the principal emntrance storey of new factories, schools and other buildings to which the public has access. There are similar requirements in Scotland and Northern Ireland.
- 8.33 In 1989, a survey was commissioned to look at the way Part M of the Building Regulations was working. A number of practical problems have been identified, and the Government are now

considering how present guidance on the Regulations might be improved. At the same time, the Government intend to widen the scope of the Regulations, so that they apply to the upper and lower floors of a broader range of buildings than is covered at present. The Department of the Environment will be publishing a consultation paper within the next few months. Consideration is also being given to including proposals relating to self-contained extensions to public buildings. Research is being undertaken to find practical ways of improving access in other non-domestic alterations and extensions.

- 8.34 The Access Committee for England (ACE), originally created in 1983 by the then Minister for the Disabled, Hugh Rossi, following the report of the Committee on Restrictions Against Disabled People, was reconstituted in August 1989 under a new chairman. ACE receives most of its funding from the Department of Health, and its role is to help increase awareness about access problems; to consider access matters which have national implications; to offer advice to the Centre on Environment for the Handicapped (CEH), central government, local government associations, industrial and commercial representative organisations and other national voluntary groups; and to advise and offer support to local access groups. The main area of the Committee's activity is access to buildings and man-made environments between buildings, including general questions on access and housing. The Access Committee for Scotland is part of the national umbrella organisation for disabled people, the Scottish Council on Disability. And in Wales, the Access Committee and Access Officer of the Wales Council for the Disabled, supported by Welsh Office grant aid, have been prominent in advising on access and identifying necessary improvements.

## Housing

- 8.35 For those severely disabled people who wish to live independently in the community, suitable housing and appropriate care services are essential. The Government's aim is to enable disabled people wherever practicable to continue to live in their existing homes.
- 8.36 The new disabled facilities grant system, to be introduced in April 1990 under the 1989 Local Government and Housing Act, are designed to target resources aimed at helping disabled people with special needs to stay in their existing homes. With a mandatory entitlement base, it replaces the house adaptation grant system which in recent years has been the principal local authority instrument for meeting the housing needs of disabled people, and whose value has been increasingly recognised. In 1979 local authorities awarded 1,700 adaptation grants at a cost

of £1.26 million; by 1988 the number of grants had increased to 27,000 at a total cost of £50.5 million. Under the new system, disabled people will have a statutory entitlement to disabled facilities grants for a wide range of provisions, subject to a test of their financial resources and confirmation that it is reasonable and practicable for works to be undertaken which will meet their assessed needs. Following consultations, the Department of the Environment, the Department of Health and the Welsh Office will be issuing a circular to local authorities giving guidance on the administration of the new system.

### Prevention

- 8.37 The Government have laid strong emphasis on the need to prevent disability as far as possible, or where this is not feasible to intervene early so as to minimise the effect. A major step towards preventing hearing impairment lies in the avoidance of rubella during pregnancy. In 1983 a three-year campaign was launched to promote immunisation against rubella. In 1985 the National Rubella Council ran a campaign aimed at schoolgirls. The campaign was renewed for two more years from 1987. From October 1988 the combined vaccine against measles, mumps and rubella has replaced measles vaccination in the second year of life. A series of health programmes aim at preventing or reducing disability caused by other diseases, such as poliomyelitis, and by "hidden" causes, such as cardiac and respiratory diseases arising from smoking, diet and environmental factors. Drink driving campaigns and campaigns to encourage the wearing of protective head gear during work or sporting activities where there is a risk of head injury also aim to reduce short term or permanent disability.
- 8.38 Health Authorities have become increasingly aware of the importance of an effective child health surveillance system to identify those handicaps for which early intervention is important, and in particular the need for access to screening for hearing, speech and language problems and other impairments. Early detection of an impairment allows medical and professional staff to work with parents to take steps to minimise the impact of the impairment in the child's future.
- 8.39 Some of the developments and initiatives across a wide range of issues which been introduced in recent years affect only small numbers of disabled people; others affect nearly everyone. Taken together, they reflect major improvements in the provision of facilities and services for people with disabilities. The Government's continuing aim is to see further improvements introduced to make it possible for everyone, whatever their

disability, to maximise their full potential to live independently, to work, and to take part in a wide range of leisure activities. We believe that the new disability benefit structure outlined in the preceding chapters is a major step forward in achieving this aim.

## CHAPTER 9: PROGRAMME FOR ACTION

- 9.1 The Government's commitment to review benefits for long-term sick and disabled people was made when all other major aspects of Social Security were reviewed in 1984-85, but when the OPCS surveys of disability had only just been commissioned. The reports of those surveys have since been published - between September 1988 and July 1989 - and the Government has encouraged comment and discussion about the findings. As a result, we are better equipped to take [some] early action on the reform of disability benefits than the Government was when other aspects of Social Security were reviewed in 1985.
- 9.2 The Government intends therefore that there should be no delay in taking action which is clearly necessary. The 10 improvements announced last October are an initial response to the OPCS findings, and to the comments on them and on the need for benefit changes. Most of these proposals can be implemented by regulations or administratively, but one - the removal for terminally ill people of the six month qualifying period for Attendance Allowance - entails legislation in this Session's Social Security Bill. This paper contains further proposals for change which will be included in the Bill, and which subject to Parliamentary approval will be implemented as soon as possible. The full list of proposals which the Government intends to implement either after passage of the current Bill or earlier is set out below.
- 9.3 The Government [has laid] an order before Parliament to make the following changes in April 1990.
- an increase in the Income Support and Housing Benefit Disability Premium for single people from £13.70 to £15.40, £1 above the normal uprating and for couples from £19.50 to £22.10, £1.60 above the normal uprating;
  - an increase in the Income Support and Housing Benefit Disabled Child's Premium from £6.50 to £15.40, £8.40 above the normal uprating, to bring the premium into line with the Disability Premium;
  - an increase in the earnings limit for Invalid Care Allowance from £12 to £15;
  - an increase of £6.50 in the Therapeutic Earnings Limit for Invalidity Benefit and Severe Disablement Allowance.

Regulations will be made to make the following additional changes in April 1990:

- the extension of Attendance Allowance to disabled babies by removing the lower age limit for claims;
- the extension of Mobility Allowance to people who are deaf and blind.

The Government will also lay regulations to introduce from October 1990:

- a carer's premium in Income Support and Housing Benefit, set at £10, for people receiving Invalid Care Allowance.

The Government is taking powers in the forthcoming Social Security Bill to make the following changes:

- from Autumn 1990, to remove the six month qualifying period for Attendance Allowance for people who are terminally ill;
- from Autumn 1990, to remove the Reduced Earnings Allowance from the Industrial Injuries Scheme for new claimants;
- from December 1990 to introduce age-related increases in Severe Disablement Allowance; and
- from April 1991, to remove for new earnings the Additional Pension in Invalidity Benefit.

No legislation is needed to enable people receiving Invalidity Benefit or Severe Disablement Allowance to keep their benefit when they go on an Employment Rehabilitation Course instead of the existing Rehabilitation Allowance. The necessary changes in administrative arrangements will be made to introduce this improvement from early 1990.

9.4 This paper also contains proposals on which further work is needed to resolve all the details that will need to be included in legislation. These are:

- the introduction of a Disability Allowance to replace AA and Mob A for people disabled before age 65, including new, common arrangements for the administration and adjudication of both the new Allowance and AA as retained for people disabled after age 65;

- the introduction of a new Partial Incapacity Benefit.

The Government intends to legislate on these proposals as soon as possible but, because of the further work needed, it will not be possible to do so in the current Session. In working up proposals in detail, we will take account of comments made by interested organisations and individuals.

- 9.5 The benefit improvements contained in these proposals and the changes announced in October will give extra help to an estimated 850,000 people. In 1993-94 when the improvements are fully implemented the changes will add some £300 million net to the £8.3 billion the Government are already spending on benefits for people who are long-term sick and disabled. Social security help for disabled people, which has already increased by almost £4 billion in real terms since 1978-79, will rise still further by 2000-01 to [ ].
- 9.6 The Government's proposals will improve the balance of help between people who have been in work and those who have not been able to earn and save. Through two major new benefits they will introduce new help for people disabled early in life and for disabled people who cannot support themselves fully in work. Other changes will increase the help given to the poorest disabled people and their carers. Together the proposals will introduce a more rational structure for disability benefits which will substantially improve the help now given to disabled people.



## ANNEX

### FINANCIAL HELP FOR DISABLED PEOPLE

#### SOCIAL SECURITY BENEFITS (1)

##### Income maintenance benefits

- A.1 Invalidation Benefit is the main income maintenance benefit for people who are unable to work because of long term sickness or disability. It is a contributory benefit and is paid where set contributions conditions are met and when incapacity for work has lasted for more than 28 weeks. IVB has three elements:
- **Invalidity pension:** the basic benefit paid at the same weekly rate as retirement pension (£46.90). Dependency additions are also payable at £28.20 for an adult dependant and £9.65 for each child;
  - **Invalidity allowance:** an age-related addition paid to people qualifying for Invalidation Pension who become incapable of work more than five years before pensionable age. It is paid at three rates depending on the age at which incapacity began. For people under 40, IVA is £10.00 a week, for those aged between 40 and 49 it is £6.20 and for those between 50 and 59 for men or 54 for women it is £3.10;
  - **additional pension:** an earnings-related addition payable to those who become entitled to IVB on or after 6 April 1979. The estimated average amount paid in 1989-1990 is just over £9. IVA is reduced by the amount of any additional pension payable.
- A.2 For long-term sick and disabled people who are unable to satisfy the contributions conditions for IVB, a non-contributory benefit, Severe Disablement Allowance (SDA) may be paid. It is available to people who become incapable of work on or before their 20th birthday and to people aged 20 or over who are both incapable of work and are assessed or treated as 80% disabled. SDA is paid at 60% of the basic invalidity pension in IVB. The weekly rate is £28.20 with dependency additions payable at £16.85 for an adult and £9.65 for each child.

<sup>1</sup>Benefit rates quoted are those current from April 1990

## Help with extra costs

- A.3 Help with extra costs is provided by Attendance Allowance and Mobility Allowance which are non-contributory benefits.
- A.4 Attendance Allowance (AA) is paid on the basis of need for frequent attention and/or continual supervision or watching over. The lower rate (£25.05) is paid to people who need either frequent attention or supervision throughout the day or prolonged or repeated attention or watching over at night. Those needing frequent attention or continual supervision throughout the day and prolonged and repeated attention or watching over at night qualify for the higher rate (£37.55).
- A.5 Mobility Allowance (Mob A) is a flat-rate benefit (£26.25) paid to people who are unable or virtually unable to walk because of physical disablement. The scheme is targeted on people who become disabled earlier in life; they have to qualify before they reach age 65. People over the age of 65 already receiving Mob A can continue to receive it until age 80. The Government extended the upper age limit for paying Mob A from 75 to 80 years in the Social Security Act 1989.

## Income related help

- A.6 Special help for people with low incomes is also available through Income Support, Housing Benefit and Community Charge Benefit. On top of the personal allowances, which vary according to age and size of family, if any, under the age of 60, disability premiums may be paid:
- the disability premium, set at £15.40 a week for single people and £22.10 for couples under the age of 60, which is paid to people receiving IVB, SDA, Mob A or AA or who have been incapable of work for 28 weeks or who are registered blind or have an invalid carriage;
  - the severe disability premium, paid at £28.20 a week for each person. The SDP is awarded to people receiving Attendance Allowance (or constant attendance allowance) who live alone and who do not have a carer who receives Invalid Care Allowance for looking after them;
  - the disabled child's premium, set at £15.40 a week and paid for each child in the claimant's family who is registered blind or is receiving Mob A or AA;
  - the higher pensioner premium, set at £17.05 a week for single people and £24.25 for couples and paid where the claimant

or his partner is aged 80 or over, or aged between 60 and 79 years and either registered blind or receiving AA, Mob A, IVB or SDA, has an invalid carriage or was receiving the disability premium just before they reached age 60.

### Social Fund

- A.7 Disabled people are a priority group for the award of Social Fund community care grants which are not repayable. The grants are paid to people in vulnerable groups, including the chronically sick and disabled, to help them re-establish themselves in the community or remain in the community rather than enter institutional or residential care.

### The industrial injuries scheme

- A.8 Special non-contributory help is available through the industrial injuries scheme to people who have become disabled following an industrial injury or disease. The benefits are payable whether or not the beneficiary is working and include:

- **Disablement Benefit** which is paid for disability which occurs as a result of an industrial accident or disease. Entitlement is determined by a medical assessment of a person's loss of faculty and the level of benefit depends on the degree of disablement at or above 14%. For example, someone who is 20% disabled receives £15.32 whilst someone who is 100% disabled receives £76.60. People who are 100% disabled and need care and attention can receive Constant Attendance Allowance and Exceptionally Severe Disablement Allowance. CAA is paid at four different rates [depending on the degree of attendance required] and ranges from £15.35 a week to £61.40. ESDA is paid at one rate, £30.70.
- **Reduced Earnings Allowance** which is paid for loss of earnings from industrial disablement. It is based on the difference between actual or notional earnings before and after the accident and is subject to a maximum of £30.64 a week.
- **Retirement Allowance** which is paid to people of pension age who are not in regular employment. It is paid at 25% of the Reduced Earnings Allowance to people who were receiving a minimum of £2 REA.

### Help for carers

- A.9 In addition to social security benefits for disabled people special help is also available for people who care for them. Invalid Care

Allowance is a non-contributory benefit which provides income maintenance help to people who provide regular and substantial care (at least 35 hours a week) to a disabled person receiving AA or constant attendance allowance. ICA is paid at £28.20 a week with dependency additions of £16.85 for an adult and £9.10 for each child.

### **Vaccine Damage Payments**

- A.10 The Vaccine Damage Payments scheme provides tax free lump sum payments of £20,000 to any person who has suffered severe disablement of 80 per cent or more as a result of vaccination against any of eight specified conditions (diphtheria, tetanus, whooping cough, polio, measles, rubella, tuberculosis and smallpox).
- A.11 The purpose of the scheme is to help ease the present and future burdens placed on disabled people and their families by vaccine damage. The payments are not compensation. Individuals are free to seek compensation through the Courts if they believe that negligence led to a vaccine related injury. On 31 October 1989 849 awards had been made under this scheme.

### **OTHER FINANCIAL HELP**

#### **Occupational sick pay schemes**

- A.12 In addition to social security benefits financial help is increasingly more widely available from occupational sick pay schemes. The findings<sup>(2)</sup> of a special survey commissioned by the Department of Social Security and carried out by IFF Research Limited shows a significant growth in the number of employees covered by occupational sick pay schemes.
- A.13 The survey found that 91 per cent of the workforce are now covered by an occupational sick pay (OSP) scheme. This compares with 80 per cent in 1974. Growth in OSP coverage has been overwhelmingly concentrated amongst manual employees; 88% of manual employees are now covered compared with less than two thirds in 1974. The difference in OSP coverage for manual and non-manual employees is now almost marginal.
- A.14 Fifty six per cent of all employers provide OSP for their workers. The remaining 44 per cent of employers who do not are predominantly small or very small employers.

<sup>2</sup>Occupational Sick Pay Schemes\*, DSS 1988

- A.15 The majority of schemes (83 per cent private and 74 per cent public sector) top up Statutory Sick Pay (SSP) to full basic pay. Payments for short-term cover are usually made either for a fixed period or up to 6 months or vary depending on the length of service.
- A.16 Long term OSP cover was also found to have grown significantly. Nearly 60% of employees are now covered compared with about 20% in 1974.

### **Criminal Injuries Compensation Board**

- A.17 The Criminal Injuries Compensation Board provides compensation, usually a lump sum, to people who are injured as a result of a crime of violence. Payments are calculated according to the same principles as those which are applied to common law damages. Social Security benefits received directly because of the injury are deducted from the payment. The Board receives over 40,000 applications each year.

### **Tort**

- A.18 A person who is disabled through the fault or negligence of another can seek compensation through the civil courts. Damages can cover loss of income, expenses, pain, suffering and loss of amenity. From September 1990 Social Security benefits paid as a result of an injury for which damages are paid will be recovered in full if the damages exceed a specified amount and offset in part if the amount of damages is lower. It is expected that recoveries will be made from about 60,000 awards each year.

### **Independent Living Fund**

- A.19 Since April 1988 help with the extra costs of disability has also been available through the Independent Living Fund (ILF). Help is given to enable severely disabled people to pay for the personal care and domestic support needed to maintain an independent life in the community. The ILF is now providing help to over 2,500 people.

### **Family Fund**

- A.20 The Family Fund provides lump sum grants for the families of severely disabled children aged under 16. It was set up in 1973 and is run by the Joseph Rowntree Memorial Trust with funding provided by the Government. The fund is discretionary within strict medical criteria and is not cash limited. Applications are assessed by the Fund on the basis of a family's economic circumstances. At present where income is judged to be over £12,000 pa a family is unlikely to receive help. Grants are awarded for items not covered by health authority, local authority or social security

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schemes such as washing machines, holidays for the family and transport costs. In 1988-89, 36,000 payments were made, 5,100 to families applying for the first time. Payments averaged £226 and the total amount disbursed was £8.12 million.



DEPARTMENT OF HEALTH AND SOCIAL SECURITY

Richmond House, 79 Whitehall, London SW1A 2NS

Telephone 01-210 3000

From the Minister of State for Social Security and the Disabled

*CCP*

*NBDM*

The Rt Hon Norman Fowler MP  
Department of Employment  
Caxton House  
Tothill Street  
London SW1H 9NF

11 DEC 1989

*Dear Norman*

Tony Newton spoke with you recently about the work being done in our two Departments to improve the position of people with disabilities. In particular, you agreed that we should work closely together to co-ordinate the launch of the statement of our proposals for restructuring disability benefits with the publication of the conclusions of your Department's internal review of the provisions for assisting people with disabilities to find and retain employment. We are still working to a timetable leading to publication in early January. I have asked officials here to keep colleagues in your Department in touch with our timetable.

I am also concerned about the wider question of liaison between all Departments on disability issues in the period immediately following the publication of our proposals when we will also be taking some relevant legislation through Parliament. There may be other initiatives in the pipeline or more general ways in which Departments may be able to contribute to a coherent presentation of Disability issues at the time of our announcement and in the first part of the new year. I should be most grateful if you and copy recipients could inform me of any such initiative. I would be happy to meet with anyone to discuss co-ordination if that would be helpful.

I am copying this letter to all cabinet ministers and Richard Luce.

*Chris Luce*

*Nick*

NICHOLAS SCOTT







DEPARTMENT OF HEALTH AND SOCIAL SECURITY

Richmond House, 79 Whitehall, London SW1A 2NS

Telephone 01-210 3000

From the Minister of State for Social Security and the Disabled

NBPM

CF

The Rt Hon Nicholas Ridley MP  
 Secretary of State for Trade & Industry  
 Victoria Street  
 London  
 SW1

(30/11)

28 November 1989

Dear Nicholas,  
 with regard to  
 previous

On 14 November I spoke at the opening of a conference organised by the Kings Fund Centre on the issue of disabled people and advertising. This letter is to let you know of the principal conclusions reached during the course of the conference, and to ask you to look at how your Department might involve people with disabilities in some future campaigns.

The conference developed out of an earlier seminar held by the Kings Fund Centre which prompted a report entitled *They aren't in the Brief*. Both conferences and the report reached the same conclusions. Briefly, the reaction of people with disabilities to the way they are treated in advertisements can be summed up under two broad categories.

Firstly, they feel that they are "invisible". People with a disability are under-represented in general advertising campaigns. Where they are included in advertisements, they are rarely shown doing the sort of things that everybody does, such as housework, or shopping or being engaged in employment.

Secondly, there was a strong feeling that where disabled people are portrayed, either in advertisements actually targetted on disabled people or in more general situations, they are too often depicted on the one hand as helpless, as objects of pity or sympathy, or as violent and dangerous on the other. Both images are negative, in that they show the disabled person as lacking abilities and as being isolated from the rest of society in some way. Rarely is the ability which frequently lies behind the disability portrayed. While most of this criticism is undoubtedly levelled at the way voluntary organisations and charities use their clients in fundraising campaigns, it does seem to me that we as Government could do more to promote a positive image of disabled people when we plan our campaigns.

E.R.

I hope that one of the consequences of the conference will be that a code of good practice or a set of guidelines will be developed which could be used by agencies, major advertisers, as well as by charities and others whose campaigns particularly target disabled people. However, that is likely to be some time in the future. Before guidelines are ready I hope you might consider how Government could begin to set a good example, by including people with disabilities in social and interactive situations, and demonstrating their integration in society including employment.

I am copying this letter to Cabinet members and to Richard Luce.

*Yours truly,*

*Nick.*

NICHOLAS SCOTT



10 DOWNING STREET  
LONDON SW1A 2AA

*From the Private Secretary*

22 May 1989

Thank you for your letter of 11 May which the Prime Minister has now seen. She is content for Mr. Scott to write as proposed to Ministerial colleagues.

I am copying this letter to Trevor Woolley (Cabinet Office).

Dominic Morris

Andrew Brant, Esq.  
Office of the Minister for Social Security.

12



Ref. A089/1318

*CF* *per Mrs M.*

MR MORRIS

*[Handwritten flourish]*

*top en*

Minister for the Disabled

Sir Robin Butler has seen Andrew Brant's letter of 11 May to you, which seeks the Prime Minister's agreement to Mr Scott's informing members of the Cabinet of the establishment in the Department of Social Security (DSS) of a focal point for disablement policies.

2. Sir Robin sees no difficulty in this approach. Mr Scott's interests as Minister for the Disabled range across the policy areas of a number of Departments, and the co-ordinating unit which he proposes seems both modest and sensible. Nor is there any objection to the unit's being located in DSS while a DSS Minister continues to hold the role of Minister for the Disabled.

*Thomas Woolley*

T A WOOLLEY

19 May 1989



HOME AFFAIRS: Discrimination Against  
Disabled May '82

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11



DEPARTMENT OF HEALTH AND SOCIAL SECURITY

Richmond House, 79 Whitehall, London SW1A 2NS

Telephone 01-210 3000

From the Minister of State for Social Security and the Disabled

Dominic Morris Esq  
Private Secretary  
10 Downing Street  
London  
SW1

Prime Minister, 11<sup>th</sup> May 1989

Dear Dominic, Content for Mr Scott & wife as proposed to colleagues? FERB has seen and agrees that the coordinating unit to sort papers is most and sensible.

I am attaching a letter Mr Scott would like to send to members of the Cabinet concerning his role as Minister for the Disabled. DM MS

Mr Scott has asked if the Prime Minister would have any objection to such a letter being sent. Yes no

I am copying this letter to Sir Robin Butler's office.

Yours sincerely  
Andrew Brant

ANDREW BRANT  
Assistant Private  
Secretary



## DEPARTMENT OF HEALTH AND SOCIAL SECURITY

Richmond House, 79 Whitehall, London SW1A 2NS

Telephone 01-210 3000

*From the Minister of State for Social Security and the Disabled*

May 1989

One of the most important aspects of my role as Minister for the Disabled is to seek to present the whole range of Government policies for disabled people in a coherent and positive light. I have been very impressed by the number and scope of recent developments aimed at improving the quality of life for disabled people. Many of these improvements have come about through the direct involvement of different Government Departments, for example, better training facilities, or better designs for public transport. Some achievements, including greater use of new technology to help with a wide variety of activities both at home and at work, have been assisted by funds provided by Government.

It is therefore important that my office should be kept informed when significant policy initiatives for disabled people are under consideration in your Department, before they are finally resolved or announced. At the same time, I think it would be helpful if, when Departments are planning initiatives, there should be a focal point where the proposals can be looked at in the light of the existing situation elsewhere within Government. Co-ordinating plans with those of other Departments should allow us to maximise the benefits of the schemes involved, and should ensure wider and better publicity for them.

A small Disability Unit has recently been set up to support me in my involvement with disability issues and in particular to help me to keep up to date with interdepartmental developments. Obviously accountability for policies and the responsibility for specific issues will continue to lie with the Departmental Ministers concerned but I believe the Unit should be able to contribute significantly to the coordination and effective presentation of our policies in this important and sensitive field.

---

E.R.

The Disability Unit will consist of one full-time member of staff, Mrs Barbara West, who will be assisted by a part-time member of staff, Mrs Sue Frostick. As the unit will act as a focal point for liaison arrangements whenever any major initiative is planned which particularly affects disabled people, I hope you will agree that it would be helpful if the Unit could be brought in before proposals are finalised. In the first instance, officials might like to contact Barbara West or Sue Frostick who are for the time being based in room D212 Alexander Fleming House, (01 407 5522, GTN 3915 ext 6480). The Unit may need to be relocated when work begins on refurbishing the building and when this happens details of the new address will be circulated.

NICHOLAS SCOTT



**dti**

the department for Enterprise

*cefu*

Eric Forth MP  
Parliamentary Under Secretary of State for  
Industry & Consumer Affairs

Rt Hon John Wakeham MP  
Lord President of the Council  
and Leader of the Commons  
Privy Council Office  
68 Whitehall  
London  
SW1A 2AT

*26 pm*  
*1/2*  
*2/2*

**Department of  
Trade and Industry**

1-19 Victoria Street  
London SW1H 0ET

Switchboard  
01-215 7877

Telex 8811074/5 DTHQ G  
Fax 01-222 2629

Direct line 215 4301  
Our ref D65AAU  
Your ref  
Date

February 1989

*Dear John,*

**THE HEARING AID COUNCIL (AMENDMENT) BILL**

I wrote to you on <sup>19</sup> December 1988 and 31 January 1989 about Ieuan Wyn Jones' Private Members Bill to amend the Hearing Aid Council Act 1968. You agreed in your letter of 8 February that the Government should take a neutral line at the Second Reading of the Bill. *top enc*

The Bill went through its Second Reading "on the nod" on 17 February and I understand that the Committee stage will take place between 15 March and 5 April. A copy of the latest version of the Bill is attached for information. I am writing to seek your agreement, and that of colleagues on H and L Committees, that the Government should seek to amend the Bill at Committee stage both to achieve correct Parliamentary drafting and to see that the best possible Bill for all concerned emerges. I would be grateful for your authority for the assistance of Parliamentary Counsel on the question of drafting.

The central feature of the Bill is the proposal to change the present constitution from the present 6 Council Members representing dispensers and 5 representing consumers or those who have appropriate medical knowledge plus an independent Chairman at an equal 6:6 balance plus a Chairman. This would change the role of the Chairman, and there is a significant risk that he would become the arbiter between mutually contradictory groups. Both the present constitution of the Council and the proposal in the Bill are unsatisfactory. I therefore seek agreement in principle to proposing an amendment at committee stage to provide for a 4:4:4 split ie 4 dispensers, 4 consumers, 4 with medical knowledge. This proposal and the present draft of the clause will probably be contrary to the views of the industry. I propose to consult both the industry and the consumer interests about this proposed amendment beforehand.

Clause 1(7) proposes a proactive role for the Lord Chancellor which I understand from correspondence between our departments would be unacceptable to him. My officials are in contact with the Lord Chancellor's Department and I would propose that we should seek to amend the clause to meet the objections.

I have not enclosed a detailed list of the line we propose on each of the 8 sub-clauses to Clause 1 but would be happy to provide this information to any colleague who wishes to see it.

*Eric Forth*

*Eric*

ERIC FORTH

A  
**B I L L**

TO

Amend the Hearing Aid Council Act 1968, in order to make further provision for the regulation, conduct and discipline of persons engaged in dispensing hearing aids, to amend the composition and procedures of the Hearing Aid Council; and for purposes connected with those matters. A.D. 1989

**B**E IT ENACTED by the Queen's Most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:

5 1. The Hearing Aid Council Act 1968 shall be amended as follows:

Hearing Aid  
Council Act  
1968 c. 50.

(1) There shall be added after section 1(4)

"4A The Secretary of State may at any time require modifications, deletions or additions to any standard or code drawn up under this section.

10 Provided that when the Secretary of State requires such modifications deletions or additions he shall consult the Council and consider any representations made."

(2) In section 5(1) leave out everything after "disciplinary cases" and insert:

15 "(i) where the alleged misconduct of any person registered in accordance with the provisions of this Act appears to the Council to require investigation on any of the grounds contained in Section 7(1) of this Act; and

(ii) of complaint to the Council under Section 1(6) of this Act"

20 (3) In Section 7(1) (b)

(a) after the words "hearing aids", the following words shall be inserted:

"or is judged to have contravened any code of practice drawn under the provisions of this Act."

25 (b) the words "direct that his name be erased from the register" shall be omitted, and there shall be substituted the following words:

"impose any one or more of the following penalties

- (i) issue an admonishment  
(ii) impose a monetary penalty not exceeding £1,000 or such sum as the Secretary of State shall from time to time determine  
(iii) direct that his name be erased from the register." 5
- (4) In Section 7(2) the words "direct that the name of that person shall be erased from the register" shall be omitted and there shall be substituted the following words:  
"impose any one or more of the following penalties  
(i) issue an admonishment 10  
(ii) impose a monetary penalty not exceeding £1,000 or such sum as the Secretary of State shall from time to time determine  
(iii) direct that his name be erased from the register."
- (5) In Section 7(3) the words "direct that the name of the body corporate shall be erased" shall be omitted and there shall be substituted:  
"impose any one or more of the following penalties 15  
(i) issue an admonishment  
(ii) impose a monetary penalty not exceeding £1,000 or such sum as the Secretary of State shall from time to time determine 20  
(iii) direct that its name shall be erased from the register."
- (6) Section 10(5) shall be omitted and the following shall be substituted:  
"(5) Before making or modifying rules under this section the Council shall consult such organisations as appear to the Council to be representative of the interests of the dispensers of hearing aids or of persons employing such dispensers and such organisations that appear to the Council to be representative of the interests of consumers." 25 30
- (7) Section 10(6) shall be omitted and the following shall be substituted:  
"(6) Rules under this section shall not come into force until approved by the Lord Chancellor and the Lord Chancellor may at any time require modifications deletions or additions to any such rules. 35
- Provided that when the Lord Chancellor requires such modifications deletions or additions he shall consult the Council and consider any representation made."
- (8) In the Schedule 40  
(i) In paragraph 1(1) for the word "eleven" there shall be substituted the word "twelve".  
(ii) In paragraph 1(3) (b) for the word "five" there shall be substituted the word "six".
- Short Title. 2. This Act may be cited as the Hearing Aid Council (Amendment) Act 1989. 45

**Hearing Aid Council (Amendment)**

A

**BILL**

To amend the Hearing Aid Council Act 1968, in order to make further provision for the regulation, conduct and discipline of persons engaged in dispensing hearing aids; to amend the composition and procedures of the Hearing Aid Council; and for purposes connected with those matters.

*Presented by Mr. Ieuan Wyn Jones*

*Supported by*

*Mr. Jack Ashley, Emma Nicholson, Mr. Malcolm Bruce, Mrs. Rosie Barnes, Mr. Alfred Morris, Mr. Allen McKay, Mr. Roger Sims, Mr. Dafydd Wigley, Mr. Andrew Welsh, Mr. Peter Thurnham and Mr. John Hamam.*

---

*Ordered, by The House of Commons,  
to be Printed, 21st December 1988*

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LONDON

Printed and published by  
Her Majesty's Stationery Office  
Printed in England at  
The Parliamentary Press

90p net

[Bill 32]

(101291)

50/2

ISBN 0 10 301289 4

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*cc plus*

Eric Forth MP  
Parliamentary Under Secretary of State for  
Industry & Consumer Affairs

Rt Hon John Wakeham MP  
Lord President of the Council  
and Leader of the Commons  
Privy Council Office  
68 Whitehall  
London  
SW1A 2AT

Department of  
Trade and Industry

1-19 Victoria Street  
London SW1H 0ET

Switchboard  
01-215 7877

Telex 8811074/5 DTHQ G  
Fax 01-222 2629

*NBPM*

*PR 26*

*1/2*

Direct line 215 4301  
Our ref D58ACB  
Your ref  
Date 31 January 1989

*John Jones*

*at file*

*top paper*

I wrote to you on 19 December 1988 and 9 January 1989 about  
Ieuan Wyn Jones' Private Member's Bill to amend the Hearing  
Aid Council Act.

The Second Reading of the Bill will take place on 10 February.  
I do not consider that the Government should support the  
Bill even though I understand that Mr Jones has removed or  
amended some aspects of the Bill to which the Government might  
object, such as the provision for advertising controls. Nor  
do I think that it would be appropriate to oppose the Bill at  
a time when the Government is considering the proposals  
contained in the Royal National Institute for the Deaf's Fair  
Hearing Campaign which includes proposed changes to the  
Hearing Aid Council.

I would suggest therefore that the Government continues to  
take a neutral line at the Second Reading. I would be  
grateful to have confirmation that you are content with this  
line by Monday 6 February. I am copying this letter as  
before.

*Yours ever*  
*Eric*

ERIC FORTH



HOME AFFAIRS: Disabled People May 82

**dti**

the department for Enterprise

*copy*

Eric Forth MP  
Parliamentary Under Secretary of State for  
Industry & Consumer Affairs

**CONFIDENTIAL**  
Rt Hon John Wakeham MP  
Lord President of the Council  
and Leader of the Commons  
Privy Council Office  
68 Whitehall  
London SW1A 2AT

**Department of  
Trade and Industry**

1-19 Victoria Street  
London SW1H 0ET

Switchboard  
01-215 7877

Telex 8811074/5 DTHQ G  
Fax 01-222 2629

Direct line 215 4301  
Our ref D54ABU  
Your ref  
Date

7 January 1989

*MBM  
RACG  
11/1*

*John*

*all requests required*

I wrote to you on 19 December about a Private Member's Bill to amend the Hearing Aid Council Act 1968. Mr Ieuan Wyn Jones decided to table this Bill and the Second Reading will take place on 10 February.

In view of these developments I would be grateful for confirmation that you, and colleagues to whom this current letter is copied, are content with the general line proposed in my third paragraph. I shall be writing again in due course about the detailed position which we should take at the Second Reading.

I am copying this letter to Members of H and L Committees and to David Mellor and Nicholas Scott.

*Eric Forth*  
*Eric*

ERIC FORTH

*the*  
**Enterprise**  
Initiative



dti

the department for Enterprise

cc/pu  
cc/po

Eric Forth MP  
Parliamentary Under Secretary of State for  
Industry & Consumer Affairs

**CONFIDENTIAL**

Rt Hon John Wakeham Esq MP  
Lord President of the Council  
and Leader of the Commons  
Privy Council Office  
12 Downing Street  
London SW1A 2AT

NSPm

**Department of  
Trade and Industry**

1-19 Victoria Street  
London SW1H 0ET

Switchboard  
01-215 7877

Telex 8811074/5 DTHQ G  
Fax 01-222 2629

Direct line  
Our ref  
Your ref  
Date

215 4301  
D51AAC

19 December 1988

Dear John,

Ieuan Wyn Jones approached me on 13 December about the view which the Government might take of a Bill to Amend the Hearing Aid Council Act 1968. An early draft of the Bill is attached. Mr Wyn Jones drew ninth in the ballot. The Bill, which was drafted by the Royal National Institute for the Deaf, is one of a number which Mr Wyn Jones is considering. You may be aware that the RNID is running a Fair Hearing Campaign which aims to alter the way in which hearing aids are supplied by the NHS and by the private sector and to reform certain aspects of the Hearing Aid Council.

The aims of the Bill are restricted to the last objective and in particular to:

- i) amend the constitution of the Council to allow equal numbers of "trade" and "consumer" representatives plus an independent Chairman. At present there are 5 consumer members and 6 trade members with an independent Chairman;
- ii) establish a code of advertising practice;

the  
Enterprise  
Initiative

- iii) give powers to the Secretary of State for Trade and Industry and to the Lord Chancellor to require changes to standards, codes or rules under the Act rather than being asked to approve changes proposed by the Council;
- iv) introduce the lesser sanctions of an "admonishment", rather than removal from the register for disciplinary offences of misconduct;
- v) to add as an additional ground for disciplinary action "to have contravened any code of trade practice".

Subject to your agreement and to that of members of H Committee, David Mellor and Nicholas Scott to whom this letter is copied, I propose to tell Mr Wyn Jones that the Government will neither support nor oppose the Bill. If it gets a second reading we will need to consider our position in detail. However I propose to point out to Mr Wyn Jones that one of the most significant amendments proposed, viz the need for lesser sanctions other than erasure of a dispenser's name from the register (which means total loss of livelihood) could be agreed by the Council itself under the terms of Section 10(4) of the 1968 Act without the need for legislation.

There may be some merit in the Bill's proposal to amend the constitution of the Council to give equal numbers of trade and consumer representatives. However I do not consider that this alone would warrant our support for the Bill.

In sum, I suggest that the Government should take the same view as we did earlier this year on Jack Ashley's very similar Presentation Bill to Amend the Hearing Aid Council Act, viz that the Government would need to be fully convinced that the present arrangements were not working satisfactorily and that the hearing impaired were not receiving an adequate level of protection before it could consider supporting amendments to the Act.

I shall need to write to Mr Wyn Jones this week to let him know our views.

*Eric Forth*

*Ei.*

ERIC FORTH

## B I L L

TO

Amend the Hearing Aid Council Act 1968.

BE IT ENACTED by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:

1. The Hearing Aid Council Act 1968 shall be amended as follows:

1) In the title of the Act after "business", there shall be inserted -

"to afford protection from malpractice to the consumers of hearing aids".

2) After section 1(3) there shall be inserted -

"3A - The Council shall draw up a code of trade practice regulating the use by persons registered as dispensers and persons registered as employing such persons of any means of giving publicity to their practice or business of dispensing hearing aids."

3) After section 1(4) there shall be inserted -

"The Secretary of State may review any standard or code drawn up under this section and may require the Council to vary any such standard or code as he thinks fit.

The Secretary of State shall notify the Council of any variation which he proposes to require and consider the observations of the Council thereon."

4) In section 4 leave out subsection (ii).

5) In section 5(1) leave out all after "cases)" and substitute -

"in which the alleged conduct of any person registered to dispense hearing aids or any person registered as employing such dispensers appears to be in contravention of any code of trade practice drawn up under section 1(3) above."

6) In section 5(3) after "constitution" there shall be inserted -  
"● procedures".

7) In section 5 after section 5(3) there shall be inserted -

"The Lord Chancellor may review rules made under this section and may require the Council to vary any such rule as he thinks fit.

The Lord Chancellor shall notify the Council of any variation which he proposes to require and consider the observations of the Council thereon."

8) In section 6(2) after "Committee" there shall be inserted -

"the procedure to be followed and the rules of evidence to be observed in proceedings before the Committee,"

9) Leave out section 6(4) and substitute -

"(4) Rules under this section shall not come into force until approved by the Lord Chancellor, and the Lord Chancellor may approve rules under this section either as submitted to him or subject to such modification as appears to him requisite:

\*Provided that where the Lord Chancellor proposes to approve any such rules subject to modifications he shall notify to the Council the modifications he proposes to make and shall consider the observations of the Council thereon."

(5) The Lord Chancellor may review rules made under this section and may require the Council to vary any such rule as he thinks fit.

The Lord Chancellor shall notify the Council of any variation which he proposes to require and consider the observations of the Council thereon."

10) In section 7(1)(b) after "hearing aids" insert -

"or

is judged by the Disciplinary Committee to have contravened any code of trade practice,"

11) At the end of section 7 insert -

"(5) Where in this section the Disciplinary Committee are empowered to direct the erasure of the name of any person or body corporate from the registers, the Committee may instead administer an admonishment and, if they think fit, cause that fact to be published."

Leave out section 10

13) In section 14 in the interpretation of "dispenser of hearing aids" the word "ora." shall be omitted.

14) In section 14 leave out the interpretation of "hearing aid" and substitute the following -

"hearing aid" means an instrument intended for use by a person suffering from impaired hearing to assist that person to hear better and worn entirely on that person".

2. The Schedule to the Act shall be amended as follows:

1) In subparagraph 1(1) leave out the word "eleven" and insert - "twelve".

2) In subparagraph 1(3)(b) leave out the word "five" and insert - "six".

3. This Act may be cited as the Hearing Aid Council Act 1968 (Amendment) Act 1988.

CONFIDENTIAL



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NBH - 74

dr

Treasury Chambers, Parliament Street, SW1P 3AG

Nicholas Bromley Esq  
Private Secretary to the Minister of State for Social  
Security and the Disabled  
Department of Social Security  
Richmond House  
79 Whitehall  
London  
SW1

10 November 1988

Dear Nicholas

## DISABILITY: OPCS SURVEYS

Thank you for sending me a copy of your letter of 8 November to Dominic Morris at No. 10. The Chief Secretary has also seen the draft press notice and written answer which your officials have kindly sent to ours, together with the final version of the second OPCS report. Officials have already been in touch about this material.

- He believes it is extremely important that the statement makes clear that the report's assessment of living standards takes no account whatsoever of the provision of services by Local Authorities. This is clearly an omission. A related point is that the figures given for average incomes of the disabled are
- after housing costs and do not therefore reflect the contribution of housing benefit to the incomes of many disabled householders. Taken on their own, without these qualifications, figures given for average incomes in the report may give a false impression of the living standards of disabled people.

As well as mentioning the 90 per cent real terms increase in expenditure on disability benefits, the Chief Secretary thinks it would be a good idea to refer to the substantial increases in provision which have been agreed in this year's Survey. He thinks that, in the circumstances of this report, it would be reasonable to depart from the general practice of delaying publication of detailed figures for particular benefits until the White Paper.

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The Chief Secretary was interested by the reference to your Department's new report on the coverage of occupational sick pay schemes. He wonders whether the importance of this point might be emphasised a little more by concluding the relevant paragraph with a sentence on the following lines:

"This shows that there is increasing private sector provision against the risks of long term sickness and disability among employees, as well as growing public expenditure on disability benefits."

The Chief Secretary was also interested by the reference to the expected publication next Autumn of research based on the Family Expenditure Surveys comparing expenditure by disabled people and their families with expenditure by other families. The Chief Secretary assumes that this further report, coming some time after the final OPCS volume early next summer, would not prevent the government announcing its conclusions from the disability review next Summer or Autumn, with the possibility of legislating in the 1989-90 Session (if Ministers were agreed that this was a desirable timetable). The Chief Secretary suggests that, if there is any doubt on this point, it would be better to omit the relevant paragraph from the press statement and written answer.

On the figures for take-up in the draft statement, the Chief Secretary would see some merit in including a table of figures for all the main benefits, not just Attendance Allowance and Mobility Allowance. The increases might also be more effectively described by giving the actual numbers in receipts of each benefit in 1979 and the expected take-up this year.

The Chief Secretary thought that one interesting point which might be brought out in the statement or the briefing for publication day was that nearly one third of disabled people are in employment, with the figure rising to about half for those in category one (the least disabled).

Finally, the Chief Secretary was disturbed by some of the statements made in the summary of volume 2. In particular, he does not understand why it is said on page 2 that "all pensioners are largely dependent on state benefits" when the fact is that there has been a decline in the proportion of pensioners' average incomes accounted for by benefits to less than 60 per cent. Second, the final sentence of the summary says that "overall, disabled adults are likely to experience some financial problem and to have lower standards of living than the population as a whole ...". The report makes clear elsewhere that the majority of those classified as disabled in the survey (ie pensioner) have incomes broadly in line with pensioners in the population as a whole and that 70 per cent of the disabled reported that they were satisfied with their living standards.

The Chief Secretary understands that it is now too late to amend the summary to deal with these points, but he hopes that as much as possible will be done in the press release and briefing of the press, the lobbies, and interested backbenchers to counter the impressions given in the summary on these questions.

CONFIDENTIAL

I am copying this letter to Dominic Morris and to the Private Secretaries of other members of H Committee and to Trevor Woolley.

*Yours ever*

*Cairns*

MISS C EVANS  
Private Secretary



Home Affairs  
Dunlop May '82





DEPARTMENT OF HEALTH AND SOCIAL SECURITY

Richmond House, 79 Whitehall, London SW1A 2NS

Telephone 01-210 3000

From the Secretary of State for Social ~~Services~~ Security

*APC*

CONFIDENTIAL

Dominic Morris Esq  
Private Secretary  
10 Downing Street  
LONDON  
SW1A

Prime Minister<sup>2</sup>  
We will commission briefing for your questions  
prior but this should have blown over by  
the time you are back from Washington

8 November 1988 *JM*

Dear Dominic

*mb*

OPCS SURVEYS OF DISABILITY: SECOND REPORT

I wrote to you on <sup>17</sup> ~~17~~ *17* October about the timing of publication of the reports on the OPCS surveys of disability and the content of the key second report on the financial circumstances of disabled adults in private households. I am now writing to let you know the arrangements for publishing the second report.

We intend that the report will be published after Questions on Tuesday 15 November. Publication will be low key and will be announced in response to an inspired PQ. Both OPCS and DSS will issue press notices.

Presentation of the report requires careful but positive handling. The main finding is that disabled people do generally have low incomes but do not have substantial extra costs arising from their disabilities. We can expect commentators on the report to focus on the position of disabled people in the income distribution, particularly those below pension age. There will be pressure to provide additional resources and to expand existing help with extra costs arising from disability to people who are less severely disabled. There may also be demand for increased publicity for the extra costs benefits, Attendance Allowance and Mobility Allowance, in response to the OPCS finding that a significant proportion of very disabled people receive neither benefit (22% of the most severely disabled and 41% of the next most severely disabled group).

E.R.

Positive responses to these points include the growth in expenditure on disability benefits - £7 billion in current expenditure, a real terms increase of more than 90% since 1979 - and the improved support given to many disabled people in the social security reforms introduced in April 1988, after the survey was carried out. We can also draw attention to the OPCS findings that Attendance Allowance and Mobility Allowance are well targeted on the most common and most expensive indicators of disability costs; that actual extra costs are in general much lower than the current level of these benefits; and that take-up of both Allowances has risen by almost 40% since the OPCS data was collected.

I am copying this letter to the private secretaries of members of H Committee and to Trevor Woolley.

Yours,  
Stuart

STUART LORD  
Principal Private Secretary



DEPARTMENT OF HEALTH AND SOCIAL SECURITY

Richmond House, 79 Whitehall, London SW1A 2NS

Telephone 01 210 3000

From the Secretary of State for Social Security

*cc gu*

Dominic Morris Esq  
Private Secretary  
10 Downing Street  
LONDON  
SW1A

17 October 1988

*Dear Dominic*

OPCS SURVEY OF DISABILITY

Thank you for your letter of 6 October conveying to Ministers in all Departments the Prime Minister's wishes on the commissioning of public statistics and reports. Her comments arose from concerns about the OPCS survey of disability but in your preceding telephone call you confirmed that the Prime Minister recognised that responsibility for such difficulties did not lie with my Secretary of State. I can assure you that my Secretary of State does ensure that research is commissioned with proper caution and that - as with the disability survey - other Departments are consulted where necessary.

You also expressed interest in the remaining reports in that series. There will be five more reports as follows:

financial circumstances of disabled adults in private households;

prevalence of disability among children;

disabled adults' use of services, including institutional care;

financial circumstance of families of disabled children; and

disabled childrens' use of services, including institutional care.

The first report in this list will be published next month and the remainder between February and July next year. OPCS divided up the survey results in this way because of their volume and

diversity. There is also the important presentational consideration that this will permit the publication of results as soon as they become available and are written up, thereby helping us to rebut the persistent but unfounded allegation by Alf Morris and others that the Government is delaying publication to suit its own purposes.

We, and now also the Department of Health, are considering carefully with OPCS how the results should be presented and interpreted in each report. OPCS rightly and jealously regard their reputation for high quality social research. But on the first report for example were able to secure important changes in the presentation of the threshold of disability chosen for the survey and of the significance of the resulting statistics.

The next report - on financial circumstances of disabled adults - paints a complex picture. The main findings are that the majority of disabled people, even those below pension age (for whom the proportion is 70%), are non-earners and that they have low incomes. But those receiving the benefits paid on account of attendance or mobility needs are better off than others wholly dependant on benefits. The attendance and mobility allowances are shown to be fairly well targeted on the main areas of extra costs incurred by disabled people but the actual extra costs are generally far lower than the current level of these benefits. There are also strong signs that many people eligible for these benefits are not receiving them.

When this report and subsequent ones are published, Social Security Ministers will use every opportunity to emphasise the positive findings and the Government's record in this field. For example, as an adjunct to the next OPCS report next month we shall also be publishing market research results which give good news on the spread of long-term occupational sick pay.

*Ward,*

*Stuart Lord,*

J S LORD  
Principal Private Secretary

Home Affairs

Report of the committee on  
resistance against Disabled  
People.

Mar/'82



CONFIDENTIAL



*file*  
EATACJ

10 DOWNING STREET  
LONDON SW1A 2AA

*From the Private Secretary*

6 October 1988

*Dear Stuart*

OPCS SURVEY ON DISABLEMENT

Thank you for your letter of 30 September following the Prime Minister's earlier enquiry raised by your Secretary of State's letter of 26 September to the Lord President. The Prime Minister has noted the efforts of your Secretary of State to ensure a balanced presentation of the figures for the disabled set out in the OPCS report but has commented that this highlights the need for Ministers to pay very close attention to the parameters for statistics and reports before work which is to be published is formally commissioned. She hopes that your Secretary of State and Ministers to whom this letter is being copied will keep this firmly in mind.

I am copying this letter to the Private Secretaries to Ministers in charge of Departments and to Trevor Woolley.

*Yours sincerely*  
*Dominic*

DOMINIC MORRIS

J. S. Lord, Esq.,  
Department of Social Security

*DJS*

CONFIDENTIAL

PRIME MINISTER <sup>2</sup>

When you saw Mr. Moore's letter reporting the imminent publication of the OPCS survey on Disability (Flag A) you asked who had set the threshold of disability at such a low level and why.

I attach at Flag B a letter from Mr. Moore's office. You will see that the decision was taken by DHSS Ministers in 1984. Despite further prompting they have been unable to unearth any evidence that this was considered by Ministers more widely.

The third paragraph of Flag B sets out the reasoning for setting the threshold at the low level. Mr. Moore is clearly aware that, presentationally, that reasoning is not wholly persuasive and the Opposition will no doubt revert to it in November when the next instalment of the OPCS report comes out.

dm

(DOMINIC MORRIS)  
4 October 1988

This is yet another example  
of Ministers paying too  
little attention to the parameters  
for statistics. They really must  
be revised <sup>not</sup>





DEPARTMENT OF HEALTH AND SOCIAL SECURITY

Richmond House, 79 Whitehall, London SW1A 2NS

Telephone 01-210 3000

From the Secretary of State for Social Services ~~XXXXXXXX~~ Security

Dominic Morris Esq  
Private Secretary  
10 Downing Street  
LONDON  
SW1

September 1988

**OPCS SURVEY OF DISABLEMENT**

You told me that the Prime Minister had enquired about the origins of the OPCS survey of disablement, whose first report was published yesterday, and in particular about the threshold which defined people as 'disabled' for the purpose of the survey.

The Government came to office in 1979 pledged to establish a coherent system of benefits for disabled people. Existing data (the 1969 Amelia Harris survey) was only partial in its coverage and well out of date. Mr Rossi, then Minister for Social Security, decided in 1982 that a new survey should be planned and said so publicly. Dr Boyson (Mr Rossi's successor) and Mr Newton (then Parliamentary Secretary) approved detailed plans in early 1984. Later that year when announcing the social security reviews, Mr Fowler publicised the decision to go ahead with the survey, explaining that this different approach to the examination of disablement benefits was required by the lack of reliable information.

The relatively low threshold of disability chosen for the survey was an explicit and essential feature of the plans approved in 1984. It was deliberately set fairly low for the sake of comprehensiveness, with clear recognition from the outset that the threshold chosen would not equate with the need for benefits or services. Arguably it is better tactics to have a low threshold demonstrably well below the need for benefits or services than to have a higher one above which, critics might persuasively argue, everyone needs help together with others - neglected - below it.

My Secretary of State has been well seized of the presentational difficulties inherent in the survey as was explained in his letter of 26 September and in Mr Scott's of 12 August to the Lord President. They have been at pains to minimise them. Immediate press reaction suggests that we have succeeded in getting across the significance of the low threshold.



The second report, due in November, gives information about the incomes, expenditure, and standard of living of disabled adults. The results it contains are complex and it does not contain - or readily lend itself - to any global estimates of extra benefit spending supposedly required. Our Ministers will be taking similar pains with the presentation of this and the four subsequent reports.

*Yours*

*John Lord*

J S LORD  
Principal Private Secretary



DEPARTMENT OF HEALTH AND SOCIAL SECURITY

Richmond House, 79 Whitehall, London SW1A 2NS

Telephone 01 210 3000

From the Secretary of State for Social Services: Security

cc: [unclear]  
Prime Minister<sup>2</sup>

The Rt Hon John Wakeham MP  
Lord President of the Council  
and Leader of the House of Commons  
Privy Council Office  
Whitehall  
LONDON  
SW1A 2AT

26 September 1988

[Handwritten signature]

Who set the threshold at this  
low level and why?  
not

**PUBLICATION OF OPCS SURVEY REPORTS ON DISABILITY**

Nick Scott's letter of 12 August alerted you and colleagues to the impending publication of a series of reports by the Office of Population Censuses and Surveys, based on the major survey they began in 1984.

Publication of the first report has now been set for Wednesday 28 September. It is likely to attract publicity for its estimate of 6 million disabled people with calls to improve benefits and services. We intend to set this estimate in context as a product of the relatively low threshold of disability used in the survey, which does not necessarily imply a need for benefits or services, although we will also emphasise our record of improvements. I enclose a copy of the statement which Nick will make, the terms of which have been agreed by John Major.

To help get our message across, Nick will be attending the press conference which OPCS have called to launch the report and will also be briefing the key journalists. When Parliament reassembles, we intend to brief colleagues in both Houses about this and later reports.

I am copying this letter to the Prime Minister, the Chief Whip, and members of H Committee.

[Handwritten signature]

JOHN MOORE

DRAFT MINISTERIAL STATEMENT ON THE  
PUBLICATION OF THE FIRST OPCS REPORT ON DISABILITY

1. I welcome the publication of this report by the Office of Population Censuses and Surveys (OPCS). It launches a series of reports which between now and next summer will provide the largest volume of up-to-date information about disabled people that has ever been collected.

2. Four separate surveys by the OPCS have looked comprehensively at people of all ages with all types of disability, down to a relatively low threshold of severity. The threshold chosen means that the resulting estimate of 6 million disabled people includes many who would not regard themselves as disabled or in need of special help from services or cash benefits. For example, almost 70% of the 6 million were people aged 60 or over, many of whom consider the relatively minor limitations of hearing, vision or movement recorded by the survey as in fact normal for their age. In all, about a third of the 6 million fall within the 2 lowest of 10 categories of severity. As the OPCS report itself points out:

"The choice of a relatively low threshold of disability means that it is all the more important to avoid any sweeping conclusions - for instance that all those included in this study are unable to support themselves, or are unable to lead normal lives or are necessarily dependent on services or social security benefits."

3. We shall consider carefully the implications for benefits and services of this report and the further five which OPCS are due to publish over the next 9 months. We will use the survey data to help judge how the substantial existing resources are targeted and to see whether there are better ways of providing help to those who need it most. We shall welcome comments on the reports as they are published.

4. Policy for future benefits for disabled people must reflect the considerable growth in expenditure already under this Government - 80% in real terms since 1979, with a total now standing at about £7 billion per year. And because two-thirds of disabled people are past retirement age, it is worth remembering that over the same period pensioners' incomes have improved by 23%. Our consideration of the survey findings must also acknowledge the considerable changes that occurred last April - after the survey was carried out - which resulted in £70 million extra being spent on income support payments for disabled people.

5. In the field of services for disabled people, the Department of Health is planning with the local authority associations for the progressive implementation of the remaining sections of the Disabled Persons Act 1986. And the Government has also given planning guide-lines to health authorities which emphasise the need to plan and develop services across the whole range of disabilities. To carry this forward, a Health Notice will shortly be issued, giving models of good practice.

6. The implications of the unprecedented wealth of information from the OPCS surveys stretch far beyond central government. So I hope that the reports will generate discussion about the best ways of providing help for those disabled people who need it - involving not only central government but also local and health authorities, the professions, voluntary organisations, employers, and everyone else in a position to help. Above all, I hope that the reports will stimulate new impetus and insights to help disabled people overcome the effects of their disabilities and, by being better able to help themselves, to achieve the independence which they most prize.

HOME AFFAIRS: Disabled People. May 62



CONFIDENTIAL



*copy 1*  
*nbpm*

ELIZABETH HOUSE  
YORK ROAD  
LONDON SE1 7PH

The Rt Hon John Wakeham MP <sup>01-934 9000</sup>  
Lord President of the Council  
and Leader of the House of Commons  
Privy Council Office  
Whitehall  
London SW1A 2AT

*August 24/1988*

*Mr. Min.*

*State Paper*

Nicholas Scott sent me a copy of his letter of 12 August about the OPCS Survey of Disabled People.

My Department was, of course, kept in touch with the progress of this survey and I look forward to the publication of the reports. As Nicholas says the whole question of benefits is a delicate and difficult one, and, especially when looking at children, we need to look at the way in which early intervention may both improve the quality of life for the individual and reduce his dependence on benefits later in life. There is also the broad question of the extra demands which a disabled child makes on the family, and the extra help which these families may need to enable them to cope with the demands.

I hope that my Department can be actively engaged in the preparation of the Green or White Paper, and that Nicholas' officials will be in touch with mine at an early stage in the discussions.

I am copying this letter to the **Prime Minister**, the Chief Whip, Nicholas Scott and the other members of H Committee, and to Sir Robin Butler.

*[Handwritten signature]*  
*[Handwritten signature]*

Home Address: Disabled

People Magazine







## DEPARTMENT OF HEALTH AND SOCIAL SECURITY

Richmond House, 79 Whitehall, London SW1A 2NS

Telephone 01-210 3000

*From the Minister of State for Social Security and the Disabled**Prin Thinks<sup>2</sup>*

CONFIDENTIAL

The Rt Hon John Wakeham MP  
 Lord President of the Council  
 and Leader of the House of Commons  
 Privy Council Office  
 Whitehall  
 LONDON  
 SW1A 2AT

12 AUG 1988

*Dear John,*

You may be aware that the Office of Population Censuses and Surveys has since 1984 been engaged on a major survey of the numbers, circumstances and needs of disabled people. In all it comprised four separate surveys, of adults and of children, in private households and in institutions.

The results of the surveys, which will be very substantial, detailed and complex, will be published in a series of five reports over the period up to early summer next year. The first report, on the methodology of all the surveys and on the prevalence of disability among adults, will be published in late September. The second, on the financial circumstances of adults in private households, will follow in November. Subsequent reports will deal with adults' use of services and will provide the same range of information about children as about adults. I have no doubt that there will be much in the reports which is of interest to colleagues in other Departments.

These reports are certain to give rise to much public discussion some of which will be directed at urging early action by Government but on the other hand we also expect there to be pressure for a full-scale review of disability benefits, along the lines of the social security reviews. So far we have said only that we have not yet decided what form our consideration of the reports will take and that we will make an announcement in due course about consultation. We do not, in fact, intend to conduct a public review: officials here have been re-examining disability benefits and, during the rest of this year, we shall be considering what options there may be for changes to the benefit system. John Moore and I intend to make it

E.R.

clear, on publication of the first OPCS report, that we are spending more money than ever before on benefits for disabled people; that our record in Government in this area (over 80 per cent increase in expenditure in real terms) is very positive; that expenditure is set to carry on rising, and that our first priority will be to ensure that these substantial resources are well targeted.

The first report will show that there are 6 million people within the threshold of disability used for the purpose of the survey, and that 4 million of them are elderly. Such figures will of course need very careful presentation: we shall need to make it clear that the threshold was deliberately set low in order to provide information about a wide range of people with very varying degrees of disability. Moreover because, for very good reasons, disability was measured in a purely objective way and without regard to what might be considered "normal" at a given age, most very elderly people are classed by the survey as disabled to some degree. We will want to discourage any assumption that this automatically means they need benefits or services.

I need hardly say that the whole question of benefits for disabled people is a delicate and difficult one. There is, quite naturally and rightly, a great deal of public sympathy for them and this is likely to be further roused by the evidence from the survey not only that there are large numbers of people with disabilities but also that disabled people in general are not well off; and that many of them, particularly families, are among the poorest members of society. We consider that it would be ill-advised to take any rapid action on this area which did not inject substantial additional resources and have therefore concluded that it is right to play any changes long and to leave options open over the period during which the reports are published. John Moore and I are therefore, provisionally, aiming for a Green or White Paper late in 1989 with legislation in the 1990/91 session at the earliest and implementation of any changes after the next election.

I am copying this letter to the Prime Minister, the Chief Whip, and members of H Committee.

*Yours sincerely*

*Nick.*

NICHOLAS SCOTT



DEPARTMENT OF HEALTH AND SOCIAL SECURITY  
 Alexander Fleming House, Elephant & Castle, London SE1 6BY  
 Telephone 01-407 5522

*Prime Minister* <sup>2</sup>

*From the Secretary of State for Social Services*

The Rt Hon John Major MP  
 Chief Secretary to the Treasury  
 HM Treasury  
 Parliament Street  
 LONDON  
 SW1P 3AG

13 July 1987

*Sealed*

WILL REQUEST IF REQUIRED

DISABLED PERSONS (SERVICES, CONSULTATION AND REPRESENTATION) ACT

In my letter of 29 June to Willie Whitelaw about the 1988/89 rate support grant settlement I referred briefly to the pressures for implementation of sections 5 and 6 of the DP(SCR) Act - which covers the assessment of the needs of disabled school leavers. During the passage of the Act it was said that we hoped to implement these sections in time to benefit young people leaving school in 1987 (see Annex 1). It is now clear that even with urgent implementation the earliest school leavers to benefit under the statutory provisions would be those leaving school in 1990. In view of the commitment already given - including that given by the Prime Minister in April of this year - I think we have no choice but to implement these sections as quickly as possible. I would therefore like colleagues' agreement to my making an announcement to this effect before the Summer Recess. This is necessary in order to complete the necessary consultations with local authorities before making the commencement order in February 1988. The cost of implementing these sections for 1990 school leavers (subject to final agreement by LA members) would be £1.7m in 1988-89 (included in the £10m in the PSS Expenditure Group Report - see Annex 2), then £3.3m in 1989-90 and £9m in 1990-91 when service costs begin to come on stream.

I also referred to the question of whether local authorities should be asked to give help to 'non-statutory' school leavers prior to 1990. This would certainly be in keeping with our previously expressed wishes and we will undoubtedly come under considerable criticism if we take no action to help this group, especially since the local authorities are likely to say publicly that they would have been willing to do their best had they had the resources. The cost of asking them to do so would be likely to be the further £5m in 1988-89 that I referred to in the earlier letter (unfortunately misprinted in the Annex as £15m!). Figures for 1989-90 and 1990-91 would be of the order of £3m. I would much appreciate the agreement of colleagues to this additional provision so that help can be given to pre-1990 school leavers.

I am aware of the undertakings made by my predecessor that he would defer the implementation of those sections of the Act with significant resource implications and that he would find the resources from within his own programme - but not before 1989/90. I am also of course fully seized of Treasury Ministers' view that if it became impossible to delay implementation the earlier costs should also be borne on the DHSS programme. On the timing question, I should register the point that at the time the undertakings were given and for some time thereafter it was believed, drawing on the local authorities' own assessments, that sections 5 and 6 (and 4 and 8) would not carry significant resource implications. On that basis, as Annex 1 explains, the Government entered, in good faith, into what can now be presented as commitments as to the early implementation of those sections. But so far as the costs are concerned I am afraid I see no scope for offsetting savings from within our own programmes. I am sure I do not need to emphasise how health service spending became a major political issue in the election campaign; I cannot afford to prune health service expenditure to meet the costs of implementing the DP(SCR) Act. Nor is there scope for further savings for this purpose on my other budgets.

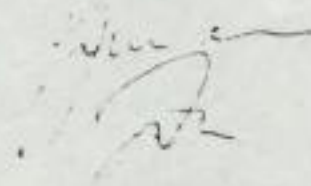
I will be considering how best to handle the continuing pressure for implementing the Act as a whole. It seems to me that there may be merit in seeking to negotiate a programme of phased implementation with local authorities over the lifetime of this Parliament. I am sure that that would enable us to reach agreement on a more realistic total cost than is likely to result from the piecemeal implementation of these sections. I will put my proposals to colleagues after the Recess.

The local authority associations have asked to see Nicholas Scott later this month to discuss the implementation of the Act, as a follow-up to the meeting you had with them in February. Provided he can reach agreement at that meeting on the basis of the figures set out in Annex 1, I would like him to be able to announce immediately thereafter that we shall be implementing sections 5 and 6 not later than February next year. In any case, if we are to meet the timetable I am proposing for those sections, we must make an announcement before the end of this month, so that local authorities have time to make the necessary administrative arrangements. I would be grateful if colleagues would agree that these discussions and the announcement should cover:

- i. the implementation of sections 5 and 6 in respect of 1990 school leavers.
- ii. non-statutory provision for school leavers before that date.

I would also ask colleagues to note that I will bring forward my proposals in respect of the rest of the Act in the Autumn.

I am copying this letter to members of H and E(LA) committees and to Sir Robert Armstrong.



JOHN MOORE

## CONFIDENTIAL

## ANNEX 1

## SECTIONS 5 AND 6

1. Pressure for early implementation of the Act has focused on sections 5 and 6 (disabled school leavers). DHSS Ministers said last summer, when the Bill was before Parliament, that if possible they would like to bring these provisions into effect in time to benefit disabled young people leaving full-time education in the summer of this year, and the Prime Minister made further reference to that aspiration in the House on 9 April (column 447). In the event it did not prove possible to achieve that timetable. The local authority associations belatedly told us that, contrary to their earlier estimates, implementation of those sections would have significant cost for them. But there is clearly likely to be a furore if we decide to delay further in implementing them.

2. We have been discussing with the local authority associations the likely costs of implementing sections 5 and 6 if they were brought into effect before the end of the current financial year. Although we have not yet reached agreement with them at the political level, I am hopeful, on the basis of the outcome of discussions between officials, that we shall shortly be able to do so, at any rate so far as the next 3 years are concerned.

3. The implementation position is complicated by the way of sections 5 and 6 are structured. Given the requirement under the Act to identify disabled children two years before they leave school the first school leavers to benefit under the terms of the statute, if these sections were implemented this year, would be the 1990 leavers (the 'statutory group'). It would however be possible for local authorities to make administrative arrangements for dealing with pre 1990 leavers (the 'non-statutory group') if adequate provision was made for the additional costs involved. Given what Ministers have said publicly, we would still face considerable criticism if none of this group benefited from the Act.

The 'statutory group'

4. In the first year of implementation, we assess the costs for PSS authorities of identifying the statutory group of disabled school leavers as £0.7 million and that cost will recur in following years in relation to each successive cohort. Costs of assessment of each cohort will fall over 3 financial years, the process beginning, in the case of the 1990 leavers, in the first two terms of academic year 1988/89 and being completed by the end of academic year 1989/90 - a total of about £3.3 million (£1.0m, £1.6m, £0.7m in financial years 1988/89, and 1990/91 respectively).

5. Officials have also discussed the costs of additional PSS services required as a result of the implementation of these sections with the local authority associations. These discussions have confirmed that significant costs will not arise until 1990/91 but that currently available information only allows a rough

# CONFIDENTIAL

estimate to be made at this point of their magnitude. We believe that a sum of about £20m a year is likely to be required ultimately but are considering whether the Social Services Inspectorate might monitor the introduction of identification and assessment procedures by local authorities during 1988 and 1989 in order to provide information about the resulting service needs which could form a more accurate basis for assessing additional service costs arising in 1990/91 and subsequent years. We estimate that £5m should be included in the amount needed for 1990/91, representing the part-year costs of extra services, taking account of the fact that a proportion of disabled school children will stay on at school beyond the statutory school leaving age.

## The non-statutory group

6. If non-statutory provision is also to be made for pre 1990 leavers, allowance needs to be made for identification, assessment and service costs in 1988/89 and continuing service costs from 1989/90. The figures have however been scaled down from those given for the statutory group reflect to the fact that the assessment of this group will certainly be less rigorous than the statutory group.

## Conclusions

7. In summary therefore if sections 5 and 6 were implemented before the end of the current financial year, the costs over the next 3 would be as follows:

	<u>1988/89</u>	<u>1989/90</u>	<u>1990/91</u>
	£m	£m	£m
Pre 1990 leavers: (identification assessment and service costs)	5.0	3.0	3.0
1990 leavers:			
i. identification & assessment costs	1.7	1.6	0.7
ii. service costs	-	-	5.0
1991 leavers (identification & assessment costs)	-	1.7	1.6
1992 leavers (identification & assessment costs)	-	-	1.7
	<u>6.7</u>	<u>6.3</u>	<u>12.0</u>

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## ANNEX 2: THE PSS EXPENDITURE GROUP

1. The local authorities side of the PSS Expenditure Group considering likely PSS expenditure in 1988/89 identified a need to spend an additional £15m in 1988-89 due to increased pressure for services as a result of the Act. Some of this seems to be in connection with the implementation of sections 4 (which simply clarifies the existing legislative provision) and 8, and the expectation that sections 5 and 6 will be implemented in relation to 1990 school leavers with some allowance made for the costs of the 'non-statutory group'. The rest is the result of increased expectations of service which have resulted from the passage of the Act and increased demands for services for a wide range of disabled individuals and their representatives. We reduced this figure to £10m in the Group's Report and said that it should be regarded as covering the costs of identification and assessment for sections 5 and 6 (now estimated at £1.7m) if they were implemented this year (ie. there would be no bid for further sums for these in the second and third years of implementation) and a contribution to the general build-up of service pressures as a result of the passage of the Act. If, in addition, we want local authorities to make provision for 1989 school leavers under non-statutory arrangements, we need to move back to the £15m figure.

2. We have also got agreement in the Group that the projection of overall PSS expenditure should be reduced by £20m to take account of the scope for efficiency savings and that extra pressures such as these should be offset to a considerable extent by that figure.



MINISTER  
FOR ROADS AND TRAFFIC

Andy Bearpark Esq  
Private Secretary to the  
Prime Minister  
No 10 Downing Street  
Whitehall  
LONDON SW1

CC MEX  
Jm

DEPARTMENT OF TRANSPORT  
2 MARSHAM STREET LONDON SW1P 3EB  
01-212 3434

My ref:

Your ref:

3 February 1987

*Dear Andy*

LONDON-HEATHROW: TRANSPORT FOR DISABLED PEOPLE

Mr Bottomley has asked me to forward the attached line-to-take and background note for use by the Prime Minister and the Leader of the House, as necessary, on the successor arrangements to "Careline", the wheelchair-accessible bus service operated until last week by Alder Valley North. You may also like to have a copy (enclosed) of the Department's Press Notice issued last Friday.

I am copying this to Steven Wood (Lord Privy Seal's Office).

*Yours ever*  
*NJ*

N J STARLING  
Private Secretary



## LONDON-HEATHROW: TRANSPORT FOR DISABLED PEOPLE

### Line to take

Delighted to know that wheelchair accessible services will soon be available again between Central London and Heathrow, thanks to London Regional Transport. LRT's plans to adapt their existing Airbus services to carry wheelchair passengers are another welcome sign of their increasing responsiveness to the needs of disabled people.

### Background Note

1. In answer to a Parliamentary Question on 30 January, from Mr Conal Gregory MP, Peter Bottomley, the Minister for Roads and Traffic announced plans by LRT to provide coach services for disabled people between Central London and Heathrow airport, following the withdrawal of the existing "Careline" service operated by Alder Valley North, a subsidiary of the National Bus Company.
2. Alder Valley North announced in December 1986 their intention to withdraw "Careline" - which had been in operation since July 1986 - because it had become unsustainable. A report, prepared by the Cranfield Centre for Transport Studies at the request of the Department of Transport, showed that on average 85 passengers per day (approximately four passengers per vehicle journey) were using the service last month, of which 5.9% were in wheelchairs. Losses were running at about £7,000 a week. The report said, however, that there was evidence to suggest a potential demand of up to 20,000 wheelchair passengers

st year for some means of access to the airport by coach, and that the future of "Careline" probably lay in its integration with one or other of the conventional services (Airbus or Green Line).

3. LRT have agreed that they will adapt their existing Airbus services to accommodate wheelchair passengers, and will examine the possibility of a service to link the London terminals of the Airbus at Victoria and Euston with the other main line London stations. Meanwhile, they will be announcing arrangements to provide disabled passengers who notify them in advance with suitable transport between Central London and Heathrow. The Government have authorised LRT to increase their expenditure on transport for disabled people to meet the cost of these new facilities (within existing grant totals).

4. These arrangements may meet with some criticism from the disablement organisations who may have hoped for a continuation of the existing uneconomic "Careline" services or even some increase in their frequency. But LRT's proposals should lead to more cost-effective provision and a more secure future.

30 January 1987

LONDON-HEATHROW: TRANSPORT FOR DISABLED PEOPLE

London Regional Transport plans to provide coach services for disabled people between central London and Heathrow airport, following the withdrawal of the existing "CareLine" service, Peter Bottomley, Minister for Roads and Traffic, announced today.

Answering a Parliamentary Question from Conal Gregory MP (York), Mr Bottomley said:

"CareLine", a bus service operated by Alder Valley North, with facilities for wheelchair passengers, has been in operation between Heathrow Airport and central London since July 1986. In December 1986 Alder Valley North announced that the service would cease as it had become unsustainable. They agreed to continue until the end of this month to allow a study of the service commissioned by the Department of Transport to be carried out. I have arranged for a copy of the report of this study, prepared by the Cranfield Centre for Transport Studies, to be placed in the Library.

"I am pleased to say that London Regional Transport have told me that they are planning to adapt their existing Airbus services between Heathrow and central London to carry wheelchair passengers. They are also examining the possibility of a service which will link the London terminals of the Airbus

service at Victoria and Euston with other main line London rail stations. In the meantime they will be announcing arrangements to provide disabled passengers who notify them in advance with suitable transport between central London and Heathrow.

"I have authorised an increase in LRT's expenditure on transport for disabled people to meet the cost of these new facilities.

"I shall be inviting the Department's Disabled Persons Transport Advisory Committee to assist in the introduction of these services."

#### NOTES TO EDITORS

The study carried out by The Cranfield Centre for Transport Studies looked into the usage of the CareLine service, and the potential demand for the transport of wheelchair-bound passengers between central London and Heathrow. The survey of usage showed that on average 85 passengers per day (approximately four passengers per single journey) used the service, of which 5.9 per cent were in wheelchairs. Based on statistics of wheelchair passengers carried by British Airways and on assumptions about the numbers that might prefer coach transport as a means of access to the airports, the report estimates that the potential demand might be up to 20,000 wheelchair passengers last year.

Press Enquiries: 01-212 0431      Public Enquiries: 01-212 3434  
Out of hours:      01-212 7071.      ask for Public Enquiry Unit.



DEPARTMENT OF TRADE AND INDUSTRY  
1-19 VICTORIA STREET  
LONDON SW1H 0ET

Telephone (Direct dialling) 01-215 5147  
GTN 215 5147  
(Switchboard) 01-215 7877

From the Minister of State  
for Industry and Information Technology

Copies to :

GEOFFREY PATTIE MP

Tony Newton Esq OBE MP  
Minister of State  
Department of Health and  
Social Security  
Alexander Fleming House  
Elephant and Castle  
LONDON SE1 6BY

Prime Minister (6)

For information. When you meet

Harry Tunney in his wheelchair on  
15 July 1986

Monday, you will be able to see how  
he has been helped by new technology.

MEAT 15/7

Dear Tony

As you know, my Department has funded a number of projects in the area of Information Technology for the Disabled over the last few years, as part of our Information Technology Awareness Programme. Now that the Awareness Programme has ended I have been keen to ensure that the impetus towards the provision of new technology for the disabled is maintained.

I therefore asked officials here to discuss with their colleagues in DHSS, DES, MSC and the Scottish Office how best a collaborative scheme could be established between Departments. I am pleased to say that as a result of those discussions we shall be launching a further programme aimed at encouraging the uptake of IT in the disabled area, with collaboration from these Departments.

I hope that you will join with me in giving the fullest support to this initiative which will continue to demonstrate the ways in which Information Technology can enhance the lives of people with many kinds of disability. I enclose a copy of the leaflet which



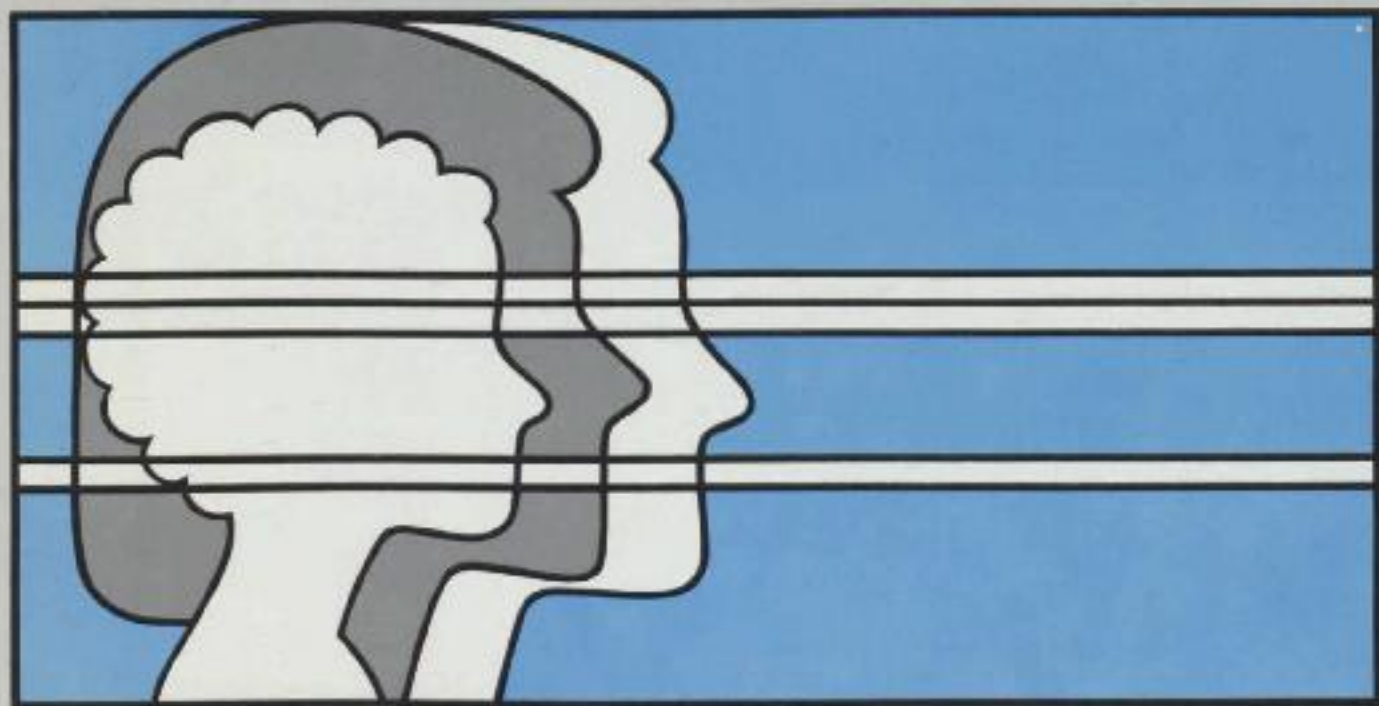
will announce the scheme. I am copying this letter to Malcolm Rifkind at the Scottish Office, Chris Patten at the Department of Education and Science and Ian Lang at the Department of Employment.

A handwritten signature in black ink, appearing to read 'Geoffrey Pattie', written in a cursive style.

GEOFFREY PATTIE

MY5/MY5ABS

# The Concerned Technology



Information  
Technology  
for those with  
special needs



Geoffrey Patte

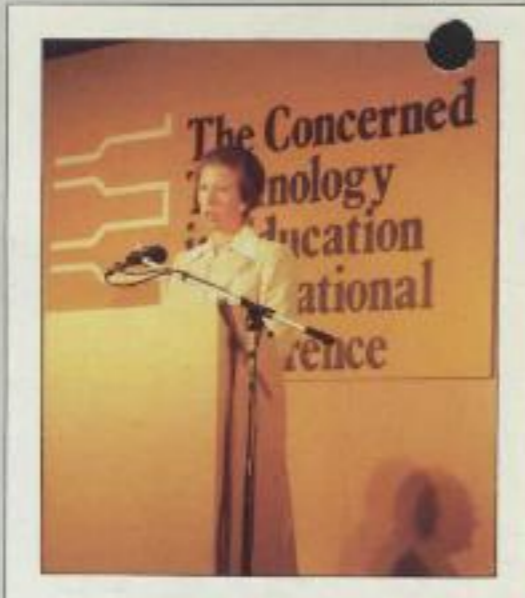
Over the last few years, the Department of Trade and Industry has been seeking to create an awareness of Information Technology (IT) applications among people with special needs. We have encouraged handicapped and disabled people to ask "What do I need?" rather than "What is available?"

Whether in education, recreation, working or simply in providing a vital tool for basic communication, IT can enrich the lives of those with special needs. There are now hundreds of different applications available – most of them based on microcomputers – for people with very different disabilities.

I am keen to continue this commitment to what has been called "The Concerned Technology" with a further measure providing funds, and sometimes advice, for a variety of projects. I hope that this will encourage the improvement of existing IT solutions and the development of new and innovative ways of applying computer technology to those with special needs.

The co-operation of the Department of Health and Social Security, the Department of Education and Science – plus their Scottish equivalents – the Manpower Services Commission and other bodies will add to the effectiveness of this continuing commitment.

Geoffrey Patte MP, Minister of State for Industry and Information Technology



Her Royal Highness The Princess Anne, Mrs Mark Phillips, opening The Concerned Technology in Education Conference in Edinburgh



Learning is fun with technology – a young student uses a microcomputer controlled "Turtle" – developed at Edinburgh University – to draw geometric shapes and practise simple logic

Learning is easier with technology – an Occupational Therapist guides a student using a touch-sensitive Concept Keyboard – an alternative input device to a standard keyboard. Occupational Therapists have found that IT can be a great motivator, helping students improve dexterity, co-ordination and cognitive skills.



Many of the databases already established prove that this way of providing an information service can be a 'lifeline' for those with special needs. Perhaps they need to discover what aids are available for use in the home or at work; or maybe they want to find an hotel with certain facilities. Whatever their information needs, electronic databases can help provide the answers.

As well as supporting projects, the DTI has sought to establish communication between groups involved in setting up databases for the disabled. Many ideas for improving current services, and for establishing new databases to fill the information gaps, have emerged from these discussions. Centralisation and co-operation were the key words for the future, and the DTI, together with other Government Departments, is currently seeking ways to achieve a widely available and unified information service network. Centralisation will give a clear picture of who is doing what in the field of information services for handicapped people, while co-operation will ensure that projects do not overlap. Both will make it easier for people to share information.

The DTI has discussed the way forward for this initiative with numerous national bodies and has also strengthened links with the European Commission's Handynet project.



The Special Education Needs Database, launched in Glasgow, gave people a chance to pool resources, share ideas and experiences, and it highlighted areas of difficulty and duplication of effort

## Technology and Education

In the sphere of education, IT has had a considerable impact. Not only does it offer a new and exciting way to learn, it can also make learning more simple. Used in conjunction with, or in place of, traditional teaching tools like books and blackboards, technology has proved to be adaptable and effective. Often a simple change of software is all it takes to 'customise' a machine to the needs of the individual.

The DTI has backed many computer projects for those with special education needs. In Scotland, for instance, a series of programmes was undertaken, with support from organisations such as the Committee on Special Educational Needs, the Convention of Scottish Local Authorities and the Scottish Microelectronics Development Programme. The aim was to see where technology could be applied to create an environment in which young students could develop their intellectual, social and occupational skills to their full potential.

One of the secrets of technology's success in the classroom is its ability to entertain as it teaches. The Edinburgh University-developed Turtle, for example, proved a fascinating piece of equipment. With simple instructions it can be used to draw geometric shapes and introduce sophisticated mathematical concepts.

For the physically disabled student in Further Education, there are many problems associated with taking lecture notes or writing essays. Often the ability to learn is eclipsed by the sheer difficulty involved in performing these tasks. Microcomputers – with wordprocessing facilities – can open new doors to students. Machines which are easy to use give greater freedom to edit scripts and provide a tool which can also help in calculations and the preparation of simple graphics. The process of writing an essay becomes less time-consuming and frustrating, and gives the student more incentive to learn.

All these examples suggest that the latest generation of computers, and an ever-increasing stock of software options, can offer a realistic and exciting alternative for students with special needs in education.

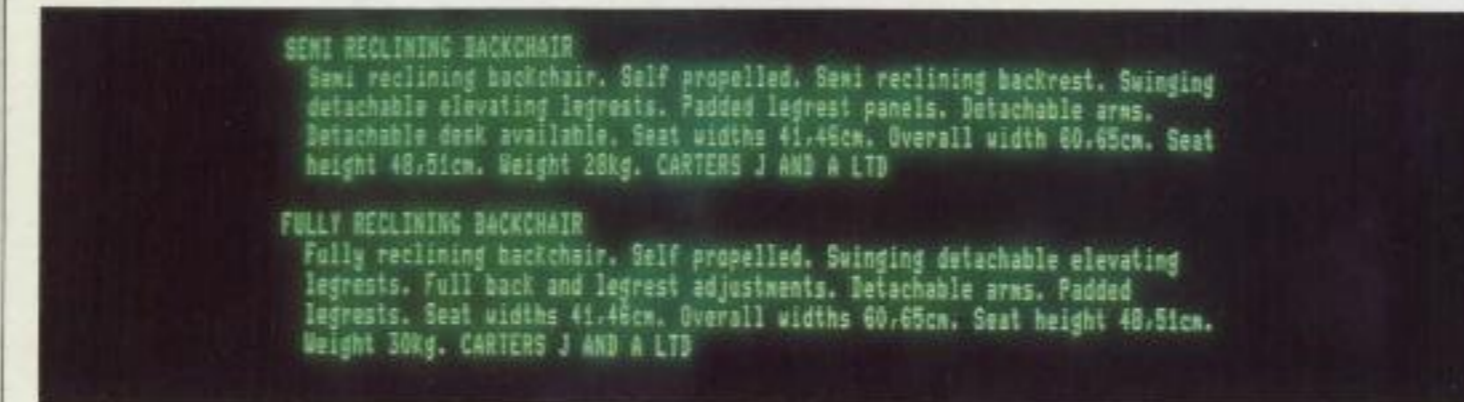


Learning to read with technology – a young girl uses a synthetic speech system to learn braille. It 'speaks' letters as they are typed on the Perkins Braille or the computer keyboard, and can read back the text as words or sentences. Reading braille is practised using the Concept Keyboard. Teachers use the monitor screen to check progress.



Learning to talk with technology – C-speech is a portable speech therapy aid that displays fricatives and plosives as a chequered pattern, while vowels and low-frequency consonants are shown as a white area. Visually matching speech patterns helps clarify speech.

## Information Provision



- Can I find out easily who has the information I need?
- Is the information accurate, current and comprehensive?
- Can I get the information I want quickly and when I want it?

With an effective and carefully organised electronic database of information, the answer to all of these questions is 'yes'.

In industry and commerce, computer banks of data are shared by many different people with the same information needs, based in locations situated far afield. The combination of microcomputing and telecommunications permits an information service which is easy to use and to update. Hard-copy directories and lists which are difficult and expensive to update are no longer the only option.

Since the launch of the IT Awareness Programme in 1982, the DTI's Information Technology Division has been actively supporting groups using IT to set up databases of information for disabled people. As well as stimulating an interest in this idea, and providing grants and equipment, the Department has also been keen to offer technical advice and guidance. It advocates the use of established structures, in order to create a cost effective and efficient way of providing information.

An electronic database can be a unique 'lifeline' for those with special needs. Already widely used in business and commerce, it is a bank of useful information on a specific subject. Unlike hard copy information sources, it can be updated easily and cheaply. Some electronic databases are now available with details of a wide range of subjects relevant to the information needs of disabled people – from welfare benefits to leisure and recreational pursuits.

## Working from Home

One of the trends emerging from the widespread use of IT is the concept of working from home with computer equipment to help carry out job tasks. With advances in new technology, some people believe that working from home will be commonplace before the end of this decade. For employers, this will yield many benefits, such as a reduction in office space needs and overheads.

But this development is particularly exciting for physically disabled people who find it difficult or impossible to travel to work, and some of them have been among the first in the UK to try out this new working concept.

They are participating in a DTI project which investigates the practicality of home work units for disabled people. By the end of 1986, 100 units will have been set up, matching employers with employees. As well as covering the jobs we would normally associate with computers – wordprocessing and programming – participants have taken jobs involving financial management, book-keeping and instrumentation engineering. And because IT is rapidly entering just about every sphere of industry, there will be many more to add to the list.

It is true that an employer must make an extra commitment to employ a disabled person working from home. However, the results so far show that this contribution is more than made up for by the skills, commitment and enthusiasm of the employee.



Disabled people are among the first in the UK to pioneer the concept of using new technology to work from home.

Olive Allison – who suffers from osteo arthritis – is a credit control manager and payroll clerk. She works from her home in Dorset for Key Industrial Equipment – an industrial mail order firm. Her terminal is linked to the company's mainframe computer.

John Gilliland could not continue in his job as a college lecturer when he developed multiple sclerosis.

But, with a DTI-supported home work unit, he has a new career. John works in his own home, interpreting management statistics into diagrams and graphs for the London Electricity Board.



# Technology at Work

The world of work is changing with technology. Employers are discovering that jobs which were once carried out manually can be accomplished more effectively using a combination of computing and telecommunications.

For disabled people, these discoveries bring exciting opportunities with it, they have more freedom to acquire, and use, work skills – at the same time gaining financial independence.



*Oak Lodge is one of the first Work Preparation Departments of the type in the country. Set up by the London Borough of Barnet, it aims to help school-leavers with learning difficulties adjust to the working environment.*

*The transition from the classroom to the office or factory floor can be traumatic for any young person. Oak Lodge sets out to recreate a small-batch production factory, in which young people – guided by careers specialists – discover what kind of work suits them best.*

*The DTI, as part of its programme to encourage the use of IT, provided microcomputing systems at Oak Lodge.*



*With a little effort, blind or partially-sighted people can be competent word processors. Catherine Carter is a typist for the Inland Revenue. She uses word-processing equipment linked to a VersaBraille machine to check and edit text.*

*There are many ways in which the word processor can be adapted for use by the visually handicapped. The obvious solution is a machine with voice output which 'speaks' sentences as they are typed.*

*Some typists with poor sight may manage with an enlarged visual display unit in place of the normal one.*

# Technology for All Ages

Age is no barrier when it comes to technology. Special educational programs capture the imagination of young children while encouraging them to learn. For physically handicapped young people who are keen to take Further Education courses and state exams, technology can help them produce work more easily.

The not-so-young are also getting to grips with computers – and enjoying it. Technology can be both a stimulus and an attraction, and, for some, the very means to communication.



*Helen Ross attends Hereward College in Coventry, where IT is being exploited to help physically disabled students. Helen can use her workstation for lecture notes, essay writing and editing, as well as for calculations and preparing simple graphs.*



*A DTI scheme – run in collaboration with the Department of Health and Social Security – placed 43 microcomputer systems in Occupational Therapy units in hospitals, day centres and schools in the UK.*

*The systems were used to assess, treat and train people of all ages with physical, psychiatric and mentally disabling conditions.*



*Rodney Kitcat is a self-employed accountant, working for several companies in his home county of Hertfordshire. Using his microcomputer workstation, Rodney has updated old skills and acquired new ones.*

The Department of Trade and Industry is responsible for promoting the application of Information Technology – the microelectronics-based combination of computing and telecommunications. The application of IT and the production of its devices are vital for our future economic prosperity. IT in education, health and many other areas beyond traditional manufacturing are supported.

*For more information on specific points, please write to:*

**John McCann,**  
Information Technology Division,  
Department of Trade and Industry,  
29 Bressenden Place,  
London SW1E 5DT.

CC ~~DN~~  
TF  
Press  
PU  
DIC

STATEMENT ON INVALID CARE ALLOWANCE: MONDAY 23 JUNE 1986

With permission, Mr Speaker, I would like to make a statement about invalid care allowance.

Invalid care allowance is intended to help people who care for severely disabled people at home. It is a non-contributory benefit and depends on the claimant caring for the disabled person for at least 35 hours a week. It was introduced by the then Labour Government in 1976 for men and single women who had given up their sole means of livelihood to look after a severely disabled relative. But the legislation specifically excluded married women from benefit.

Since taking office this Government has extended invalid care allowance to those caring for non-relatives and has also increased the earnings limit. Clearly there has also been pressure to extend invalid care allowance to married women. A case concerning their exclusion is now before the European Court of Justice and a debate is expected very shortly in another place. The Government have therefore reviewed the exclusion and have decided that irrespective of the European Court decision the allowance should be extended to married women on the same terms as married men and single persons. Accordingly, the Government will very shortly introduce an amendment to the Social Security Bill to achieve this.

\*The extension of invalid care allowance to married women will mean a very substantial expansion in the scope of the scheme. At present there are less than 11,000 beneficiaries and the cost of the allowance is £13 million. We expect up to 70,000 married women to claim ICA at an addition net cost of around £55 million in a full year.

Mr Speaker, the extension of the invalid care allowance to married women represents a very large improvement in the provision we are making for disabled people in the community. It will recognise the vital role that married women play in looking after disabled people. I hope the change will be welcomed on all sides of the House.

CONFIDENTIAL



file LPO  
cc Bly

10 DOWNING STREET  
LONDON SW1A 2AA

*From the Private Secretary*

19 June 1986

*Dear Tony,*

INVALID CARE ALLOWANCE

The Prime Minister was grateful for your Secretary of State's minute of 17 June which reported the position on invalid care allowance. The Prime Minister is content with the proposed announcement of extension of the allowance to married women.

I am copying this letter to the Private Secretaries to the Lord President, the Chancellor of the Duchy of Lancaster, the Chief Secretary, the Lord Privy Seal, the Chief Whip and to Sir Robert Armstrong.

*David*

DAVID NORGROVE

Tony Laurance, Esq.,  
Department of Health and Social Security.

CONFIDENTIAL

PRIME MINISTER

## INVALID CARE ALLOWANCE

The European Court is expected to rule next Tuesday that the exclusion of married women from Invalid Care Allowance is not justified. Mr. Fowler, with the Chief Secretary's agreement, proposes to announce tomorrow that entitlement to Invalid Care Allowance will be extended to married women.

The annual cost is put at some £55 million and it will require up to 150 extra staff. You were told in Questions briefing that the cost could be as much as £100 million. The change is apparently explained by new estimates of the numbers eligible and also new information on the number of people eligible but who are ruled out because they or their husbands already receive support in alternative ways eg Sickness Benefit or Supplementary Benefit.

The cost will be met from the Reserve this year and will be an inescapable bid for future years.

The DHSS and Treasury considered various ways of reducing the cost but have ruled them out.

The cost will no doubt be more than DHSS say (on the grounds that it always is) but this seems an inescapable course.

DRS

DAVID NORGROVE

18 June 1986

SL2AHU



CC-PS  
C-BX

OTO

Prime Minister

To be aware.

DLV  
18/6.

PRIME MINISTER

INVALID CARE ALLOWANCE

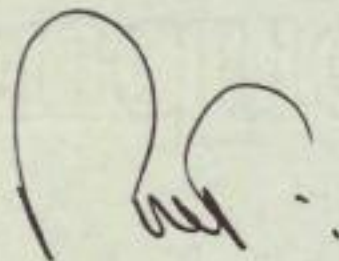
I am writing to let you know that following talks with Willie Whitelaw and John MacGregor I propose to announce on Thursday that we shall be extending entitlement to invalid care allowance (ICA) to married women.

The background to this is that when the Labour Government introduced ICA in 1976, married women, who form the largest single group of carers, were excluded on grounds of cost and because in many cases they would not have given up work in order to undertake care. Since the Equal Treatment Directive came into force in December 1984, Mrs Jacqueline Drake has taken this issue to the European Court of Justice. The Court will give its judgment next Tuesday, 24 June, and we fully expect the Court to uphold her claim, following the opinion of the Judge Advocate General given earlier this year which was unequivocally against us. The effect would be that the Directive would have a direct effect here, and married women would thus become entitled to the allowance, at an annual cost of some £55 million and up to 150 extra staff. Since we had the Advocate-General's opinion, John MacGregor and I have been considering what we might do. We have explored a number of options which could limit the cost, but none of these is, in our judgment, feasible. The most promising was to introduce a new qualifying test based on a recent work record; but this would be seen simply as a device to limit the cost and maintain the exclusion of many married women; and we would be vulnerable to a further charge of discrimination, albeit indirect.

The immediate difficulty is that this issue will be discussed during Lords' proceedings on the Social Security Bill. There is already an all-party amendment down to achieve (though it is technically defective) the straightforward extension of ICA to married women. My judgment, which I believe is shared by both Willie and John, is that nothing short of straightforward extension will succeed. We therefore propose to bring forward our own amendment at Report.

I have concluded that we must announce our intention immediately, to anticipate both the European Court judgment and the Lords' Committee, rather than be seen as responding to either.

I am copying this to Willie Whitelaw, Norman Tebbit, John MacGregor, John Biffen and John Wakeham; and to Sir Robert Armstrong.



---

N F

17 June 1986



## DEPARTMENT OF HEALTH AND SOCIAL SECURITY

Alexander Fleming House, Elephant &amp; Castle, London SE1 6BY

Telephone 01-407 5522

G.T.N. 2915

*From the Joint Parliamentary Under Secretary of State and  
Minister for the Disabled*

The Rt Hon Viscount Whitelaw CH MC  
Lord President of the Council  
Privy Council Office  
Whitehall  
London  
SW1A 2AT

*Done  
3/11*

-2. NOV. 1983

*Dear Lord President,*

*attached*

CHRONICALLY SICK AND DISABLED PERSONS ACT (AMENDMENT) BILL

Thank you for your letter of 18 October.

As the promoters of Robert Wareing's Bill are likely to marshal their support more effectively than was the case with Donald Stewart's Bill, as it is likely to draw support from some Government supporters as well as the Opposition, and as it will probably contain elements to which we cannot strongly object, I have given very serious thought to the possible courses of action open to the Government. Nevertheless, I feel we have no option but to try and ensure that the Bill fails to secure a Second Reading. The replies which I have received from other colleagues, since your letter, endorse that view.

There is nothing we can realistically offer which will persuade the Bill's sponsors to drop those parts of the Bill which are unacceptable - particularly the anti-discrimination clauses. And it is undoubtedly the case that a Bill of this nature, if it were allowed to Committee Stage, would be very hard to control and a continuous source of serious embarrassment to the Government over the coming months.

As the unanimous view seems to be in favour of blocking the Bill if we can, I do not think 'H' Committee need discuss it further at this stage. We will aim to present a paper to the 'L' Committee meeting on 9 November on the tactics to be adopted.

I have in mind that to minimise support for the Bill we should concentrate in the Second Reading Debate on the philosophical and practical objections to anti-discrimination legislation and a Disablement Commission (on broadly the lines followed by Hugh Rossi for the Stewart Bill), whilst putting up a robust defence of the measures we have taken as a Government to help disabled people. Clearly the case for the Bill stands or falls on the discrimination provisions; the other material we expect to be included (and some of which is not so objectionable) is essentially subsidiary.



If, by any mischance, we were to fail to prevent a Second Reading on 18 November, then I agree with Lynda Chalker that we would need to re-examine our options. This would possibly necessitate further consideration by 'H' Committee.

I am copying this letter to the Prime Minister, to members of 'H' Committee, to Norman Tebbit, to Grey Gowrie and to Sir Robert Armstrong.

*Yours sincerely,*

*Cairn Brown*

PP TONY NEWTON

*(Agreed by Mr. Newton  
and signed in his absence)*

Privy Council Office,  
Whitehall,  
London, SW1A 2AT

*With the Compliments  
of the  
Private Secretary  
to the  
Lord President of the Council*



PRIVY COUNCIL OFFICE  
WHITEHALL LONDON SW1A 2AT

18 October 1983

*Dear Sir*

ROBERT WAREING MP'S PRIVATE MEMBER'S BILL ON DISABLEMENT

Thank you for your letter of 29 September asking for views from members of H Committee about the stance to be taken on the Second Reading of Robert Wareing's Bill on 18 November. There seem so far to have been no replies to your letter.

The debate on Donald Stewart's Bill earlier this year showed that there is a considerable feeling amongst all sections of the House on this subject. The Government were able to organise a talking out of the Stewart Bill, but one must anticipate that, with that experience in front of them, the organisers of this Bill may well be more expert. The question would seem to be therefore whether there is any other course of action open to the Government. If you are prepared to propose some alternative, clearly we should discuss the matter in H and do so quickly in view of the timetable for the Bill. If on the other hand, you think that there is nothing to offer which would deter Mr Wareing, the issue becomes one of tactics and should be dealt with by L Committee in the normal way.

I would be most grateful, therefore, if you and other colleagues could let me know as soon as possible whether you feel a discussion in H would be appropriate.

I am sending copies of this letter to members of H Committee, to the Secretary of State for Trade and Industry and to Sir Robert Armstrong.

Antony Newton Esq MP  
Joint Parliamentary Under Secretary of State  
and Minister for the Disabled

### Disabled Persons (Committee Report)

Mr. Greenway asked the Secretary of State for Social Services when he expects the report of the Committee on Restrictions Against Disabled People to be published.

Mr. Ross: The report is being published today, and copies have been put in the House of Commons Library. I am very grateful to the chairman and members of the committee for producing a most stimulating and wide-ranging report. I have written to the chairman of the committee to give him the Government's first reactions to it. A copy of my letter has also been placed in the House of Commons Library. I shall await with interest the reaction of both disabled and non-disabled interests to the report. Ministerial colleagues in other Departments will be drawing the report to the attention of those organisations with which they are in contact which may be affected by its recommendations.



SCOTTISH OFFICE  
WHITEHALL LONDON SW1A 2AU  
TELEPHONE 01 233 3000

Hugh Rossi Esq MP  
Minister of State for Social Security and  
the Disabled  
Department of Health and Social Security  
Alexander Fleming House  
Elephant and Castle  
LONDON  
SE1 6BY

19 May 1982

Thank you for your letter of 7 May outlining the form and terms of the proposed Government response to the report of CORAD.

I am quite happy with the way in which you intend to announce the publication of the report and make available the Government's views on its contents, subject to one or two minor but important amendments to the draft letter to the Chairman of the Committee. Details of these are attached.

As I mentioned in my letter to you of 7 May we propose to draw the attention of certain bodies to some of the specific worthwhile suggestions contained in the report and this is now in hand. The Scottish Council on Disability, which participated in CORAD's work will bring the report to the attention of their members through their news service. All significant bodies in Scotland working with disabled people are members of the Council.

I have asked for a Press Release along the lines of that enclosed with your letter, with which I am content, to be issued in Scotland at the appropriate time. My Press Office will keep in touch with yours about any alterations which might be required before the date of publication of the report.

I have copied this letter to the Prime Minister's Office.

JOHN J MacKAY

AMENDMENTS TO THE DRAFT LETTER TO THE CHAIRMAN OF CORAD

The final paragraph on page 2 of the draft letter should be amended to read as follows:

- line 4 'the Education Act 1981 for England and Wales, and the corresponding legislation for Scotland should do much to promote this for a child'
- line 5 'to be denied admission to the school of choice simply because of relatively minor access problems would'
- line 6 amend 'Act is' to 'Acts are'
- line 9 'White Papers on "Special Needs in Education" and "Special Educational Needs in Scotland" published in August'
- line 14 after 'further education law' insert 'in England and Wales'.

CONFIDENTIAL



## DEPARTMENT OF HEALTH AND SOCIAL SECURITY

Alexander Fleming House, Elephant &amp; Castle, London SE1 6BY

Telephone 01-407 5522

From the Minister of State for Social Security and the Disabled

The Rt Hon Norman Tebbit MP  
 Secretary of State for Employment  
 Department of Employment  
 Caxton House  
 Tothill Street  
 LONDON SW1H 9NF

*of Press Office* 1 Mr Patterson  
 2 Prime Minister 4  
 No minister has raised any  
 objection, and Mr Rossi

prepares to publish this  
 on Tuesday 25 May,  
 after questions. He will  
 issue the press release at A.  
 Wh  
 19/5

*MS*

7 May 1982

Dear Norman,

## PUBLICATION OF CORAD'S REPORT AND GOVERNMENT RESPONSE

Thank you for your comments on the report of the Committee on Restrictions Against Disabled People. It was interesting to see that all those to whom I sent the report were of one mind in that, while supporting measures to help disabled people participate more fully in community life, they found many of its recommendations impracticable and ill-judged.

Several colleagues commented on the need to handle the publicity with care. I propose therefore to write to the Chairman of the Committee giving the Government response in a letter to arrive on the morning of the day of publication (which at present is likely to be sometime in the week commencing 24 May). Publication will be announced to the House by way of a written PQ, which will refer to my letter and pay tribute to the work of the Committee while not committing the Government to accepting its recommendations. Copies of the letter will be available in the House of Commons Library. There will also be a short Press Release.

You may wish to draw the report to the attention of those bodies or organisations with whom you have regular dealings, who are affected by its recommendations. I do not think that we need to ask for reactions, but this would give those who wish to comment an opportunity to do so.

I attach copies of the draft letter and Press Release and, since they are based on comments received from the Ministers concerned I should welcome the agreement of colleagues. I shall assume you are content with the text unless I hear from you by 14 May. I am copying this letter and enclosures to the Prime Minister's Office. You may wish to copy this letter to the MSC and the HSE.

*see.*

HUGH ROSSI

DRAFT

MIN(SS) TO PETER LARGE

To be sent the day before the report is published; first class

First, may I take the opportunity, on the day when CORAD's Report is published, of once again thanking you for all the hard work and thought that went into it. To have produced, within your allotted time, such a substantial and interesting report is no mean achievement, and I am aware how much this was due to the commitment and dedication of the members of CORAD and, above all, to your own enthusiasm.

I would also like to pay tribute to the very valuable work done by CORAD in following up the Silver Jubilee Committee's campaign to improve access. It is vital that improvements in access should continue if disabled people are to enjoy the "full participation and integration" that was one of the aims of the International Year. Amongst CORAD's most valuable contributions to this, was their fostering and encouragement of local access groups who are in the best position to bring about improvements in existing buildings and to ensure that new buildings incorporate facilities for disabled people. In carrying out this aspect of their terms of reference CORAD did a splendid job, and I am sure that all disabled people are most grateful to the Committee.

Since I wrote to you in February, I have had time to study the Report in more detail, and colleagues in other Government Departments have also been able to let me have at least their first reactions to it. I am therefore writing on behalf of all my colleagues rather than just as Minister for the Disabled.

In particular, of course, we have been looking at the list of recommendations made by CORAD to improve opportunities and the quality of life for disabled people. During IYDP the Government laid particular stress on the question of access for disabled people, and we were, therefore, very interested in those recommendations related to that subject. We agree with much of what you say. The useful work that has already been done in this



field strongly supports your recommendation that there should be an Access Committee in England, as there has been in the other countries, to act as a focus for the continuing campaign to improve access. I appreciate your wish that the Committee should be completely free to make access its first priority and that it should cover all disabilities. However, we do not consider that we could justify setting up a separate organisation for this purpose. We think it should be possible to utilise the services of an existing body to provide secretarial and administrative support. It seems to me that this is something which RADAR might well be able to do. There are obvious advantages in using an organisation which has contacts and connections already established and which has previously worked closely with CORAD in fostering access action groups and sending them material.

The access recommendations are clearly matters for the Government. Many others dealing with such subjects as insurance, British Standards, cinemas and theatres, participation in disability organisations, broadcasting and local authority arrangements are not our direct concern, although in many cases I would support the spirit behind the recommendations.

Some recommendations impinge more directly on areas of Government responsibility<sup>and</sup> I will concentrate on these. With regard to education, the Government supports the concept of integration and the Education Act 1981 should do much to promote this. For a child to be sent away to school simply because of access problems would be a negation of what the Act is intended to achieve and the type of situation that the parents' rights of appeal are designed to prevent. As regard further education, the Government's own White Paper on "Special Needs in Education" published in August 1980 urged that there should be a greater choice provided for those leaving school who are handicapped and also urged greater co-operation between the various agencies involved, including the voluntary ones. Proposals by central and local government officials for changes in the further education law which would, inter alia, benefit disabled young people, were published last year and the Government will be announcing decisions on these shortly.

With regard to your comments on health and safety, the Health and Safety Executive have pointed out that safety representatives are appointed by trade unions to advise employers and their training is a matter for the trade unions and employers concerned. It is, in their view, the responsibility of employers to decide how to fulfil their obligations under the Health and Safety legislation. You will be glad to hear that the Executive will shortly be publishing guidance to employers on the pre-employment health screening of workers. This guidance will urge employers not to undertake unnecessary pre-employment health screening and draw attention to the danger of unnecessarily excluding from jobs those with minor or irrelevant health problems. This is very much in line with what your recommendations.

You recommend the extension of the requirement of the Companies Act 1980 that firms employing more than 250 people are required to publish statements on their policy on <sup>our</sup> employment <sup>of</sup> disabled people. I understand that the figure of 250 employees was reached after lengthy deliberations and was adopted both because it is the figure used for other disclosure purposes under the Act, and because it is difficult to see how there could be meaningful 'policies' with smaller numbers. It will be July 1983 before all companies required to comply with the regulations are obliged to publish and it seems sensible to see how the regulations work before seeking to change them.

With regard to your recommendation on pedestrianisation, the Government already encourages local authorities to provide for disabled people when planning such schemes - which seem indeed to be particularly useful to many disabled people. The final decision on such matters is best taken in the light of local conditions and circumstances.

We noted your comments on extending the Orange Badge Scheme to certain parts of central London. As you know, this is an old and thorny problem and the local authorities concerned have argued that to do as you suggest would add to the already severe problems of traffic congestion. Nevertheless, we think this is a matter worth discussing with them again and intend to do so.

Finally, the Government has been considering the implications of your recommendation of anti-discrimination legislation. You will appreciate that this is a very major and far-reaching proposal and I can only give you our preliminary reactions. We recognise that some disabled people do suffer unnecessary restrictions but in view of the fact that most people consider that the problems are lessening (your own correspondents on the whole agreed with this) and that a great deal has been done in the past year by education and publicity, it seems an inappropriate time to introduce such legislation.

The Government would need to be convinced that there were significant breaches of human rights and I do not think that your Report substantiates this. The anecdotes tellingly illustrate certain possible areas of discrimination but, without any attempt to validate them or quantify them, they do not provide an adequate basis for major policy changes. It seems to those to whom I have shown the report that the low response you received suggests that such cases, disturbing as they are, are the exception and the loss of goodwill that might result from legislating for positive discrimination might well outweigh any limited benefit to a few people.

There are also practical difficulties in implementing such legislation and we would like to have seen more discussion of these in the report. The US experience has been sufficient to convince many commentators that legislation does not work in this area: one is left with the old dilemma of enforcing enormously costly and demanding schemes or of building into the legislation so many loopholes that it becomes worthless.

I do not think that equating matters of access and matters of discrimination is helpful. It merely serves to weaken the meaning of the latter term. Access problems are rarely intentional. I think the approach you adopted in your letter of invitation to comment was more realistic on this point than the line taken in the final report. It is also difficult to see how the demands for positive discrimination are not, despite disclaimers to the contrary, in conflict with demands for the end of separate and special treatment.

Our initial reaction to the recommendation for legislation is, therefore, to be unpersuaded. We are certainly impressed by the arguments put forward, but of course the Government has to weigh these against the likely costs - and I certainly do not mean just financial costs - to the whole community. We also have to consider what will bring the greatest benefit to all disabled people, including the mentally ill and handicapped, the multiply handicapped and the elderly who make up the vast majority of disabled people. I think that an increase in public awareness and concern is more likely to benefit these groups than an enforced set of legal rights and I was interested to see Tom Tickell's comments in his Minority Report which support this view.

Before commenting further on the Report we would wish to see what kind of reactions it provokes both from disability organisations and from the community as a whole. I hope that it will stimulate debate and foster public awareness of the problems faced by disabled people. We shall be drawing the report to the attention of those bodies and organisations with whom we have regular dealings who are affected by the report's recommendations.

HUGH ROSSI

MAY 1982

REPORT OF THE COMMITTEE ON RESTRICTIONS AGAINST DISABLED PEOPLE  
PUBLISHED

The Report of the Committee on Restrictions Against Disabled People (CORAD) is published today.\*

CORAD, whose Chairman was Mr Peter Large MBE, was set up by the then Government in January 1979 in response to a recommendation by the Silver Jubilee Committee on Improving Access for Disabled People. Its terms of reference were:-

"To consider the architectural and social barriers which may result in discrimination against disabled people and prevent them from making full use of facilities available to the general public; and to make recommendations."

In a statement about the Report Mr Hugh Rossi, the Minister for the Disabled, today praised the work CORAD had done to improve access for disabled people, particularly by fostering and encouraging local 'Access Action Groups'. He said: "I think CORAD are absolutely right in their emphasis on the importance of access. Disabled People cannot enjoy the 'full participation and integration' which was the aim of last year's International Year of Disabled People unless they can enter and use buildings open to the general public.

"In view of this, I am anxious that the good work done by CORAD and the Silver Jubilee Committee to promote better access should continue. I am therefore examining to which body responsibility for access in England could be given, and how this could be arranged, in order to satisfy the recommendation for a national access committee.

"Many of the Report's recommendations are not the direct concern of the Government. Matters to do with insurance, British standards, cinemas and theatres, participation in disability organisations, broadcasting, and local authority arrangements are for the organisations concerned although I would support the spirit behind many of these recommendations.

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\* Report of the Committee on Restrictions Against Disabled People.  
Price £5.35 from DHSS Publications Unit, PO Box 21, Stanmore,  
Middlesex HA7 1AY

"The Government has however been considering the Report's recommendation that there should be anti-discrimination legislation. I know that some disabled people suffer unnecessary restrictions but much has been done by education and publicity to improve the position. It seems better to build on this, than to legislate for positive discrimination as a right. The loss of goodwill might outweigh any advantage gained, particularly for the less able and most severely handicapped.

"Before considering the introduction of such far reaching legislation we would need to have good evidence that there were significant breaches of human rights and I do not think the Report provides this evidence. There are some very telling anecdotes but without any attempt to validate or quantify them it would not be right to base major policy changes on them. The Committee's Questionnaire elicited a very low response which suggests that such cases, disturbing as they are, are the exception.

"I think it is a pity that the Report did not consider in more detail the practical difficulties of implementing legislation. The US experience has convinced many commentators that legislation in this area does not work: it is either prohibitively costly and cumbersome or has so many loopholes that it becomes worthless.

"I am not therefore convinced by this part of the Report, and was very interested by Tom Tickell's minority report. It is now up to the disability organisations and the community as a whole to make known their views on how to improve the participation and integration of disabled people."

DRAFT PQ

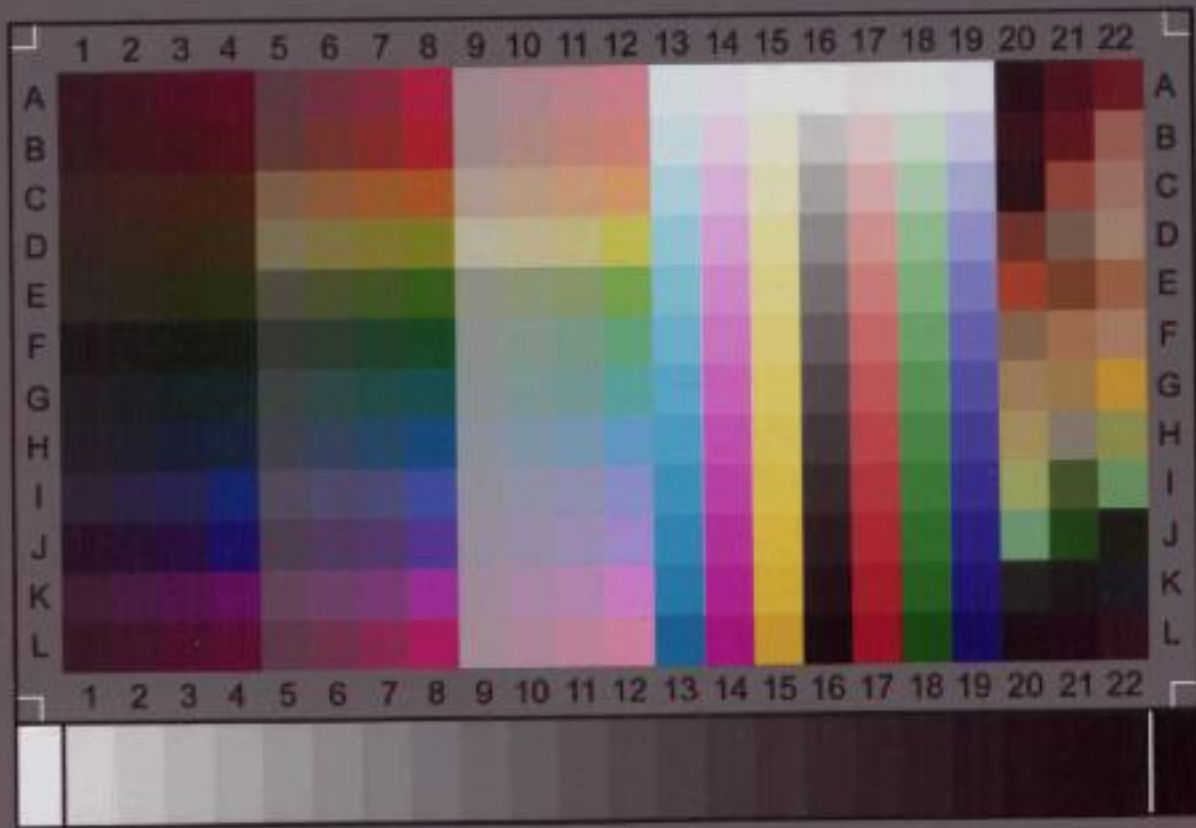
Suggested Question

To ask the Secretary of State for Social Services when he expects the report of the Committee on Restrictions Against Disabled People to be published?

Suggested Reply

Minister for the Disabled

The report is being published today, and copies have been put in the House of Commons Library. I am very grateful to the Chairman and members of the Committee for producing a most stimulating and wide ranging report. I have written to the Chairman of the Committee to give him the Government's first reactions to it. A copy of my letter has also been placed in the House of Commons Library. I shall await with interest the reaction of both disabled and non-disabled interests to the report. Ministerial colleagues in other departments will be drawing the report to the attention of those organisations with whom they are in contact who may be affected by its recommendations.



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