



A UnumProvident response to the Prime Minister's Strategy Unit

**'Improving The Life Chances Of Disabled People Report'**

**January 2005**



## UnumProvident

In terms of private provision, UnumProvident is the UK's leading provider of group income protection insurance, with over 30 years of experience. Our products enable individuals to protect their incomes, protecting their financial security, if they are unable to work due to illness or injury. For employers, we safeguard one of their most valuable resources, by helping employees return to work following long-term absence.

At the end of 2004, UnumProvident protected over 2.1 million lives through more than 19,800 schemes. During 2004, we paid total benefit claims of over £249 million, of which more than £177 million was related to income protection claims. Our US parent company, UnumProvident Corporation, traces its history back to 1848 and is today the market leader of group and individual income protection insurance in the United States.

In the UK, our commitment to the wider world of disability and employment is shown by our prime mover support for 'New Beginnings'. The 'New Beginnings' programme – now renamed from March 2005, 'Beginnings' – allows UnumProvident to share its unique skill set and perspective on disability and employment with other interested stakeholders, which include organisations such as the Shaw Trust, Disability Alliance and The Royal Mail. This coalition of private sector, employer & employee organisations and groups of and for disabled people, believes that placing and then keeping disabled people in productive employment will provide fulfilment and self-esteem, and importantly economic independence.

In 2004, our long-term interest in vocational rehabilitation was demonstrated by the appointment of Prof. Mansel Aylward to be the first director of the UnumProvident Centre for Psychosocial and Disability Research at Cardiff University. The Centre's research will lead to a better understanding of what makes people incapacitated, how to prevent disabling incapacity and how to help people return to work after illness.

## Background

UnumProvident believes that the Strategy Unit's report sets out an ambitious programme of action that if fully implemented will bring disabled people fully within the scope of the "Opportunity Society". We agree that by supporting disabled people, to help themselves, a step change can be achieved in participation and inclusion.

The report sets the Government an ambitious target for improving the life chances of disabled people. ***'By 2025, disabled people in Britain should have full opportunities and choices to improve their quality of life and will be respected and included as equal members of society'***.

Our initial comment on the 2025 delivery date is that its a long way off, but the report identifies some quick wins, which if achieved would kick-start an agenda for change, for disabled people, particularly for those seeking employment.

Themes, which if implemented would pay quick dividends are:

- **Helping disabled people to achieve independent living by moving progressively to individual budgets for disabled people;**
- **Facilitating a smooth transition into adulthood by putting in place improved mechanisms for effective planning of the transition into adulthood, and thus removing the "cliff edges" in service provision;**
- **Improving support and incentives for getting and staying in employment by ensuring that support is available well before a benefit claim is made and reforming the gateway onto entitlements.**

UnumProvident believes that work is a key factor in promoting self-esteem, economic independence and eventual social status of disabled people. Of the four key areas within which the report envisions a strategy for disabled people, we believe that putting in place practical measures for improving support and incentives, for getting into and staying in employment are key. The report identifies several measures, such as ensuring that support is available well before a benefit claim is made; reforming the gateway onto entitlements; providing effective work-focused training for disabled people; and improving Access to Work and other in-work support; all of which will see more disabled people in work and contribute to the Government's overall targets for employment.

UnumProvident concurs that this package of measures will extend choice and improve incentives for disabled people and also deliver improved outcomes for their families. We are pleased to see that the Government has accepted all the recommendations in the report.

We agree that a clear distinction and workable definitions need to be established between sickness, illness, impairment and disability, and would like to see the employment issue discussed in terms of capability and ability rather than incapability and disability. The announcement that the strategy will now be driven forward by a new Office for Disability Issues reporting to the Minister for Disabled People is a positive step. As this office is established, UnumProvident would be very pleased to offer it any assistance we may, in achieving its aims and ambitions.

#### The Report

Our major area of expertise is the employment situation for disabled people, so UnumProvident will restrict its remarks to this domain.

The report recognises that disabled people face a wide range of barriers to employment including

- **Attitudinal** - among disabled people themselves and among employers and service providers;
- **Employment Policy** - resulting from a recruitment system, which does not take into account the differing physical and mental capabilities of disabled people;
- **Physical** - through the design of the built environment, transport systems etc;
- **And those linked to empowerment** - as a result of which disabled people are not listened to, consulted or involved.

The cumulative effect of these barriers is to marginalize disabled people from the workplace and its the removal of these barriers that is the key to empowering disabled people, and providing them with the opportunity to exercise their full economic function in society.

Significant negative socio- economic costs arise from disabled people being disadvantaged and not playing a full role. The report states that many disabled people feel they are a burden to society, because they cannot make an effective contribution to the economy – yet with the right support, they could be working and making a full economic contribution. UnumProvident agrees that disabled people currently out of work represent a significant pool of potential skills and abilities – if only that potential could be utilised, and expectations rise amongst the society, net benefits would accrue to the wider economy.

Instead of being empowered to work, earn, spend and pay taxes; too many disabled people are left to depend on benefits and government support. In many cases, intervention will be justified on straight value for money grounds – for example, if more disabled people are helped into, and retained into the workplace, there would be increased tax revenues and lower spending on incapacity benefits. Being unemployed brings a recognised ill-health burden with it, and moreover poor economic outcomes during their working lives prevent disabled people from providing for their old age and thus prolongs disadvantage into retirement.

UnumProvident recognises that recent government policy has delivered some significant improvements. The Government has introduced a number of changes since 1997, including the New Deal for Disabled People, Pathways to Work and extensions to the Disability Discrimination Act 1995. However, more is needed to improve the labour market status of disabled people, and raise, amongst employers generally, the levels of expectation for what disabled people can achieve in the workplace.

We endorse the proposed roll-out of a national implementation of ‘Pathways to Work’ as envisaged in the DWP Five year Plan, although we await some further clarity as to where the funding for this is to be sourced, and also the Government’s proposal for a Green Paper on IB reform, which is due to be published in mid to late 2005.

We agree that effective early intervention should help disabled people to stay in touch with the labour market. Employment-focused support must be made available before disabled people have spent some time away from the labour market and thus become un-attached to work.

The two sets of recommendations in the report which should go some way in ensuring that support is provided earlier in the process are positive, namely - a strategy for work-focused rehabilitation, which builds on the framework for vocational rehabilitation, and building on the Pathways to Work process, so that assessments for incapacity benefit entitlement are moved closer to the start of the claim. These assessments should be used as much to assess what support is needed to enable someone to return to work, as to assess their benefit entitlement. Our own experience as an insurer is that these two initiatives have proven to be very effective in improving return-to-work outcomes

As well as providing disabled people with the skills that employers want, further promotion of the Access to Work programme is required and resources need to be made available so that employers are able to access the relevant advice and financial support required to make the necessary workplace adjustments.

## Recommendations

UnumProvident were pleased to note that Chapter 7 of the report - *Employment* - contained 20 recommendations and we have the competencies to assist the DWP with the implementation of those appended below and could also impact upon several of the other domains

<p>(7.1) <b>Rehabilitation</b></p> <p>a) A set of arrangements for vocational rehabilitation available and accessible for employers, employees and benefit claimants – By 2008</p> <p>b) Joint working between DH and DWP through the Health Safety and Productivity Workforce</p> <p>c) Invite the Academy of Royal Medical Colleges to examine how to increase attention to work as a positive driver for good health.</p> <p><b>UnumProvident has significant resources of in-house vocational rehabilitation expertise and experience, which we are happy to share with Government.</b></p>
<p>(7.2) Occupational health</p> <p>a) Encourage increases in the quality and quantity of OH provision and encourage employers to provide OH services to their employees by 2008 onwards</p> <p><b>UnumProvident has both the skill-sets and access to 3<sup>rd</sup> party resources, which we are happy to share with Government</b></p>
<p>(7.3) The role of GPs</p> <p>Identify, and assist GPs to adopt, best practice in patient care - By 2007</p> <p><b>UnumProvident's in-house medical team have strong opinions in this regard and our Cardiff Centre for Psychosocial and Disability Research sees this as a key area for research</b></p>
<p>(7.4) Benefits assessments</p> <p>a) Review the processes of assessing eligibility for disability-related benefits -By 2008</p> <p>b) Identify whether the PCA is nearest the optimum point or can be further repositioned -By 2006</p> <p><b>UnumProvident's Income Protection claims management expertise could provide some important synergies in this area</b></p>
<p>(7.14) Employer awareness</p> <p>Employers should lead a campaign promoting the business benefits of employing disabled people - 2006 onwards.</p> <p><b>UnumProvident's sponsorship and involvement with 'Beginnings', a coalition of employers, charities and agencies for disabled people, makes us uniquely placed to advise on methods of informing employers, particularly SME's.</b></p>
<p>(7.15) Advice for employers</p> <p>A single, well-known, point of information and advice for employers to be considered - By 2006 (See 7.14)</p>
<p>(7.16) Jobcentre Plus and employers</p> <p>Develop 'reference sales' products on disability issues for SME's. - By 2008 (See 7.14)</p>

## Summary

UnumProvident believes that the current welfare, tax and benefits systems can act as a disincentive, making it difficult for disabled people to return to work. The system is complex and can provide strong disincentives for disabled people to look for work, in terms of structure, payment criteria and terminology.

We believe that there is a strong case for a fundamental review of, and reform to, the current welfare system. Policymakers must ensure that work always pays more than welfare, and more importantly that it is clearly seen to do so.

Work should be viewed as a normative part of life, where the seeking of work, instead of drawing welfare benefits, is seen as the socially correct thing to do and therefore is supported, encouraged and applauded.

The Government has a supportive and educative role to play in terms of information and advice. Employers have a key role to play and can do much to identify and remove barriers that prevent a return to work, especially if they engage with illness, disability and absenteeism in a positive way. However, possibly the most important intervention is with assisting disabled people themselves to compete for jobs.

As and when the structures, which will be established to implement the Strategy Unit's report emerge, UnumProvident look forward to engaging with Government to assist where relevant.