“Ahead of the Arc” – a Contribution to Halving the Disability Employment Gap

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The All Party Parliamentary Group on Disability

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Foreword by Dr Lisa Cameron MP

The Disability Employment Gap is large and enduring. It is between 30 and 40 percentage points depending on how disability is defined. This means that disabled people are more than twice as likely as non-disabled people to be without work. This matters because work is the norm for people of working age. It is what most people choose to do.

This is because work confers important benefits. It provides opportunity for purposeful activity, for financial independence, for social inclusion and social status. Not having work is closely linked to social isolation and to poverty. It is therefore important if disabled people are not included in the workplace.

The All Party Parliamentary Group (APPG) on Disability Inquiry offers proposals to help halve the disability employment gap. The Inquiry was launched amid concerns that too much attention was being paid to reducing the benefits bill and not enough attention to helping disabled people participate in the labour market. Written evidence was invited on this latter theme in May 2016 with oral evidence sessions held in August 2016. The call for evidence and witness sessions allowed disabled people to engage in debate and identify areas where more help should be provided. It is therefore hoped Parliament and Government gives serious consideration to the suggestions herein.

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Executive Summary

1. The UK Government was elected on a manifesto commitment to halve the disability employment gap i.e. the difference between the rates of employed non-disabled people and employed disabled people. The gap is 32 percentage points in 2016 so the target is to hit 16 percentage points in 2020. This requires moving 1,074,000 (a third more) disabled people into employment and raising their employment rate from 48% to 64%. The gap has narrowed by 1.3 percentage points in the four years since 2013. If this rate continues, and all else remains equal, it will take almost 50 years (until 2065) to narrow the gap to its target of 16 percentage points.

2. The size and endurance of the employment gap reflects multiple and repeated failures of public and private sector organisations to address discrimination and disadvantage against disabled people and to provide appropriate services and support to help disabled people create, gain and retain employment. Government needs to do more to make up the gap and that starts by working in genuine partnership with disabled people and their organisations to ensure that disabled people gain disproportionate access to the jobs created and the means to create new jobs.

3. The Office for Budget Responsibility (November 2016) predicts half a million new jobs will be created between 2016 and 2020 (125,000 jobs per year between 2016 and 2020). Making the unrealistic assumption that disabled people take every one of these new jobs and that the disabled working age population does not increase, the disability employment rate would increase to 56%. If the non-disabled employment rate remained unchanged the disability employment gap would fall to 24 percentage points, half of the target, and short by eight percentage points (574,000 jobs). So, economic growth alone will not deliver the Government's manifesto commitment to halve the disability employment gap even on the most favourable (and unrealistic) assumptions.

4. Addressing this gap must become the responsibility of <u>all</u> Government departments to enact the promise on the disability employment gap and not simply the Department of Work and Pensions (DWP). DWP spends around £350 million a year on back-to-work support but it is the money spent elsewhere by Government that potentially creates the greater

opportunity. In the last financial year the Government spent some £242 billion on purchasing goods and services for the functioning of our economy and society. It is this procurement power that gives Government influence over disabled people's job prospects and not simply its ability to fund appropriate employment support and social security arrangements. Our report looks at public procurement and finds it largely a missed opportunity to use that influence and help redress disability-related employment disadvantage.

5. The Government's election manifesto gave support to increasing the incentive to work and this must include appropriate Government funding for disabled people to be self-employed, start businesses, bring new products to the market or even create new markets. However, this APPG on Disability Inquiry reports processes, attitudes and behaviours that prevent and dis-incentivise disabled people from realising their potential, for example: insufficient in-house expertise in public sector and business organisations, gaps in accessibility and almost no recognition of the value of networking so that disabled people may share collaborations, professional knowledge or business insights. We found that major non-departmental government bodies such as Innovate UK and the Business Bank - both with a key role in job growth - do not record or monitor the uptake of their support by disability status. Consequently, they do not know the extent to which (if any) their support is of value or use to disabled people. This Inquiry is different in its focus on providing disabled people with more opportunities in the labour market, rather than focusing on incentives in the benefits system. More opportunity in the labour market would provide real incentives to move off benefits where it is appropriate for the claimant to do so.

6. The Inquiry collected evidence of both public and private sector organisations failing to provide appropriate support to disabled people in the workplace and in access to start up funds, business advice and business networks on a scale which we suggest amounts to 'institutional disablism'. Whilst the report addresses many small changes likely to be significant to the manifesto target, it is essential the Government requires its own departments, local authorities and delivery organisations to step up and prioritise policies with substantive practices to increase employment among disabled people rather than assuming it may be delivered by other organisations. Compliance in meeting targets for improvement is needed with all organisations, specifically those

providing public services, required to collect and record the disability status of their employees, users and applicants. This measurement of disability status is largely not happening but it is a pre-requisite to monitoring progress and identifying what policy interventions work.

7. Two specific key priorities emerged from the Inquiry. First, in order to close the gap disabled people need to access jobs at a higher rate than they currently do. This may mean preferential treatment, the sort of positive action that equalities legislation makes possible. At the very least this should take the form of requiring that inclusive recruitment and retention policies are standard clauses in public sector contracts of an appropriate size and duration, and ensuring that this requirement flows from large contractors to smaller contractors through good supply chain management. This objective should be the subject of a target set and reported against by the employer but monitored by the commissioner of the contract. The commissioner must be accountable for monitoring and reporting how public sector contracts are delivering against the duty to promote equality. A prerequisite of course is that disability is measured in the workforce and in the participant pool and on a consistent and regular basis.

8. Secondly, looking at the gap from employment outflow, the Government needs to improve the ability of disabled people to retain work. Becoming disabled shouldn't mean losing your job. At present workers acquiring a disability are routinely failed on performance or health and safety grounds, and managed out of the workplace instead of being offered a reasonable adjustment so that they - and their skills and experience - can be retained. It has been estimated that between 35,000 and 48,000 workers a year are losing their jobs in this way. We believe that the Government will not meet its manifesto commitment without a tighter legal framework for employment retention, one that doesn't preclude either party opting for early redundancy but preferences employment retention. We further support a right to return to work within a year of acquiring a major disability or long-term health condition.

9. The employment gap for disabled people is larger than for other groups. Therefore, in a country that works for everyone, no constituency is more deserving of support than disabled people. Growing the economy in a sustainable way requires wider participation in the labour market. There is a prize on offer for everyone from more disabled people becoming

economically active. Our report offers innovative steps to achieve this through a new relationship between departments of Government and disabled people.

List of abbreviations

ADP	Association of Disabled Professionals
AtW	Access to Work
BEIS	Department for Business, Energy and Industrial Strategy
CITB	Construction Industry Training Board
DAD	Darlington Association of Disabled
DPLO	Disabled people- led organisations
DWP	Department for Work and Pension
ESA	Employment Support Allowance
ERSA	Employment Related Services Association
HMRC	Her Majesty's Revenue and Customs
IPSE	Independent Professionals and the Self employed
SME	Small and medium enterprises

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Section 1 Introduction

1.1 The new Conservative UK Government was elected on a manifesto commitment to halve the disability employment gap. Fulfilling that ambition will necessitate moving more than a million disabled people (1,074,000) into work over the period 2016-2020. It is an exciting proposition and will transform lives but it has few precedents. At the end of the Second World War some 300,000 disabled soldiers and civilians were reintegrated back into society. The Government's ambition is equivalent not just to doing this again, but doing it another three to four times over.[1] We welcome the boldness of the Government's ambition. In the Report of the Inquiry we set out some of the policies that we believe will be necessary for the Government to deliver on the scale of its ambition.

1.2 The difference between the employment rate for disabled people and non-disabled people is depicted as the Disability Employment Gap in Figure 1.[2] The gap in 2016 is 32 percentage points. The target is to hit 16 percentage points in 2020. The very modest downward trend of 1.3 percentage points between 2013 and 2016 is projected forwards to 2020 in the dotted line (assuming all else is equal). The target is projected forward in the solid line from just over 33 percentage points in 2015 to 16 percentage points in 2020. Meeting the target requires moving 1,074,000 disabled people into employment and raising their employment rate from 48% in 2016 to 64% in 2020. If current trends prevail, it will take 49 years (until 2065) to narrow the gap to the target of 16 percentage points. This Inquiry proposes government-led interventions that could bring about a shift in the projected path (dotted line) towards the solid target line.

[1] https://historicengland.org.uk/research/inclusive-heritage/disability-history/1945-to-the-present-day/

[2] Labour Force Survey 2016, Table A08 Core Equality Act definition of disability annual averages.

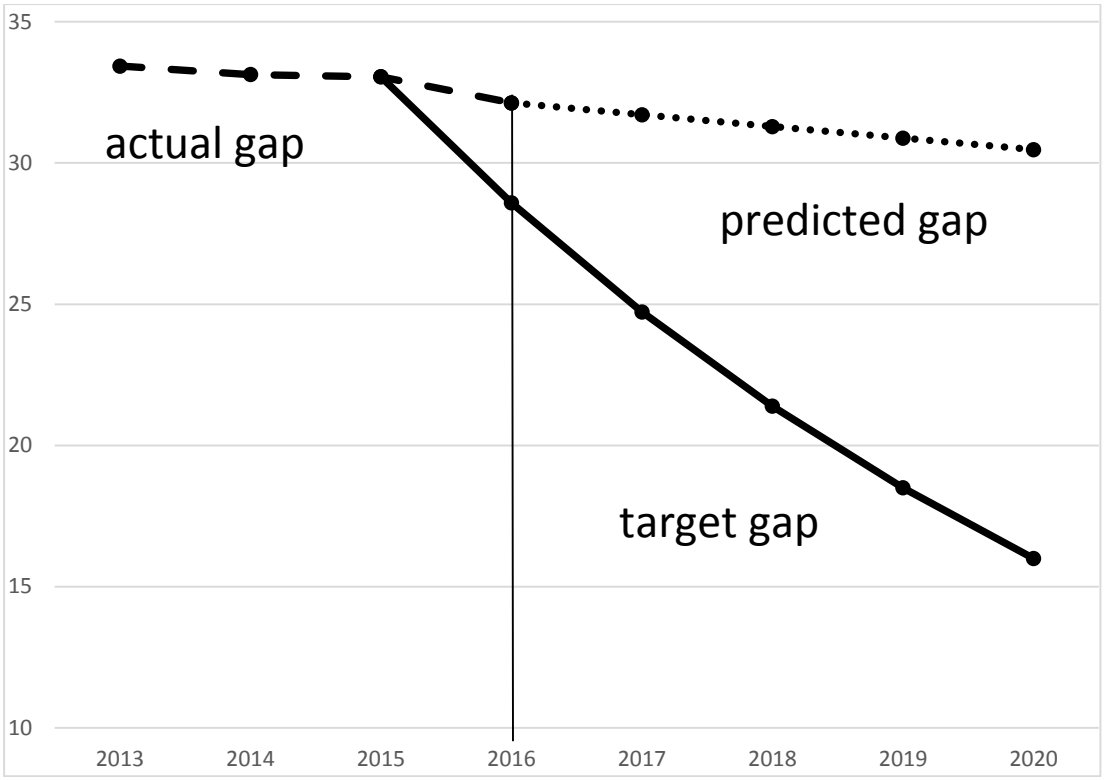

Figure 1: Disability Employment Gap (projections after 2016) (percentage points)

1.3 The manifesto commitment is built upon a number of assumptions. These include the assumption that back-to-work support `is fit for purpose', equalities legislation is robust and that the benefit system protects those that cannot work and enables those that can. Other important assumptions centre on the timing and adequacy of support for those with newly acquired disabilities or long-term health conditions to retain their jobs, that disabled people will have access to the skills that can be matched to new job opportunities, and that all employers will have an enlightened attitude towards employing disabled people and will make any reasonable adjustments required. These issues are well-researched even if they still remain contested areas of public policy. This report is intended to be helpful to resolving some of these issues but moves on to assisting the Government with arguably the biggest assumptions of all: the assumption that the economy can deliver sufficient job opportunities, that disabled people can access these in significant numbers and the Government can exert a strong enough influence on both.

1.4 For the employment gap to narrow, disabled people will need to access work at a faster rate than they currently do. Hence our first recommendation is that policy interventions need to specifically favour disabled people's job prospects (Recommendation 1a).

1.5 Understanding the policy interventions required necessitates knowing the limits that current economic trends offer. Table 1.1 of the economic forecast of the Office of Budget Responsibility (OBR) from November 2016 forecasts employment rising from 31.7 million to 32.2 million over the period 2016/2020[3]. The forecast of 500,000 jobs overstates the number of new jobs available because it includes people who will retire later.[4] It is clear that, even if disabled people take all these new jobs, this would account for less than half the jobs required to meet the manifesto target.

1.6 Further limits arise in the form of the money that the Government makes available for back-to-work support for disabled people in its Comprehensive Spending Review. The details of this spending over the period 2015/20 is unclear, but what is known is that both the Work Programme and the specialist disability programme Work Choice will end in April 2017 and the replacement programme will have around a fifth of the funding of the Work Programme[5]. The replacement programme called the Work and Health Programme will be funded to the tune of some £130 million. There will be fewer participants and therefore reduced potential for positive employment outcomes for disabled people.

1.7 Historically, the effectiveness of back-to-work programmes has been limited. Over the last ten years back-to-work support programmes for disabled jobseekers have consistently underperformed when set against Government expectations. The Provider led Pathways to Work phase from April 2008 to April 2011 exhibited only a 1.8% success rate in

[3] Office for Budget Responsibility, *Economic and Fiscal Outlook November 2016*. Cm 9346.

http://budgetresponsibility.org.uk/efo/economic-and-fiscal-outlook-november-2016/

[4] The working aged population is defined in the LFS to be 16 to 64 years.

[5] 'DWP employment programme funding set for 80% cut', Learning and Work Institute News, 12 December 2015.

gaining employment for those job seekers on Incapacity Benefit.[6] The Work Programme evaluation conducted by the National Audit Office (covering the first two years of its operation) found that harder to help groups (especially ex-Incapacity Benefit claimants and Employment Support Allowance (ESA) customers) were not being helped by the programme.[7] While the success rate for ESA recipients was 12.5% (against the Government's expectations of 12.7%), it was just 4.5% for ex-Incapacity Benefit claimants (taking into account a 5.5% success rate even without the programme in place). The same trend was reported in the 2006 evaluation of the Workstep programme that predated Work Choice; it reported a performance of 14% progression to unsupported employment when set against expected outcomes of 30%.[8,9] DWP evaluations of specialist disability programmes such as Work Choice also report significant underperformance against promises set out in tender bids.[10] Low participation in and poor outcomes of employment support programmes for disabled people has become institutionalised. New approaches are called for which go beyond simply more effectively financed and managed support, but involve wider policy interventions

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[6] *Provider-led Pathways to Work: Net impacts on employment and benefits*. Genevieve Knight, Sergio Salis, Francesca Francavilla, Dragos Radu and Debra Hevenstone. Department for Work and Pensions Working Paper No 113 https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/221223/WP113.pdf

[7] National Audit Office *Department for Work & Pensions: The Work Programme*. HC 266 SESSION 2014-15 2 July 2014 https://www.nao.org.uk/wp-content/uploads/2014/07/The-work-programme.pdf.

[8] Department for Work and Pensions (2006) *WORKSTEP Modernisation Funds Evaluation*. Research Report No 378 by Ann Purvis, Lindsay Smith, James Lowrey and Professor Lynn Dobbs.

[9] Learning & Work Institute. Work Programme Statistics: LEARNING AND WORK INSTITUTE ANALYSIS. Paul Bivand and Duncan Melville. 17 MARCH 2016. http://www.learningandwork.org.uk/sites/niace_en/files/resources/WP_stats_Briefing_LW_Mar16.pdf

[10] Department for Work & Pensions. Evaluation of the Work Choice Specialist Disability Employment Programme: Findings from the 2011 Early Implementation and 2012 Steady State Waves of the research. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/210683/rrep846.pdf

by the Government (recommendation 1b). Such policy interventions need to look to alternatives beyond resourced employment support, to finance the job opportunities required to meet the Government's manifesto commitment.

1.8 The Government was presented with some fifty-five recommendations by a House of Lords Select Committee investigation into whether there was a need to improve the workings of the 2010 Equalities Act for disabled people. In its response of July 2016 the Government under Prime Minister David Cameron expressed its reluctance to legislate or strengthen regulation on the basis that hearts and minds needed to be won over in order to change attitudes.[11]

1.9 The Government under new Prime Minister, Theresa May, has committed to creating a country that works for everyone and using the power of the state to increase fairness and spread prosperity in Britain.[12] This includes a commitment to intervention where business is not offering fair opportunities. Recognising free markets may not deliver fair employment opportunities and committing to more intervention is welcomed by disability groups that have called for such intervention for many years.

1.10 This report challenges the Government to develop a new, innovative and multi-dimensional approach combining incentives, persuasion, funding and legislation in six areas of policy all of which influence the creation of opportunity for disabled people. These six areas are:

- support to create work through self-employment
- support to obtain a government business start-up loan or research and development grant
- support to access relevant advice and mentoring from specialist and mainstream business networks

[11] Government Equalities Office. Government Response to the House of Lords Select Committee Report on The Equality Act 2010: The impact on disabled people. July 2016. Cm 9283. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/535441/Government_response_to_the_LSC_report_on_disability.pdf

[12] http://www.conservativehome.com/video/2016/10/watch-theresa-mays-speech-to-the-conservative-party-conference-in-full.html

- using the large sums of Government money spent in public procurement to deliver a measureable social dividend in terms of closing the disability employment gap
- turning best practice into common practice in the recruitment and retention of disabled people through knowledge dispersion and scrutiny of disability and disability practice reporting
- outside the public procurement supply chain: incentives (such as favourable tax treatment) and regulation (disability reporting) to encourage employers, especially in growth industries, to employ more disabled people.

The Inquiry focused on departments and organisations reporting to UK Government while addressing issues which transcend into the portfolios of the devolved governments. Ministers need to consider and compare issues and proposals using the Joint Ministerial Council format to include devolved ministers and the future work programme of the British-Irish Council.

1.11 Evaluating the impact of each of these interventions, monitoring progress towards targets and compliance with requirements requires that the disability status of employees, grant and loan applicants, and service users is measured. Currently there is no requirement for firms to report on the presence of disability in the workplace or for government or firms to report on disability gaps or to monitor trends in those gaps. Disability is difficult to measure because, unlike sex or race, it is often not visible, it is not fixed and it is partly subjective. Despite the difficulties, measurement is essential and underpins many of the proposals of this Inquiry Report. Assessing the impact of any kind of disability-focussed incentive or intervention (including in relation to the Government's pledge) will be impossible without a robust measure of disability. Organisations must learn to collect, record and analyse the disability status of their users, employees or applicants as a routine procedure. (Recommendation 1c)

1.12 All these policy interventions should be in partnership with disabled people and their representative organisations with the mission of the Government being the co-creation of an abundance of opportunity and not simply the co-production of a new employment support service. In the words of one witness to the Inquiry: "*And for me co-production is power sharing, completely sharing the power between who decides what*

we do and how we do it. Our encounter was a lot of people understood it to be something different and think it is about involvement or participation but for me it is about power sharing." – Marion Turner-Hawes of Northamptonshire Community Housing Network, evidence in public session August 12th 2016

1.13 It is our expectation that if there are sufficient jobs available and disabled people themselves have input into the design of jobs, this will support the effectiveness of Government-funded employment support and increase incentives to work.

1.14 The following sections outline the evidence on these six areas of policy and offer recommendations. Each section draws on existing academic evidence where available and the evidence presented in written submissions and witness sessions held by the Inquiry. Section 2 considers what is known about disabled people and self-employment. Section 3 considers research and development support and section 4 the role of business networks in helping the employment of disabled people. Section 5 considers the equality practices organisations need to adopt and section 6 the opportunities presented in growth areas of the economy. Section 7 brings together a range of additional recommendations to help reduce the disability employment gap. A series of recommendations are developed and listed at the end of each section.

Section 1 Recommendations

Recommendation 1a:

Policy interventions need to specifically favour disabled people's job prospects.

Recommendation 1b:

New approaches are called for which go beyond simply more effectively financed and managed work support but involve wider policy interventions by the Government.

Recommendation 1c:

Organisations must learn to collect, record and monitor the disability status of their users, employees or applicants in order to track progress towards targets.

Section 2 Self-employment

2.1 This section considers the potential contribution of self-employment in helping to reduce the disability employment gap. Disabled workers are over-represented in self-employment relative to paid employment when compared to non-disabled workers.[13] This is a long term pattern and is evident across Europe. It is true after accounting for other differences between disabled and non-disabled people.[14]

2.2 In her written submission Professor Melanie Jones explained how the impact of self-employment on the disability-related employment gap depends on what self-employed individuals would do in the absence of self-employment. If self-employment disproportionately facilitates access to work for disabled people it can have a narrowing influence on the employment gap. Under extreme assumptions where, in the absence of self-employment, all disabled self-employed individuals move out of work but all non-disabled self-employed individuals move into paid employment, the disability employment gap would rise to 40 percentage points.

2.3 In her oral evidence Professor Melanie Jones explained that the over-representation of disabled people in self-employment can be interpreted as an underrepresentation in paid employment so that disabled people are *pushed* into self-employment by a lack of opportunities in, or barriers to, paid employment and because "*the option of being self-employed is far more attractive than not being employed at all*." (Achievability written submission). In contrast, motivations for independence, perceived business opportunities and job flexibility could *pull* disabled individuals towards self-employment.

2.4 The evidence submitted to the Inquiry included accounts of both. People First (written submission) summarise the obstacles in employed work which push disabled people towards self-employment: *"There are no good jobs with the right support and flexibility for disabled people. There*

[13] Disabled workers have a self-employment rate of 16% compared to 13% for non-disabled workers (Professor Melanie Jones oral submission)

[14] Jones, M. and Latreille, P. (2011) 'Disability and self-employment: evidence from the UK LFS'. *Applied Economics*, 43(27): 4161-4178.

are often attitude barriers for disabled people at work. Often managers don't understand disabled people's access needs and how their impairment affects their work. It is therefore easier to work for yourself so you will not get discriminated against. Also there are often not good policies in place to stop disabled people getting discriminated against." John Walker of Deaf COG further noted "*the misuse of health and safety legislation to deny employment*". As a result of such barriers, Achievability observed that "*rather than spending time on educating employers they [disabled people] will become their own employers*".

2.5 Personal accounts from self-employed disabled people bring to life some of the specific circumstances which push them into self-employment:

"There are a lot of hurdles. I have ended up 15 years in the same job because I am dyslexic. I can't get the qualifications to get another job that is better, bigger so I have become an entrepreneur." Paul Milton (oral evidence)

"For me self-employment is the only practical solution allowing me to work. I am more productive and can manage my health problems better than I could when I was employed. I have tried working for an employer but have never received the correct level of support that I need to do my job. Over time, the physical stress of working without the correct level of support caused new health problems to develop." (Philip Barton written submission)

2.6 The Inquiry also received submissions on the more positive motivations which draw disabled people into self-employment. "*Self-employed disabled people are able to adapt their businesses and work/life to draw on their strengths, focussing upon their abilities and their assets, based upon their lived experiences."* (Thurrock Coalition written evidence). However, many of the pull factors were positive expressions of the push factors, for example, "*one of the best things about running your own business is that you don't really have to put yourself in uncomfortable situations when it comes to other people*." (Independent Professionals and the Self Employed (IPSE) written submission)

2.7 Professor Melanie Jones attributes the higher rate of self-employment among disabled people in the UK in part, to its role in accommodating disability at work. This is consistent with the evidence submitted by Leonard Cheshire Disability, "*Our research shows that flexible working,*

and the ability to take time off for medical appointments are among the most important adjustments necessary to support disabled people in the workplace." (Leonard Cheshire written submission)

2.8 Based on Jones and Latreille (2011) she also indicates that barriers relating to travel to work are an important motivation towards self-employment with disabled people in self-employment being relatively more likely to work from home and within their local authority of residence. This is consistent with evidence submitted by IPSE that "*those with mobility problems can manage whole projects from the comfort of their own living room and never have to deal with issues related to their problems with moving around physically."* (IPSE written submission)

2.9 The case for Government support for disabled people in self-employment is not straight forward. For example, IPSE argued that *"For a disabled person, self-employment may be the only opportunity to find work and be a part of and contribute to the wider labour market. However, a disabled person should not feel forced into self-employment. Government must fully implement disability awareness among employers, so self-employment isn't a last resort, but a positive choice*" (IPSE written submission). The key questions for policy-makers in deciding the extent to which to direct support to self-employment among disabled people is whether it facilitates access to work for disabled people who would otherwise be unable to do so, whether policy would be better directed towards improving access and progress in the employed sector and whether self-employment typically forms a positive experience of work. Given concerns that job quality among those in self-employment has recently declined[15] and that self-employment tends to be associated with longer working hours, less employment protection and greater risk, it is imperative to assess the extent to which this is also true for disabled self-employed workers.

2.10 There is a great deal we need to know but don't know about the differences in the motivations for self-employment between disabled and non-disabled workers including the extent to which self-employment is motivated by factors such as job loss, financial incentives and existing policy support and hindered by financial barriers, poor access to business networks and complicated and inflexible state

[15] Meager, N. (2016) 'Job Quality and Self-Employment: Is it (Still) Better to Work for Yourself?' *International Review of Entrepreneurship*, 13(1): pp. 35-46.

benefits. Such information requires specialised and additional data collection.

2.11 It is clear from the review of the academic literature (Professor Melanie Jones) that current evidence in relation to disability and self-employment is too limited to fully address the extent to which policy support for disabled people should be focused on encouraging self-employment and, where it should, what policies are the ones that work. Future analysis needs to make better use of existing data to answer these questions but a key recommendation of this chapter is that new data collection is required which is tailored to the specific issues in relation to disability and self-employment and can address *how* support can be provided effectively in such a way as to sustainably reduce the disability employment gap through the promotion of self-employment (Recommendation 2a).

2.12 The nexus of benefits, taxation and government financial support for disabled people in self-employment is complicated and bureaucratic in terms of evidence and administration of paperwork required for eligibility, application, renewal and claiming back costs. This leaves many disabled self-employed unable to find their way through the intersecting routes of the benefits, taxation and support systems. These are just the first of many institutional systemic policies and practices detailed throughout this Inquiry that place disabled people as a group at a disadvantage. Each example may be addressed to increase access and opportunities for disabled people. For example, universal credit will apply to those who are self-employed who are earning low incomes. The Employment Related Services Association (ERSA) considers that "*anyone making a Universal Credit claim who is self-employed may benefit from referral to self-employment specialists in order to help them determine the viability of the business and the potential it has to grow to move them out of scope for in-work benefits*" (ERSA written evidence).

2.13 The Association of Disabled Entrepreneurs (ADP) and IPSE in their written submissions to the Inquiry noted increasing errors in relation to interpreting guidance which has made Access to Work (AtW) more difficult to obtain. A viable business plan is a requirement in an AtW application and disabled people benefit from specialist support with their application, especially with considering how impairment related barriers might impact on their business.

2.14 When confronted with a disabled person, however, many Business Advisors "*do not know what to do or how to do it"* (ADP written submission). This lack of specialist knowledge and information can result in inappropriate or insensitive responses to a disabled person as well as delays in implementing reasonable adjustments. As eligibility requirements and individual circumstances change, disabled entrepreneurs need continuity of service. ADP's evidence indicates that many providers do not have the necessary expertise to support a disabled person through the AtW application which is important because the consequence of a delay or a refusal to fund equipment that the employee has been assessed as needing can mean *"either the employee has to fund it from their own pocket or s/he has to do without it or struggle along with an unsatisfactory compromise."* (Philip Barton Written submission)

2.15 Support is needed beyond AtW, with ISPE (written submission) reporting *"that information from the government on available support for disabled self-employed people is scarce"*. It recommends "*a single gateway that Government list all support and schemes available on one place on Gov.uk website." (IPSE)*

2.16 Support from AtW is limited to businesses which are judged to be potentially profitable. However, indicators of success should be measured carefully and extend beyond short term profitability. Typical measures of success, the relative survival and growth of firms owned by disabled people, the number of employees, turnover or profit will not capture the potentially important role of self-employment in forming a stepping stone to paid employment, or the extent to which self-employment helps individuals shape their work to achieve their aspirations and potential within the labour market.

2.17 AtW eligibility rules are inflexible and if the business cannot financially support the claimant after 52 weeks, then AtW support is terminated and the claimant must wait for 52 weeks before s/he is eligible to apply again. The Darlington Association of Disabled (DAD) observe that it can take some time for a small or micro business or social enterprise to take shape so that extended trial periods could be useful. It should also be recognised that not everyone living with a disability will be capable of returning to full-time work within an arbitrary 52-week period and that those who relapse, have fluctuating conditions or a hospital admission

will experience a fall in income. For Philip Barton (Written submission) "*resetting the clock in this way is very frustrating for people who are trying to grow their business and live with the challenges of their health conditions."* He also raises the legal point that if it takes businesses run by able-bodied people more than 52 weeks to become viable, then it is potentially discriminatory and unreasonable to expect disabled people to meet an arbitrary 52-week limit.

2.18 A myriad of additional exclusions were regarded as frustrating and unfair including issues around the interaction of Employment Support Allowance (ESA) and AtW[16], access to tax exemptions under the *Fit for Work* programme and liability for the 'bedroom tax'.

"The self-employed cannot access the Fit for Work programme. Changing this would allow disabled people to access the tax exemptions for a portion of adjustment costs that employers can currently access." (IPSE written submission).

*"It would help disabled people to start off in business and make their business viable if their liability for Bedroom Tax was waived for as long as their 'spare bedroom' is equipped as a home office and actively used to run a home-based business." (*Philip Barton written submission)

2.19 Continuing the theme of AtW Jane Cordell (oral evidence) raised promotion of and simplicity around AtW "*in terms of what the government can do … I want to see effort about AtW. We have a need to make the legislation kinder and clearer. Employers need to feel less afraid of employing someone and a disabled person needs to feel less afraid that they can start something and grow it*." (Recommendation 2b Access to Work should be promoted and simplified)

2.20 Government should fund the provision of specialist advice on benefits, taxation and support related to self-employment (Recommendation 2c). Disabled people led organisations (DPLOs) that have grown to fill the gap in mainstream services, and which often provide good quality accessible advice and much appreciated peer-to-peer support, are currently limited in their reach by their restricted membership and inadequate funding.

[16] The current ESA Permitted Work (Higher Limit) rules permit someone placed in the Support Group of ESA to work up to 16 hours a week and earn up to £115.50 per week for an indefinite period. However, they only qualify for an AtW award for 52 weeks and then face their award being stopped if they do not come off ESA.

Mainstream providers receiving Government funding should be required to link with and fund disabled people-led specialist services so that the mainstream providers become inclusive.

2.21 Institutional disablism arises when mainstream business networks which provide advice and support to small business enterprises are not accessible to disabled entrepreneurs. The result is a failure to provide an appropriate level of service to disabled people. A written submission from a disabled planning inspector relates repeated instances of exclusion from events organised by his local Chambers of Commerce "*because the venues chosen are inaccessible to wheelchair-users."* (Philip Barton written submission)

2.22 We know that disabled people are more likely than non-disabled people to report themselves as 'working for self' and self-employed disabled men are more likely to report that they have no employees.[17] It is important then, according to IPSE, that "*Mentoring schemes, careers advice and business support advice often targeted at larger businesses should be made more readily available to the self-employed"* (written submission).

2.23 In order to achieve both inclusion within a wider business network and specialist disability-related knowledge, disabled entrepreneurs need membership of and support from both mainstream and disabled networks (see Section 4 Business Networks). As Jane Cordell explained to the Inquiry *"I feel from my own experience in mainstream work over 25 years that we need access to networks, full stop, and not disabled networks"* (oral submission).

2.24 We recommend a pilot project which address disablism by linking a specialist DPLO with a mainstream business network so that disabled advisors can provide a specialist service to disabled members, raise awareness of disability issues and promote inclusion within the mainstream (Recommendation 2d). The specialist services are essential to introduce an inclusive service and these could be funded by the mainstream business network.

2.25 Finally in this section, pilot projects should be developed and evaluated to promote inclusive entrepreneurship. The Department for Business, Energy and Industrial Strategy (BEIS) should work with an Advisory Panel of Disabled Entrepreneurs to Pilot three Inclusive Entrepreneurship

[17] See Jones and Latreille, 2011, Table 1.

Programmes across the UK (Recommendation 2e). This should be independently evaluated and form the basis of an Inclusive Entrepreneurship Programme going forward which understands how disabled people manage their working lives, how accessibility is achieved from the first point of contact, includes a health and well-being strand, creates supportive funding streams which understand the nature of entrepreneurship particularly the concept of and value of failure along the way in the pursuit of innovation and sustainable economic growth.

Section 2 Recommendations

Recommendation 2a:

Collection of new data to understand the *reasons* for and quality of self-employment for disabled people compared to non-disabled people and for disabled self-employed people compared to disabled employed people. Working with disabled people and disabled people led organisations, the data should identify the challenges, barriers and supports for successful self-employment.

Recommendation 2b:

Access to Work should be promoted and simplified.

Recommendation 2c:

Fund specialist advice on benefits, taxation and government support related to self-employment. The DPLOs that have grown to fill the gap in mainstream services, and which provide good quality accessible advice and much appreciated peer-to-peer support, are currently limited in their reach by inadequate funding. Mainstream providers should be required to link with, fund and learn from specialist services.

Recommendation 2d:

Launch a pilot project linking a specialist DPLO with a mainstream business network so that disabled advisors can provide a specialist service to disabled members, raise awareness of disability issues and promote inclusion within the mainstream. The specialist services are essential to provide an inclusive service and these could be funded by the mainstream business network.

Recommendation 2e:

The BEIS should work with an Advisory Panel of Disabled Entrepreneurs to pilot three Inclusive Entrepreneurship Programmes across the UK. This should be independently evaluated and form the basis of an Inclusive Entrepreneurship Programme going forward.

Section 3 Research and Development Grants

3.1 Disabled people are acknowledged innovators and inventors. The biographies of Bell, Edison, Einstein and Hawking for example describe an ingenuity or resourcefulness in response to disability; a response to the challenges of not being able to do certain things in a way that others take for granted. This section considers research and development grants to support disabled entrepreneurs.

3.2 Rather than focusing on the role of a few disabled geniuses it is important to focus on disabled people's more general involvement in innovation and design. User involvement is increasingly seen as a key success factor in product development.[18] This is due to its contribution to reducing market failure of new products through its ability to offer input from a pool of understanding and loyal customers. Von Hippel (1986) coined the term 'lead user' to denote people providing this role at the forefront of product innovation.[19] Studies have documented the role of disabled people as members of this lead user community.[20] Disabled people often experience a need or a change in advance of others.[21] They also stand to gain the most benefits from innovation that meets their needs.

3.3 Disabled people can be at the forefront of inventing devices or processes that enable not just themselves to enter the labour market but also enable others. For example, the JAWS (Job Access with Speech) software permits text to be converted to speech in support of blind people using computers. It was invented by Ted Henter in 1986 following the loss of his sight in a motorcycle accident. The company which he co-founded started in Florida, USA with a capital of $186,000 and is now listed as a

[18] Ries, E. (2011) *The Lean Start up*. Crown Publishing.

[19] von Hippel, Eric (1986) "Lead Users: A Source of Novel Product Concepts." *Management Science,* 32(7):791-805.

[20] Helminen, P. (2011) "Disabled persons as lead users for silver market customers", chapter 3 of *The Silver Market Phenomenon; Marketing and Innovation in the Aging Society*, second edition.

[21] Conradie, P., De Couvreur, L., Saldien, J., & De Marez, L. (2014). Disabled persons as lead users in product innovation: a literature overview. In M. Laakso & K. Ekman (Eds.), Proceedings of the 10th biannual NordDesign conference (pp. 284–293). Espoo, Finland: Design Society.

business with a workforce of between 51 and 200 selling to some 35 countries worldwide.

3.4 Government support for research and development by disabled people is seen in terms of disabled people accessing existing sources of support on a par with everyone else. However this overlooks specific barriers disabled people encounter, namely accessible communication, the provision of reasonable adjustments, additional forms of support e.g. support workers or finance to meet additional costs arising from the person's disability, and access to the experience of others with similar conditions who have been able to bring new products to the market. All of this argues for specialist support located within the new Department for Business, Energy and Industrial Strategy as well as Innovate UK (Recommendation 3a).

3.5 The Government finance or facilitate some 531 types of support to business of which 237 are grants and 80 are in the form of loans or loan guarantees. These can be viewed on the Gov.UK website at https://www.gov.uk/business-finance-support-finder/search. These grants and loans cover large and specific parts of the UK and focus on business start-up and growth. However, none are specific to disabled entrepreneurs or for businesses that can help disabled people overcome barriers in the labour market.

3.6 Innovate UK, which is a partner organisation of BEIS, provides help and funding to accelerate business-led innovation in the UK. Innovate UK is a non-governmental departmental body and since 2007 has spent £1.8 billion supporting innovation. Its budget for the current financial year is some £561 million. Its delivery plan refers to the creation of some 55,000 jobs and to seven new jobs for every business invested in.[22] However, it neither collects nor monitors data on protected characteristics other than the applicant's gender. This was acknowledged by Anna Soubry MP, then Business Minister, in a letter to the Inquiry on 17th July 2016: "*diversity data on applications for funding is limited to the gender of the lead applicant. For collaborative research and development projects this may include many partners and*

[22] The plan can be viewed at https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/514962/CO300_Innovate_UK_Delivery_Plan_2016_2017_WEB.pdf

unfortunately Innovate UK do not currently collect data on whether the applicant considers themselves as disabled."

3.7 As Mencap's submission points out: "*We note that Innovate UK 2016/17 delivery plan does not mention disability once and we believe there is a lack of focus on innovation by disabled people when it comes to innovation efforts and funding*" (Submission by Martin Shapland, Parliamentary Affairs Officer of Mencap). BEIS, as well as Innovate UK, should collect data on the disabilities of applicants, develop a plan with targets to ensure a proportional rate of applications and success by disabled people, and report performance against these targets (Recommendation 3b).

3.8 Innovate UK have committed to a diversity plan by April 2017 and it should include the following: a) Innovate UK identify and publicise case studies of their investment that has supported innovation by and for disabled people, b) its application process should permit the applicant to self-identify if they have a disability and the type of impairment, c) its work should be actively promoted to disabled people, d) its four funding streams should be enlarged to include a fifth that specifies fair funding for disability inclusion in society and in work, e) it should develop more focussed internal expertise able to support disabled applicants or partner with a DLPO with the necessary expertise, and f) it should include references to this work in all its reporting (Recommendation 3c).

3.9 In addition to Government sponsored research, significant sums are lent in the form of loans through the Business Bank. The Business Bank website celebrates loaning £250 million and its role in supporting 35,000 jobs. There is no monitoring of whether disabled people are accessing any of these loans, however, and therefore whether the support is accessible, or even of any use to disabled people wishing to start a business.[23] The Business Bank should a) monitor whether disabled people are accessing any of these loans, b) assess whether the application process is accessible, c) develop a plan aimed at ensuring a proportional rate of disabled people apply for loans and are successful, and d) report against targets related to these matters (Recommendation 3d).

[23] See https://www.startuploans.co.uk/es.

3.10 The new Government Department BEIS represents an opportunity to disrupt institutionalised negative assumptions about disabled people by helping develop a new culture of inclusion that addresses their current marginalisation. This should be characterised by the following: a) a minister-led trade delegation supporting disabled-led businesses to sell their products internationally, b) auditing of the Business Bank to determine its accessibility and value to disabled people wishing to start businesses, c) survey existing recipients to identify case studies where disabled people have been successful (if any, note there are none listed on the website), d) make any amendments necessary for AtW support to run concurrently with these loans, e) the Business Bank to establish internal expertise in support for disabled applicants and not outsource expertise, and f) active promotion of loans to disabled people (recommendation 3e).

Section 3 Recommendations

Recommendation 3a:

Specialist support for disabled entrepreneurs should be located within the new BEIS Department as well as Innovate UK.

Recommendation 3b:

The BEIS Department as well as Innovate UK should collect data on the disabilities of applicants for business development grants and loans, develop a plan with targets to ensure a proportional rate of applications and success by disabled people, and report performance against these targets.

Recommendation 3c:

Innovate UK's diversity plan should include the following: a) Innovate UK identify and publicise case studies of their investment that has supported innovation by and for disabled people, b) its application process should permit the applicant to self-identify if they have a disability and the type of impairment, c) its work should be actively promoted to disabled people, d) its four funding streams should be enlarged to include a fifth that specifies fair funding for disability inclusion in society and in work in particular, e) it should develop more focussed internal expertise able to support disabled applicants and not outsource expertise, and f) it should include references to this work in all its reporting.

Recommendation 3d:

The Business Bank should improve monitoring and develop a plan to promote the take up of its loans by disabled people. This should include the following: a) monitoring of whether disabled people are accessing any of these loans, b) assessing whether the application process is accessible, c) develop a plan aimed at ensuring a proportional rate of disabled people apply for loans and are successful, and d) report against targets related to these matters.

Recommendation 3e:

BEIS should be characterised by the following: a) a minister-led trade delegation supporting disabled-led businesses to sell their products internationally, b) auditing of the Business Bank to determine its accessibility and value to disabled people wishing to start businesses, c) survey existing recipients to identify successful case studies (if any, note there are none listed on the website), d) make any amendments necessary for AtW support to run concurrently with these loans and the Business Bank to establish internal expertise, and e) active promotion of loans to disabled people.

Section 4 Business Networks

4.1 Business networks may help address the disability employment gap in three main ways. First, established business organisations such as Chambers of Commerce and the Federation of Small Businesses provide advice to business with regard to the employment of disabled people. Second, these organisations have a role in providing advice to disabled entrepreneurs with regard to starting and growing their own business. Third, business networks developed and led by disabled entrepreneurs provide advice to disabled people seeking to start and grow their own businesses.

4.2 With regard to the first of these roles, established business organisations such as Chambers of Commerce may provide advice to firms with regard to hiring and managing disabled employees. This advice may help overcome misconceptions that perpetuate the disability employment gap. For example, the Federation of Small Businesses and the London Chamber of Commerce both mentioned their legal advice lines as being part of what they offer to help members managing the needs of disabled people. However, it appears that no specific information is provided about managing disability in the workplace. Both organisations support the Disability Confident Campaign but the weaknesses of this approach are detailed elsewhere in this report (section 6.12). Partly as a result of these deficiencies, employers do not feel sufficient information has been forthcoming regarding how to hire disabled people.[24] It is also not known whether businesses that are members of advisory business networks such as Chambers of Commerce employ a higher proportion of disabled people. Research into SMEs generally finds little relationship between membership of such networks and employment practices.[25] This may suggest infrequent or limited advice on employing disabled people is actually offered, or that many businesses are simply unwilling

[24]Watson D. Williams V. Wickham C. Kyle J. and Dury A. (2005) A valued part of the workforce? Final Report of the Sequal Project on employment and disabled people.

[25] Bacon, N., and Hoque, K. (2005) 'HRM in the SME sector: Valuable employees and coercive networks'. *International Journal of Human Resource Management*, 16, 11: 1976-1999.

to take advice without further coercion.[26] Coercive networks such as large customers in the procurement chain (see section 5 on public sector procurement) encouraging equality practices in the businesses that supply them, or statutory reporting (as in gender pay gap reporting), may be more effective than voluntary networks of businesses.

4.3 Disabled entrepreneurs are no different to other entrepreneurs in requiring advice and help on business matters, as the Inquiry received evidence that "*if you want to grow your business you need contacts*" (Jane Cordell, oral evidence). At the Inquiry witness sessions the view was strongly expressed that advice and help for disabled entrepreneurs needs to come from both existing organisations such as Chambers of Commerce and business networks developed and led by disabled entrepreneurs themselves. The former provide reach through size but the latter have greater understanding of the unique obstacles disabled entrepreneurs face. More effective distribution of information is required to ensure disabled communities are connected with business opportunities.[27] In oral evidence Kate Pieroudis (Stroke Association) suggested that "*Business Link could play a role in setting up locally-based peer support networks for disabled entrepreneurs*".

4.4 Mainstream business networks appear ill-prepared to offer disabled entrepreneurs the support that is required. Both the London Chamber of Commerce and the Federation of Small Businesses when contacted reported they did not collect information on the disability status of their members. Without a measure of disability, they are not aware of the level of demand for disability-specific services, nor are they likely to have made the adjustments necessary to ensure these services are delivered. Mainstream business networks must do more to ensure accessible information, assist disabled entrepreneurs with financial aspects of business, fundraising and the provision of sustained and comprehensive support to disrupt institutionalised discrimination.

[26] Curran, J. and Blackburn, R.A. (2000) 'Panacea or White Elephant? A Critical Examination of the Proposed New Small Business Service and Response to the DTI Consultancy Paper', *Regional Studies*, 34: 181–206.

[27] Robinson, J. (2000). Access to employment for people with disabilities: findings of a consumer-led project. *Disability and Rehabilitation*, 22(5), pp.246-253.

4.5 Disabled people stand to benefit hugely from being part of networks where they can receive support both specific to their business and specific to their impairment and in particular how these two needs overlap. Organisations such as the Federation of Small Businesses, the British Chamber of Commerce and the Confederation of British industry amongst others are urged to do the following: 1) collect information on a voluntary basis of the extent that disabled people make up their membership, 2) retain or maintain expertise in serving these members and future members' needs, and 3) offer disabled members the opportunity to connect to their peers either by line of business, impairment or both (Recommendation 4a). Where the Government provides any financial support to these business networks Government should audit the reach of this support to disabled business people (Recommendation 4b).

4.6 The Inquiry heard evidence that disabled entrepreneurs often face problems accessing information and services provided by mainstream business networks. The Association of Disabled Professionals (ADP), for example, draws attention to the fact that information from mainstream business networks is often presented on inaccessible websites or pdfs and imbued with unexplained business terminology. ADP highlights the demand for better remote support to individuals through Skype, phone, and email for those who are self-employed in their homes. According to, Jane Hunt, Chair of ADP, "*Remote options are cost effective in this situation and enable the most disadvantaged and socially isolated groups to consider alternatives and become economically independent*." Accessibility of service and information is a legal requirement but it remains an area in which mainstream business networks need to improve.

4.7 Philip Barton identifies the draw backs of disability networks in that they often "*reinforce and perhaps legitimise the discrimination that characterises some existing business support organisations*" (written submission). The limited scale of disabled business networks preclude economies of scale with consequent underfunding of the service.

4.8 The membership cost of established business networks appears a significant barrier for disabled entrepreneurs who seek to join, especially

at the early stages of developing a business.[28] Membership fees for joining a mainstream business network can be a huge burden to a disabled entrepreneur. One-year membership to the London Chamber of Commerce ranges from £568.80 to £4,867.20 depending on the size of the business.[29] To disabled entrepreneurs, for whom support is often essential, these costs, when added to the extra costs associated with managing a disability, can be a significant burden that may restrict business development and growth. This may be alleviated by a reduced membership fee or preferential tax treatment (Recommendation 4c).

4.9 Disability-specific business networks exist because of a demand for sensitive and efficient support for disabled entrepreneurs which is not met by mainstream business networks. Expertise in handling disabled services and the ability to provide individualised responses are the main benefits of belonging to a disability-specific business network. One such network is the ADP that seeks to overcome barriers disabled people encounter in mainstream business organisations, such as a lack of accessible information, a need for assistance with financial aspects of business, a lack of funds and a need for sustained and comprehensive support. Mainstream business networks should draw on or link to models of how disability-specific organisations assist disabled entrepreneurs to improve their own services to disabled entrepreneurs (Recommendation 4d).

4.10 Funding for disability-specific business networks is crucial. In the past such networks have sustained themselves through the provision of equality training for businesses. For example, Breakthrough UK in its written submission expressed apprehension at the lack of investment by businesses to ensure the Equality Act is successfully implemented. It reports a drop of over two-thirds in its revenue from the provision of Disability Equality Action Training in four years.[30] There is a knock-on effect on the sustainability of disability-specific business networks for

[28] Claudia Wood and Eugene Grant, "Counting the Cost," Demos (2010), http://www.demos.co.uk/files/Counting_the_Cost_-_web.pdf?1292598960.

[29] "The Cost of London Chamber of Commerce Membership 2016," London Chamber of Commerce, accessed October 5, 2016, http://www.londonchamber.co.uk/lcc_public/article.asp?aid=3184.

[30] Breakthrough UK's response to All Part Parliamentary Group for Disability Call for Evidence on Halving the Disability Employment Gap estimates the extra costs associated with disability estimated at £550 per month.

which equality training had provided a source of funding. The ADP provides free support to disabled entrepreneurs but its support is compromised by lack of investment into the organisation. As the services of the DPLOs retreats there is a greater need for mainstream business networks to provide the support disabled people require to gain employment. Potentially the mainstream could fill this opening gap by linking with and funding the specialist advice from DPLOs.

4.11 If mainstream business networks do not increase the support offered to disabled entrepreneurs then disability-specific business networks should be funded at least to proportional levels. Most mainstream networks are mainly funded through their role in providing publicly-funded training such as apprenticeships, adult learning and business courses. These activities increased with outsourcing of Business Link and the abolition of Training and Enterprise Councils. Disability-specific business networks should play a central role in ensuring this funding is also used to support disabled entrepreneurs, employees and job seekers. This may require direct funding of disability-specific business networks who may then ensure the provision of such training meets the needs of disabled entrepreneurs (Recommendation 4e). Examples of disability-led organisations that may fulfil this role include Breakthrough UK which emphasises the need for support with financial aspects of self-employment, including help understanding the effects of fluctuating income and hours on benefits, tax credits, and Access to Work funding. In addition, Government should commission existing disabled people led business networks to provide specialist business support to existing mainstream business support organisations, including that directly funded by Government, like the services that have replaced Business Link (Recommendation 4f). HMRC could also contact disabled business people completing tax returns and invite them to business seminars in their regions where they can learn more of skills for generating new business and meet fellow disabled entrepreneurs (Recommendation 4g).

4.12 A key aspect of the support that business networks need to provide concerns Access to Work, for example the ADP provides assistance with Access to Work applications. Mainstream business networks do not have experience helping clients to apply for Access to Work. The London Chamber of Commerce, for example, provides a general business information service and legal advice line but does not offer specialist advice for disabled members (the Federation of Small Businesses

claimed to provide support to members should they become disabled). Assistance with Access to Work is necessary to help disabled entrepreneurs and business owners make appropriate and clear applications and to resolve issues that arise from insensitive or incorrect treatment of requests to fund reasonable adjustments (Recommendation 4h). Disabled entrepreneurs sometimes require particular equipment and support from Access to Work, and difficulties with the system may mean they are unable to operate their business at all. The ADP also offers extra support in the creation of business plans (required for Access to Work applications) by providing a simple template, individualised assistance, and access to assistive technology if necessary.

4.13 Funding for disability-specific business networks should also enable coaching and mentorship programmes linking aspiring disabled entrepreneurs with successful disabled business owners who have gone through the process of starting their own business (Recommendation 4i). This may help improve skills, support and confidence according to Breakthrough UK[31]: "*We were not surprised to find that disabled people said that having flexible, knowledgeable and solution focused support from another disabled person who has been there themselves, made all the difference when they were at a point where they were of severe risk of losing their jobs*." For entrepreneurs, the opportunity to connect with a peer who understands the struggles they have to overcome is potentially invaluable. Not only are they able to obtain advice and support, but seeing the success of a peer can enhance the confidence they feel in starting their own business.

4.14 Disabled entrepreneurs often require assistance that is continuous and comprehensive. Continuity of service is important for individuals who require sustained support over a long period of time. Solutions are better suited to the individual by providing comprehensive support that takes into account all aspects of an individual's situation. This ensures that sustained employment can be attained. Breakthrough UK explained, "*Our employment support projects are mainly staffed by disabled people and recognise that many disabled people require holistic consideration of all the barriers they face to living independently, not only those which*

[31] Breakthrough UK's response to All Part Parliamentary Group for Disability Call for Evidence on Halving the disability employment gap

directly impact on employment."[32] The ADP presents this as one of the main benefits they are able to provide to entrepreneurs that mainstream business networks do not. An understanding of disability and the impacts of impairments allows them to provide individualised support solutions. Jane Hunt described this support to the Inquiry by saying, "*we gain trust from disabled people, as they are provided with comprehensive information that they can understand, which enables them to apply the most appropriate solution to resolve any difficulties based on their own individual circumstances.*" A lack of knowledge of disability prevents mainstream business networks from providing the same services. As such, funding provided directly to disabled entrepreneurs themselves or disabled-led business networks to support continuity in assistance is required.

4.15 DPLOs are also successful in linking businesses and disabled job seekers, suggesting such activities deserve greater financial support (Recommendation 4j). Examples described in more detail below are provided by The Down's Syndrome Association and Leonard Cheshire Disability to show what may be achieved to create better connections between individuals and businesses, and help provide fair access into all routes of work.[33]

4.16 The Down's Syndrome Association's WorkFit employment programme is based on the premise that assessments are necessary to identify the appropriate support required in each individual case.[34] This specificity ensures adequate support can be given to both the employer and employee. Despite predominantly working with businesses that have little or no experience of working with people with a learning disability, WorkFit has successfully helped people with Down's syndrome into work. Since 2012, 92% of WorkFit's placed candidates in permanent, paid work are still in employment. Providing employers with specific advice (i.e. how to interview someone with Down's syndrome) is one illustration of the importance of specific expertise that mainstream

[32] Breakthrough UK's response to All Part Parliamentary Group for Disability Call for Evidence on Halving the disability employment gap

[33] Sayce, L (2011) *Getting in, staying in and getting on: Disability employment support fit for the future*. Department for Work and Pensions.

[34] Down's Syndrome Association (2016) Submission to the APPG on Disability – halving the disability employment gap

business organisations do not provide. The high demand for WorkFit means that the programme has developed Local Support Networks (LSNs) which fulfil a similar role of business networks through the sharing of knowledge and skills as well as providing a link between network members and businesses. However, as is the case with previously-mentioned disability-specific business networks, WorkFit's LSNs are hindered by a lack of funding. It receives no government funding and is reliant upon donations from individuals, trusts and corporates.

4.17 Leonard Cheshire Disability links young disabled undergraduates with internship opportunities through its Change 100 programme, which provides work experience, networking, and confidence. Despite an overall increase in apprenticeships the proportion of disabled apprentices has declined from 11.5% in 2007/8 to 8.8% in 2014/15[35]. To encourage more businesses to hire disabled employees, awards such as the Learning and Skills Champion Award given to WorkFit by the Manchester Chamber of Commerce could be established at other Chambers of Commerce. In addition, the proposed creation of a disabled job fair by the Department for Work and Pensions would further link disabled jobseekers to employers.

Section 4 Recommendations

Recommendation 4a:

Organisations such as the Federation of Small Businesses, the British Chamber of Commerce and the Confederation of British Industry amongst others are urged to do the following: 1) collect information on a voluntary basis of the extent that disabled people make up their membership, 2) retain or maintain expertise in serving these members and future members' needs, and 3) offer disabled members the opportunity to connect to their peers either by line of business, impairment or both.

Recommendation 4b:

Where the Government provides any financial support to these business networks Government should audit the reach of this support to disabled business people.

[35] Leonard Cheshire Disability (2016) Briefing: Disability Employment

Recommendation 4c:

Disabled entrepreneurs should receive subsidised membership to join business networks, either by a reduced membership fee or preferential tax treatment.

Recommendation 4d:

Mainstream business networks should draw on or link to models of how disability-specific organisations assist disabled entrepreneurs to improve their own services to disabled entrepreneurs.

Recommendation 4e:

Disability-specific business networks should be funded at least to proportional levels compared to mainstream business networks. This should cover providing publicly-funded training such as apprenticeships, adult learning and business courses. This requires direct funding of disability-specific business networks that may then ensure the provision of such training meets the needs of disabled entrepreneurs.

Recommendation 4f:

Government should commission existing disabled people led business networks to provide specialist business support to existing mainstream business support including that directly funded by Government, like the services that have replaced Business Link.

Recommendation 4g:

HMRC could also contact disabled business people completing tax returns and invite them to business seminars in their regions where they can learn more of skills for generating new business and meet fellow disabled entrepreneurs.

Recommendation 4h:

Business networks need to provide assistance with Access to Work applications.

Recommendation 4i Funding for disability-specific business networks should also enable coaching and mentorship programmes linking aspiring disabled entrepreneurs with successful disabled business owners.

Recommendation 4j Government should provide more financial support to disability-led organisations that demonstrate a track record in successfully linking businesses and disabled job seekers.

Section 5 Procurement

5.1 The Government is the largest purchaser of goods and services in the country. Studies have recently attempted to quantify the sum of public money spent in procuring these goods and services. Central Government spending on procurement is estimated at £242bn.[36] Local government procurement spending was estimated at £45 billion in 2014 accounting for one quarter of local authority spend.[37] This highlights the potential for supporting disabled people through procurement if the procurement process is required to help and support their employment. Evidence submitted by the Employment Related Services Association (ERSA) to the Inquiry, for example, noted the potential role of procurement and supply chains to help reduce the disability employment gap. Leonard Cheshire Disability submitted evidence suggesting *"the good practice used to improve supply chain recruitment diversity during the London 2012 Olympics and para-Olympics should be repeated in Government procurement"*.

5.2 There are policy levers available to procurement managers and decision makers that allow them to obtain direct and indirect benefits for disabled people from the spending of these large sums of money. Paragraph 44 of the Commons and Local Government Committee urged the objective of wider best value and not just lowest tendered price when awarding contracts[38]. Paragraph 48 called for wider use of the Social Value Act of 2012, which permits wider benefits to be considered in procurement. Paragraph 50 sought to strengthen the Community Right to Challenge local authorities' procurement processes. In its response the Government committed itself to future activities that would encourage the promotion of the Social Value Act.

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[36] Farnsworth, K. (2015) *The British Corporate Welfare State: Public policies for private companies*. Sheffield: Sheffield Political Economy Research Institute.

[37] House of Commons Communities and Local Government Committee. *Local government procurement*. Sixth Report of Session 2013–14 https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/323930/CM8888_Web_200614.pdf

[38] Ibid.

5.3 Equalities legislation is also a potentially important driver of change through the procurement process. Procurement as an activity of local or central Government is covered by the Public Sector Equality Duty. It is also possible to take positive action under s158 of the Equality Act 2010 to address the under-representation of a particular group i.e. disabled people being in work.

"*Authorities are required to take equality into account in respect of ALL their functions, and this includes procurement under the equality duty (s.149). Whilst section 158 permits them to take positive action, it is important to note that section 13 of the Equality Act 2010, which sets out what direct discrimination is, specifically provides that it is not direct discrimination when A treats or would treat disabled persons more favourably than A treats B (who is not disabled). This means that an authority will not be discriminating if, for example, it reserves jobs for disabled people only, and it does not have to fall within the positive action provisions of s.158 in order to do so. Thus when considering procurement it is arguable that in order to give full effect to its section 149 obligations, an authority should be considering how it can reserve employment or services for disabled people only, for example, given the specific exemption in s.13."* Catherine Casserley, Cloisters

5.4 Government recognises the opportunities provided by procurement for advancing the employment of disabled people. For example, Stephen Crabb, then Secretary of State for DWP, laid emphasis on "a life chances strategy that uses the entire machinery of Government to break down some of the barriers to opportunity"[39]. Similarly, a letter to the Inquiry from Anna Soubry MP, then Business Minister, explained:
"*DWP evidence shows they are building an understanding of how our procurements and subsequent contracts are supporting individuals to make the best of their opportunities through a 'Life Chances through procurement' strategy. This strategy will be launched with guidance and tools issued to category teams shortly. The aim of the strategy is to encourage and identify opportunities for life chances that have been created through DWP commercial spend. These opportunities can be sustained employment lasting 26 weeks or more or employment experience. We are interested in a variety of priority groups one of which is Disabled People*."

[39] https://www.gov.uk/government/speeches/transforming-lives-through-welfare-and-work

The new Prime Minister's commitment to active state policies to increase equality suggests it is now time to act on this commitment (recommendation 5a).

5.5 The Inquiry believes that the dividend from a Government procurement strategy that has disabled people as one of its priority groups should not be lost through poor communication or practice in supply chain management. For example, it is important that further down the supply chain for public procurement that firms awarded contracts commit and deliver on employing greater numbers of disabled people and commit to resolving accessibility issues including IT, transport and the built environment. This may help reduce difficulties disabled people sometimes experience from subcontractors, for example, the Dyspraxia Foundation reported *"Members have experienced different attitudes from sub contract security and restaurant staff after outsourcing compared to that operated by the parent company"* (written evidence). Government should assess its use of maintenance guidelines and manuals and update them to take advantage of current thinking in accessibility and reference these in its contracting and in sub-contract clauses (recommendation 5b).

5.6 Government should also appraise its transport investment to identify how accessible transport may be advanced through procurement policies and government transport policy and infrastructure investment (recommendation 5c).

5.7 Government should include rewards in procurement for contractors that exceed their existing levels of disabled staff when delivering service contracts of three years or longer in duration and of over £100K in value (recommendation 5d).

5.8 A public procurement strategy requires that all organisations within the supply chain collect information on the disability status of their employees and use this information to monitor progress towards plans and targets. (recommendation 5e)

5.9 *"I Can Make It"* is a three year campaign led by Disability Rights UK which seeks to raise awareness of public sector procurement as a means of employing disabled young people. Its aim, under project officer Leo Capella, is to create new job opportunities for young disabled people

using the Social Value Act as its main driver. Facilitated by the "I Can Make It" team, the campaign engages young disabled people – known as Volunteer Champions - to meet with key council decision makers such as procurement professionals and supply chain managers, to raise awareness of the benefits of employing young disabled people and the possibility of delivering this in public sector funded contracting. Many local authorities are keen to adopt the Social Value Act in the commissioning of public services, yet lack the vital guidance needed at the pre-procurement phase. Consulting an organisation such as Disability Rights UK is a simple yet obvious way of working together to realise some of the shared aims of the Social Value Act. Some short films showing young disabled people explaining what work means to them can be seen at: https://www.youtube.com/user/DisabilityRightsUK1

Section 5 Recommendations

Recommendation 5a:

The Inquiry welcomes the commitment of these former senior members of the Government and the new prime minister with regard to using the state more actively to promote equality. All Government departments should use procurement to help reduce the disability employment gap.

Recommendation 5b:

Government should assess its use of maintenance guidelines and manuals and update them to take advantage of current thinking in accessibility and reference these in its contracting and in sub-contract clauses

Recommendation 5c:

Government should also appraise its transport investment to identify how accessible transport may be advanced through procurement policies.

Recommendation 5d:

Government should include rewards in procurement for contractors that exceed their existing levels of disabled staff.

Recommendation 5e:

A public procurement strategy requires that all organisations within the supply chain collect information on the disability status of their employees and use this information to monitor progress towards plans and targets.

Section 6 Organisational policies

6.1 Disabled people continue to encounter significant barriers in employment. Many of the problems are due to inaccessible and inflexible work environments and employer perceptions with regard to the capability of disabled people. In terms of attaining work, job adverts and recruitment events are often inaccessible, job descriptions and work tasks unnecessarily narrow, and concerns over discrimination in selection remain widespread. Retaining work is also difficult for many disabled people, with adjustments to roles not forthcoming, the contribution of disabled people not recognised, and punitive sickness absence management procedures. Disabled people also encounter many new management practices in the modern workplace such as competency testing, performance appraisal, individual performance-related pay, team working and functional flexibility. Unless employers take steps to promote disability equality and create a supportive culture among managers and co-workers the proportion of disabled people may be unlikely to increase in modern workplaces.[40]

6.2 Disability equality practices which are required to develop a supportive corporate culture and which can challenge the attitudes and practices associated with disablism are not adopted by a large majority of employers. Without widespread adoption of disability equality practices it may be unlikely disabled people will be employed in greater numbers. Disability equality practices may also be important in helping retain disabled people in work. Such practices reduce the gap between disabled employees' in-work experiences relative to the non-disabled with regard to turnover intentions, engagement, loyalty and job satisfaction.[41]

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[40] Hoque, K., Wass, V., Bacon, N. and Jones, M. (2016) *'Are High Performance Work Practices enabling or disabling? Exploring the relationship between selected HPWPs and work-related disability disadvantage'.* Paper previously presented at the EAWOP Small Group Meeting on Disability and Employment Conference, Maastricht University.

[41] Schur, L., Kruse, D., & Blanck, P. (2005). Corporate culture and the employment of persons with a disability. *Behavioural Sciences & the Law*, 23, 3-20.

Schur, L., Kruse, D., Blasi, J., & Blanck, P. (2009). Is disability disabling in all workplaces? Workplace disparities and corporate culture. *Industrial Relations*, 48, 381-410.

6.3 Many employers are unaware of the disability equality practices required to develop a supportive corporate culture for disabled employees and job applicants. Even when employers are aware of these practices many fail to act. Increasing the widespread adoption and implementation of disability equality practices will require a combination of increased employer action, statutory incentives and joint regulation.

6.4 In terms of employer action, it is important more employers develop plans to recruit and retain disabled people in greater numbers. Only one third of workplaces in 2011 had a plan with targets to increase diversity.[42] This has not increased since 2004 and must do so (Recommendation 6a).

6.5 Only half of public sector workplaces have such a plan in place. Government should require all public sector employers have a plan to increase the proportion of disabled people employed and report progress towards this aim (Recommendation 6b).

6.6 Again an important prerequisite is that organisations collect disability data in a meaningful and consistent way in order to develop plans and monitor progress towards them. (Recommendation 6c)

6.7 Statutory Codes of Practice concerning the Public Sector Equality Duty should be laid before Parliament to reinforce the promotion of equality in public sector procurement (recommendation 6d). It is widely accepted in enforcing health and safety that codes of practice are more effective in changing employer behaviour than non-statutory technical guidance, and the same case can be made for enforcing equality. Compliance with the Public Sector Equality Duty should also require clear evidence of progress. Examples of progress for public sector organisations may include an increase in the proportion of disabled employees and awarding a larger proportion of contracts to organisations that promote disabled employment (see the recommendations in section 5).

6.8 Private sector organisations that are awarded contracts to supply the public sector should also be required to demonstrate they have a plan to

[42] van Wanrooy, B. Brewley, H. Bryson, A. Forth, J. Freeth, S. Stokes, L. Wood, S. (2013) *Employment Relations in the Shadow of Recession – First Findings from the 2011 Workplace Employment Relations Study*. Basingstoke: Palgrave Macmillan.

increase the proportion of disabled people employed and substantive disability equality practices in place (Recommendation 6e).

6.9 Moving onto the private sector, only half of large private sector workplaces have a plan with targets to increase diversity.[43] Government should require private sector corporations to demonstrate greater commitment and progress. A voluntary-only business-led strategy to reduce the disability employment gap is only feasible if progress is made. Employer failure to measure and monitor the disability status of employees and applicants and to hire and retain disabled people in greater numbers undermines the Government's target for reducing the disability employment gap (see Recommendation 6c). A continued lack of progress in this regard must trigger legislation requiring organisations to employ disabled people in greater numbers (recommendation 6f). The precise legislation if required will need careful consideration, drawing on international best practice (for example, considering the requirements for the successful implementation of a quota approach) and should be developed in partnership with disabled people.

6.10 To help monitor progress private sector corporations must be required to measure disability and report on their disability statistics, whether they have a plan to increase the proportion of disabled people they employ and report progress. Government should repeat the approach adopted to increase gender diversity on boards and in the workplace. As a first step, the Financial Reporting Council should amend the UK corporate governance code to require reporting on the proportion of disabled people employed at all levels, organisational practices to increase this proportion and reports on progress (recommendation 6g). This will focus corporate attention on disability equality.

6.11 Employers should be required to report on these matters because although four in five workplaces have an equal opportunity policy many are 'empty shells' and lack substantive practices to deliver equality commitments.[44] In a large majority of workplaces managers do not monitor or review recruitment and selection, promotion or pay rates by

[43] Ibid.

[44] Hoque, K. and Noon, M. (2004) 'Equal opportunities policy and practice in Britain: evaluating the 'empty shell' hypothesis'. *Work, Employment and Society*, 18(3): 481-506.

disability.[45] Furthermore, only eight percent of workplaces have special procedures to attract job applications from disabled people. An increase in equal opportunities policies in recent years has masked the decline in substantive equality practices. More employers need to adopt substantive practices to deliver on their equality commitments.

6.12 The penalties accompanying employer liability for discriminatory actions against disabled people by employees and other third parties should be explicitly linked to whether they have substantive equality practices in place (recommendation 6h). Only employers with substantive disability equality practices should be regarded in law as having taken significant steps to address disability inequality. Substantive disability equality practices include measuring, monitoring and assessing by disability: job applications and appointments; wages rates; promotion and turnover.

6.13 Government has sought to encourage employer action on disability equality by the adoption of voluntary standards. Although such encouragement is to be welcomed there is little convincing evidence that voluntary standards have changed employer attitudes towards employing disabled people. The take-up of the Two Ticks and Disability Confident standards remains low suggesting employers are unwilling to adopt them in sufficient numbers.[46] Many employers recruited to these standards have pre-existing commitments to helping disabled people suggesting few new converts. The practices required to deliver on the commitments in these standards are often not adopted.[47] Breakthrough UK criticised the campaign as "*basic, patronising and often impairment specific*".[48] Instead Breakthrough UK suggests that advice should be provided by specialists. Government has recognised the limitations of

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[45] van Wanrooy, B. Brewley, H. Bryson, A. Forth, J. Freeth, S. Stokes, L. Wood, S. (2013) *Employment Relations in the Shadow of Recession – First Findings from the 2011 Workplace Employment Relations Study*. Basingstoke: Palgrave Macmillan.

[46] Bacon, N. and Hoque, K. (2016) *Written evidence to Department of Work and Pensions Select Committee Disability Employment Gap Inquiry (DEG0074).* http://data.parliament.uk/writtenevidence/committeeevidence.svc/evidencedocument/work-and-pensions-committee/disability-employment-gap/written/33166.html.

[47] Hoque, K., Bacon, N. and Parr, D. (2014) 'Employer disability practice in Britain: assessing the impact of the Positive About Disabled People 'Two Ticks' symbol'. *Work, Employment and Society*, 28(3) 430–451.

[48] Breakthrough UK's response to All Party Parliamentary Group for Disability Call for Evidence on Halving the disability employment gap.

continually relaunching a voluntary-only standards-based approach to increasing training and apprenticeships. It is time to consider abandoning a voluntary-only approach towards requiring employers to measure and to increase disability employment, starting where Government has leverage in the public procurement supply chain. (Recommendation 6i).

6.14 Government could consider incentivising individual employers by reducing corporate taxation in line with the proportion of disabled people employed following the precedent set by the apprenticeship levy (recommendation 6j). This requires prior implementation of recommendation 6c to ensure that the proportion of disabled employees is measured. This is potentially cost-neutral as it redirects savings in state benefits to disabled people not in employment.

6.15 Joint regulation has a positive impact on promoting equality as trade unions negotiate with employers to introduce or improve equality policies to help disabled workers[49]. For example, public sector unions seek to negotiate disability leave agreements to help employers meet 'reasonable adjustment' requirements. In order to help unions in this task government has funded initiatives to recruit and train union equality representatives and disability champions. Assessments suggest these specialised representatives encourage more substantive employer equality practices, increase disabled employees' awareness of their rights and help facilitate employment retention[50]. More funding should be available to train specialised union representatives in disability equality. Government should also consider providing statutory rights to facility time in order for union reps to fulfil these specialised roles. Facility time for union representatives to spend on equality issues should also be ring-fenced from the reserve powers granted ministers to reduce statutory facility time in the Trade Union Act 2016 (Recommendation 6k).

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[49] Hoque, K. and Bacon, N. (2014) 'Unions, joint regulation and workplace equality policy and practice in Britain: evidence from the 2004 WERS'. *Work Employment and Society*, 28(2): 1-20.

[50] Bacon, N. and Hoque, K. (2012) 'The role and impact of trade union equality representatives in Britain'. *British Journal of Industrial Relations*, 50(2): 237-262.

Bacon, N. and Hoque, K. (2015) 'The influence of trade union Disability Champions on employer disability policy and practice'. *Human Resource Management Journal*, 25(2): 233-249.

6.16 The Disability Discrimination Act 1995 subsumed into the Equality and Human Rights Act 2010 is deficient in several respects. Reasonable adjustments are often rejected on potentially inaccurate assumptions about costs. Employers should be required in writing to the applicant to demonstrate the cost of an adjustment is excessive in not granting requests for reasonable adjustments (recommendation 6l). This will provide information for employment tribunals to assess whether employers have complied with legislation on reasonable adjustments.

6.17 As many disabled employees are at a higher risk of job loss and the implications of unemployment are particularly harmful, their redress against unfair treatment is especially important. Employment tribunal fee increases in 2013 resulted in a dramatic fall in the number of claims. This has limited access for disabled people to redress against unfair treatment or dismissal in the period of economic downturn when they are most likely to report negative changes to their employment as a result of the recession than their non-disabled counterparts in the same workplace.[51] As the House of Lords has recommended[52] reducing tribunal fees to affordable levels for disabled people should be a priority (recommendation 6m). Employers that are not at risk of losing a tribunal case are less likely to improve disability equality practices.

6.18 Employment retention by disabled people is affected by how performance and sickness absence are managed. It is a decade since parliament last debated statutory employment retention legislation providing disabled employees with the right to paid leave for assessment, rehabilitation or training[53]. During this time funding for new work and health innovation and Access to Work has sought to paper over the absence of effective vocational rehabilitation in Britain. The limited funding provided leaves the majority of employees with

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[51] Jones, M., Hoque, K., Wass, V. and Bacon, N. (2016) *'Disabled Employees' Experience of the Recession: Evidence from the 2011 British Workplace Employment Relations Survey'*. Paper presented at the Work, Employment and Society Conference, Leeds University.

[52] House of Lords Select Committee on the Equality Act 2010 and Disability. Report of Session 2015–16

The Equality Act 2010: the impact on disabled people. HL Paper 117.

[53]Fox, E. and Stafford, B. (2007) Employment Retention Policy. School of Sociology and Social Policy, University of Nottingham.
http://eprints.nottingham.ac.uk/731/1/ERL_Final_Report_to_the_RNIB_2007.pdf

insufficient services provided by either their employer or the state. Government needs to significantly increase funding for such services and more employer provision is required. Providing a right to paid leave will help stimulate underinvestment by employers in vocational rehabilitation. Disabled people will need help to exercise the rights to paid leave, for example, with union support and through the employment tribunal system when necessary. There is a clear case for tax incentives to encourage increased employer investment in vocational rehabilitation. Early stage vocational rehabilitation is far more effective in addressing the disability employment gap than return to work initiatives after job loss (Recommendation 6n).

Section 6 Recommendations

Recommendation 6a:

More employers should develop plans with targets to recruit and retain disabled people in greater numbers.

Recommendation 6b:

Government should require all public sector employers to have a plan to increase the proportion of disabled people employed at all levels and report progress towards this aim.

Recommendation 6c:

Organisations must collect disability data in a meaningful and consistent way in order to develop plans and monitor progress towards them.

Recommendation 6d:

Statutory Codes of Practice concerning the Public Sector Equality Duty should be laid before Parliament to reinforce the promotion of equality in public sector procurement. Compliance with the Public Sector Equality Duty should require clear evidence of progress.

Recommendation 6e:

Private sector organisations that are awarded contracts to supply the public sector should also be required to demonstrate they have a plan to increase the proportion of disabled people employed at all levels and substantive disability equality practices in place.

Recommendation 6f:

A continued lack of progress in hiring and retaining disabled people in greater numbers should trigger legislation requiring organisations to employ disabled people in greater numbers.

Recommendation 6g:

The Financial Reporting Council should amend the UK corporate governance code, to require reporting on the proportion of disabled people employed and organisational practices to increase this proportion and reports on progress. Government should monitor progress to inform targeted government action.

Recommendation 6h:

The penalties accompanying employer liability for discriminatory actions against disabled people by employees and other third parties should be explicitly linked to whether they have substantive equality practices in place.

Recommendation 6i:

Government should abandon the emphasis on a voluntary-only approach towards requiring employers to measure disability and to increase disability employment at least in the public procurement supply chain

Recommendation 6j:

Government should consider incentivising individual employers by reducing corporate taxation in line with the proportion of disabled people employed.

Recommendation 6k:

Government should a) fund training of specialised union representatives in disability equality, b) provide statutory rights to facility time in order for union reps to fulfil these specialised roles, c) ring-fence facility time for union representatives in the public sector to spend on equality issues from the reserve ministerial powers in the Trade Union Act 2016.

Recommendation 6l:

Employers should be required to demonstrate in writing to the applicant the cost of a reasonable adjustment is excessive in not granting requests.

Recommendation 6m:

Employment Tribunal fees must be made affordable for disabled people.

Recommendation 6n:

Government should introduce a right for disabled people to have paid leave for assessment, rehabilitation or training.

Section 7 Growth sectors of the economy

7.1 In order to reduce the disability employment gap it is important that an increasing proportion of disabled people are employed in growth sectors of the economy. This requires ensuring that disabled people are trained and skilled in new and emerging technologies. What if in 1986 a concerted effort had been made to teach young unemployed disabled people how to use a personal computer? Through the 1990s huge benefits may have emerged in terms of opportunity and entrepreneurship. Going forward disabled people should be taught the use of new and emerging technology almost before anyone else is taught those same skills. Training does not guarantee jobs and action is required by employers in the growth industries, with support of partners and disabled people's organisations.

7.2 Evidence submitted by Dr Taylor and Dr Hurley in their paper "Empowering disabled people with digital fabrication: insights from the 'In the Making Project'" illustrates the potential with regard to turning objects into data and data into objects using 3-D printing, laser cutting and CNC milling.[54] If disabled people could be trained in these skills this offers the opportunity of early labour market entry into these growth/skill shortage sectors and involving them in designing jobs in this field will enable disabled people themselves to design in accessibility as they help dictate the evolution of technology.

7.3 Disabled entrepreneurs also require skills with regard to product development and bringing products to market. There is increased interest within the disability sector in the power of disruptive innovation. A good example is the new business 'Disrupt Disability' that uses digital fabrication technology to make bespoke and affordable wheelchairs for a worldwide market of 52 million wheelchair users. Its true disruption may be in supplanting the notion that wheelchairs merely provide movement for the mobility impaired with the idea that

[54] 'In the Making Project' was a partnership between the University of Dundee, the University of Salford, Disability Rights UK and was funded by the Arts and Humanities Research Council see http://hdl.handle.net/10588/a965a828-22f0-4389-ab76-9fe7545f0390

they are fashionable extensions of someone's personality, or supplementing the notion that disabled people are simply recipients of support with the idea that they could design and even build their own wheelchairs that meet their precise needs. They are a business actively engaging with the maker movement and the maker movement is engaging with them.

7.4 Initiatives such as "Disrupt Disability" and "In the Making" throw down a challenge to policy makers and the disability sector too. Why should disruption be only about aids and adaptations? Could it not also be about opportunities to work too? Could disabled people disrupt future economic exclusion? How can disabled people be fast-tracked to the jobs of the future? How could this be done in co-creation with disabled people and their representative organisations? What would be required and how could Government policy support it?

7.5 A further challenge can arise from outdated and disablist notions of what type of work is possible or permissible for disabled people. Submissions to the Inquiry such as the following highlighted continuing stereotypes:

"*Unconscious bias and conscious prejudice still lead to assumptions about the type of work that a disabled person can do and the type of employee they will be. Evidence shows that disabled people work harder and are less likely to change jobs than a non-disabled person*." Evidence submitted by Shaping our Lives, 23rd June 2015

7.6 This is particularly important in sectors of the economy where disabled people may be excluded as a result of incorrect assumptions not just about their capabilities but also the types of jobs that predominate. The Inquiry heard from Kevin Millin a disabled chartered surveyor regarding how disabled people might access opportunities in two growth sectors, construction and engineering. He described how automated office processes were making access easier. He also outlined how remote sensing made it possible to assess building work without going on site.

"*Just to give you some numbers on the shortfall (in future construction jobs) we have predicted nearly 25,000 professionals leaving in the next five years. We have 4,149 to replace them. Within construction many of the jobs are mainly administration and information role. In addition, there are many financial roles to deal with paying suppliers. All these roles are computer based, at a desk, on the phone. Assistant quantity*

surveyors are also mainly sat at a computer. Many other tasks involve bidding for contracts. Other roles are mainly gathering information, pricing work and getting it agreed. Many clients in the building sector like Family Mosaic (a registered social landlord) have amazing disability access. On the client side it is really good so disabled people don't necessarily face barriers in working with clients."

Government should work with growth sectors of the economy to identify areas of skill shortage and train disabled people for those roles.

7.7 Pierre Marsh, another Inquiry witness, described a possible new vocational pathway with a focus on disabled young people.

"*Industry recruitment professionals need to identify and help disabled people at school and sponsor them for future roles. The schools can look at saying okay you will never get an English degree. I'm dyslexic, I'm pretty much illiterate and I only use email to confirm things but I discovered that I can manage training people, explaining what we agreed and putting it out in the email. So these sort of educations at school would have been so much better, that you can also do qualifications that are more directed at in terms of English standard, history if you are sponsored by a company they can say that you are basically going to do the same level as a GCSE, start doing it*." Pierre Marsh

Section 7 Recommendations

Recommendation 7a:

The Government's support to sectoral employer-led bodies seeking to address the future skills shortages of their industries should require training and upskilling disabled people as a key target in future plans. Specific measures should include funding for disabled people already working in these industries visiting schools and colleges to raise aspirations and provide role models to young disabled people regarding the possibility of they may also work in these industries.

Recommendation 7b:

Access to Work should include the provision of support for reasonable adjustments to young disabled people embarking upon short period work experience in these industries whilst still in school.

Section 8 Additional Findings

8.1 The Inquiry uncovered gaps and made recommendations outside the main themes of the report.

8.2 Peer-to-peer support is an important pathway for people to meet and hear from people in their own situation who have found successful adaptation or coping strategies and been able as a consequence to move their lives on. This includes peer to peer support between disabled individuals and family/ parent support groups. Such groups are important in helping some disabled people gain employment. For example, Rosemary Berks told the Inquiry "I had been unemployed for twenty years because a doctor told me I couldn't work and I believed him, then I got a job with DAD (Darlington Association of the Disabled) and it was amazing." The employment opportunities provided by and through disabled-led organisations should be recognised and provided with greater financial support (recommendation 8a).

8.3 Government departments need to ensure all business support information is available in accessible formats (recommendation 8b). This is still frequently not the case. For example, Laura Cook from Action on Hearing Loss explained, "*HMRC have brilliant videos on You Tube but there is no subtitling, no sign language interpretation either*."

8.4 The Inquiry heard from several witnesses who spoke of challenges in the job application process and the need for support. Examples included on-line application forms not accessible for the visually impaired, psychometric tests to people with dyslexia, the limiting options of textphone or post for people whose first language is BSL, or the lack of easy words and pictures for people with learning difficulties. There are ways of minimising or eliminating these barriers. Individuals need to know their rights to challenge discriminatory practices and professionals need to facilitate the appropriate sharing of information on access needs. Individual may host a video C.V. on their own or another computer or smartphone to demonstrate adaptation techniques to meet the challenge of their impairments. Job Centre Plus staff should issue every disabled claimant with information on their rights under the Equality Act, develop skills in sharing information on access needs and adaptation techniques. Knowledge of the specific help required by

disabled individuals with specific impairments is a specialised area. A wider range of organisations offering help to disabled job seekers need funding to help them with specific needs. (Recommendation 8c).

8.5 Access to support often depends on the knowledge that that support exists; faith in it depends upon some level of knowledge of its effectiveness. The Government run several highly regarded forms of support e.g. Access to Work, Fit for Work Service and Disabled Student Allowance. However there is a poor level of awareness of this support. The Resolution Foundation have reported low levels of referrals for the Fit for Work Service.[55] Changes in Disabled Student Allowance raise uncertainties about its provision with the primary responsibility for bands one and two being transferred to universities. Access to Work has had little promotion in the twenty-two years of its history. There are consequences to the Government, to employers and to the disabled people keen to move their lives on, from these problems. For example, Dr Nasser Siabi, CEO of Microlink PLC, explained the outcomes for disabled students who use the disabled student allowance are on average 6% better than for students who have disabilities but don't use it. Knowledge of Government support could itself become a reasonable adjustment with an expectation that employers find out about the support available for disabled people and incorporate it into their own HR policies (Recommendation 8d). The Government could assist this process by producing model HR policies that address the issues in this chapter and the wider report. These policies should be tailored to the size of the business and co-produced with employers' representatives and disabled user-led organisations (Recommendation 8e).

8.6 Access to Work is the most popular of Government support to disabled people. At its best it is flexible, personalised and responsive to the type of work and the nature of the work environment. Its very success brings hope for a better and simpler process for obtaining it and wider application to those not yet in employment. It has been described as akin to putting fuel in the tank once someone has secured a job and a powerful argument for the same quality of support for those trying to get into work. The Inquiry heard from many disabled people seeking

[55] Resolution Foundation Report (2016) Retention Deficit: A New Approach to Boosting Employment for People with Health Problems and disabilities. http://www.resolutionfoundation.org/wp-content/uploads/2016/06/Retention-deficit.pdf

changes to the programme including the following recommendations to make AtW more helpful for those wishing to start a business (Recommendations 8f-h). Some of these recommendations echo those in DWPs *Getting In, Staying In and Getting On: Disability employment support fit for the future* (2011) which we support and would welcome their formal inclusion in Government plans.

i. The current business growth model used to assess eligibility for Access to Work support should be extended by an additional year in recognition of the extra time it can take a disabled person to start a business, e.g. acquire disability specific skills.

ii. After this time if an adverse AtW decision may affect the viability of self-employment or a disabled person's business, an opportunity should be provided to present their case in a face to face meeting.

iii. In order to support the rapid and easy transition from study to work a link should be established between a disabled student's Disabled Student Allowance and their likely AtW award in the event of them securing a job.

8.7 Employers often don't have the expertise to manage the needs of disabled employees (for examples see Disability Talking (https://youtu.be/BDcYlTS5J7Q)). They need to be able to identify easily where they can access specialist support.

8.8 Finally there is the important issue of having a benefit system that supports people to try work and enterprise but offers the safety net of social protection if for whatever reason their business fails. Liz Sayce (Disability Rights UK) and Ben Baumberg-Geiger (University of Kent) both emphasise the need for "safe experimentation" within welfare-to-work provision. This would allow individuals to take steps towards work, including undertaking short work trials or voluntary work, without fear of being sanctioned or losing entitlement to benefits if employment does not work out.[56]

We look to the Government to establish an evidence base for what does and doesn't work. For example, Jackie Dunn highlighted to the Inquiry

[56] Work and Pensions Select Committee Inquiry Report on Job Centre Plus http://www.publications.parliament.uk/pa/cm201617/cmselect/cmworpen/57/57.pdf

the problems of becoming self-employed caused by the existing benefits system:

"*You have to come off ESA (Employment Support Allowance) which is I think an incredible risk if you suffer from mental health issues for example which is unpredictable from day to day illness. National Enterprise Allowance (NEA) should look at their policies again. When you sign up to NEA you lose your ESA which I think you shouldn't because illness might occur and you have to go through the whole process again*".

The submission from People First stated: *"benefits need to be used in a more social model way e.g. we understand that you face more barriers than others and therefore if you lose your job and can't find another then you can come back on benefits until you can find one. It needs to be much easier for people to return to benefits if needed."*

The Employment Related Services Association (ERSA) also contacted the Inquiry to forewarn us of one possible consequence from the new universal credit system, a system that will replace ESA and other means tested benefits, suggesting '*the introduction of Universal Credit for disabled jobseekers wishing to start their own businesses is likely to mean that many more are prevented from entering the labour market in the future*'. It is important the Government commissions an independent review of the evidence on whether changes in the benefits system (such as the linkage rule) incentivise or dis-incentivise claimants remaining on benefits (Recommendation 8i).

Section 8 Recommendations

Recommendation 8a:

The employment opportunities provided by and through disabled-led organisations should be recognised and provided with greater financial support.

Recommendation 8b:

Government departments need to ensure all business support information should be available in accessible formats.

Recommendation 8c:

Job Centre Plus staff should issue every disabled claimant with information on their rights under the Equality Act, develop skills in sharing information on access needs and adaptation techniques. A wider range of organisations offering help to disabled job seekers need funding.

Recommendation 8d:

Knowledge of Government support could itself become a reasonable adjustment with an expectation that employers find out about the support available for disabled people and incorporate it into their own HR policies.

Recommendation 8e:

Government should consider producing model HR policies that address the issues in this chapter and the wider report. These policies should be tailored to the size of the business and co-produced with employers' representatives and disabled user-led organisations.

Recommendation 8f:

Extend the current business growth model used to assess eligibility for Access to Work by an additional year.

Recommendation 8g:

After this time a disabled person should be entitled to a face to face meeting to present their case following an adverse Access to Work decision.

Recommendation 8h:

A link should be established between a disabled student's Disabled Student Allowance and their likely Access to Work award in the event of them securing a job.

Recommendation 8i:

Government should commission an independent review of the evidence on whether changes in the benefits system (such as the linkage rule) incentivise or dis-incentivise claimants remaining on benefits.

Section 9 Conclusions

9.1 The Government expects the economy to grow and it expects more people to become employed. The Office of Budget Responsibility confirms these expectations in its forecasts. Narrowing the disability employment gap however requires a disproportionate increase in the rate of employment success for disabled people. This in turn requires tailored policy interventions and positive action in this area.

9.2 The disability employment gap is 32 percentage points in 2016 so the target is to hit 16 percentage points in 2020. The scale of the ambition requires moving 1,074,000 (a third more) disabled people into employment and raising their employment rate from 48% to 64%. On the basis of existing policy and practice (2013-2016), the gap has narrowed by 1.3 percentage points. Continuing at this rate, with all else remaining equal, it will take 49 years (until 2065) to narrow the gap to its target of 16 percentage points. The purpose of the Inquiry was to identify where Government can influence the employment rate for disabled people and speed up the rate at which the gap narrows.

9.3 For the Government to attain its target requires additional measures from new policy interventions of the type described in this report. Foremost of these interventions will be ensuring an improved social dividend in terms of job outcomes for disabled people from the Government's own expenditure on procuring goods and services. The opportunity is there for the Government to influence the impact of tens of billions of pounds of public expenditure and not simply the £350 million spent directly by DWP on back-to-work support.

9.4 A succession of reports from the UK Commission for Employment and Skills have pointed to growth sectors of the economy confronted by a lack of possible applicants with the right skills. These reports include studies of growth sectors of the economy including energy, digital technology and the creative industries, health and social care, construction, financial technology and food and drink retail being just

some of these[57,58]. Sector wide strategies are already being developed to address these skill shortages and many of these are focused upon early interventions in education and training. The Government should use its influence and funding with bodies such as the construction industry training board (CITB) to ensure that these strategies include specific measures to include disabled people in future recruitment.

9.5 It isn't simply the creation of new businesses that will make serious inroads into halving the disability employment gap but the facilitation of new markets by disabled people too; markets in which other new businesses can grow. Markets based upon new products or from innovations in business models need supporting. Disabled people are as creative as anyone else, possibly more so. Supporting them to be innovators in market creation is best done by advisors who understand their access needs, the opportunities for them to benefit from current Government support of all kinds but especially specific to their impairment and their rights such as any requirements they may have for reasonable adjustments. Evidence to the Inquiry suggests that disabled people are not beneficiaries of research and development grants e.g. Innovate UK, start up business loans e.g. the Business Bank or mainstream business networks or sources of business advice e.g. the BE Group. The organisations themselves do not collect data on the disability status of applicants or beneficiaries so large scale appraisal on this issue is impossible. The Government needs urgently to instigate an investigation of the apparently poor business support service to disabled people and needs to start with a requirement that its own departments and agencies and the organisations that it funds collect data on the disability status of their users. On the basis of these data, and in consultation with disabled people, an action plan with targets for improvement must be devised with report to Parliament on the progress of the plan.

9.7 In conclusion we wish to see the Government fulfil its laudable ambition to halve the disability employment gap. We believe that this is best done by the Government through harnessing the creativity and enterprise of disabled people in a voluntary pact with them, their advocates, representatives and families. The measures we call for centre on

[57] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/433755/Skills_challenges_in_the_digital_and_creative_sector.pdf

[58] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/416998/15.03.25._Energy_SLMI_-_evidence_report.pdf

measuring the disability status of applicants, employees and users starting with government departments and agencies and extending down the public procurement supply chain. This provides a starting point to identify areas where disabled people are under-represented and to investigate why, to develop plans and targets to direct resources and effort to these areas, and to monitor progress towards targets. Government can pull levers to ensure greater utilisation of the effort and enterprise of disabled people directly where service provision and employment is through the public sector or through public sector funding and indirectly in the private sector through the public sector supply chain. Scrutiny is required in terms of the representation of disabled people in the workforce and the policies and practices in place in each establishment to increase this representation.

Appendix: Respondents to the All Party Parliamentary Group on Disability

The Shaw Trust

Breakthrough UK

Rhonda Cynon Taff focus group of people with learning difficulties

Downs Syndrome Association

Community Housing and Support Network Northampton

Society of Occupational Medicine

Rosa Morris

The Law Society of Scotland

Harrow Association of Disabled People

Freewheeling

Dyspraxia Foundation

Dr Tony Rucinski

Patrick Packwood

Gordon MacDonald

Christopher Burns

Wendy Micklewright of HVN

Maria Needs

Marilyn Mitchell

Royal British Legion Industries

Microlink PLC

Lancashire County Council

Laurence Kenny

Dorothy Runnicles

Disabled Golf Association

Mathew Smith

Dr Andrew Bateman

Lucy Kenyon

Richard Lloyd jones

Chris Kushner

Headway Portsmouth
Philip Barton
Dr A.N.Williams
Howard Lewis
Lewis Cooper
Brain Tumour Research
Paul Milton
Changing Faces
Kevin Millin
Thomas Pocklington Trust
Darlington Association of Disabled
Edinburgh University Disabled Staff Network
DPACT – Disabled Parents and Carers Together
Universal Inclusion
Adrian Whyatt
Dyslexia Adult Network
Gregory Patton
John David Walker
Dr Elizabeth Guest
Anna Soubry MP
Johnathan Andrews
People First
START Ability Services
Adult Dyslexia Organisation
Show me the access
Rob Trend
Centre for Disability Research
Epilepsy Action
Equalities and Human Rights Commission
Thurrock Coalition of Disabled People
Achievability

Dr Nick Taylor

Dr Ursula Hurley

Jane Cordell

Action on Hearing Loss

Elaine Maria Burnell

ERSA – Employment Related Services Association

Mencap

Leonard Cheshire Disability

Volunteering Matters

Vocational Rehabilitation association

Dr Emma McGilloway

Inclusion Barnet

Disabled Police Association

Lynn Scott

Shaping our Lives

Living Options Devon

Lloyds Banking Group

Prof Melanie Jones

Channel 4