

Disability employment gap

Submission to the Work and Pensions Select Committee

Chartered Institute of Personnel and Development (CIPD)

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Background

The CIPD is the professional body for HR and people development. The not-for-profit organisation champions better work and working lives and has been setting the benchmark for excellence in people and organisation development for more than 100 years. It has 155,000 members across the world, provides thought leadership through independent research on the world of work, and offers professional training and accreditation for those working in HR and learning and development.

Public policy at the CIPD draws on our extensive research and thought leadership, practical advice and guidance, along with the experience and expertise of our diverse membership, to inform and shape debate, government policy and legislation for the benefit of employees and employers, to improve best practice in the workplace, to promote high standards of work and to represent the interests of our members at the highest level.

Our response

Progress so far and impact

What progress has been made, especially since 2015, on closing the disability employment gap? How has this progress been made?

We welcome the progress reported in the latest [House of Commons' Library research briefing](#) on closing the disability employment gap [In April-June 2020, the employment rate for disabled people was 53.6% and the rate for people who are not disabled was 81.7%, a disability employment gap of 28.1 percentage points. Between April-June 2013 and April-June 2020, the disability employment gap reduced by 5.0 percentage points.]

However, we need a considerable step change in public policy and employment practice relating to the support and management of people with a disability [and those with a long-term health condition] if the UK is to make **significant progress** in closing the disability employment gap. The latest ONS figures don't capture the full impact of the ongoing health crisis and economic recession, including significant job loss in the labour market, on people with a disability.

What has been the impact of the coronavirus pandemic on disabled peoples' employment rates?

We are concerned about the potential adverse impact of Covid-19 on the employment opportunities of disabled people, now and in the future. The pandemic is having an unequal effect on many employee groups and individuals at work, particularly those with a disability. The continuing and disproportionate need for many of those with a disability to self-isolate is likely to impact on their relationship with work and future access to the labour market. CIPD research shows that employees with existing health conditions are understandably more concerned about returning to a physical workplace – 57% of those with a mental health condition, and 48% of those with a physical health condition, were anxious about this compared with 34% of those with no health condition.



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A survey of 6,000 people by [Citizens Advice](#), found more than a quarter (27%) of people with a disability were facing redundancy (compared with 17% of the overall working population) – increasing to 37% among those who said their disability had a large impact on their day-to-day life.

Further, according to a report from [Leonard Cheshire](#), seven-in-ten disabled people (71 per cent) in employment in March this year were affected by the pandemic, either through a loss of income, being put on furlough or being made redundant. This increased to 84 per cent for those aged 18 to 24.

Action is needed now to ensure this already disadvantaged group do not suffer increased disadvantage in the labour market going forward. It will be much harder for those with a disability to re-access the workforce if they do fall out of work.

Providing support

Where should lead responsibility for improving disabled peoples' employment rates sit (for example, DWP; Business, Energy and Industrial Strategy; Health and Social Care)?

We need joined up public policy across the Department for Work and Pensions, Business, Energy and Industrial Strategy, Health and Social Care and across government to achieve a step change disabled people's employment rates. CIPD therefore welcomes the work of the Joint Work and Health Unit as an enabler to achieve more cohesive public policy.

A key challenge for government is also achieving a joined-up approach on the part of the many other agencies and stakeholders whose work impacts on the workplace health and disability agenda. We need appropriate and adequately resourced government services to boost employer demand to recruit and progress disabled people, as well as direct support for individuals. The support and services available need to be tailored to meet the needs of different employers, widely promoted, joined up and responsive. This will require clear signposting and the availability of accessible tools, advice and guidance.

There needs to be much better co-ordination and partnerships between key stakeholders at a local level to support the employment, training and progression of disabled people in the labour market. These include Jobcentre Plus, local authorities, Local Enterprise Partnerships, training providers and, crucially, employers through bodies such as Chambers of Commerce and CIPD's local branch networks.

What international evidence is there on "what works" in supporting disabled people into, and in work, and how applicable is this to the UK?

DWP rapid review of international evidence

A DWP (2013) [rapid review](#) of international evidence from the European Union (EU) and Organisation for Economic Co-operation and Development (OECD) was commissioned to establish 'what works' to help disabled people into employment and to remain and progress in work.

The review found an overall lack of robust international evidence to determine ‘what works for whom’ to help disabled people into, and to remain in, work. However, there is evidence of the success of some interventions, particularly supported employment programmes, with additional positive findings regarding flexible and accommodating workplaces, return-to-work planning and some health interventions (particularly with an employment focus). The review also highlighted that:

- interventions should focus on both individuals and employers;
- availability and awareness of support are important – many of the more successful interventions were small scale or have low take-up;
- early intervention is key, both to prevent individuals leaving employment due to the onset of an impairment, and to ensure early access to the right support for those on benefits;
- employment interventions are only one element of the range of possible initiatives; in particular, focusing on preventing individuals leaving work may have a greater impact on the numbers on disability benefits than employment programmes themselves

How can DWP better support employers to take on and retain disabled employees, and to help them progress in work?

- How effective is the Disability Confident scheme?

Government schemes such as *Disability Confident* and *Access to Work* have the potential to improve the capability of employers in creating inclusive workplaces and improving the employment of disabled people. At the CIPD we are a *Disability Confident Leader* and have worked with the DWP to produce Disability Confident [guidance for people managers on employing people with a disability or health condition](#)

Feedback from our members tells us that, in principle, Disability Confident covers the right issues and offers a simple and accessible framework for employers of all shapes and sizes to improve their competence in recruiting and developing people with a disability. However, with around 18,000 members, take up of the scheme could be considerably higher on the part of employers. Just 2% are Disability Confident Leaders and so more work is needed to boost this level of membership. We would also welcome further evidence of the scheme’s long-term impact on boosting sustainable employment and progression of disabled people at work.

We believe *Access to Work* is also an important scheme, a view broadly supported in the consultation we carried out to support [our response](#) to the Government’s Green Paper, *Improving Lives*. Our [Health and well-being at work 2018](#) survey report showed that 60% had heard of *Access to Work* and 32% had used it, with three-fifths of these reporting it was very helpful. CIPD is of the view that *Access to Work* as a concept has tremendous value and potential, but it could be made more high-profile, flexible and responsive, with much greater promotion of its potential benefits for employers. Our practitioner feedback also indicates there is more scope for the service to more effectively support people with a disability who are already in employment.

There needs to be much greater promotion of available support and schemes like *Disability Confident* and *Access to Work* by Government as part of a well-funded national campaign, in



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collaboration with employers, and relevant special interest group and stakeholders. We have consistently called on the Government to launch a major, ongoing and well-resourced publicity and education campaign to raise awareness and encourage a culture of inclusion among employers that is broader than, but aligned with the *Disability Confident* campaign.

Wider public policy reform is needed

Flexible working

The CIPD is calling for employees to have the [right to request flexible working from day one](#) of their employment, rather than the 26-weeks as currently required. Flexible working, such as the greater use of home working, will make work more accessible and sustainable for all, particularly for people with some disabilities and health concerns. A recent [Unison Survey](#), for instance, found that 73% of disabled workers said they were more or just as productive working from home, owing to reduced pain and fatigue through less commuting, and having the ability to take additional breaks and later start times.

This shift to wider flexible working will support and encourage employers to recruit and retain a more diverse workforce which is good for the economy and society at large.

The CIPD has been working for some time with government and a range of stakeholders including business lobby organisations, professional bodies, unions and key charities as part of a [Flexible Working Task Force](#). Government, including departments BEIS and DWP, working with the CIPD and other bodies across employment, needs to step up its work to implement effective regulatory change and provide better information, support and guidance for employers and individuals. We need a step change in how proactive employers are in offering a wider range of flexible working options to better support people with a disability or health condition.

Reform of Statutory Sick Pay

The Government has taken bold action to protect viable jobs and people's incomes over the winter through the Coronavirus Job Retention Scheme and other support measures. However, the pandemic has thrown a sharp spotlight on the need to reform Statutory Sick Pay (SSP), and disabled people are particularly vulnerable to its inadequacies. The very low level of SSP currently means many people cannot afford to take time off when they are ill, which is a major problem during normal times but even more so during a pandemic – and even more so for those with a disability or health condition. This could encourage some people to come back to work much earlier than they are ready to, possibly making their condition worse whilst not adding value to the organisation in terms of their productivity. The low level of SSP also contributes to many people with a disability or longer-term health problems falling out of employment completely.

SSP should be extended to include employees earning below the lower earnings limit (LEL). The Government should also raise the level of SSP (currently £95.85 a week) to be significantly closer to the equivalent of someone earning the National Living Wage (£327 for a 37.5 hour working week). We urge Government to undertake a further public consultation on longer-term reform of the rate of SSP and how a significant increase in the rate should be shared by the state and employers.

Enforcement and next steps

Are “reasonable adjustments” for disabled people consistently applied? How might enforcement be improved?

We believe that far too few people with a disability or health condition are receiving the support and flexibility they need to remain in work and thrive. [CIPD research](#) found that around three-quarters of organisations experienced challenges in managing people with a disability. The two most significant ones are [1] **employers’ and line managers’ lack of awareness, knowledge and understanding of disability and the many different types of disability** and [2] **lack of knowledge about reasonable adjustments and how to implement them**. Both of these contribute to the lack of consistency across employers in how effectively reasonable adjustments are discussed and implemented.

The lack of capability in many organisations about making effective reasonable adjustments has been exacerbated by the Coronavirus pandemic. For example, an [Acas policy paper](#) reported many employers making potentially discriminatory decisions in haste under the *Equality Act 2010*, such as disabled workers not being provided with reasonable adjustments such as homeworking or other adjustments to enable them to work effectively from home. A recent [Unison Survey](#), for example, found that 73% of disabled workers said they were more or just as productive working from home. However, of those who said they were less productive, more than half, had not been given any reasonable adjustments to support them to work from home.

Crucially, employers need **greater awareness and understanding of disability** and how to manage/support people with a disability– the disability employment gap will only close when employers and managers are confident in this area. In particular, this needs more effective dissemination of clear guidance on how employers can make reasonable adjustments, including supportive workplace changes that go beyond their statutory responsibility. We need to shift the negative misconception about adjustments being onerous and costly – many can be simple and low-cost, and can make an enormous difference to enabling people to perform to their full potential.

We also need effective voice channels in organisations to encourage genuine consultation and feedback on disability issues to create the necessary cultural change. We set out some of our key thinking and research in [our response](#) to the Government’s earlier Green Paper, *Improving Lives* as well as [our response](#) the more recent ‘*Health is everyone’s business*’ consultation.

What would you hope to see in the Government’s National Strategy for Disabled People?

We very much welcome the development of the Prime Minister’s National Disability Strategy. The CIPD has submitted evidence on its development via the Centre for Social Justice Disability Commission, and will be meeting soon with the Cabinet Office Disability Unit, under the auspices of the APPG on Disability, to discuss it.

No single public policy initiative will achieve the step change needed in the willingness and confidence of employers (particularly SMEs) to effectively manage and retain people with a disability or health condition. In terms of employment, the National Strategy therefore needs to cover a broad range of areas if real progress is to be made in closing the disability employment

gap and ensuring that disabled people can not only access quality jobs but reach their full potential. Some of the key areas for action are:

Better careers advice and guidance: Cultural and societal attitudes around health and disability do not begin with employment and attitudinal change needs to start at the earliest opportunity to have an impact on the expectations of young people entering the labour market as well as those of their peers. Much more should be done to make sure that, from a young age, those with disabilities and long-term health conditions are aware of the opportunities available to them and the steps they need to take to access these. Employers have a key role to play in ensuring their recruitment practices are designed to be accessible to all, but we also need better quality and more targeted careers advice and guidance in schools in this area.

Employee opportunities in employment (e.g. training, promotion, and continuous professional development): Many UK workers believe disability is still a barrier to career progression (e.g., see [PMI Health Group research](#)), despite anti-discrimination legislation. So it's crucial that the Government (working with businesses) should consider the *progression*, as well as the recruitment and retention, of disabled people at work. As well as building effective national and localised networks across employment, we need appropriate and adequately resourced government services to support employers, backed up by high-profile national campaigns. This will require clear signposting and the availability of accessible tools, advice and guidance showing how employers can facilitate the career progression of people with a disability. We also need ongoing in-work career reviews, as part of a life-long learning approach. This framework would provide the opportunity for an individualised and supportive discussion that could include health- and disability-related issues as they may develop over time.

National and organisational disability data reporting (e.g. pay gap reporting): Government and employers, and business/professional bodies, need to do much more to publicise, educate and engage with employers around the existing voluntary reporting framework, with the aim of building on this to introduce a mandatory approach. Our (unpublished) survey of 700-plus HR professionals shows just 3 in 10 are aware of the voluntary framework. It suggests a number of barriers to effective disability reporting, including: a lack of reported disclosure from employees (34%), a lack of guidance or support regarding good practice for disability (30%) and a lack of systems and infrastructure to collect data (24%) are the top three. It's disappointing that only 31% agreed there was a business case for disability, mental health and wellbeing reporting (50% agreed the moral case was clear) – showing a lot more work is needed to build the business case and engage employers on the value of reporting.

How to achieve cultural change and good practice within the workplace, and reframe the conversation around talent, e.g.:

- **Commitment from senior leaders and managers:** employers need to develop a working environment that fosters diversity and does not tolerate bias towards people with a disability, even if it is unconscious; leaders need to speak publicly and authentically about the importance of inclusion, and drive cultural change that shifts the narrative to one of opportunity that embraces the social model of disability.
- **Supporting a climate of disclosure:** If individuals don't feel comfortable to disclose their condition, they will not receive any organisational support. Many employers are aware of their need to act on health and disability issues but many feel ill-equipped to do so, with disclosure often seen as the biggest barrier, creating a vicious circle for both individuals and employers.

- **A robust organisational framework of health and disability related policies and support:** this will provide the bedrock for encouraging a positive and open culture; employers should understand their legal obligations under the *Equality Act* in managing disability, and making reasonable adjustments when necessary. This needs to include a proactive approach to managing absence, including a disability leave policy that differentiates between sickness and disability absence.
- **Flexibility in working practices and policies:** a proactive flexible working policy is required, enabling individuals with a health condition and/or disability to flex their hours and responsibilities to suit any fluctuating health needs; this is as well as **flexible sickness absence procedures** that are consistent but flexible enough not to penalise disabled people who need time off due to their disability.

The role of business advisory networks in disseminating best practice and supporting businesses to improve disability equality practices: The view from our practitioners is that it can be confusing to navigate the many sources of disability- and health-related information, advice and guidance (IAG) already available. Provision of IAG should meet the needs of employers with very different needs and starting points in this area, particularly SMEs. Therefore, it's important that online sources of IAG are supported by the provision of local sources of support and services. Networks can support SMEs to take an active role; this is a group that is often harder to reach for policy makers but, given their majority share of the labour market, they are vital to achieving a significant increase in the employment of people with a disability.

The role of unions working with employers to improve disability equality practices and outcomes: Recognised trade unions and employee representatives can play a very important role in improving disability equality practices and outcomes. Most trade unions would view equality and diversity issues, fair treatment and the development of anti-discrimination practices as a key priority. Wherever possible, employers should communicate and consult with union and non-union employee representatives in the development of their equality and diversity policies, procedures and action plans.