

EMBARGOED 21:30 5TH JANUARY

Briefing on the Incapacity Benefits story for Sunday

On Tuesday 8th January, David Cameron and Chris Grayling will be making an announcement on the Conservative Party's Responsibility Agenda. The first of three announcements will focus on Incapacity Benefit claimants.

Shadow Secretary for Work and Pensions, Chris Grayling, said:

“We think it's time to take tough action against those who are deliberately staying at home and claiming benefits rather than going back into work. We think that if you get a reasonable job offer, you should take it – and if you don't, then you can't expect to be able to carry on claiming out of work benefits.

“Under Gordon Brown we have seen millions of people coming into the country to work. Yet it's still possible for many British people to stay at home on benefits, and not go back to work. That simply doesn't make sense.”

Key Conservative message

Current Government policy has abandoned people on Incapacity Benefit, committing them to a life time of dependency. Despite the Government itself admitting that up to a million of these people want to return to work, Labour has refused to provide back to work support to existing Incapacity Benefit claimants.

Under Conservative proposals every one of the 2.64 million people claiming Incapacity Benefit in the UK will be required to attend an in depth assessment to evaluate their needs and capabilities to see if they can return to work.

Those who are fit to return to work will no longer be able to use Incapacity Benefit registration as a way of avoiding the greater conditionality and lower cash amounts of Job Seekers' Allowance. They will be transferred off Incapacity Benefit and onto Job Seekers' Allowance, facing a cut in benefits of £20 per week and will be expected to look for work immediately.

Claimants with the potential to be able to work will be referred to specialised welfare to work providers to develop individual programmes to help them prepare for an eventual return to work.

Those incapable of work or of participating in a welfare to work programme will remain on Incapacity Benefit but will be subject to regular checks if their condition is not permanent.

Government failings on Incapacity Benefit

Incapacity Benefit customers make up the largest group of people on out of work benefits in Britain, with over 2.6 million people of working age currently receiving it. The Government itself has admitted that up to 1 million of these people want to get back into work, but the current system does nothing to help them return to the workplace.

- There are over 2.6 million people on Incapacity Benefit, 120,000 more than in 1997.
- Incapacity Benefit claims for the under 25s are up 52 per cent.
- More than half of the people claiming Incapacity Benefit have been doing so for five years (DWP, Work and Pensions Longitudinal Study, *IB Caseload by age range and IB claims by duration of claim*, August 1999 and May 2007).
- There are now 6,600 16 and 17 year olds claiming Incapacity Benefit.
- At the moment you are more likely to die or retire than get a job if you have been on Incapacity Benefit for more than two years.
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Incapacity Benefit and Pathways to Work

The Government is planning to roll out a national programme of return to work help in 2008 through its Pathways to Work programme. However, this will apply only to new Incapacity Benefit claimants and do little to help the 2.64 million people already on Incapacity Benefit.

Gordon Brown announced this November that he plans to extend the Pathways to Work programmes to existing Incapacity Benefit claimants under 25. This represents only around 6 per cent of current claimants, still leaving around 2.5 million people stranded to a life of benefit dependency.

The Government is also planning a new tougher Work Capability Assessment which is forecast to reduce by ten per cent the number of people accessing Incapacity Benefit from a new claim. But, again, this will have no impact on those who are already claiming Incapacity Benefit. As a result, even assuming that it is successful in its own terms, it will only reduce Incapacity Benefit rolls by just 20,000 a year, less than one per cent of the total number of claimants.

In 2006 the Government set a goal of getting one million people off Incapacity Benefit by 2016. So far, the trend shows them missing that target by 24 years. By 2016, the current rate of progress suggests that the claimant count will be approximately two million. At the current rate the Government would have to wait until 2040 for its target of 1 million people off Incapacity Benefit to be met.

Conservative Policy

Tackling long term dependence on Incapacity Benefit

- We want support for those who are incapacitated in some way to be designed around what someone can do rather than what they cannot. Our aim is to help as many as possible of those who have incapacities, but who are capable of at least some work, into jobs. We do not believe it is right or fair to abandon people to a lifetime of benefit dependency.
- We will require all current recipients of Incapacity Benefit to go through a thorough work capability assessment as soon as is practicable.
- People whose disabilities make it impossible for them to work will continue to receive unconditional support, but will be able to access support services on a voluntary basis.
- People with a non-permanent condition will be asked to repeat the work capacity assessment at regular intervals.
- Those who are found to be fully capable of working will be transferred immediately onto Jobseekers' Allowance, facing a cut of benefits of up to £20 a week, and will be required to seek work in the normal way.
- Recipients of Incapacity Benefit who are found to be partially incapacitated but capable of preparation for work will be referred to welfare-to-work providers, who will offer specialised support to help prepare them to return to work.
- It is not easy for any of these people to make the leap into a job. Just as they have a responsibility to make themselves ready for work and to seek work which they are able to do, so we as a society have a responsibility to ensure that they have access to effective help in taking those steps.
- Where people want to work but have difficulty persuading employers to hire them, we need to give them the means to make themselves more attractive to employers.
- Where people have become afraid even to apply for work, we need to help them to build the work habit and give them the confidence to get back into job market.

How will this work?

- The return to work programmes for people on Incapacity Benefit will be provided by private and voluntary sector providers who have experience in getting hard-to-help people into work.
- We will not prescribe the methods used by welfare-to-work providers to help people back to work, because the international evidence suggests that the most effective programmes allow independent providers room to innovate. The welfare-to-work providers will have a strong incentive to offer the best possible tailored support because they will be paid by results – receiving full payment only when they get people into jobs and keep them in jobs for a sustained period.
- By transferring provision of welfare to work services to a payments by results basis will ensure we reward outcomes rather than processes. Payments-by-results would mean that taxpayers only foot the bill once the claimant returns to work and their benefit payments are saved. The savings made, once a provider has been paid, will be used to eliminate the couple penalty in the tax credits system.
- The up-front rapid reassessment of all existing Incapacity Benefit claimants will be paid for from funds currently spent on failing employment programmes.

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For more information, please contact Debbie Willis on 0781 3636 218.

