

Disability Rights UK submission to the Business, Energy and Industrial Strategy (BEIS) Select Committee inquiry on the Industrial Strategy, Sector Deals and Productivity



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Introduction

Disability Rights UK is a national charity for and led by disabled people. We provide information, advice and guidance, and develop policy and campaigns in the interests of disabled people. We also contributed to the All Party Parliamentary Group for Disability's report "*Ahead of the Arc*" (Connolly et al. 2016), which offers recommendations for reducing the disability employment gap.

Disabled people in the labour market and government manifesto commitments

Disabled people represent one in six of the working age population but less than half are in work. They are significant contributors to the UK economy in terms of the taxes they pay, their productivity, ingenuity and resourcefulness. However, they are also a highly underutilised talent pool.

The Government has made successive election manifesto commitments to reducing the disability employment gap. However, it has made very little progress on its 2015 commitment to halve the disability employment gap to 16 percentage points. It currently stands at around 30 percentage points (see <https://www.disabilityatwork.co.uk>), having declined only marginally in recent years.

The last ten years have also seen disabled people disproportionately negatively affected by Government economic policy regarding fiscal deficit reduction targets (Equality and Human Rights Commission, 2018). There is no reference to how disabled people can contribute to, or benefit from, key government economic policies - specifically the National Infrastructure Delivery Plan and the Industrial Strategy. These are key elements of Government economic policy, yet they fail to make any reference to section 149 of the 2010 Equality Act or s4 of the United

Nations Convention on the Rights of Persons with Disabilities' (UNCRPD) duties to consider equalities for protected characteristics (e.g. disability) in all policies and programmes. Given the intersection between disability and other protected characteristics - in particular, age - disabled people's experiences of BEIS sponsored or influenced economic policies represent a valid test of whether the economy is working for everyone.

Inquiry evidence and disabled people

There have been twenty-four written pieces of evidence submitted and at least two sessions of oral evidence to this BEIS Select Committee inquiry. However, to date no other person or organisation has written or spoken on disability. We therefore ask if we may be called by the inquiry to provide further evidence in person.

Sector Deals and disabled people

Sector deals offer the Government the option to develop an opportunity agenda in which public money can be used to support industry and commerce. Disability employment should be written into these deals by requiring firms in receipt of this money to pro-actively and demonstrably recruit and retain disabled workers. In addition, a Disability Sector Deal should be struck with the healthcare technology and assistive technology sectors, with firms benefitting from public money within this deal also committing to demonstrable disability employment targets. The case for this was made in the [Localis Report 2017](#).

Another option is a sector deal directly with disabled entrepreneurs wishing to take an invention to market, looking to start a business or grow a micro-business. In part, this would be dependent on the introduction of further flexibilities in the Government's Access to Work scheme to better support disabled people in developing their businesses around their health conditions. Government support for disabled people in self-employment would need to be introduced or extended in three areas:

- 1) Personalised support to deal with the barriers that may exist within disabled people's lives;
- 2) Specialist support such as around accessibility;
- 3) Support for the development of networks to enable disabled people to share skills, knowledge and business contacts.

Three reports provide recommendations for making this happen: Connolly et al. (2016), Jones and Wass (2017a) and Jones and Wass (2017b).

Are the criteria for sector deals sufficiently clear and fair to enable any sector to secure them?

On the basis of the enthusiasm of industry and commerce for sector deals, concerns over the criteria appear slight. However, of greater concern to ourselves is the omission of disability criteria. There appears to be no social dividend specific to disabled people of working age asked for or expected by the Government in return for the granting of a sector deal.

What will sector deals contribute to increasing productivity across the entire UK?

The Government's focus is on regional growth and the opportunity for the SME sector to win Government contracts. This focus does not provide specific support for disabled entrepreneurs, nor does it seek to promote the productivity benefits associated with the greater participation of disabled people in the labour market (as outlined below), either to undertake or create quality work opportunities.

The Social Market Foundation (Evans 2007) reported that if the employment rate of disabled people were to match that of non-disabled people it would generate £13 billion to the economy or the equivalent of six months of economic growth.

What are the metrics of success for sector deals? Is there enough transparency throughout the process?

Disability Rights UK wish to see an equality indicator used as a key measure of success for sector deals. A measure of the number of disabled people employed would be the central indicator, but we would also advocate supplementary indicators measuring in-work disability gaps in: pay, well-being and career progression (see: Fevre et al 2016 pp. 16-22); access to and funding for training and skill development (e.g. apprenticeships); and access to finance and advice for self-employment (see Connolly et al 2016, Jones and Wass 2017a and b). Transparency requires measuring and monitoring the prevalence of disability among applicants and within workplaces (see: Disability@Work (2018) and Fevre et al. (2016 pp. 7-15)). In the absence of such measurement it will not be possible to evaluate the impact of sector deals on diversity commitments.

It is also important that the allocation of sector deals is fair in the first instance and that disabled people receive and benefit from them proportionally.

What aspects of sector-based deals will help to increase productivity?

A focus on disability employment within sector-based deals has considerable scope to increase productivity. First, disabled people are a world-wide consumer market, and disability sector deals that enable businesses to better serve that market will have productivity-enhancing benefits for businesses within the UK.

Second, requiring firms that receive public money as part of a sector deal to employ disabled people in greater numbers will have productivity-enhancing effects. It will encourage these firms to draw on the currently largely untapped talent pool of disabled people in the labour market, thereby helping them better manage their skills gaps and labour shortages. Future productivity growth is dependent on firms finding ways to address the skills and labour supply shortages they are likely to face once the free movement of people ends. Drawing on the large pool of disabled people who are willing to work but are currently not in employment, is one way in which this can be addressed. Using sector deals to encourage disability employment is therefore a lever by which the government will be able to ensure the continued labour supply necessary for sustained productivity growth.

Are there measures other than investment that can make a difference?

Yes, these measures are potentially very diverse and could include, for example: sponsored overseas trade missions for the assistive technology sector, to abolishing the £200 laptop and IT contribution that disabled students currently have to make, in return for the assistive technology businesses that supply the equipment - investing further in research and development. Companies benefiting from a sector deal should also be required to offer tuition to disabled tech start-ups instead. Other options should include Government or industry sponsored expert mentoring programmes to support disabled people's innovation or ambitions at proof of concept stage.

In addition, a lot of the adjustments employers need to make to reduce the barriers disabled people face in the workplace are relatively low cost, and do not require a great deal of investment. Sector deals could therefore be used to emphasise the message to employers that employing disabled people in greater numbers need not mean large additional financial outlay, especially if they are willing to think creatively about how to design jobs to enable disabled people to perform them. If sector deals are successful in making this argument they will

significantly help to increase levels of disability employment, which in turn will assist organisations to fill their skills gaps, ultimately raising productivity. This will also assist the Government to achieve its targets on disability employment.

Grand challenges

Since disability is correlated with age the recommendations made here are important to the aspiration of the Grand Challenges. Disabled people with jobs are more likely to have assets, resources and higher levels of social capital in retirement age than are disabled people who are excluded from the labour market. Their higher standard of living is also likely to support active aging with reduced early call on local government or NHS services.

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