

Government sets out welfare reform plans

25 Jan 2006

The Government has announced its plans to reform the welfare state. A green paper entitled 'A new deal for welfare: Empowering people to work' sets out the reform of incapacity benefit and a £360 million roll out of the Pathways to Work project across the country by 2008. It sets out proposals for achieving an 80% employment rate for people of working age. The aim is to reduce the number of people on incapacity benefits by one million.

Mike O'Donovan, chief executive of the Multiple Sclerosis Society, said:

"We very much welcome any move to help people with a disability who want to work to do so. On the other hand, in reforming the system the Government must ensure that people with a fluctuating illness like MS, with its often hidden symptoms, are not refused benefits to which they should be properly entitled.

We are pleased to see the proposals recognise the system needs to recognise changing health conditions and the need for both advisers and employers to deal with that challenge. Everyone should be given the support they need. We shall be studying the green paper closely and making representations on behalf of people affected by MS."

The proposals would:

- introduce a new gateway to benefits for people with illness and disabilities
- change rules for jobseeker's allowance and increase contact with lone parents to address the flow of people from other benefits to incapacity benefits
- revise the personal capability medical assessment to focus on ability and support needs rather than incapacity, completing it within 12 weeks in the majority of cases
- introduce mandatory work-focused interviews, supported by a mandatory action plan of return to work activity for new and existing claimants
- introduce a new Employment and Support Allowance paid to eligible claimants - this would have an enhanced employment support component for the majority of claimants who will be undertaking mandatory work focused

interviews and later activity and an enhanced support component for those individuals who are unable to engage in any activity because of the severity of their condition

- provide 'in work' support to ensure people continue working - with a return to work credit to ensure people really are better off in work
- simplify statutory sick pay to enable employers to manage sickness better and to address the flow of people from SSP to incapacity benefits
- take steps to increase awareness of the opportunities offered, through, for example, providing information at medical examination centres when claimants attend a review.

Find the green paper at <http://www.dwp.gov.uk/aboutus/welfarereform/>.