

Disability Poverty in the UK

Executive summary

2008

**Leonard
Cheshire
Disability**

Executive summary

Introduction

Disabled people are twice as likely to live in poverty as non-disabled people¹. Yet while the profile of issues such as child poverty and older people's poverty has risen considerably in recent years, and the UK has quite rightly adopted a strategy that aims to try to end child poverty, little has been done to specifically tackle disability poverty. But the links between disability and poverty remain so strong that unless specific action is taken to tackle disability poverty, the goal of ending child poverty will simply not be met – more than one third of children living with a disabled adult live in low income households. Disability poverty is the missing link in efforts to tackle relative poverty in the UK, and we believe that action must be taken to address it.

The primary recommendations of this report are that the government commits to:

- 1. End disability poverty, by developing and implementing a specific strategy for tackling the issue;**
- 2. Measure disability poverty as a unique form of poverty, through the use of a series of indicators.**

The fact that disabled people are so much more likely than non-disabled people to live in relative poverty is an issue that society must strive to challenge. But disability poverty is about even more than just low income. Poverty of opportunity and poverty of expectations can stem from something as broad as public attitudes, to something as specific as an individual's aspirations. What is clear is that a concerted and strategic effort from policy makers is needed first to fully understand, and then to challenge, disability poverty.

The case for addressing disability poverty is not only one of basic social justice, there is also an economic case. Ending disability poverty would almost certainly mean more disabled people moving into the workplace, increasing net contributions to the Treasury through the tax system, and reducing expenditure on out-of-work benefits. Using very broad estimates, if one million disabled people moved in to work, the Treasury could expect to gain well over £5 billion² in income tax alone.

¹ Based on the 'relative poverty line' in the UK, which equates to living in a household with income of less than 60% of median national income. Recent estimates suggest that around 30% of disabled people live below this income line, compared to around 16% of non-disabled people.

² Based on a calculation that median annual income is roughly £24,000 per year (see 'Annual Survey of Hours and Earnings, National Statistics), and that basic rate income tax at this level is 22%, if one million people were to move into work at this average level then the extra income tax receipts for the Exchequer would be £5,280,000,000 per year.

The report makes recommendations both for indicators for monitoring the many different facets of disability poverty, and also a series of social policy recommendations to challenge it. Key findings and recommendations are below, with the full list of proposed indicators in **Annex A**, and the full list of policy recommendations in **Annex B**.

The links between disability and poverty are maintained by continuing barriers in society, not only physical barriers to accessibility, but also barriers formed from negative attitudes and a lack of understanding, and barriers formed from low expectations about what disabled people can achieve.

Our objective is to end the link between disability and poverty. We hope that this report will start this debate and raise disability poverty on the public policy agenda. We believe that the government should monitor disability poverty as a distinct form of poverty, and should also adopt the key policy recommendations in this report as a first crucial step towards ending disability poverty.

Executive summary

Key findings

Income and costs

- Disabled people are around twice as likely to live in poverty³ as non-disabled people – with current figures suggesting that around 16% of non-disabled people live in relative poverty, as opposed to around 30% of disabled people⁴.
- Disabled people face extra costs related to managing their impairment that amount, on average, to approximately an extra quarter above normal expenditure compared to non-disabled people. The extra costs can result, for example, from paying for adaptations to the home, social care support, mobility aids or communication aids.
- Because of the extra costs of disability the real poverty line could actually be much higher for disabled people – when the extra costs of disability are factored in, well over half of disabled people⁵ live on less than 60% of median national income, as opposed to the unadjusted figure of around 30%.

Key recommendations

- Develop an accepted estimate for the extra costs of disability and use it to produce 'disability adjusted' poverty statistics
- Extend Winter Fuel Allowance to disabled adults under the age of 60. Eligibility could be determined through receipt of certain parts of Disability Living Allowance (DLA)

Savings

- Disabled people face barriers to saving money, with nearly half (49%) of respondents to Leonard Cheshire Disability's 'Disability Review 2007'⁶ saying that they had no savings at all. This is in stark contrast to figures from a recent National Savings and Investments 'Savings Survey' which found that just 12% of the general population had no savings⁷.
- The social care charging system can provide an active disincentive to saving for many disabled people – a disincentive that can be present throughout their entire lives.

3 Based on the 'relative poverty line' in the UK, which equates to living in a household with income of less than 60% of median national income.

4 'Monitoring poverty and social exclusion 2006', Palmer, MacInnes and Kenway, Joseph Rowntree Foundation and New Policy Institute, 2006

5 'Comparing incomes when needs differ: Equivalisation for the extra costs of disability in the UK', Ashgar Zaidi and Tania Burchardt, LSE CASE Report 64, 2003

6 'Disability Review 2007', Laidler et al, Leonard Cheshire Disability, November 2007

7 National Savings and Investments, 'Quarterly savings survey, Summer 2007'

Key recommendations

- Review the impact of social care charging policy on disability poverty, including recommendations for tackling the savings disincentive
- Introduce a 'Disability Savings Gateway', and ensure that disabled people are fully included in any future development of the Savings Gateway scheme

Disability and employment

- The employment rate among disabled people remains far below that of non-disabled people, with around 50% of disabled people not in work, compared to around 20% of non-disabled people⁸.
- Disabled people who are in work are at a substantially higher risk of in-work poverty, on average earning less than their non-disabled peers and being more likely to work in low skill, low paid jobs⁹.

Key recommendations

- Ensure that employers are adhering to their responsibilities under the DDA, and extend the anticipatory duty to make reasonable adjustments to employment
- Raise awareness of, and increase funding for, the Access to Work scheme
- Introduce a system of 'rehabilitation leave' to help people who acquire an impairment to remain in employment
- Strengthen residential care charging guidance to remove any disincentive to work for users of residential care support

Benefits and welfare

- Many disabled people are trapped in inescapable poverty – those furthest from the labour market with little immediate chance of getting in to work frequently rely on benefits that are simply not sufficient to lift them out of poverty. This leaves people with little or no chance of escaping poverty other than through charity, or support from family and friends.
- Poor decision-making in the benefit system can drive people into problem debt, and push people into financial poverty.

8 From the Labour Force Survey, as presented in the Disability Rights Commission 'Disability Briefing May 2007', DRC, May 2007
9 Ibid.

Key recommendations

- Review 'benefit poverty' and how the welfare system functions for long-term claimants who are not expected to return to work
- Establish a 'welfare commission' to oversee developments in welfare benefit policy
- Provide a 'benefit check' for recipients to establish their full entitlements, and an active campaign to engage with those who need, but currently do not claim, their entitlements

Housing and accommodation

- The quality of accommodation for disabled people continues to be undermined by a dearth of both affordable and accessible housing, and problems still continue with effectively matching accessible accommodation to those that need it.
- A quarter of those disabled people who require adapted housing in England are currently living in accommodation that is unsuitable for their needs¹⁰.

Key recommendations

- Ensure that the need to increase availability of adapted and accessible social housing is integral to all future housing policy development
- Establish a duty on local authorities to create and maintain an accessible housing register
- Extend Part M building regulations to include all the Lifetime Home Standards

Education

- Disabled people still face substantial disadvantage in the education system – 25% of disabled people of working age have no qualifications compared to 11% of non-disabled people¹¹. Barriers to educational attainment can have a direct impact on future life chances.
- At 16, young disabled people are twice as likely not to be in any form of education, employment or training as their non-disabled peers (15% as opposed to 7%)¹², and at the same time the percentage of jobs requiring no qualifications is decreasing. The Institute for Public Policy Research predicts that by 2020 almost half of all employment will be in occupations requiring degree level qualifications¹³.

¹⁰ 'Housing in England 2005/06 - a report principally from the 2005/06 Survey of English Housing', DCLG, October 2007

¹¹ From the Labour Force Survey, as presented in the Disability Rights Commission 'Disability Briefing May 2007', DRC, May 2007

¹² 'Disability, skills and work: raising our ambitions' Stephen Evans, Social Market Foundation, June 2007

¹³ 'Disability 2020: opportunities for full and equal citizenship of disabled people in Britain in 2020' Pillai et al, IPPR, March 2007

Key recommendations

- Ensure that all levels of education – and particularly higher education, where disabled people's inclusion is notably low – are fully accessible to disabled people
- Ensure that all education professionals receive full disability equality training
- Ensure that disability equality issues are integrated into citizenship classes as part of the National Curriculum to change attitudes about disability

Quality of life and social exclusion

- Disabled people's experiences of crime will impact upon their experiences of social inclusion and exclusion, with around one in twelve respondents to Leonard Cheshire Disability's 'Disability Review 2007' reporting that they had been the victim of a crime motivated by their impairment¹⁴.
- 89% of disabled people in Leonard Cheshire Disability's 'Disability Review 2007'¹⁵ felt that there was discrimination and prejudice towards disabled people in the UK. This is a key factor in the poverty of expectation, and poverty of opportunity that disabled people can experience.
- Disabled people's access to services like shops, public transport or leisure facilities is steadily improving, but there is still widespread inaccessibility, which can actively restrict disabled people's opportunities and is a critical factor in disabled people's social exclusion and poverty.

Key recommendations

- Improve monitoring and enforcement of crime related to impairment, and ensure that disabled people have full access to the criminal justice system
- Ensure that disabled people's access to aeroplanes and ferries is improved by extending Part 3 of the DDA to include these methods of transport
- Enable tribunals to adjudicate on Part 3 DDA cases as opposed to the current system which requires individual disabled people to take potentially lengthy and expensive court cases
- Conduct a review of the effectiveness of the DDA with a view to making the law easier to enforce and easier to understand

14 'Disability Review 2007', Laidler et al, Leonard Cheshire Disability, November 2007

15 Ibid.

Conclusion

Leonard Cheshire Disability calls on the government to make tackling disability poverty one of its key priorities. To do so will first require a commitment to understand and monitor disability poverty and its causes, and then the strategic development of social policy initiatives to eradicate it.

To end disability poverty is not only a means to drive down poverty throughout the UK, and to improve the economic health of the nation, it is also an absolute necessity of social justice and inclusion in a civilised society.

Annex A

Proposed disability poverty indicators

The following indicators of disability poverty could be measured either through existing statistical sources such as the Labour Force Survey or Family Resources Survey, or where appropriate through specific surveys of a representative sample of disabled people. More information on all of these indicators is available in the full report.

Income and financial poverty

Indicator

1. Percentage of disabled people living in a low income household (below 60% of median household income), with comparison data for the non-disabled population
2. Percentage of disabled people living in low income households, adjusted to incorporate average estimates of disabled people's additional costs of living
3. Percentage of disabled people who:
 - Could not afford to pay a utility bill on time
 - Regularly went without meals
 - Sought financial help from friends or family

Savings

Indicator

4. Percentage of disabled people with savings
5. Percentage of disabled people with bank accounts
6. Average amount held in savings by disabled people

Employment rates

Indicator

7. Employment rate among disabled people, broken down by impairment group
8. Percentages of working age disabled people:
 - in work
 - not in work but seeking work
 - not in work and not seeking work

Type of work

Indicator

9. Percentage of disabled people in part-time work
10. Average gross hourly pay for disabled people, together with comparison for non-disabled people

Benefit take up

Indicator

11. Estimates of take up for disability related benefits (including Disability Living Allowance)
12. Disabled people's experiences of the benefits system, including overall satisfaction, decision making, benefit levels compared to outgoings, effectiveness of return to work support (where appropriate)

Accommodation

Indicator

13. Percentage of disabled people who own their own homes, together with comparison for non-disabled people
14. Percentage of disabled people living in social housing, together with comparison for non-disabled people
15. Percentage of disabled people living in housing that falls below the set standard of decency, together with comparison for non-disabled people
16. Number of disabled people who require adapted homes currently living in inappropriate housing
17. Percentage of homes built to Lifetime Home Standards each year

Educational attainment

Indicator

18. Level of educational attainment among disabled people, together with comparison for non-disabled people
19. Percentage of disabled people with no qualifications, together with comparison for non-disabled people

Quality of life

Indicator

20. Percentage of appointed public offices held by disabled people
21. Disabled people's experience of crime and fear of crime, including the numbers of disabled people who have experienced crime motivated by an impairment
22. Society's responses to disability – monitoring social attitudes and prejudice year on year, including disabled and non-disabled people's perceptions of disability discrimination and prejudice

Access to services

Indicator

23. Percentage of disabled people who experience difficulties in accessing goods and services – monitored through a representative survey of disabled people
24. Percentage of:
 - trains fully compliant with Rail Vehicle Access Regulations (RVAR)
 - buses fully compliant with Public Service Vehicle Access Regulations (PSVAR)
 - train stations that are 'step-free'
25. Disabled people's ownership of consumer durables, including access to internet

Annex B

Summary of Recommendations

The government should commit to:

- 1. End disability poverty, by developing and implementing a specific strategy for tackling the issue;**
- 2. Measure disability poverty as a unique form of poverty, through the use of a series of indicators.**

Leonard Cheshire Disability also believes that the government should adopt the following recommendations to help to challenge disability poverty in the UK:

Income and financial poverty

- Develop an accepted standard calculation for the extra costs of disability, and subsequent 'disability adjusted' poverty statistics
- Review the effectiveness of DLA, predicated on continuing and enhanced support for current recipients, and a clear evidence base of extra costs and needs
- Extend Winter Fuel Allowance to disabled adults under the age of 60 in receipt of certain parts of DLA
- Reform the Social Fund to ensure that it effectively supports disabled people on a low income
- Develop financial capacity and advice programmes to ensure the accessibility of financial services to disabled people

Savings

- Introduce a 'Disability Savings Gateway', and develop a specific strategy to ensure that disabled people are fully included in any future development of the Savings Gateway scheme
- Review the impact of social care charging policy on disability poverty, including recommendations for tackling the savings disincentive
- Develop guidance for financial institutions to ensure that they are fully meeting their obligations under the Disability Discrimination Act and are making their services fully accessible to disabled people

Employment rates

- Review the long-term effectiveness of measures in the Welfare Reform Act 2007 in tackling disability poverty
- Ensure that employers are adhering to their responsibilities under the DDA, and extend the anticipatory duty to make reasonable adjustments to employment
- Introduce a system of 'rehabilitation leave' to help people who acquire an impairment to remain in employment
- Strengthen residential care charging guidance to remove any disincentive to work for users of residential care support

Types of work

- Raise awareness of, and increase funding for, the Access to Work scheme, and investigate routes for making Access to Work support more 'portable'
- Monitor the impact of the withdrawal of Access to Work from central government and reverse the withdrawal if necessary
- Ensure that the monitoring undertaken when people move from benefits in to work fully captures the long-term sustainability and quality of employment, not just the fact that an individual has taken a job

Benefit take-up

- Undertake a review of 'benefit poverty' and how the system functions for long-term claimants who are not expected to return to work
- Establish a 'welfare commission' to oversee developments in welfare benefit policy
- Improve decision-making in the benefits system, including a more formal opportunity to appeal before benefits are stopped
- Provide a 'benefit check' for recipients to establish their full entitlements, and an active campaign to engage with those who need, but currently do not claim, their entitlements

Accommodation

- Ensure that the need to increase availability of social housing is integral to housing policy development
- Establish a duty on local authorities to create and maintain an accessible housing register
- Extend Part M building regulations to match the Lifetime Home Standards, particularly urgent for all new-build social housing
- Adopt the proposal in the 'Framework for fairness' Green Paper on rights for adaptations in 'common parts' of premises

Educational attainment

- Ensure that all levels of education - and particularly higher education, where disabled people's inclusion is notably low - are fully accessible to disabled people
- Ensure that all education professionals receive full disability equality training
- Ensure that disability equality issues are integrated into citizenship classes as part of the National Curriculum

Quality of life

- Ensure that the duties under the Disability Equality Duty are fully maintained under any future single equality duty, including the duty to publish an Equality Scheme
- Include disability in the work to make Parliament and politics more representative, and ensure that improving access for disabled people is built in to any reforms to the electoral system
- Improve monitoring and enforcement of crime related to impairment, and ensure that disabled people have full access to the criminal justice system
- Extend coverage of employment provisions of the DDA to volunteering
- Introduce an 'Access to Volunteering' fund to support those who need particular support in volunteering roles

Access to services

- Enable tribunals to adjudicate on Part 3 DDA cases
- Investigate a role for an ombudsman to help set overall duties on improving access to goods and services
- Extend Part 3 of the DDA to access to aeroplanes, ferries and shipping.
- Conduct a review of the effectiveness of the DDA with a view to making the law easier to enforce and easier to understand

About Leonard Cheshire Disability

Leonard Cheshire Disability supports over 21,000 disabled people in the UK and works in 52 countries. We campaign for change and provide innovative services that give disabled people the opportunity to live life their way. Visit www.LCDisability.org

This executive summary collates some of the key points in Leonard Cheshire Disability's full report 'Disability poverty in the UK'. The full report contains more information on all of the indicators and recommendations, as well as more background on the additional costs of disability and all the other issues covered in this summary.

Both the full report and this summary are available in alternative formats, for more information or to order a copy in an alternative format contact us as below.

Leonard Cheshire Disability
30 Millbank
London SW1P 4QD
Tel: 020 7802 8200
Email: research@LCDisability.org
www.LCDisability.org

**Leonard
Cheshire
Disability**