

Policy Briefing: Employment and Covid-19

Overview

Leonard Cheshire welcomes the steps taken by the government related to disruption in the labour market caused by the Coronavirus. 14% of UK population already has lost their jobs or had their hours reduced.¹ The government's Job Retention scheme includes unprecedented measures that offer much-needed support for those whose jobs are now at risk. Coronavirus is likely to have a disproportionate effect on many disabled people due to the need to self-isolate. Disabled people already face significant obstacles in securing employment with the disability employment gap remaining stubbornly consistent at around 30 per cent for the last 10 years. It is essential that the government takes steps so that labour market disruption does not lock disabled people out of employment into the future.

We welcome the employment support announced so far by the government. However, as the pandemic progresses, the government should give consideration to what targeted support is needed to help disabled people to return to work in the aftermath of the crisis. We know that, as standard, disabled people face additional costs due to their disability.² Given that disabled people are more likely to be affected by the Coronavirus crisis, the government should monitor what additional financial support is needed to cover any additional costs incurred.

Measures in the Coronavirus Act 2020 have the potential to disapply Care Act requirements for local authorities to provide much-needed social care support. This support enables many disabled people to get ready for work, travel to work and carry out their jobs. Removing these obligations could have a significant impact on whether disabled people are able to live independently and access the workplace into the future.

Key recommendations

1. The government must consider targeted support programmes to enable disabled people to re-engage with the workplace into the medium and long-term following labour market disruption due to Covid-19.
2. Easily accessible information is essential so that disabled people know what support exists. All information provided by government must be made fully accessible and available in easy read formats, braille, via sign language or screen readers.
3. We have been calling for flexible working to be introduced as a day 1 right and the rapid action taken by employers in accommodating working from

¹ [Yougov poll](#) of 24.03.20 shows that 5% of people report having lost their job, with a further 9% saying they have had their hours or pay reduced.

² On average, disabled people face extra costs of £583 a month (Scope, Disability Price Tag, 2019).

home in response to the Coronavirus outbreak is welcome. This should set a precedent to enable disabled people – and all employees who would benefit - to work from home as a flexible adaptation.

4. The government should put in place support, guidance and information resources for employers to extend flexible working provisions in the long term.
5. Improvements to Statutory Sick Pay should be made permanent, it should be increased to Jobseeker's Allowance and eligibility should be extended to lower paid workers.
6. Being self-employed and disabled involves additional risks. These risks are only heightened in this period of current financial insecurity for the self-employed due to the impact of Covid-19. All self-employed should be covered under the Coronavirus Job Retention Scheme.

Obstacles faced by disabled people in employment

- The disability employment gap is currently 28.6 per cent.³
- 4.2m disabled people are in employment (out of a total of 7.9m disabled people).
- 300,000 disabled people are unemployed.⁴
- 3.4m disabled people are economically inactive (ie. not in work and not looking for work).⁵
- Leonard Cheshire's research shows that disabled people are often in a precarious position when in employment. 73 per cent of disabled adults in the UK said they have stopped working due to their health condition or disability.⁶
- Leonard Cheshire's research shows that 24% of employers already say they would be less likely to employ someone with a disability and that 66% of employers view the costs of workplace adjustments are a barrier to employing a disabled person.⁷

Any period of involuntary separation of individuals from the labour market will have a significant impact on future labour market outcomes.⁸ Longer periods of absence from the workplace will lock disabled people into a cycle of low economic inactivity. When a disabled person falls out of work for an extended period of time, they are more likely to struggle to return to the workplace and are twice as likely to remain unemployed when compared to non-disabled people.⁹

³ [House of Commons Library Briefing, People with disabilities in employment](#), (January 2020 for the period July – September 2019).

⁴ Office for National Statistics, A08: Labour market status of disabled people, (for period July – September 2019).

⁵ We do not know why these people are economically inactive; some may choose not to work, some may be unable to work.

⁶ Leonard Cheshire, [Reimagining the workplace: disability and inclusive employment](#) (February 2019).

⁷ Ibid.

⁸ As outlined in *Good Work: The Taylor Review of Modern Work Practices* (2017)

⁹ Taylor Review, citing [ONS People in employment on a zero-hours contract](#) (March 2017).

We are concerned that without targeted intervention from the government to address these issues there is a high risk of unintended consequences. This includes the potential for the link between poverty and disability becoming further entrenched and the obstacles that disabled people currently face in accessing employment becoming further exacerbated. There is a risk that employers' perceptions that disabled people are less able to carry out a job as well as someone who isn't disabled, or that recruiting or retaining a disabled person is expensive, will increase as a result of the Coronavirus pandemic.

Measures taken by the government at this stage will be crucial in determining employers' attitudes to recruiting disabled people and people living with health conditions into the future, particularly in the aftermath of the labour market disruption caused by the Coronavirus.

Flexible working and the Coronavirus

The Coronavirus crisis has resulted in an unprecedented shift to working flexibly, including working at home, due to the government's measures to restrict individuals' movement in preventing the spread of the disease. Access to flexible working – including home-working, staggered or compressed working hours - often determines whether a disabled person is able to continue working, particularly at the onset of a disability or health condition. This is an important opportunity to reconsider access to flexible working as standard across the labour market into the long term. We have seen employers take rapid action to accommodate flexible working in response to the Coronavirus outbreak. This should set a precedent to enable disabled people – and all employees who would benefit - to work flexibly.

Leonard Cheshire has been calling for flexible working to be available to disabled people as a day one right. Eligibility for flexible working should also be extended to those with long-term conditions. Increased awareness is needed among employers of the business benefits to providing flexible working. The government should put in place support, guidance and information resources for employers to extend flexible working provisions in the long term that is tailored to their business setting and needs.

Coronavirus Jobs Retention Scheme

- 80 per cent of employees' wages are guaranteed if they are temporarily not working as a result of the Coronavirus crisis.
- The standard payment for Universal Credit (UC) and tax credits by £20 a week.
- Increasing the Local Housing Allowance, relinking to the market cost of rent in people's local area (at the 30th percentile — so that people would be able to afford the cheapest 30 per cent of rents in an area).
- Dropping the Minimum Income Floor in UC for all self-employed people, which can reduce many self-employed people's level of support.
- The Coronavirus Job Retention Scheme should protect any employee who is furloughed during the pandemic.

Clarity is needed on:

- Whether it will include people who are off sick or self-isolating due to Coronavirus.
- Whether it will include people on zero hours contracts and agency workers.

Changes to Statutory Sick Pay (SSP)

The government's changes to SSP to remove waiting days is a welcome step. SSP is now available from the first day of illness (as opposed to having to wait for four days consecutively, as standard). This equates to £94.25 a week for up to 28 weeks. Low earners, however, still are not eligible as you must earn £118 a week to claim.

Coronavirus has illustrated problems in the way the SSP system works in the low level of SSP as well as lack of access for lower paid workers. Typically, for someone who is able to access it, sick pay only covers 30% of their wage. Leonard Cheshire has been calling for SSP to be increased to the level of Jobseeker's Allowance. Given the financial shock that many are currently facing due to suffering from Covid-19, it is essential that these improvements to SSP are made permanent and that eligibility is extended. With 40% of people likely to be living with a long-term condition by 2030, it is important that improving this system extends well beyond the short term.

Support for the self-employed

The government has announced measures to support self-employed people with grants worth 80% of their average monthly profits over the last three years, up to £2,500 a month. This offers much-needed recognition of the financial rupture that Coronavirus has involved for many self-employed people.¹⁰

- The scheme is open to those who earn under £50,000 a year - up to 3.8 million of the 5 million people registered as self-employed.
- Unlike the employee scheme, the self-employed can continue to work as they receive support.
- The money, backdated to March, will arrive directly into people's banks accounts from HMRC, but not until June.

Disabled people and self-employment:

- Disabled people are more likely to be self-employed than non-disabled people.
- 611,000 UK disabled people now work for themselves as their primary employment.
- 1 in 7 of self-employed UK workforce are disabled.
- This has increased by 30% in five years.

¹⁰ For more information see: <https://www.gov.uk/government/news/chancellor-gives-support-to-millions-of-self-employed-individuals>

- Disabled people actively choose self-employment, and the most common reason for choosing self-employment is to get better work conditions.¹¹
- Working disabled men were more likely to be self-employed (20.6%) than non-disabled men (17.5%); no significant difference was seen between disabled and non-disabled women.¹²

Disabled entrepreneurs may need more support than other employed workers. Often, disabled people feel that, as other forms of employment are not viable/accessible, self-employment is their only option. Despite businesses operating on financial margins, self-employment is often seen as a better alternative to inaccessible work and remaining on benefits.¹³

Disabled people who are self-employed often do not meet the threshold for qualifying for benefit assessments due to low earnings and the need for restricted workloads due to the impact of their disability or condition. It is important that any support provisions from the government for the self-employed recognise the impact on disabled people and do not exclude these businesses.

Being self-employed and disabled involves additional risks. These risks are only heightened in this period of current financial insecurity for the self-employed due to the impact of Covid-19. All self-employed should be covered under the Coronavirus Job Retention Scheme.

Access to Work

There have been no updates from the government to date on Access to Work or how the scheme and access to its support provisions will be affected during the outbreak. Claim forms for support workers etc can only be submitted by post. No information has been released about whether they will be accepted by email. Working from home will inevitably affect people's funding needs. Some people will require less support (e.g. claiming smaller amounts for taxi rides to and from work), whereas others will require even more support (e.g. increased need for communication support workers). Clarity is needed on how this will affect people's support going forward and if it will impact on award rates in subsequent years.

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¹¹ The Association of Independent Professionals and Self-Employed (IPSE), '[Making self-employment work for disabled people](#)' (2019)

¹² [Annual Population Survey](#), APS (2019).

¹³ Department for Work and Pensions, '[Understanding Self Employment For People with Disabilities and Health Conditions](#)' (May 2019)