Disability
Poverty in Wales

Joe Allen
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Summary

Key Findings

- Disabled people in Wales are almost twice as likely as non-disabled people to live in a low income household.¹
- 33% (130,000) of working age disabled people in Wales live in poverty - a figure higher than anywhere else in the UK.² Once the additional costs of disability are factored in that figure rises to over 50%.
- 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.³
- 31% of households with a disabled adult live in fuel poverty - double the figure in 2004.⁴
- Proposed changes to DLA could mean 48,000 disabled people in Wales losing the support that it provides.⁵
- Disabled people account for at least 1 in every 3 loan shark victims in Wales.⁶
- Wales is losing at least £500m each year in unclaimed benefits.⁷
- In Wales a non-disabled person is twice as likely to have a job as a disabled person and this disparity is greater here than anywhere else in the UK.⁸
- Among those who are aged 25 to retirement and are not working in Wales half are disabled.⁹
- The employment rate for disabled people in Wales is 9% lower than the UK rate and has fallen sharply since 2007.¹⁰
- Household wealth of the poorest disabled people in Wales is only 22% of the national median.¹¹

¹ Data from Household Below Average Income, DWP http://www.poverty.org.uk/40/index.shtml?2. This statistic relates to those between the ages of 25 and 65.
² Poverty rates for disabled adults are not currently published other than at a UK level. This Welsh estimate is calculated by taking an average difference between UK and Welsh poverty rates for non-disabled working age adults and adding that difference to the current UK poverty rate for working age disabled people.
³ See page 50.
⁴ Living In Wales: Fuel Poverty, Welsh Assembly Government, 2010
⁵ Estimate based on the measures to introduce a new assessment for DLA set out in the Budget 2010 Policy Costings document (http://www.hm-treasury.gov.uk/junebudget_costings.htm) - specifically on p. 36 “the central assumption for this policy is that it will result in a 20 per cent reduction in caseload and expenditure once fully rolled out.” 20% of the current Welsh DLA case load is approximately 48,000.
⁶ Taking Everyone into Account, WAG, 2009, p. 47
⁷ http://www.dwp.gov.uk/docs/ld250609benefits.pdf
⁸ http://www.statswales.wales.gov.uk/TableViewer/tableView.aspx
⁹ http://www.poverty.org.uk/w45/index.shtml
¹⁰ http://www.statswales.wales.gov.uk/TableViewer/tableView.aspx
¹¹ Excluding pensions, Wealth and Assets Survey 2006/08, Office National Statistics
- 41% of households with one or more disabled adults under pension age report having no savings. The comparative figure for non-disabled households is 27% and the gap between these two is wider than at any point over the last decade.\textsuperscript{12}
- Disabled people in Wales are significantly less likely to own their own home, and are over twice as likely to live in social housing.\textsuperscript{13}
- 110,000 households in Wales have an unmet adaptation need.\textsuperscript{14}
- Only 10 local authorities in Wales currently maintain an adapted housing register to help disabled people find suitable housing.\textsuperscript{15}
- 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.\textsuperscript{16}
- 23% of disabled people have had to turn down a job due to a lack of accessible transport.\textsuperscript{17}
- 66% of Welsh train stations have limited or no accessibility for wheelchair users\textsuperscript{18} and only 20% are staffed.\textsuperscript{19}

\textsuperscript{13} As reported in the Housing Association 'Disability Equality Scheme and Action Plan, 2006 – 09'; Housing Association, 2006
\textsuperscript{14} Living in Wales 2008 Welsh Assembly Government, 2010
\textsuperscript{15} Looking for an Accessible Home, Disability Wales
\textsuperscript{16} ‘Disability, skills and work: raising our ambitions’ Stephen Evans, Social Market Foundation, June 2007
\textsuperscript{17} Mind the Gap, McQuigg, Leonard Cheshire Disability, September 2008
\textsuperscript{18} P.39, Service Provision for Disabled Young People, Equality of Opportunity Committee, 2007
\textsuperscript{19} P.39, Service Provision for Disabled Young People, Equality of Opportunity Committee, 2007
Summary

Key Recommendations

- The Welsh Assembly Government (WAG) needs to gather better information on disability issues in Wales to provide a clear view of the extent and the impact of disability poverty. To this end, it should publish an annual Disability Monitor bringing together information from relevant surveys, adding further questions to those surveys where necessary, and commissioning additional research in order to fill any gaps. Such a report would include information on:
  - Number of disabled people living in poverty in Wales.
  - Impact of poverty on disabled people - numbers struggling to pay utility bills and care costs.
  - Average levels of disabled people’s savings and assets.
  - Comparative employment rates for disabled and non-disabled people.
  - Benefits and benefit take-up rates.
  - Home-ownership and social housing figures for disabled people.
  - Number of homes in Wales that meet Lifetime Homes Standards, level of unmet need for housing adaptations, and use and availability of adapted housing registers.
  - Educational attainment and percentage of people without qualifications for disabled and non-disabled people.
  - Comparative data - where available - for the rest of the UK so that progress in Wales can be measured.

- As part of the Disability Monitor, the WAG should introduce a formal mechanism for recognising and calculating the additional costs of disability in order to give a true indication of disability poverty in Wales.

- The WAG should develop and implement a distinct disability poverty strategy aimed at supporting working aged disabled adults in Wales.

The Welsh Disability Poverty Strategy should include the following measures:

- Extension of Winter Fuel Allowance to disabled adults under the age of 60.
- A benefits take-up campaign with a focus on reaching disabled adults who are missing out on what they are entitled to.
- Investment in schemes that have a proven record of success in helping disabled people into work.
- Targets for improving the employment rate for disabled people.
- The development of a strategy to eliminate discrimination against disabled people in the workplace and in job application processes.
- Action to ensure that the social care system does not prevent those living in residential care from working.
- Support for Community Development Finance Institutions to improve financial choice and access to credit for disabled people.
- Action on the disability savings gap via asset-based welfare schemes. Explore the possibility of establishing a disability savings gateway in Wales and continuing the Child Trust Fund Cymru programme with a specific focus on disability.
- Strengthening of the Welsh Quality Housing Standard by making Lifetime Homes Standards a necessary component of all upgrading work.
- Adoption of the Lifetime Homes Standards by the private sector so that disabled people in all types of housing are able to find and live in quality homes.
- Mandatory accessible housing registers for all local authorities.
- Commitment to conduct a formal review into the extra barriers that disabled people face in undertaking further education or training.
- National roll-out of the community transport concessionary fares schemes.
Chapter 1

Introduction

In Wales 33% of working aged disabled adults live in poverty. That is approximately 130,000 people.\(^{20}\) Given that this figure ignores the additional costs that disabled people face, the true number is undoubtedly much higher. On any measure - income, employment, educational attainment, housing, access to transport - disabled people continue to find themselves disadvantaged, and on almost every one of these measures the situation is worse in Wales than it is anywhere else in the UK.

**Working Age Disability in Wales**

Out of a total adult working age population of 1,790,000 in Wales, 387,000 adults are disabled. This equates to 21.7%, or just over 1 in 5, and is higher than the UK rate of 18.4%.

At a regional level, the areas with the highest rates of disability can be found in south Wales: Rhondda Cynon Taf (26.8%), Neath Port Talbot (28.2%) and Blaenau Gwent (29.1%). The lowest rates are in Cardiff (17.6%), Flintshire (15.7%) and Monmouthshire (18.8%).\(^{21}\)

**The Welsh Assembly Government and Poverty in Wales**

Reducing poverty in Wales has been one of the major aims of the Welsh Assembly Government (WAG) since its inception in 1999. However, little attention has been paid to the relationship between disability and poverty. As with the UK government, the WAG has focused on the issue of child poverty, and where the role of disability has been acknowledged it has been within this context.

The first child poverty strategy, A Fair Future for Our Children, was published in 2005 and was followed in 2006 by Eradicating Child Poverty – Measuring Success, which detailed a range of related targets. The Children and Young People’s Wellbeing Monitor for Wales was established

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\(^{20}\) Estimate calculated by taking an average difference between UK and Welsh poverty rates for working age adults and adding that difference to the current UK poverty rate for working age disabled people. Data from Households Below Average Income 2010, Department for Work and Pensions.

\(^{21}\) Further statistics on the prevalence of disability in Wales can be found on the StatsWales website: [www.statswales.wales.gov.uk](http://www.statswales.wales.gov.uk). The WAG has published two major publications relating to disability in Wales. The first, Statistical Focus on Disability and Long-Term Illness in Wales, was published in 2004 using data from the 2001 census, and the second is Prevalence of Disability in Wales 2004-07. Data on disability in Wales comes from six main sources: census, Labour Force Survey, Living in Wales, Welsh Health Survey, Family Resources Survey and Future Skills Wales. Each of these sources has its limitations – be it the geographical level or the relevance (for our purposes) of the data gathered – and they often employ different definitions of disability.
in order to monitor progress towards these targets. Following a commitment in the One Wales coalition agreement, the WAG also established a Child Poverty Expert Group and passed legislation, the Child and Families (Wales) Measure 2010, that placed a duty on Ministers to deliver a new child poverty strategy. That new strategy will be published in early 2011 and while, in its initial draft, it recognises the greater risk of poverty for both families with disabled children and children with disabled parents, the policy proposals relate only to the former group. Leonard Cheshire Disability believes that for any new child poverty strategy to be successful it must address the link between disability and poverty.

Disability poverty has also been implicitly acknowledged in other WAG policy areas such as its financial inclusion strategy and its flagship regeneration scheme, Communities First.

In discussing WAG anti-poverty measures, it is also important to recognise that the current constitutional arrangement limits the Welsh government's ability to act in some areas. Real progress also depends on tax and welfare policies, and those policies are set at Westminster. However, there remains a significant amount that the WAG can achieve in order to improve the lives of disabled people in Wales and this report proposes a number of possible measures.

Finally, the levels of poverty in Wales are the highest of any nation in the UK. This is true for children (32%), working-age adults (22%) and pensioners (18%).

Disability Poverty in Wales

This report builds upon Disability Poverty in the UK, which was published by Leonard Cheshire Disability in 2008. It considers the situation in Wales and proposes actions the Welsh Assembly Government can take to tackle disability poverty among working age disabled adults. The two principal recommendations are:

- The development of a Disability Poverty Strategy;
- The publication of an annual Welsh Disability Monitor.

Our objective is to end the link between disability and poverty. We hope that this report will start the debate in Wales and raise disability poverty up the public policy agenda.

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Chapter 2

Financial Poverty and Household Income

Summary

- Disabled people are almost twice as likely as non-disabled people to live in a low income household;
- 33% of working age disabled people in Wales live in poverty. That is 130,000 people;
- Adjusted to take account of the unavoidable additional costs of disability that figure rises to over 50%;
- The income gap between disabled and non-disabled people has got wider over the last 15 years;
- 31% of disabled people in Wales are living in fuel poor households - double the figure in 2004;
- Disabled people account for 1 in every 3 loan shark victims in Wales.

Background

Disabled people are almost twice as likely as non-disabled people to live in a low income household. The most recent figures show that 32% of working-age disabled people in the UK live below the poverty line compared with 17% of the working-age non-disabled population.\(^{23}\)

This gap has widened significantly over the last 15 years.

Although there are no comparable Welsh-specific figures available, by comparing the respective Welsh and the UK poverty rates it is possible to make an informed estimate that the rate of working age disabled people in Wales living in poverty is approximately 33% - 130,000 people or 1 in 3 of the working age disabled population.\(^{24}\)

\(^{23}\) Data from *Households Below Average Income*, Department for Work and Pensions, [http://www.poverty.org.uk/40/index.shtml?2. This statistic relates to those between the ages of 25 and 65.\(^{24}\) Poverty rates for disabled adults are not currently published other than at a UK level. This Welsh estimate is calculated by taking an average difference between UK and Welsh poverty rates for non-disabled working age adults and adding that difference to the current UK poverty rate for working age disabled people. Data from *Households Below Average Income*, Department for Work and Pensions.
The results of Leonard Cheshire Disability’s annual Disability Review, which gathers information from over 1,000 disabled people across the UK, present an even bleaker picture. In 2009 it found that more than half (56%) of respondents have less than £112 per week to live off after deducting tax and housing costs.\(^{25}\)

Leonard Cheshire Disability believes that even the figures above underestimate the true level of disability poverty in Wales. The poverty threshold is measured after income tax, council tax and housing costs have been deducted and is intended to represent what the household has available to spend on all its other needs. However, if such sums are meant to be truly representative of the amount of disposable income left to a disabled household each week, then, as with housing costs, all costs directly associated with disability should be factored into the equation. As the extra costs that disabled people face are not included in the current data we believe that data to be incomplete.

Disabled people have to finance a range of costs relating to their impairment. These might include one off costs for specialist equipment and adaptations and on-going costs such as increased fuel bills and, in some cases, a contribution to their social care expenses. Leonard Cheshire Disability's report, Your Money or Your Life, for example, found that insufficient budgets and tightening social care eligibility criteria were leaving many disabled people without adequate social care support. As statistically one of the poorest groups in the UK, the implications for disabled people forced to fund their own care, or to rely on informal carers such as family members, to take on care responsibilities, is deeply worrying.\(^{26}\) Evidence also indicates that disabled people spend more money on fuel than non-disabled people\(^{27}\) and are at increased risk of fuel poverty.\(^{28}\)

Using the framework set out in Annex A, Leonard Cheshire Disability estimates that on average disabled people of working age face additional costs of between 24% and 35% on top of normal expenditure. Based on this, the table below uses the lower average additional expenditure figure of 24% to show where the poverty line actually falls for disabled people.

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\(^{26}\) Foster, J et al, *Your Money or Your Life*, Leonard Cheshire Disability, 2008


\(^{28}\) Laxton, C and Parckar, G, *Fuel Poverty and Disability*, Leonard Cheshire Disability, 2009
<table>
<thead>
<tr>
<th>Size of Household</th>
<th>Existing Poverty Line</th>
<th>Adjusted Poverty Line for Households Containing One Disabled Adult</th>
</tr>
</thead>
<tbody>
<tr>
<td>One Adult</td>
<td>£115</td>
<td>£142.60</td>
</tr>
<tr>
<td>Two Adults</td>
<td>£199</td>
<td>£246.76</td>
</tr>
<tr>
<td>Single Adult, Two Children</td>
<td>£195</td>
<td>£241.80</td>
</tr>
<tr>
<td>Two Adults, Two Children</td>
<td>£279</td>
<td>£345.96</td>
</tr>
</tbody>
</table>

Were additional costs relating to disability taken into account, we believe that well over half of all working age disabled people in the Wales would be found to be living in relative poverty. Monitoring disability poverty requires the Welsh Assembly Government (WAG) to produce formal ‘adjusted’ figures that show the level of low income among disabled people.

As well as producing adjusted figures, the WAG should seek to develop means of identifying particular areas where disabled people’s current income is inadequate to meet their needs. This means asking people whether they have experienced difficulties in certain key areas, such as paying bills or heating their home. Leonard Cheshire Disability currently look at such questions as part of our Disability Review, and in 2009 we found that 63% of respondents were spending 10% or more of their disposable income on fuel, and 15% had been unable to pay a utility bill on time in the past 12 months. 29

By monitoring those areas where disabled people face particular financial difficulties, as well as producing overall adjusted figures that include the additional costs associated with disability, the WAG would then be able to both develop policies to tackle disability poverty and ensure that these policies were focused on those areas where they were likely to have the greatest impact.

**Policy Issues**

Whilst many of the mechanisms aimed at tackling poverty more broadly, such as improved levels of employment and educational attainment, also help tackle disability poverty, the sheer scale of the gap between disabled people and non-disabled people in terms of the likelihood of living in financial poverty means that specific action to tackle disability poverty is desperately

needed. Some of these measures can only be taken at a UK level, but this report will seek to identify those areas where Wales can act independently and the WAG can take specific actions.

**Fuel Poverty**

In looking to reduce the number of disabled people living in fuel poverty, Leonard Cheshire Disability is calling for the extension of the Winter Fuel Allowance to disabled people under the age of 60.

Leonard Cheshire Disability's report *In the Balance* examined disabled people's experiences of debt. A significant number of people reported that they faced increased heating expenses related to their impairment – either because they were more likely to be at home for longer periods, or because their impairment required them to maintain a consistent temperature in their home. The follow-up survey to the 1990 Family Expenditure Survey also supports this point, finding that across the board disabled people face higher fuel costs than their non-disabled peers, across different income brackets and even different degrees of severity of impairment.

The latest fuel poverty statistics - which detail the situation in 2008 - show that 26% of all households in Wales were estimated to be fuel poor. This figure rose to 31% for households with one or more disabled people - more than double the corresponding 15% figure in 2004.

Models prepared for the Assembly Government by the Building Research Establishment suggest that those numbers will have risen again in 2009. It therefore seems unlikely that the WAG will meet its statutory target of eliminating fuel poverty in vulnerable households by 2010 and in all households by 2018, and it is disappointing that the new WAG fuel poverty strategy lacks measures - such as extending the Winter Fuel Allowance - that are targeted at helping working-age disabled people.

**Debt and Financial Inclusion**

In the Balance also found that for many disabled people debt problems developed not as the result of excessive spending on luxury items, but through the fact that essential outgoings were not matched by income. This left many people facing impossible choices on essential expenditure: having to determine whether to pay for physiotherapy to manage an impairment, or heating and other utility bills.

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30 Krober, C *In the Balance: Disabled People's Experience*, Leonard Cheshire Disability, 2005
33 Modelled headline fuel poverty statistics for 2009 and 2010, BRE, 2010
Addressing debt is a key element of Wales’ financial inclusion strategy, Taking Everyone Into Account but, despite recognising that those disabled people unable to work were at particular risk of financial exclusion, the strategy does not propose specific measures to address this.

Taking Everyone into Account rightly identifies the importance of appropriate advice and the role of a wide range of stakeholders in providing this. As part of a Welsh Disability Poverty Strategy, Leonard Cheshire Disability would like to see the WAG set the Financial Inclusion Taskforce with specific targets for ensuring improved provision of information, advice and support for disabled people applying for benefits or seeking support with managing their finances. Also, with one in every three victims of a loan shark in Wales in receipt of disability benefits, the WAG should provide appropriate support to the All-Wales Illegal Money Lending Unit to tackle illegal lending and ensure that disabled people are aware of legitimate credit routes.

Recommendations

The Welsh Assembly Government should:

- Develop a formal mechanism for recognising and calculating the additional costs of disability and publish ‘disability adjusted’ poverty statistics;
- Create a series of disability poverty indicators which monitor the impact of financial circumstances - such as paying utility bills, heating the home, meeting care needs;
- Extend Winter Fuel Allowance to disabled adults under the age of 60;
- Review disability related measures in the current financial inclusion strategy and set specific targets for the Financial Inclusion Taskforce in relation to support, information and advice for disabled people.

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34 Taking Everyone into Account, WAG, 2009
35 P.47, Taking Everyone into Account, WAG, 2009
Chapter 3
Benefits and Benefit Uptake in Wales

Summary
- Disability Living Allowance is a vital source of income for 240,710 disabled people in Wales;
- Proposed changes to DLA could mean 48,000 disabled people in Wales losing the support that it provides;
- People in Wales are losing at least £500m each year in unclaimed benefit.

Background
In this section there is a brief summary of the benefits relevant to disabled people in Wales, and a series of recommendations regarding the Welsh Assembly Government’s role in safeguarding the future of these benefits and increasing uptake.

Disability Living Allowance in Wales
Disability Living Allowance (DLA) is a tax-free benefit for children and adults to help meet the extra costs associated with disability. It is not means-tested and is paid regardless of employment status. DLA is broken down into two parts, care component and mobility component, with a number of differing rates for each component.

240,710 people in Wales receive DLA in some form. 142,730 (59%) of those claimants are working age disabled people – that is 1 in 12 of the Wales’ total working population. The volume and rate of the DLA caseload varies significantly across the country with the highest totals – both absolutely and proportionately – in the Valleys and South-East Wales (excluding Monmouthshire). 36

36 From DWP tabulation tool, figures for November 2009: http://83.244.183.180/100pc/dla/carepay/ccmobpay/ccgor/a_carate_r_carepay_c_ccmobpay_p_ccgor_wales_nov09.html
There has been a steady rise in the number of people in Wales receiving DLA – from 195,500 in 2002 to 240,710 in 2009. 37% of working age disabled adults in Wales claim DLA. This rise should be welcomed as it reflects a number of positive changes: growing awareness of the benefit, greater willingness to claim, and better recognition of mental health conditions and other hidden disabilities.

**Work-Related Benefits in Wales**

Employment and Support Allowance (ESA) is the new benefit for people unable to work due to illness or disability. It was introduced in 2008 for new claimants and will eventually replace Incapacity Benefit and Income Support paid on the grounds of incapacity. ESA is split into two components, the support component for those who face the most substantial barriers to accessing employment and are not expected to do anything in return for their benefit, and the work related activity component for those who are expected to undertake actions aimed at preparing for work in return for their benefit.

\[\text{DWP Tabulation Tool, May 2009: http://83.244.183.180/100pc/dla/ccdate/ccsex/ccgor/a_carate_r_ccdate_c_ccsex_p_ccgor_wales.html}\]
Incapacity Benefit (IB) provides support for people unable to work due to illness or disability. Over the next few years people currently claiming Incapacity Benefit will be assessed for Employment and Support Allowance.

Income Support is extra money to help people on a low income. It does not depend on National Insurance contributions and can be paid on its own or in addition to other benefits. As with Incapacity Benefit, Income Support is being replaced by Employment and Support Allowance.

### Work-Related Benefits Caseloads in Wales

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Welsh Caseload</th>
</tr>
</thead>
<tbody>
<tr>
<td>Incapacity Benefit (including Severe Disablement Allowance)</td>
<td>154,360</td>
</tr>
<tr>
<td>Employment and Support Allowance</td>
<td>34,810</td>
</tr>
<tr>
<td>Income Support</td>
<td>106,640</td>
</tr>
</tbody>
</table>

### Policy Issues

**Shaping the benefits system**

The power to change the benefits system is reserved by Westminster and the system is controlled and administered at a GB level. Given that Wales has the highest rates of both disability and poverty of any region of the UK, it is important that the WAG is involved in decisions about how the benefits system is designed and administered. The WAG has publicly voiced its concerns about some aspects of the Westminster administration's welfare proposals in the past, and as further changes are introduced it is vital that it exercises its role as a key stakeholder and ensures that disabled people in Wales receive the financial support many need.

**Disability Living Allowance**

Two key changes to DLA were announced in the June 2010 Budget: future uplifts will be linked to Consumer Price Inflation rather than Retail Price Inflation, which is expected to lead to a lower annual increase; and a new test will be introduced for all DLA claimants.

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38 Department for Work and Pensions benefits data tabulation tool, May 2010
The expected savings resulting from the new assessment, based on the projected DLA caseload in 2013 would equate to approximately 48,000 disabled people in Wales losing access to DLA.\(^39\)

These proposals are concerning for several reasons. Importantly, DLA is a successful, effective benefit. The Department for Work and Pensions (DWP) estimates that just 0.5% of total DLA spending is lost due to fraud, which is lower than any of the work-related benefits and less than one quarter of what is lost due to official error.\(^40\) DLA is designed to help meet the additional costs that disabled people can face, and in doing so it provides absolutely essential support to many people, and plays a critical role in helping to mitigate against disability poverty. In addition, many people use their DLA to fund their social care and any loss or reduction in the benefit would place increased demands on the social care system as more and more people are unable to meet the costs of their care needs or invest in vital preventative services.

In the October 2010 Spending Review the UK Government also announced that they are going to stop paying DLA mobility component to disabled people living in residential care. This change, which will start October 2013, will mean that thousands of disabled people will no longer have the money to pay for things like a powered wheelchair, accessible taxis or a Motability car and this will deny many people their independence.

Leonard Cheshire Disability would support a full-scale review of DLA, but only one which set out to strengthen it and ensure that it meets the needs of the people it was designed to support, rather than being led by projected savings. It is clear from our research into debt and disabled people’s financial circumstances that for many people the extra costs of disability are already not fully met by DLA. Such a review should be predicated on clear principles that no existing claimant should be disadvantaged by any changes, and on a clear, evidence-based understanding of the extra costs of disability. Given the importance of DLA to disabled people in Wales, the WAG should use its position of influence both to fight any reforms that risk restricting access to DLA and to campaign for an improved level of support for disabled people.

\(^{39}\) Estimate based on the measures to introduce a medical test for DLA set out in the Budget 2010 Policy Costings document (http://www.hm-treasury.gov.uk/junebudget_costings.htm) - specifically on p. 36 “the central assumption for this policy is that it will result in a 20 per cent reduction in caseload and expenditure once fully rolled out.” 20% of the current Welsh DLA case load is approximately 48,000.

Improved understanding of benefits

Considerable media attention is often given to the issue of benefit fraud, through regular press stories, media campaigns and policy initiatives. Whilst, of course, it is important that fraud is tackled, figures suggest that the amount lost in benefit fraud is less than the amount that goes unclaimed by those who are entitled.41 However, such coverage could lead to an individual ending up living in poverty, or missing out on the opportunity to receive return to work support, simply because they are unaware of their entitlement, or are unwilling to claim, due to perceived stigma and negative perceptions. All claimants should receive clear and concise information about their benefits, including an automatic ‘benefit check’ confirming their entitlements across the system, and an active media campaign is needed to ensure that those who require the support of benefits, but do not claim them, are aware of their entitlements. While it is possible that the WAG could undertake such a campaign independently of Westminster, the limited reach of the Welsh media means that a UK-wide strategy is likely to be more successful. However, it would be possible for the WAG to co-ordinate a targeted, local scheme with information provided through GPs, health visitors and social workers, specialist schools, children’s centres, carers organisations and disability groups.

Benefit Take-Up and Income Maximisation

Income maximisation is a feature of a number of different WAG strategies: child poverty42, financial inclusion43 and fuel poverty.44 As in other areas, action directed here can help to tackle other aspects of poverty in Wales, not just disability poverty.

Ensuring that disabled people are claiming the benefits that they are entitled to is a central feature of maximising incomes. Factors preventing people from doing so include:

- Over-complicated application form and documentation requirements;
- Literacy, language and communication barriers including the ‘usability’ of many local authority websites;
- Lack of support in dealing with benefit queries.
- Stigma associated with claiming benefits;
- Lack of information;
- Physical access barriers e.g. steps to buildings, lack of available disabled parking spaces.

41 http://www.dwp.gov.uk/docs/ifd250609benefits.pdf
42 http://wales.gov.uk/topics/childrenyoungpeople/childpoverty/strategy/?lang=en
44 http://wales.gov.uk/topics/environmentcountryside/energy/fuelpoverty/strategy/?lang=en
There has been some success in Wales with projects aimed at increasing take-up of those benefits that are administered at a local authority level: Council Tax Benefit (CTB) and Housing Benefit (HB). Between 2005 and 2007, a scheme, primarily for older people, saw an extra £4.3m claimed by over 7,000 individuals, and the In and Out of Work pilot in Merthyr Tydfil, which sought to reduce the duplication of paperwork by Jobcentre Plus and the local authority, is currently being rolled out across Wales.

However, even with CTB and HB the WAG's efforts have been patchy and underfunded, but a coordinated campaign focused on disabled adults could be an effective weapon against disability poverty. A recent paper, Take Up The Challenge, by the UK Child Poverty unit has proposed a number of principles for improving take-up at a local level:

- Integrated and personalised support;
- Tackling negative attitudes and misconceptions;
- Adequate funding for take-up work;
- Information and services provided flexibly in familiar locations;
- Continuous support during claims process;
- Better use of data in take-up work;
- Innovative media and channels used to disseminate information.

The WAG has recently committed to a project that attempts to boost the take-up of nationally-administered benefits – such as DLA, tax credits, income support etc. Previously, it had taken the position that the promotion of these benefits was the responsibility of the Department for Work and Pensions. Although no specific Welsh figures exist on unclaimed benefits, as a proportion of UK estimates Wales could be missing out on over £500m from income-related benefits alone.

The WAG’s £500,000 pilot scheme, adopted following a campaign by the Disabled Children Matter Wales group, will look over the next two years at the best ways to increase the household incomes of families with disabled children. Citizen’s Advice Cymru will deliver the campaign as part of their existing Wales-wide Better Advice, Better Health initiative - which has

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45 [http://wales.gov.uk/topics/localgovernment/publications/counciltax08/?lang=en](http://wales.gov.uk/topics/localgovernment/publications/counciltax08/?lang=en)
46 [www.childpovertysolutions.org.uk/.../Take_Up_The_Challenge%5B1%5D.pdf](http://www.childpovertysolutions.org.uk/.../Take_Up_The_Challenge%5B1%5D.pdf)
47 The five income-related benefits included in that assessment are Income Support, Pension Credit, Housing Benefit, Council Tax Benefit and Jobseeker’s Allowance (Income Based) [http://www.dwp.gov.uk/docs/ld250609benefits.pdf](http://www.dwp.gov.uk/docs/ld250609benefits.pdf)
been running since 2002 with the aim of improving the availability of welfare rights advice through the network of GP surgeries in Wales.

The WAG has estimated that around 29,000 families with disabled children in Wales are not claiming the Disability Living Allowance they are entitled to. This means that 62 per cent of those who are eligible are not claiming a potential £109.50 per week, the equivalent of over £160m of lost benefit across all of Wales.\(^48\) The pilot scheme has targeted gains of £70,000 in previously unclaimed benefit in each local authority area in which it is operating.\(^49\)

It is vital that the Assembly Government see the disabled children benefit take-up project not as a one-off response to a specific campaign, but rather as a template for wider action. The constitutional restrictions and the coming reductions in the Assembly's spending powers mean that the government must be innovative in its approach to tackling poverty, and a comprehensive effort to improve the take-up of the hundreds of millions of pounds that go unclaimed in Wales each year is one such strategy. The arguments for addressing the issue of unclaimed DLA for families with disabled children are the same for addressing unclaimed DLA for disabled adults and the WAG should look to build on the work it’s currently doing.

**Recommendations**

The Welsh Assembly Government should:

- Oppose cuts to DLA that would risk leaving up 48,000 people in Wales without access to DLA;
- Push for a review of DLA, with the explicit assurance that such a review will not disadvantage any current claimant, to ensure that it adequately meets the needs of those that it was designed to support;
- Embark on a benefits awareness campaign, targeting information through relevant outlets such as doctor’s surgeries, hospitals and Jobcentres but also seeking to influence a broader audience using outlets such as supermarkets and sports centres to increase awareness about benefits.

\(^{48}\) [www.childreninwales.org.uk/11827.file.dld](http://www.childreninwales.org.uk/11827.file.dld)

\(^{49}\) P.24, *Financial Inclusion Action Plan*, WAG, 2010
Chapter 4

Employment

Summary

- In Wales a non-disabled person is twice as likely to have a job as a disabled person;
- This disparity is greater here than anywhere else in the UK;
- Among those who are aged 25 to retirement and are not working in Wales half are disabled;
- The employment rate for disabled people in Wales is 9% lower than the UK rate. While the UK rate has remained steady, the Welsh employment rate for disabled people has fallen sharply since 2007.

Background

In Wales a non-disabled person is twice as likely to have a job as a disabled person – a disparity that is greater here than anywhere else in the UK. The success of any disability poverty strategy depends both upon closing this employment gap and providing better support for those unable to work. Although control over out of work benefits and the provision of GB-wide employment programmes rests with Westminster, the success of schemes like Want2Work demonstrates that there is a role for targeted and localised action.

The Welsh Assembly Government has acknowledged that it cannot hope to meet its own anti-poverty targets without addressing the issue of worklessness. Entrenched economic inactivity remains a greater problem in Wales than almost any other part of the UK. The link between disability and lack of employment in Wales is demonstrated in Figure 2 below, which shows that, whilst disabled people make up only 1 in 5 of the Welsh working age population, they account for half of those aged 25 to retirement who are not working.
Employment and Disability in Wales

The table below illustrates the gulf between employment rates for disabled people and non-disabled people.51

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<tbody>
<tr>
<td>UK Non-disabled Employment Rate</td>
<td>78%</td>
</tr>
<tr>
<td>UK Disabled Employment Rate</td>
<td>49.2%</td>
</tr>
<tr>
<td>Wales Non-disabled Employment Rate</td>
<td>76.9%</td>
</tr>
<tr>
<td>Wales Disabled Employment Rate</td>
<td>40.2%</td>
</tr>
</tbody>
</table>

While the rates for non-disabled people in Wales are fairly close to the UK average this is not the case for disabled people. At 40.2% the employment rate for disabled people in Wales is a full 9% lower than the rest of the UK and is roughly half of the employment rate for non-disabled people. To give some idea of the scale of the challenge, in order for Wales to reach the already low UK employment rate for disabled people (49.2%) 35,000 disabled people would have to move into employment. In order to approach the equivalent rate for non-disabled people that figure rises to over 145,000.

50 http://www.poverty.org.uk/w45/index.shtml
51 StatsWales, Oct 2009
Figure 3 looks at the impact that the post-2007 economic downturn (dated here from the Northern Rock crisis in late 2007) has had on the employment rate for disabled people. It shows that while at a UK level the rate has stayed fairly stable, the decline in Wales has been much sharper – with a fall of almost 3% since the highpoint of 43% in 2008. That means that 11,500 fewer disabled people in Wales are in employment. This would suggest that whilst the Assembly Government’s actions to mitigate the impact of the recession on Welsh jobs may have had some impact on the wider labour market, they have been unable to provide adequate support to help disabled people stay in work.

As a result of the economic downturn, Wales’ record on employment has worsened both in absolute terms and in comparison with the rest of the UK.

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52 StatsWales, Oct 2009
Figure 4: Work Status of People with a Work-Limiting Disability in Wales

Figure 4 presents historical employment figures for disabled people in Wales over the last ten years. These show a small but significant improvement in the early 2000s which then levelled off in the middle of the decade and seems to have fallen back in the last few years. But what it also shows is that there is a consistent group making up about 20-25% of the disabled population who are seeking paid work. As figure 5 below illustrates, this group represents a higher proportion of the total working-age population than almost anywhere else in the UK.

Source: Labour Force Survey, ONS; updated May 2010

http://www.poverty.org.uk/w45/index.shtml
Figure 5: The proportion of disabled people who lack, but want, paid work is higher in Wales than in most of the rest of the UK

![Graph showing employment rates by region](source: Labour Force Survey, ONS; the data is the average for 2007 to 2006; updated May 2010)

The proportion of disabled people at all qualification levels who lack but want paid work is higher than the equivalent figure for non-disabled people.

It should also be noted that employment rates vary widely between impairment types. For example, rates for people with a learning disability or a mental health condition are much lower (about 20-25%) than those with diabetes or a heart condition (about 60-65%). It is therefore important when looking at policies to tackle the gap in employment rates between disabled and non-disabled people that disability is not treated as a single, uniform category.

**Policy Issues**

Increasing the employment rate among disabled people is one of the most important measures in tackling disability poverty. Leonard Cheshire Disability believes that this can only be achieved through a combination of comprehensive guidance and support for disabled people looking for work, by tackling discrimination among employers and removing the disincentives to work for those who receive social care.

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56 From the Labour Force Survey, extracted from Disability Rights Commission’s *Disability Briefing*, DRC, May 2007
There are two primary areas where the Assembly Government has sought to influence and promote employment in Wales. The first is through the use of funding from the European Social Fund (ESF) to establish regional schemes that aim to promote economic activity in some of the most deprived areas of the country. There are many programmes that have attempted to address some of the more deep-seated problems that prevent people gaining employment, but there has been little concerted focus on the issue of disability. The extent to which disabled people are targeted for assistance varies from area to area and from scheme to scheme.

**Employment Programmes**

Want2Work - an ESF funded scheme - ran between 2004 and 2008 in Cardiff, Neath Port Talbot, Merthyr Tydfil, Ceredigion and Denbighshire and its prime target was getting recipients of Incapacity Benefit into work. The key features of the project included:

- a network of community based advisers to engage with residents and provide quality advice and guidance;
- a health professional attached to each team to support Personal Work Advisors, to develop links to local health services, and to explore the level of demand for – and opportunities to deliver - health information and advice for participants;
- provision of, or funding for, training, including the development of soft skills;
- a return to work bursary, consisting of a weekly payment to individuals to cover the costs of returning to work, which paid £60 during the first four months in work, £40 in the second four months and £20 in the third four-month period of the first year in work.
- in-work development and support during the first year of employment;
- discretionary funding to overcome other barriers to participation or employment;
- a job preparation premium, paid to participants to cover the cost of undertaking additional work preparation activities.

In many ways the scheme was similar to the DWP’s Pathways to Work but with a greater emphasis on community outreach and a formalised, more dedicated approach to providing support in maintaining good health and managing impairments.

The outcomes from Want2Work were very positive: participants were 4-7% more likely to be in employment when measured against a control group, and this figure rose to 13% for those who
had previously been claiming Incapacity Benefit.\textsuperscript{57} This demonstrates the utility and importance of adequate levels of support and the need for such schemes to be rolled-out to other areas of Wales.

\textbf{Joint working with the Department for Work and Pensions}

The second area in which the Assembly Government has recently moved to increase its influence over employment policy is in its relationship with the DWP. Over the last year WAG has formalised its relationship with the DWP via the Labour Market Framework and the Joint Operational Plan for Wales in which it has set out a series of shared objectives and operational actions. In addition two new boards – the Joint Employment Delivery Board and the Wales Employment and Skills Board – have been established to advise and monitor delivery on employment policy. While this greater focus on employment is welcome, it is noticeable that there has been little attention paid to the specific issues relating to disability in the operational plan, the framework or the first annual report from the Wales Employment and Skills board. Leonard Cheshire Disability would like to see the Joint Employment Delivery Board incorporate a specific target of improving the employment rate for disabled people.

\textbf{Employer discrimination}

More needs to be done to tackle discrimination against disabled people by employers. To help investigate the reasons behind the disparity in employment rates, Leonard Cheshire Disability conducted research looking at discrimination in the recruitment process. For the \textit{Discrimination Doesn't Work}\textsuperscript{58} report researchers submitted two applications to around 100 job advertisements at a range of large and small employers. The applications were identical in skills and experience apart from the fact that one declared an impairment at the outset, whilst the other did not. The results highlight the endemic disadvantage that disabled people face in the labour market, together with the continuing prejudice amongst employers, both large and small.

The 'non-disabled applicant' received twice as many response letters as the 'disabled applicant'. Equally, when a response was received the 'non-disabled applicant' was twice as likely to be invited to interview as the 'disabled applicant'. Examples of the responses given included one where the non-disabled applicant was invited to interview, whilst the disabled applicant was advised that the post had been filled internally.

\textsuperscript{57} Murray et al, \textit{Evaluation of the Want2Work Pilot}, WAG, 2010
\textsuperscript{58} MacRae and Laverty, \textit{Discrimination Doesn't Work} Leonard Cheshire Disability, 2006
It is important that employers of all sizes recognise their legal responsibilities under the Equality Act. At a UK-level, to help promote the active duty of employers to make reasonable adjustments for disabled employees or job candidates, Leonard Cheshire Disability would like to see the anticipatory duty that applies to the provision of goods and services extended to employment. This would require employers to anticipate disabled people's requirements in advance and adjust their practices accordingly, rather than simply reacting to problems when they occur. At a Welsh level, the WAG should look to work with organisations such as the CBI and the FSB to tackle misconceptions and raise awareness of the Equality Act. The extent of the current problem was highlighted in the *Living in Wales 2008* survey which found that 63% believed that disabled people faced discrimination in the job process and 51% agreed that they face discrimination from employer's attitudes in the workplace.\(^{59}\)

Barriers to work that exist in the current social care charging system must also be addressed. Currently, for example, those who live in residential care, paid for by the state, can be actively dissuaded from working, as any income they receive could be taken to pay towards their care, leaving people no better off than if they had remained out of work. As the Assembly Government takes forward its plans to revise the care charging system in Wales it must look to remove such obstacles.

**Recommendations**

The Welsh Assembly Government should:

- Invest in, and widen access to, schemes like Want2Work that have a proven record of success in helping disabled people into work;
- Introduce targets for improving the employment rate for disabled people;
- Work with employers’ organisations to develop a strategy for eliminating discrimination against disabled people in the workplace and in application processes;
- Remove disincentives to work from the social care system.

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\(^{59}\) Tables 3.7 and 3.9, *Living in Wales 2008*, WAG, 2009

Chapter 5
Savings and Assets

Summary
- Household wealth of the poorest disabled people is only 22% of the national median;
- 41% of households with one or more disabled adults under pension age report having no savings. The comparative figure for non-disabled households is 27% and the gap between these two is wider than at any point over the last decade.

Background
Savings and assets act as a buffer against poverty and can provide stability, security and independence for disabled people. However, all the available data shows that saving rates and held assets are markedly lower for disabled people than for non-disabled people.

The idea of addressing poverty through asset-based welfare - government action targeted at increasing individual wealth rather than just boosting short-term income - was behind initiatives such as the Savings Gateway and Child Trust Funds.

The median household wealth where the head of the household is disabled is £15,200 - 37% lower than the overall UK median of £24,100. For the poorest quarter of disabled people that figure falls to £5,200 or just 22% of the national median.60

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60 Excluding pensions, Wealth and Assets Survey 2006/08, Office National Statistics
The *Family Resources Survey* found that 41% of households with one or more disabled adults under pension age report having no savings. The comparative figure for non-disabled households is 27% and the gap between these two is wider than at any point over the last decade.

**Policy Issues**

The Welsh Assembly Government has been a keen supporter of asset-based welfare. This is apparent through its emphasis on the credit union network and through the creation of the Child Trust Fund Cymru. However, without the collection of Welsh specific data on saving rates among disabled people, it is impossible to judge the success or otherwise of the Assembly Government’s approach. Therefore, Leonard Cheshire Disability proposes that the WAG includes in a Welsh-specific annual Disability Poverty Monitor:

- Percentage of disabled people with savings;
- Percentage of disabled people with bank accounts;
- Average amount held as savings by disabled people.

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Social Care Reform
Social care, unlike health care, is means-tested. This means that disabled people who do receive some form of assessed social care support from their local authority will have their income and assets taken into account when how much they will have to pay towards their care is determined – normally, the greater their savings, the more they have to pay. The Wanless Review of social care identified this disincentive to save as one of the key problems with the current social care charging system, and proposed a number of different charging solutions to remove it. Whilst means testing social care in old age could deter some people from saving during their working life, for working age disabled adults, means testing creates a permanent barrier to saving – any savings they do accrue are taken away to pay for their social care.

Tackling this disincentive and ensuring that disabled people who require social care throughout life do not face a barrier to saving requires a wholesale re-examination of the way in which social care is funded.

In relation to specific future models for the care system, Leonard Cheshire Disability believes the ultimate goal should be the provision of free personal care for all disabled people across Wales. Any changes the WAG makes must recognise that younger disabled people may not be in a position to save during their working lives and are therefore little helped by proposed ‘partnership’ funding models. Without a means test a ‘partnership model’ could leave those with very high needs in an impossible position, having to part-fund huge care packages. With a means test a disincentive to save remains in the system.

Access to Affordable Credit
The fact that disabled people are twice as likely as non-disabled people to live in low-income households means that they already face an increased risk of experiencing short-term money problems. When this is added to the fact that disabled people’s extra costs can be both unavoidable and unpredictable (for example, having to pay for replacement parts for a wheelchair), and that disabled people are far less likely to have savings to cover unexpected costs, it is clear that problem debt can be a massive risk for many people. But the lack of access to affordable and fair credit for many people living with disability poverty can limit their options in times of acute need. Many people feel compelled to turn to illegal money lenders who will impose astronomical interest rates backed-up by intimidation and violence. The All-Wales
Illegal Money Lending Unit has discovered that one in three victims of loan sharks is in receipt of a disability benefit.\textsuperscript{62}

It is important that the WAG ensures that disabled people are fully informed and have access to the growing network of credit unions in Wales. The emergence of Community Development Finance Institutions, which have greater lending flexibility than standard credit unions and are currently being developed in South Wales, could be particularly helpful in providing credit and financial choice to low income disabled people in Wales.

\textbf{National Savings Gateway}

The National Saving Gateway Scheme was a UK government initiative that was piloted from 2002 to 2004 and again between 2005 and 2007. The aim of the scheme was to improve financial security for low-income households by providing an incentive to save and encourage a long-term change in saving behaviour: for every pound an individual saved the government contributed a further 50p.

The initiative aimed to reach those on low incomes and in receipt of certain benefits or tax credits, who were less likely to have been able to access financial services in the past or had other experiences of financial exclusion.

Following the pilots a national scheme was proposed, accounts would have:

- Run for a period of two years;
- Used a Government match rate of 50 pence per pound saved;
- Had a maximum monthly contribution of £25;
- Allowed savers access to money they have saved at any point during the life of the account, but not the Government match;
- Allowed savers to withdraw money without affecting the match rate account holders had built up to that point. However, money withdrawn would need to be paid back before any further match could be built up (i.e. the match would be given against the highest account balance and not necessarily the final balance).

Unfortunately plans to introduce the National Saving Gateway have been cancelled. Leonard Cheshire Disability had supported the introduction of the National Savings Gateway as a

\textsuperscript{62} P.47, \url{http://wales.gov.uk/docs/dslg/publications/comm/090924fininclstraten.pdf}
positive step towards helping those with the lowest incomes to build up assets and we are disappointed that it has been abandoned. However, as with Child Trust Funds, the Westminster government’s decision creates an opportunity for the Welsh Assembly Government to demonstrate its commitment to asset-based welfare and to tackling the savings gap between disabled and non-disabled people by instituting its own ‘Disability Savings Gateway’ for which eligibility would be determined through receipt of the Disability Living Allowance. The evidence and framework for creating such a scheme is already largely in place thanks to the pilots that were run in advance of the National Savings Gateway, and reducing the disability savings gap is a realistic and achievable target in Wales.

**Child Trust Fund and the Child Trust Fund Cymru**

It is regrettable that the UK government has chosen to end the Child Trust Fund (CTF) programme. Although ostensibly a scheme aimed at reducing child poverty, the fact that the fund only became available once the child had turned 18 meant that it was a long-term measure to boost the assets of young adults.

Particularly disappointing is that the scheme is being withdrawn just as measures were introduced that would have recognised the additional costs of disability. Starting from April 2010, the UK government was to make extra payments into the Child Trust Fund accounts of disabled children. In order to qualify for an additional payment a child would have had to have been in receipt of Disability Living Allowance at some point during the previous year. The extra payment was £100 per year, or £200 per year if the child got the care component of DLA at the highest rate. This was a welcome move in recognising the additional difficulties that disabled people face in accumulating assets.

As part of the ‘One Wales’ agenda, the Welsh Assembly Government introduced an additional Welsh premium to the Child Trust Fund: the Child Trust Fund Cymru (CTFC). An extra £50 would be paid into the CTF accounts of all eligible children, with a further £50 for those living in low income families. The end of the UK Child Trust Fund also meant the end for the Child Trust Fund Cymru and a large component of the WAG’s anti-poverty strategy. However, the decision to re-invest the £3million in support services for vulnerable and disabled children is a positive one.
This situation, again, could be seen as an opportunity for the Welsh Assembly Government to take the lead in helping to close the gap between disabled and non-disabled people in relation to savings and assets. Leonard Cheshire Disability recommends using the infrastructure and resources already in place with the Child Trust Fund Cymru (CTFC) but targeting resources at disabled children. This could be done using the less intensive subscription model CTFC currently employs (coupled with aggressive promotion and advertising).

A related part of the Welsh Assembly Government’s child poverty strategy stresses the delivery of CTFs in Wales through credit unions. This was a distinctive feature of the WAG’s approach. Behind the promotion of credit unions is the hope that the experience of using a credit union will encourage disabled people and others with little or no experience of financial institutions to acquire and build up assets.63 Again, Leonard Cheshire Disability welcomes the focus on building the credit union network in Wales; as Professor Drakeford of Cardiff University has said, “credit unions operate on the ground in disadvantaged communities, they welcome those who are new to savings and loans and they provide help in the completion of forms and other formalities […] they reach out to those who are furthest from the mainstream and work hard to draw them in”.64

**Recommendations**

The Welsh Assembly Government should:

- Develop Welsh-specific data on disabled people’s savings and assets;
- End disincentives to save in the social care system;
- Improve financial choice and access to credit for disabled people by supporting Community Development Finance Institutions;
- Tackle the disability saving gap via asset-based welfare schemes.

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64 Drakeford, *Asset-based welfare and credit unions in Wales: where the individual and the collective meet*, Economic and Social Research Council Seminar, 2010
Chapter 6
Accommodation

Summary
- Disabled people in Wales are significantly less likely to own their own home, and are over twice as likely to live in social housing;
- Disabled people are less likely to rent privately;
- 110,000 households in Wales have an unmet adaptation need;
- Only 10 local authorities in Wales currently maintain an adapted housing register.

Background
Disabled people can face additional barriers in finding suitable accommodation – both in terms of affordability and also accessibility. Given that on average disabled people have lower earnings, lower levels of savings and fewer assets than non-disabled people, disabled people have been disproportionately disadvantaged by the changes in the housing market that have seen the median house price in Wales rise by 148% over the past decade.  

Home ownership offers strong protection from poverty – and the Welsh Assembly Government has acknowledged this in its promotion of asset-based welfare. When the state can support individuals to build up assets it can offer them a powerful buffer against poverty. However, evidence in Wales suggests that rates of home ownership are markedly lower for disabled people than for non-disabled people, while disabled people are twice as likely to live in social housing. In addition, 42% of housing association households contain someone with a long-term health condition or impairment. This is not only an indicator that disabled people are more likely to live in poverty, but also that poverty may be harder to escape than for those who are able to fall back on assets, such as their own home.

66 As reported in the Housing Association Disability Equality Scheme and Action Plan, 2006 – 09, Housing Association, 2006
Unlike the rest of the UK, Wales does not regularly survey housing tenure among the disabled population (the last survey carried out was the Welsh House Condition Survey in 1998). However, the Living in Wales survey does currently ask a series of questions relating to housing and disability and Leonard Cheshire Disability would therefore recommend adding a question about tenure which would allow us to monitor another key disability poverty indicator.

Beyond affordability, there is a second issue for many disabled people: accessibility. Some disabled people will require no adaptations to their home, others may need small adaptations – maybe a ramp up to the front door; others will need significant adaptations – such as installing a downstairs bathroom. Living in a home without appropriate adaptations can seriously damage quality of life, limit opportunities for social interaction and effectively make some rooms unusable. The Living in Wales 2008 survey found that 110,000 households in Wales have an unmet adaptation need.

For those who cannot work or are on low incomes other problems can also arise. People living in poorly insulated properties, for example, can face particular difficulties in the winter months in maintaining a home at a constant temperature. Some impairments can be aggravated by the
cold and can be managed by keeping the home at a constant temperature – but in poorly insulated homes this can prove prohibitively expensive.

Policy Issues

**Welsh Assembly Government and Housing Policy**
The Assembly Government has taken a number of positive steps towards making housing more accessible - for example, the introduction in 2001 of Lifetime Homes Standards for all new build publicly funded housing. However, action is still needed in many other areas.

The Assembly Government’s new housing strategy, Improving Lives and Communities, lacks detail when it comes to improving the quality of the country’s housing stock and makes almost no reference to the needs of disabled people. It is vital that the more detailed action plans that are to follow correct these omissions and contain measures to improve the quality of housing stock for disabled people.

**Lifetime Homes Standards**
Many disabled people acquire an impairment in later life. The housing that many live in when they acquire their impairment might not meet their changing or future needs. Lifetime Homes are homes which are built to be accessible and easily adaptable to the occupants’ changing needs throughout their lives, whether they are the needs of a young family, a disabled person living independently, or an older person who wishes to stay in their own home.

For some, the expense of adaptations to homes that are not designed to be adapted can be prohibitive. This means that many disabled people are forced to live in unsuitable housing or forced to move out of their local area, breaking ties with friends and relatives. Others may have no option but to move into a residential care home, even though, with the right adaptations, they could continue to live in their own homes. For those who can afford the costs of adaptations to their homes, after acquiring an impairment they may be faced with lengthy and unnecessary stays in hospital as they wait for their home to be adapted – at a significant financial cost to the NHS. There is also an emotional cost for those who are forced to stay in hospital, the stress and uncertainty of waiting for their home to be ready can be damaging to self-esteem and mental health.

All new build publicly funded housing in Wales has had to adhere to Lifetime Homes Standards (LHS) in Wales since 2001. However it is important that the concept of accessibility is also
present in private housing. The Assembly Government should ensure that the private sector adopts Lifetime Homes Standards.

There is also an issue regarding the LHS and the work being done to implement the Welsh Quality Housing Standard (WQHS) in Wales’ existing social housing stock. The WQHS requires all registered social landlords to improve their housing stock to an “acceptable level” by 2012. The guidance issued to local authorities and Registered Social Landlords (RSLs) states that:

“Where it is practical and cost effective to do so, consideration should be given to incorporating some, or all, the Lifetime Homes Standards into dwellings.”

To ensure consistency and fairness across the social housing sector, the WAG must strengthen the WQHS by making Lifetime Homes Standards a necessary component of all upgrading work.

**Adapted Homes Registers**

Adapted Home Registers are databases of properties which are purpose built or have been adapted (with details of the adaptations carried out) that sit alongside a register of disabled people who are seeking accessible accommodation and their needs. The aim is to ensure that when an adapted property becomes vacant it is subsequently occupied by a disabled person who can make use of the adaptations that have been made.

In Better Homes for People in Wales the WAG recognised the value of adapted homes registers, stating:

“We will encourage local authorities to adopt information systems that enable them to identify accessible and adapted properties, and match them with the needs and choices of disabled people.”

However, such a commitment is absent from the latest housing strategy – despite a recent Disability Wales report on the issue finding that only 10 of Wales 22 local authorities currently maintain a register. The same report concluded that accessible housing registers have a key

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67 P.26, WQHS Guidance for Registered Social Landlords
68 p.97, Better Homes for the People of Wales, WAG, 2010
69 Looking for an Accessible Home, Disability Wales, 2010
role to play in achieving equality of access to housing for disabled people and in promoting independent living.

Although the WAG clearly recognises the value that adapted homes registers can bring – both to disabled tenants and financially to local authorities by ensuring that adaptations continue to be utilised – it needs to back this recognition by making such registers mandatory.

**Recommendations**

The Welsh Assembly Government should:

- Add questions regarding disability and housing tenure to the Living in Wales survey;
- Strengthen the WQHS by making Lifetime Homes Standards a necessary component of all upgrading work;
- Make accessible housing registers mandatory for all local authorities.
Chapter 7

Higher and Further Education

Summary

- 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;
- Twice as many disabled people as non-disabled people do not get the place in education they want;
- Five times as many disabled people who have left education would like to go back, compared to non-disabled people in the same situation.

Background

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%).\(^70\) Whilst the gap in educational attainment for disabled people continues, the percentage of jobs requiring no qualification is decreasing, and the number of jobs requiring degree level education (or equivalent) is increasing. The Institute for Public Policy Research has predicted that by 2020 almost half of all employment will be in occupations requiring a higher/further level of educational attainment.\(^71\)

Research for Leonard Cheshire Disability’s forthcoming report into life chances for young disabled adults, Aspiration Denied, demonstrates that disabled people are not being adequately served by the current education system. We found that twice as many disabled people as non-disabled people do not get the place in education they want - be that a school, a college or a university - and disabled people were five times more likely than non-disabled people to have left, but want to return to, education.

There are many possible reasons for the skills gap that exists for disabled people, ranging from physical barriers in educational establishments to low expectations or negative attitudes about disabled people’s abilities.

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\(^70\) Stephen Evans, *Disability, skills and work: raising our ambitions*, Social Market Foundation, June 2007

\(^71\) Pillai et al, *Disability 2020: opportunities for full and equal citizenship of disabled people in Britain in 2020*, IPPR, March 2007
Challenging the inequities that still exist within the education system is crucial to making a lasting difference to disability poverty. More must be done to reduce the attainment gap, and to make sure that those who find that formal education has not worked for them are able to access other opportunities for training or work experience. If disabled people continue to face negative expectations and barriers to engagement in the education system, the cycle of disability poverty will prove difficult to break.

**Policy Issues**

Launched in 2006, the Welsh Assembly Government’s updated education strategy, The Learning Country – Vision into Action, contained a commitment to ‘promote inclusion in education and training’. Following this, the National Assembly’s Education, Lifelong Learning and Skills Committee conducted an extensive review of additional educational needs in Wales that concluded in March 2008. The review examined many of the fundamental elements of the existing system, including early identification and intervention, statutory assessment, statementing and transition.

The review resulted in the Education and Training Legislative Competence Order which, for the first time, gave the Welsh government the legal powers to make changes to the statutory framework for additional learning needs – changing the prior position that gave the WAG responsibility for the system without the power to fundamentally order it. £2 million has been allocated as part of the Assembly’s latest budget to run a two year pilot programme which will be reviewed before the introduction of legislation in 2013.

**Mainstream and Special Schools**

Leonard Cheshire Disability believes that disabled children have the right to the best education for them – one that promotes educational achievement, individual freedom and is emotionally fulfilling. We believe that receiving education in mainstream schools has a number of benefits for disabled children outside of educational attainment: it encourages integration from an early age, instilling non-disabled children with an understanding of disability and combating disability discrimination in later life. We urge the government and local authorities to ensure that disabled children can receive the best education for them in mainstream schools, through addressing the needs of infrastructure, support and funding to enable this.
Special schooling in the UK has developed where mainstream schools have previously been unable to meet the educational aspirations of disabled children. Many disabled children and their families, even where mainstream schooling is available, believe that their education would be best served by attending a special school. We respect their right to make that choice, but urge the government to ensure that it is a genuine choice, rather than one born out of a lack of adequate provision in mainstream education.

**Post-16 Education**

The number of disabled students who go on to post-16 education is woefully low. The Graham Review\(^2\) in Wales identified that disabled students undertaking part-time education after 16 faced particular barriers in undertaking the amount of work required to qualify for financial support.

We would urge the government to investigate the extra barriers that disabled people face in undertaking further education or training, and ensure that all education and training is ambitious and appropriate to increase the levels of disabled young people who take up these opportunities.

**Lifelong Learning**

Many disabled people have reported that involvement in adult education has enriched and changed their lives. Such provision is available in both formal and informal settings. However, tight restrictions and limits on funding have a particular effect on disabled people, who may not have had the opportunity to study effectively at an earlier age, or who may value the structure, relationships and intellectual activity associated with adult education. We therefore urge the government to ensure that opportunities for disabled people to take part in adult education are increased.

**Training**

Leonard Cheshire Disability believes that all staff involved in the delivery of education programmes should have comprehension of the principles of disability equality, and that disability equality issues should be included in the development of all education policy and practice at both local and national levels.

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Work Experience

Disabled people in school are less likely to take part in work placements or work experience programmes. With universities increasingly using such schemes as part of admission policies, there can be a long-term impact stemming from this. The barriers which can prevent disabled people from undertaking such experience must be addressed.

Advice

It is also critical that careers advice services offer adequate support to disabled pupils. A lack of knowledge or training in disability for career advisers can be a significant factor in limiting the chances and choices for disabled people to gain useful work experience. Monitoring the effectiveness of the service offered by career advisers to disabled people should help ensure that the service develops and improves over time.

Awareness

Leonard Cheshire Disability believes that disability equality issues should form part of National Curriculum citizenship classes. Citizenship classes are compulsory at secondary school level, and ensuring that all children at this level receive an education that addresses disability equality would go some way to addressing a continuing lack of understanding around disability.

Recommendations

The Welsh Assembly Government should:

- Investigate the extra barriers that disabled people face in undertaking further education or training;
- 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.

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73 Written answer in the Scottish Parliament, 12th February 2007, question number S2W-31645
Chapter 8
Transport

Summary

- 23% of disabled people have had to turn down a job due to a lack of accessible transport;
- Fewer than 1 in 3 buses in rural areas of Wales are accessible.
- 66% of Welsh train stations have limited or no accessibility for wheelchair users and only 20% are staffed;
- Community transport concessionary fares schemes have greatly improved the mobility of those who have had access to them in Wales;

Background

Public transport is only truly ‘public’ if it is available to everyone. Inaccessible and inadequate transport networks perpetuate isolation and disability poverty by limiting the distances that people can travel in order to find work.

In our report Mind the Gap, Leonard Cheshire Disability examined the difficulties that disabled people face in using existing transport systems. We found that 23% of disabled people seeking work have had to turn down a job offer because of a lack of accessible transport.

Our Into the Unknown report also looked at the accessibility of public transport and found that:

- 42% of disabled people would like to use the bus more than they currently do.
- 37% of disabled people would like to use the train more than they do.

Department for Transport figures show:

- 39% of all buses in England and Wales are considered by the government to be inaccessible.

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74 McQuigg, Mind the Gap, Leonard Cheshire Disability, September 2008
75 Webster and Shah, Into the Unknown, Leonard Cheshire Disability, April 2008
In Wales, there is a stark urban/rural divide: 80-90% of buses are accessible in Swansea, Newport and Cardiff, but the figure for some rural areas is only 30%.\(^77\)

Only 48 of Wales’ 235 train stations are staffed. The Assembly’s Equality of Opportunity Committee recognised that without staff many disabled people lose the ability to make spontaneous travel decisions.\(^78\)

An accessible public transport system is essential if disabled people are to be able to live independently and enjoy full citizenship. Improvements to physical accessibility will also make access easier for families with prams or travellers with large baggage, and all passengers will benefit from improved audio-visual announcements and clearer information.

**Policy Issues**

The Transport (Wales) Act 2006 gave the Assembly Government meaningful powers over the country’s transport network for the first time, and the WAG published its first transport strategy in 2008 followed by a National Transport Plan (NTP) in 2010. The NTP contained assurances that disabled people would continue to receive concessionary bus travel and also stated that the government would ‘improve the provision of, and access to, rail services, including improvements for disabled people and vulnerable users, by 2014’.\(^79\)

**Buses and Trains**

All buses are required to be accessible by 2017 and all trains by 2020. But these dates do not solve the problem of inaccessible public transport today. Rapid improvements are necessary if the industry is to meet its obligations.

Where buses and trains are accessible, it is important that information on accessibility is provided: otherwise accessible services could be made inaccessible to disabled people who are not told when the right service will be running. Similarly, where a service is advertised as accessible, every effort should be made to ensure that accessible buses run on that route.

The Welsh Assembly Government does not have authority over Network Rail, the owners of Wales’ railway infrastructure. Arriva Trains Wales has the franchise for passenger services until 2018 – subject to five-yearly performance reviews. The WAG has committed £1million to

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\(^77\) P.39, Service Provision for Disabled Young People, Equality of Opportunity Committee, 2007
\(^78\) P.39, Service Provision for Disabled Young People, Equality of Opportunity Committee, 2007
improve station access in the next three years as part of the Department of Transport’s Access for All scheme, but currently 66% of stations in Wales have limited or no access. Leonard Cheshire Disability believes that the WAG should incorporate station accessibility issues into the next round of the Wales and Border franchise.

It is crucial there are effective enforcement methods to make certain that rail companies continue to meet the access standards in the Rail Vehicle Accessible Regulations. Leonard Cheshire Disability strongly advocates the use of heavy fines for operators who do not meet their obligations to disabled people.

**Concessionary Travel**

The over 60s and disabled people of all ages, who are resident in Wales, are able to travel free on registered local bus services in Wales at any time. The scheme, which is run at a local authority level, also allows free travel on local bus services in Wales by companions to disabled persons.

The Welsh Assembly Government currently funds 15 community transport demonstration pilots across Wales under the community transport concessionary fares initiative. This initiative has enabled disabled people who may be unable to access low floor bus services to use specific community transport at no cost.

Funding has been guaranteed for these limited pilot schemes until 2012. An independent review of the initiative, published in 2009, found:

“Without exception the implementation of the demonstration projects has had an extremely positive effect on the lives of severely disabled and socially disadvantaged people, providing access to a range of socially necessary facilities and services.

The positive impact of the scheme is demonstrated by the high take up rates, with some groups running at capacity.”

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80 p.16 Inquiry into the Accessibility of Railway Stations, Equality of Opportunity Committee, 2010
81 Community Transport Concessionary Fares Initiative for the Severely Disabled and Socially Disadvantaged in Wales, Capita Symonds, 2009
Given the impact and success of the pilots, Leonard Cheshire Disability believes that the schemes should now be rolled-out across the country.

**Recommendations**

The Welsh Assembly Government should:

- Continue to closely monitor the progress made by bus and train companies towards the accessibility deadlines;
- Ensure that disabled people are fully involved in the implementation of the national and regional transport plans;
- Incorporate station accessibility issues into the next round of the Wales and Border franchise;
- Roll out the successful community transport concessionary fares schemes across Wales.
Annex

Definitions and Methodology

Summary

- The term ‘disabled people’ is used in this report to refer to the group of adults covered by the definition of disability within the Equality Act;
- The term ‘poverty’ and ‘poverty line’ when used in the report will usually refer to incomes below 60% of median household income after housing costs;
- Disabled people of working age face additional costs on top of normal expenditure of more than 25% above expenditure for non-disabled people;

This section will provide definitions of some of the key terms used in the report: disability, poverty, and the additional costs of disability.

Disability

Whilst there are many definitions of ‘disability’ and of ‘disabled people’, within the UK the most broadly used definition of disability is that set out in the Equality Act 2010. The Act defines a disabled person as someone who ‘has a physical or mental impairment that has a substantial and long-term adverse effect on his or her ability to carry out normal day-to-day activities’.\(^\text{82}\) Current estimates suggest that there are around 11 million adults in the UK who fall under this definition.

However, whilst the EA 2010 definition is now the most commonly used, it has not always been used in statistical analyses, whether from government sources or elsewhere. In the Welsh Assembly Government’s report Sources of Disability Statistics in Wales, of the six sources identified only one used the full EA 2010 definition as its measurement.

Instead, much research relies on some degree of self-definition, which can sometimes lead to those who have an impairment that is more usually considered to be a 'disability' being over-represented in samples. Often, for example, older people who would certainly fall within the EA 2010 definition of disability will not always define themselves as a 'disabled person'.

Furthermore, the variety of impairment types and the variety of ways in which individuals will respond to impairments provide added complications. A return to work solution for an individual with a mental health condition, for example, may well be very different to one for an individual with a visual impairment. Thus it would often be useful to break down disability statistics by impairment type.

Nonetheless, whether using self-definition or the EA 2010 definition clear trends emerge. Quantifiable social, demographic and statistical differences are discernible in certain areas when we compare ‘disabled people’ with the 'general population'. This makes it clear that to make such comparisons is worthwhile and that there are underlying trends and issues that must be addressed by policies aimed at ‘disabled people’ as a demographic group.

For the purposes of this report when the term ‘disabled people’ is used, it can generally be understood to refer to the group of adults covered by the definition of disability within the EA 2010.

**Poverty**
The UK and Welsh governments currently look at indicators of relative poverty and absolute poverty, and also considers the wider issues of social exclusion. Relative poverty refers to comparative circumstances: looking at those who, in a relatively wealthy country like Wales, live on reduced means compared to the average of the population. Absolute poverty is a more universal measure, defined by the United Nations in the Copenhagen Declaration (1995) as 'a condition characterised by severe deprivation of basic human needs'. Social exclusion is a broader term, considering the reduction of life chances that can often stem from disadvantage and deprivation. All of these different ways of considering poverty are relevant for our understanding of disability poverty.
The figure used for the 'relative financial poverty line' is usually 60% of median national income. But the UK has also established a much broader set of 'poverty indicators'\textsuperscript{83} that have been monitored regularly. Some of these indicators link to disability, but they are not broken down specifically into measures for disabled people. Similarly, in Wales the Welsh Assembly Government has sought to monitor its progress on meeting its child poverty targets by establishing the Children and Young People’s Monitor for Wales and does, tangentially, touch on the relationship between disability and child poverty.\textsuperscript{84}

Leonard Cheshire Disability would argue that measuring poverty through the use of a series of indicators is a more holistic approach than simply using the blunt instrument of assessing against 60% of median household income. However, using that figure the current poverty lines are:

- £164 per week, before housing costs, for single adult with no dependent children;
- £244 per week, before housing costs, for a couple with no dependent children;
- £293 per week, before housing costs, for a single adult with two dependent children under 14;
- £374 per week, before housing costs for a couple with two dependent children under 14.\textsuperscript{85}

**The Additional Costs of Disability**

Many disabled people face additional costs that arise from managing their impairment. Such costs can take the form of extra expenditure on general items, for example having to spend extra on heating, or expenditure on disability related items, such as mobility or sensory aids.\textsuperscript{86} This means that if a disabled person has to spend more each month to achieve the same basic standard of living, then the poverty level for disabled people is different than for non-disabled people.

However, these extra costs can vary hugely from individual to individual and over time. Some disabled people will face only minor additional expenditure arising from the management of their impairment, whilst others will face hugely significant outlay. Some who do face sizeable extra costs will find that these costs are offset by the receipt of certain welfare benefits, or by existing resources or support from friends and family. There is also an inherent subjectivity in such

\textsuperscript{83} Set out in the annual ‘Opportunity for All’ paper produced by the Department for Work and Pensions
\textsuperscript{84} See p.65-67 and section 10.5 Disability and Child Poverty in Children and Young People’s Monitor for Wales 2008
\textsuperscript{86} For a summary of some of the existing findings into the extra costs of disability see Review of existing research into the extra costs of disability, Department for Work and Pensions, 2005
measures: what one person might consider an acceptable standard of living might be very
different from another’s interpretation, and some people may already have lowered their
expectations in order to live within their means, even to the detriment of their health. Some
costs can be irregular and might only impact once every few years, such as the cost of a new
wheelchair, whilst others might recur regularly, such as the cost of physiotherapy or care
support.

Leonard Cheshire Disability has reached a broad estimate figure for the purposes of our work
on disability poverty, but would argue that a definitive attempt to determine the extra costs of
disability should be a priority for the WAG.

To produce our approximate measure we have used information from a number of statistical
sources, but particularly relied upon some existing studies, most notably ‘Comparing incomes
when needs differ: Equivalisation for the extra costs of disability in the UK’ (Zaidi and Burchardt,
2003).87 Leonard Cheshire Disability has adopted the approach suggested in that paper, and
has generalised it to allow for an easily understandable and transferable mechanism to
demonstrate the impact of the extra costs of an impairment.

Zaidi and Burchardt determined that, in broad terms, it is possible to suggest that as the severity
of impairment rises so do the extra costs of disability. Some national surveys have used the
‘Office of Population, Censuses and Surveys’ (OPCS) gradation system for measuring the
severity of impairments. The system used a points scoring approach to mark the functional
impact of impairments, and then placed the scores within a scale of severity. In their research
Zaidi and Burchardt determined a figure for the level of extra costs that disabled people faced
on top of normal expenditure. Based on the fact that as the severity of impairment increased so
did the extra costs, it was possible to determine that for each point scored the extra cost of
disability for a working age adult equated to between 3% and 4.5% of income, per person,
depending on whether they were living on their own, or as part of a couple. Accordingly, an
individual scoring two points on this scale might expect increased costs of between 6% and 9%,
and an individual scoring three points on the scale between 9% and 13.5% increased costs,
dependent on household circumstances.

87 Ashgar Zaidi and Tania Burchardt, Comparing incomes when needs differ: Equivalisation for the extra costs of disability in the
UK, LSE CASE Report 64, 2003
Using this points scoring system the median severity score for disabled people of working age was calculated at 7.85. Accordingly, it is possible to conclude that an average percentage for the extra costs faced by disabled people of working age would range between 24% and 35% on top of normal expenditure. Whilst this is not a definitive measure of additional costs, and is based on a number of broad assumptions, it is useful as a tool for examining the extent to which existing poverty indicators underestimate the levels of low income among disabled people.

Therefore, on average, disabled people of working age face additional costs on top of normal expenditure of more than a quarter above expenditure for non-disabled people.