1 Background

1.1 Inclusion Scotland is a ‘Disabled People’s Organisation’ (DPO) – led by disabled people ourselves. Inclusion Scotland works to achieve positive changes to policy and practice, so that we disabled people are fully included throughout all Scottish society as equal citizens.

2 Low Pay and Disabled People

2.1 Disabled people remain much less likely to be in paid employment than non-disabled people. According to the Annual Population Survey 2016-17 just 43% of Scots disabled adults aged 16-65 were in work compared to 80% of non-disabled adults. However, escaping unemployment does not necessarily mean that disabled people also escape poverty.

2.2 Disabled people are more likely to be in low paid work than non-disabled people. In 2014/15 forty-four percent (44%) of disabled adults with lower (Standard Grade or O-Level) or no qualifications were in jobs that paid less than two thirds of the median wage compared to 35% of non-disabled adults.

2.3 Although holding higher qualifications reduces the risk of being low paid they far from eliminate it. Thirty percent (30%) of disabled adults with Highers or A-Levels were in low paid work compared to 21% of non-disabled adults. Even disabled adults with degrees were at greater risk of being in low paid work than their non-disabled peers with 13% being low paid compared to 10% of non-disabled graduates.

2.4 Research confirms that there are not only a higher proportion of disabled people in low paid jobs but that there is a pay gap between disabled and non-disabled workers. During the period 1997-2014 disabled men with a limiting physical impairment were on average paid 13% less than non-disabled men whilst disabled women with a physical impairment were paid 7% less than non-disabled women.

2.5 The situation is much worse for people with learning difficulties however. Disabled men with a moderate to severe learning difficulty were on average paid 62.3% less than their non-disabled peers whilst disabled women with a learning difficulty were on average paid 29% less than non-disabled women.

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1 Regional Employment Patterns in Scotland: Statistics from the Annual Population Survey 2016. Although this is less up to date than the Labour Force Survey it tends to be more accurate because of the substantially larger sample size. http://www.gov.scot/Publications/2017/05/8508/.


3 Ibid

3 Additional Costs

3.1 Disabled workers as well as being more likely to be in low-paid work, and paid less, than their non-disabled peers also face additional costs which further reduce their income and make them more likely to be living in poverty.

3.2 Research and analysis by the disability charity Scope shows that on average disabled people across the UK face additional costs related to their impairment, or condition, of £570 a month\(^5\). The costs vary geographically so that someone living in South East England faces additional costs of “only” £482 a month whilst a disabled person in Scotland faces much higher additional costs of £632 a month.

3.3 This means that, after housing costs have been met, disabled people spend on average nearly half of their income (49%) on disability-related costs. This in turn results in their income not going as far to the extent that £100 of income for a non-disabled person is equivalent to just £67 for a disabled person.

3.4 Some additional costs such as heating are higher because a much higher proportion of disabled people are unemployed and thus at home all day at a time when others reduce their heating. Thus although disabled people in employment face less additional costs they are still substantial and on average, across the UK, amount to £492 a month. It should be borne in mind though that the costs for a Scottish disabled person in work are likely to be higher again.

4 Universal Credit sanctions and reductions

4.1 The UK Government heralded the introduction of Universal Credit (UC) as “making work pay”. Unfortunately, the extension of conditionality to some working people, and their partners, is already resulting in many disabled people and their families experiencing greater poverty in work than when they were unemployed and more will face such poverty in future as UC is rolled out.

4.2 Since 2010 disabled people have been subjected to over 1 million benefit sanctions (900,000 on Job Seekers Allowance (JSA) claimants with a disability [impairment] and 110,000 Employment Support Allowance (ESA) claimants\(^6\). Disabled claimants were between 26% and 53% more likely to be sanctioned than non-disabled claimants. The variation was in line with gender (disabled women were less likely to be sanctioned than disabled men) and age (young disabled men were most likely to be sanctioned).

4.3 It might be thought that as these sanctions were on unemployed people this might not be thought relevant to those in employment. However, the rate of sanctions has increased under Universal Credit (UC) and this has resulted in –

(i) more people in work being sanctioned

(ii) people carrying their sanctions into work whereas previously the sanction penalty would have ended when they moved off JSA or ESA

\(^5\) "The Disability Price Tag", Anel Touchet and Minesh Patel for Scope, Feb 2018

\(^6\) "A Better WCA is possible", Ben Baumberg Geiger and Demos, Feb. 2018
(iii) the length of time that sanctions affect people increasing and thus being more likely to affect more disabled people in work over time.

4.4 **More people in work being sanctioned:** The proportion of people in work who are under a sanction is currently two percent (2%) of the UC caseload (that is around 20,000 claimants). If it remains true under UC that disabled people are more likely to be sanctioned then a disproportionate number of that 20,000 will be disabled people. This seems even more likely when one remembers that disabled people are more likely to be in part-time, low paid work – and thus more likely to be subject to requirements to search for additional and/or higher paid employment.

4.5 **People carrying their sanctions into work:** Under the legacy benefits such as JSA, ESA and Income Support sanctions for failing to take steps to find work ended when the claimant moved into work. They also ended if the person was no longer subject to conditionality – for example when a sick or disabled person moved from the Work Related Activity Group of ESA into the Support Group.

4.6 However, under UC the sanction continues until it is expunged – that is, if it is for a six-month period the sanction continues until six months after it was imposed, if it is for a year it continues for a year, etc. This means that an increasing number of formerly unemployed, sick and/or disabled people will carry their sanctions into work. As of May of this year 1,108 claimants either in work, in the Support Group or otherwise not currently subject to conditionality continued to be sanctioned.

4.7 **The length of time that sanctions affect people increasing:** As well as the average length of sanctions increasing it should be borne in mind that under UC the length of time that sanctions’ impact on individuals and families has effectively doubled. This is because Hardship Payments are repayable under Universal Credit and are recovered at the same rate as the sanction. This means that a six-month sanction which, if a hardship payment is payable, reduces the standard (individual’s) allowance by 40% effectively lasts for 1 year. Therefore, in addition to the 2% of working claimants counted as under sanction, there will also be a substantial number receiving less than the full UC entitlement due to recovery of hardship payments.

4.8 Conditionality not only reduces household income through the imposition of sanctions, and the recovery of hardship payments, it also drives people into low-paid, unsuitable and unsustainable work. Research on conditionality and movement into work shows that change is rarely linear. That is although some disabled people move from unemployment into low paid work this tends to be of a short term nature resulting in work-to-welfare recycling.

4.9 Universal Credit claimants can also be subject to recovery of Benefit Advances and Overpayments. The standard recovery rate is 15% of the standard allowance rising to

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7 “Briefing: Benefit Sanctions Statistics, July 2018” – Dr David Webster, Glasgow University
40% in cases of fraud. Deductions can also be made from UC to pay rent arrears these are normally made at 20% of the standard allowance. Note that several deductions from UC - sanctions, recovery of benefit advances, overpayments and/or rent arrears - can be in place at the same time.

4.10 Universal Credit is also less generous to disabled people who work or who look after a disabled child/children. In 2012 an Inquiry led by Baroness Tanni Grey-Thompson and supported by the Children’s Society, Citizens Advice and Disability Rights UK estimated that up to 116,000 disabled people who work would be at risk of losing up to £40 a week (£2,000 pa) in help towards the additional costs of being disabled.

4.11 In addition, the support available to many families with disabled children is effectively halved under Universal Credit. Those affected, an estimated 100,000 children, will lose approximately £30 per week (£1,500 pa)9.

5 Disabled people and the minimum wage

5.1 In recent years a number of politicians (Philip Davies MP, Lord Freud, Frank Field MP, Chair of the Work and Pensions Committee) and others (e.g. Rosa Monckton, businesswoman and mother of a daughter with Down’s Syndrome, and Libby Purves, BBC journalist) have argued that disabled people, in particular learning disabled people, should be paid a lower-rate Minimum Wage than that payable to other workers because they are ‘pricing themselves out of the jobs market’.

5.2 Inclusion Scotland deprecate such thinking. Firstly, there is absolutely no empirical evidence that the “minimum wage is pricing people out of work”. People with learning disabilities are out of work because of a combination of discriminatory attitudes and their not having access to the correct sort of employment support.

5.3 Supported employment has been shown to be a successful approach to getting learning disabled people into work yet very little is spent on it by either local or national government. When done properly it can result in ten times as many learning disabled people being in work and lower social care bills10.

5.4 Secondly paying people less money is not a route out of poverty. Research shows that people who start off in volunteering or in sheltered employment get stuck on no/low wages and they hardly ever progress into better paid work11. The same would be true of those who started on a reduced Minimum Wage.

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10 “Effective systems to support people with learning disabilities: Strategic Briefing”, Rob Greig, Research in Practice for Adults, 2017
5.5 In addition, there is little to no evidence that employing learning disabled people increases employers’ costs. On the contrary the Joseph Rowntree Foundation concluded in 2004 that learning disabled employees generally stay in the job for longer than their non-disabled counterparts because “they have a strong commitment to work, as well as good punctuality and low absentee rates”\(^1\). 

5.6 It is also wrong to conclude, without any supporting evidence, that learning disabled people would always be slower in carrying out tasks at work. In fact, that simply demonstrates the prejudice that exists towards them. All of these prejudices seem to stem from a fundamental belief that learning disabled people are not equal citizens which is contrary to equalities and human rights law.

5.7 To quote learning disabled people’s organisation “My Life, My Choice” - “Even though Mr Field said that lower wages could be “combined with higher benefits to ensure disabled workers did not receive any less in their pocket” – we think that taking away disabled people’s rights is a dangerous thing to start doing”. We agree.

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\(^1\)“Employing people with learning disabilities, A handbook for employers”, Susan Hemmings and Jenny Morris, JRF, 2004