

BRIEFING

OCTOBER 2024

Drawing a line under disabled people's poverty with the Minimum Income Guarantee



A roadmap to the Minimum Income Guarantee

- There is an increased risk of poverty and destitution for disabled people, and data points to disabled people's poverty being an increasing concern. The Scottish Government and the Expert Group must ensure that the development of the MIG takes active account of equalities considerations, adopting mainstreaming approaches to embed the needs of groups who have increased risk of poverty. There remains some cynicism about the extent to which this is currently happening in practice.
- This seminar underscored broad consensus on the need to ensure that the MIG takes account of disability – in terms of the additional costs disabled people incur in their daily lives, and the fact disabled people face barriers to entering good quality employment. A number of models exist through which to achieve this ambition, including the integration of a disability premium or the creation of a higher income floor for disabled households. However, there was no consensus on the best mechanism to ensure the MIG meets the needs of disabled people.
- There also needs to be a recognition that some may not identify as disabled, particularly if they do not have a formal diagnosis. The process of developing a MIG must therefore be based on trust and dignity, not clinical diagnosis. People will be left behind if we mobilise specific language boundaries to disability. This approach would build upon the principles which have underpinned Adult Disability Payment in Scotland.
- Reducing everyday essential costs is a key way of enabling disabled people to reach the MIG level. This should include the consideration of measures to reduce costs relating to energy and transport. Local Authorities meeting their legal requirements on social care provision, alongside the removal of social care charging, was seen as critical.
- Employers have a key role to play in the delivery of a MIG for disabled people. To progress 'employerability', employers need to make their recruitment, development and workplace cultures more accessible to disabled people. The Scottish Government should explore opportunities to embed fair work for disabled people within fair work policy-making.



Introduction

Evidence relating to disabled people's poverty is stark. In Scotland, 41% of children living in poverty come from a household containing a disabled adult or child.¹ It is clear then that meeting our child poverty targets will not be possible without addressing disabled people's poverty. In addition, once the extra costs of disability are taken into account, nearly half of all those living in poverty in the UK are disabled people or live in a household someone who is disabled.

Data from the Joseph Rowntree Foundation highlights a significantly higher risk of deep poverty in households where someone is disabled, with 63% of those experiencing destitution in the UK reporting having a disability or long-term health condition.² Similarly, two-thirds of Trussell Trust foodbank users in Scotland come from households containing a disabled person.³ Financial insecurity has negative consequences for people's health and wellbeing. Indeed, the Research Institute for Disabled Consumers found that two-fifths of disabled people said that their financial situation was making their physical health worse, and 45% said it was making their mental health worse.⁴

Disabled people are therefore likely to see particular benefits from measures to provide access to an adequate income through a Minimum Income Guarantee (MIG). This is because they are: more likely to be reliant on social security for some or all of their income; face a higher cost of living; and experience continued structural barriers in paid work. However, these benefits cannot be taken for granted. At the Poverty Alliance annual conference in November 2023, there remained a degree of cynicism as to whether sufficient consideration had been afforded to disability within the design of the MIG and, as a result, whether the MIG would meet the needs of disabled people. We must ensure, therefore, that considerations of disability are mainstreamed throughout the design and implementation of the MIG.

To progress these conversations, our third seminar focused on drawing a line under disabled people's poverty with a MIG. This seminar explored how we can ensure the development of the MIG meets the need of disabled people, and identified the accompanying policy changes that would allow us to address disabled people's higher

¹ Scottish Government (2024) *Poverty and Income Inequality in Scotland 2020-23*. Available at: <https://data.gov.scot/poverty/>

² Joseph Rowntree Foundation (2023) *What is destitution and how do we tackle it?* Available at: <https://www.jrf.org.uk/deep-poverty-and-destitution/what-is-destitution-and-how-do-we-tackle-it#:~:text=Almost%20two%2Dthirds%20of%20people,communities%20are%20significantly%20over%2Drepresented.>

³ Williams, Martin (2023) 'Concern as two in three Scots referred to food banks are disabled', *The Herald*, 28th June 2023, available at <https://www.heraldscotland.com/news/homenews/23618228.concern-two-three-scots-referred-food-banks-disabled/>

⁴ University of Bristol and Research Institute for Disabled Consumers (2023) *The Financial Wellbeing of Disabled People in the UK*. Available at: <https://www.bristol.ac.uk/media-library/sites/geography/pfrc/documents/The%20financial%20wellbeing%20of%20disabled%20people.pdf>

risk of poverty. The event included inputs from Emma Jackson, Strategic Lead for Social Justice at Citizens Advice Scotland, and Bill Scott, Senior Policy Advisor at Inclusion Scotland. Focusing on the roadmap to MIG and the necessary interim steps, this session also included interactive activities to identify civil society's priorities for implementation.

As outlined by attendees at this event, ultimately, to meet the needs of disabled people, the MIG must take account of, and seek to address:

- The additional costs disabled people incur in their daily lives;
- The structural barriers disabled people continue to face in entering and progressing in good quality paid work;
- The inadequacy of pre-existing disability-related benefits; and
- Underinvestment in our vital public services, including social care.

The narrative which accompanies the MIG was also seen as being critical to encouraging uptake, alongside application and assessment processes that are free from stigma and discrimination. Attendees again highlighted the fact that disabled people are not a homogenous group. A key overarching recommendation relating to the MIG is the importance of adopting an intersectional approach to consider the multiple and specific needs of groups who experience intersecting inequalities, such as disabled women or disabled people in rural areas.

The current picture: disabled people's poverty



Emma Jackson, Strategic Lead for Social Justice at Citizens Advice Scotland, noted that austerity and the erosion of our social security system has had a disproportionate impact on disabled people. This has been compounded by the impact of the Covid-19 pandemic and the cost of living crisis, which have also had multiple and disproportionate impacts for disabled people. In the period of continued rising costs, analysis from Citizens Advice Scotland has shown that over 40,000 disabled people were skipping meals so that they could prioritise energy use for the charging of essential devices like scooters or wheelchairs.⁵ Similarly, charities like Christians Against Poverty have reported huge growth in the numbers of disabled people coming forward for debt help. In addition to this, the crisis in social care, and social care charges, means disabled people find it increasingly difficult to access or afford the social care that they need to live independently, to go to work or to access education.

The devolution of Personal Independence Payment (PIP) to Scotland and the subsequent creation of Adult Disability Payment (ADP) is a positive development. This provided an opportunity to remove the assessment and reporting processes inherent in the UK-system, moving towards applicant choice over how to provide information to support their claim and a recognition of the value of a whole-person approach to understanding need. However, ADP is not without issues, rendering the planned review of this support essential. Evidence from advisers in the 59 Citizens Advice Bureaus across Scotland shows that almost two-thirds of those seeking advice from a CAB have a disability or long-term health condition. While there are many reasons why someone may require advice, this statistic points to continued structural and systemic issues for disabled people. For those clients who are seeking advice on ADP, almost 60% live in the most deprived communities in Scotland,⁶ reinforcing the known links between disability and poverty.

⁵ Citizens Advice Scotland (2024) 'Tens of thousands of disabled person sacrifice cooked meals to charge devices' available at <https://www.cas.org.uk/news/tens-thousands-disabled-people-sacrifice-cooked-meals-charge-medical-devices>

⁶ Citizens Advice Scotland [Unpublished] Advice code data found that 57% of individual CAB clients who have received advice about ADP have post codes located in SIMD 1 and 2.

Ongoing work by Citizens Advice Scotland into disabled people's experiences of Social Security Scotland has given light to a number of key themes:

- People reported that applying for disability-related social security was complex, overwhelming and exhausting.
- People also noted the stigma and shame that they felt applying for such payments, with feelings of 'failure' because they require financial support. For others, there was also a sense that their disability or health condition became 'real' if they needed this level of support, with some having difficulty accepting this.
- However, this was accompanied by positive stories. Citizens Advice Scotland have heard that such payments do make a significant difference to people's lives and provide the much needed gateway into dignity and independence.
- Overall, while there are clearly complex issues to work through to ensure that support would be tailored to the individual needs of individuals and households, the way in which MIG requires three key elements to work in harmony has potential for tackling disabled people's poverty.

Integrating the higher cost of disability into the MIG



Bill Scott, Senior Policy Advisor at Inclusion Scotland, provided further context on the current picture for disabled people, as well as some model potentials for embedding the costs of disability into the MIG. In 2015 to 2016, 22% of people in Scotland (1.1 million people) said that they were disabled. The prevalence of disability rises with age: approximately 9% of children are disabled, compared to 21% of working age adults, and 42% of adults over State Pension age. This raises questions as to whether the MIG should take into account disability status, alongside life stage. This would also assist in recognising the cumulative effect of lifelong and long-term disability. The data outlined in the introduction of this report underscores that if we are to tackle poverty in Scotland, you cannot afford to leave disabled people out of policy-making and service design. In fact, there is a strong argument for starting with this group.

The higher cost of living experienced by disabled people pre-dates the ongoing costs crisis. Analysis by Scope in 2018 suggested that 4.1 million households containing disabled people spent over £1,500 a year on energy. In comparison, at that time, the average UK household spent £1,200. Of these households containing a disabled people, 790,000 spent over £2,500 a year, over double the average household spend. The cost of living crisis has had far-reaching implications for disabled people and their

families, and this has been felt acutely by disabled people in Scotland where the cost of disability is higher when compared with the rest of the UK. This is a reflection of the rural context, and the need for approaches which account for both disability and geography.

One of the spheres of the MIG relates to fair, well-paid work as a critical route out of poverty. However, less than 50% of working-age disabled people are in paid-work, compared to over 80% of the non-disabled working age people. This equates to a disability employment gap of over 30 percentage points. While closing this gap has been a policy priority of the Scottish Government, progress has been extremely slow. Even where disabled people are able to enter paid work, they are more likely to be in low-paid entry level jobs that have minimal opportunities for progression.

With discussions around how to design a MIG that works for disabled people, the key overarching question relates to whether the design of the MIG will take into account the additional living costs faced by disabled people. This could take the form of:

- Setting a higher income floor for disabled households;
- Considering the cost of disability within the methodology that underpins the Minimum Income Standard, or the MIG level; or

- The integration of a disability premium (higher rate) which recognises disabled people's higher costs and the likelihood that they will spend longer periods out of work.

If the design of the MIG level itself does not account for these costs, alternative models may include reassessing the adequacy of pre-existing disability benefits such as ADP. Unfortunately, the ongoing review of ADP will not be taking into account the adequacy of this support, but this may be something considered by the MIG Expert Group and those advocating for the MIG. Disabled people are among those least likely to be able to access well-paid employment to supplement their MIG payment. As per the previous model of Invalidity/Incapacity Benefit, one policy proposal relates to a higher long-term rate of MIG to reflect the fact that long periods of unemployment dissipate any savings and resources.

Discussion points and questions for consideration



In groups, attendees had the opportunity to discuss policy priorities relating to disabled people's poverty and identify key considerations for the development of the MIG. Emerging issues included:

Current social security support is inadequate for disabled people

Social security generally, and disability benefits specifically, are not currently adequate and do not sufficiently acknowledge the additional costs incurred by disabled people. This is clearly reflected in the fact disabled people continue to have a substantially higher risk of poverty than non-disabled people. Attendees felt that the process of applying for some disability-related benefits is dehumanising and slow which can result in loss of income. There needs to be stronger support for the additional costs of disability, including those related to energy and social care costs. In addition, eligibility criteria and any conditionality needs to acknowledge the impact of deteriorating or fluctuating conditions to ensure people get the right support, at the right time.

Welfare advice and support must be readily available to ensure that disabled people are able to access the support to which they are entitled and navigate application processes

There is a need for more consistency in access to support and advice around social security. People often do not know where to go for help, and many others rely on friends and family, which is not an option for everyone. Advice and guidance is often required in the realm of applications, eligibility, re-determinations and appeals. This will require awareness raising around the MIG and the social security support which underpin this model.

More broadly, application processes for the MIG must be accessible, and seek to overcome the stigma which is embedded in UK social security models. The principles of dignity and respect which underpinned the creation of Social Security Scotland are critical here. While there have already been improvements within the provision of Adult Disability Payment and wider support, there is a need to continue to build upon this platform within the implementation of the MIG.

Improving the accessibility, affordability and reliability of public transport for disabled people is a critical aspect of the MIG

One of the key spheres of the MIG relates to public services, and the reduction of costs for low-income households. Our public transport system links people to vital services, and employment and educational opportunities. There is therefore a need to reform, and create consistency across, our public transport systems so that they are accessible for all. Disabled people continue to face barriers to accessing public transport due to the design of services, stations and the existing transport fleet. Indeed, one disabled attendee at the session outlined that they arrived late to the event due to buses which did not have dedicated space for a mobility scooter.

Policy-making and service design should consider rural communities' access to transport and include an extension of concessionary travel to disabled and terminally ill people. This will be a means of reducing costs for disabled people, who are currently more likely to be reliant on private cars due to inaccessibility issues, while also enabling greater access to services and employment. It was disappointing that accessibility was not afforded sufficient attention within the Scottish Government's recent Fair Fares Review. In Poverty Alliance engagement with disabled people, the lack of safety on public transport was a key consideration. One member of our Citizen's Panel on the Fair Fares review stated

that: *"I used a bus before I was disabled, but now accessibility of public transport is a big barrier."*⁷

Social isolation, with impacts on people's health and wellbeing, is often a consequence of the inaccessibility of our public transport. This not only has a substantial impact on our communities, but also comes with financial costs for our health budgets. Increased investment in affordable, accessible and reliable transport will assist in negating these negative impacts.

Employers have a key role to play in the delivery of fair work for disabled people

Employers have a key role to play in disabled people's ability to surpass the minimum income floor through good quality paid work. To ensure that opportunities are open to all, employers need to consider how they can make their recruitment and development processes more accessible to disabled people. The Scottish Government should explore opportunities to embed this within fair work policy-making, including adopting legislative measures to improve practice. This may include expanding existing Fair Work First conditionality to include a wider range of criteria relevant to the labour market participation of disabled people, including greater emphasis on flexible working.

There is a need to change the narrative from the employability of disabled people, which often takes a deficit-based approach, to

⁷ Poverty Alliance (2023) *Fair Fares Review Supporting Paper 3: Poverty Alliance Report* available at: <https://www.transport.gov.scot/our-approach/strategy/fair-fares-review/>

'employerability'. This should focus on the actions employers need to take in order to make their practices and workplaces more accessible for disabled people. For example, negative recruitment processes which are discriminatory can prevent disabled people entering or progressing in paid-work, and cultural presumptions against part-time working create a barrier to paid employment. Inclusion Scotland highlighted that employers are often focused on barriers such as practical access needs, rather than thinking about potential solutions, such as home working. Much of the barriers in this space relate to attitudes towards disabled people and negative workplace cultures. Polling in 2021 highlighted that more than one in five (22%) admitted they would be unlikely to hire someone with a known disability.⁸

For some disabled people, continued support to maintain, not just find paid-work, is important. Particularly as disability can fluctuate, and changes in management structures or reporting lines can cause discrimination. The Resolution Foundation have thus recommended a new 'right to return' period, during which employers must keep jobs open for people who are away from work due to ill-health or disability. This policy would build on the success of maternity policy.⁹

There is a need for carrot and stick within this space: the stick of the legislative requirements embedded in the Equality Act and wider policy-making, such as Fair Work First

Conditionality, combined with cultural changes around attitudes and workplace culture.

The design of the MIG must be person-centred and rooted in human rights

The development of a MIG that is rooted in human rights and person-centred approaches requires flexibility in assessment processes that reflect the possibility of changing needs. Implementation must recognise that disability and health conditions are often not static but change over time. There also needs to be a recognition that some may not identify as disabled, particularly if they do not have a formal diagnosis. The process of developing a MIG must therefore be based on trust and dignity, not clinical diagnosis. People will be left behind if we mobilise specific language boundaries to disability. This approach would build upon the principles which have underpinned the design and delivery of ADP in Scotland.

Efforts to embed the needs of disabled people must also consider those at end of life

Being terminally ill and reaching the end of life can substantially increase a person's risk of experiencing poverty. The 'double burden' of income loss and increased costs brought on by a terminal illness can leave people struggling to stay afloat, and force those who were already on the threshold below the poverty line. Analysis from Marie

⁸ Moore, James (2023) 'So now we know – one in five employers wouldn't hire a disabled person', *The Independent*, 30th November 2021 available at <https://www.independent.co.uk/voices/disability-employment-gap-discrimination-pagegroup-b1966891.html>

⁹ Resolution Foundation (2023) *Ending Stagnation: A New Economic Strategy for Britain* available at <https://economy2030.resolutionfoundation.org/wp-content/uploads/2023/12/Ending-stagnation-final-report.pdf>

Curie has found that one in four working age people (aged 20–64) and one in eight pensioners (aged 65+) in Scotland experience in poverty in the last year of their life.¹⁰ There is a particularly high risk of poverty at end of life for women, who are more likely to experience poverty than men due to long-standing, structural inequality in the labour market, lower individual retirement income and disproportionate unpaid care responsibilities.

Attendees highlighted the importance of fast-tracking those who have been diagnosed with terminal illnesses, especially as some of these individuals will have short prognosis. The definition of terminal illness, based on clinical judgment, adopted by Social Security Scotland must be replicated within the MIG, and there should be assessment as to how the Benefits Assessment for Special Rules in Scotland (BASRiS) will be applied to the MIG.

The impact of end of life care is also felt acutely by unpaid carers, who often face a higher risk of poverty and homelessness during the period after bereavement.

Attendees therefore called for the extension of social security support payments from 12 weeks to six months when the person to whom they provided care dies.

Reducing everyday essential costs is a key way of enabling disabled people to reach the MIG level

This should include the consideration of measures to reduce costs of relating to energy, rent, social care and transport for disabled people. Local Authorities meeting their legal requirements on social care provision, alongside the removal of social care charging, was seen as critical. Similarly, there was discussion about the idea of social tariffs for energy and broadband as being one way to reduce costs for disabled people. A social tariff for energy is a targeted, discounted energy deal for qualifying low income consumers, and has been a point of advocacy for organisations such as Fair by Design¹¹, Scope¹² and Citizens Advice.¹³

The narrative framework around the MIG will be critical for gaining buy-in from disabled people and Disabled People's Organisations

The way we communicate the MIG, and promote eligibility will be critical in facilitating uptake of entitlements. Our approach to the MIG must consider decency; dignity; health. It must also take into account metrics and measurements of poverty, financial insecurity and costs which meet the needs of disabled people. The way in which the

¹⁰ Marie Curie (2022) *Dying in Poverty* available at <https://www.mariecurie.org.uk/globalassets/media/documents/policy/dying-in-poverty/h420-dying-in-poverty-scotland-4th-pp.pdf>

¹¹ Fair by Design (2022) *Solving the Cost of Living Crisis* available at https://fairbydesign.com/wp-content/uploads/2022/07/2022_Solving-the-cost-of-living-crisis_v02-4.pdf

¹² Scope (2023) *The Social Tariff on Energy Explained* available at <https://www.scope.org.uk/news-and-stories/the-social-tariff-on-energy-explained/>

¹³ Social Market Foundation (2023) *Fairer, Warmer, Cheaper: New Energy Bill Support Policies* available at https://assets.ctfassets.net/mfz4nbgura3g/53noiCI5wzyhz93fkc25Xo/6caa596bd2a5aab782cc812997959fec/Fairer__20warmer__20cheaper__20_March_202023__20_1_.pdf

MIG is developed, including the involvement of disabled people and Disabled People's Organisations, will be critical in facilitating trust around the policy.

We must frame our conversations about disabled people and the MIG in the context of the positive contribution that disabled people make to our communities, society and economy. However, the language and vilifying rhetoric that has accompanied 'welfare reform' has far-reaching implications for disabled people. The introduction of ADP in Scotland, and accompanying changes to assessments and entitlement, have promoted dignity and respect. The MIG must continue to build upon this platform, working with disabled people to ensure that the system meets their needs and overcomes the pervasive sense of stigma that has been inherent in the social security UK system and the processes which underpin this, including assessments. In

an inquiry into poverty-related stigma, the Cross-Party Group on Poverty found that the fear of being viewed as "undeserving" or a "scrounger" is listed as a common reason for disabled people's hesitancy in applying for welfare and other non-financial support.¹⁴ One member of Glasgow Disability Alliance stated: *"Disabled people definitely have a different experience of stigma – we are seen as scroungers and lazy and can't be bothered working "even when there is nothing wrong with them". This is because of the media and politicians I think perpetrate this image."*¹⁵

Disabled people's needs must be visible within the design of the policy, and the communications which surround it. However, attendees also noted that the universal nature of the MIG will be critical in gaining public support. It should be clear within our narrative framework that this is a minimum income floor below which nobody would be allowed to fall.

¹⁴ Cross-Party Group on Poverty (2023) *An inquiry into poverty-related stigma in Scotland* available at <https://www.povertyalliance.org/wp-content/uploads/2023/02/Report-of-the-inquiry-into-stigma-CPG-on-Poverty.pdf>

¹⁵ Ibid.

Our collective priority areas of action



During a prioritisation exercise, attendees identified the policy changes and activities that they felt were most critical to the development and implementation of a MIG that will meet the needs of disabled people. In order of priority, attendees identified the following policy changes and activities:

- The Scottish Government must increase the value of existing disability benefits to better meet needs of disabled people and ensure a disability premium within the MIG.
- The Scottish Government must take steps to build a public transport system that is consistent across the country and that is accessible for all, including extending concessionary travel schemes to disabled people to improve affordability.
- The Scottish and UK Government must work together to devolve the delivery and budget for Access to Work to the Scottish Parliament.
- The Scottish Government must invest in care, including social care and accessible childcare, including provision which meets the needs of disabled children to enable disabled people to fully participate in society. There must be policy coherence between the MIG and strong social care services.
- The Scottish Government should speed-up the application process for Adult Disability Payment and Child Disability Payment, while ensuring that application processes are simple and accessible.
- The Scottish and UK Government's must invest in a programme of awareness raising and income maximisation advice to improve benefit up-take and access to services, including ensuring disabled people have guaranteed support from an independent organisation or welfare officer when applying for social security.
- The UK Government, Scottish Government and Local Authorities should work with employers to make recruitment process more accessible to disabled people, whilst simultaneously holding employers to account on the accessibility of their practices.
- The Scottish Government and the MIG Expert Group should establish clear links between MIG and right to palliative care, including fast tracking those diagnosed with terminal illness to ensure a person-centred approach.
- In the Expert Group's final report, they must provide clarity around what a MIG disability 'supplement' should provide, and what should be covered by existing social security support such as ADP. This should establish what is the correct vehicle for support, and how to retain simplicity whilst ensuring fairness across different conditions.



The Poverty Alliance is Scotland's anti-poverty network. Together with our members, we influence policy and practice, support communities to challenge poverty, provide evidence through research and build public support for the solutions to tackle poverty. Our members include grassroots community groups, academics, large national NGOs, voluntary organisations, statutory organisations, trade unions, and faith groups



abrdn Financial Fairness Trust has supported this project as part of its mission to contribute towards strategic change which improves financial well-being in the UK. The Trust funds research, policy work and campaigning activities to tackle financial problems and improve living standards for people on low-to-middle incomes in the UK. It is an independent charitable foundation registered in Scotland (SC040877).