

**Poverty
&
Disability**

Breaking the link

**The case for a comprehensive
disability income scheme**

Disability Alliance

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Preface

The Disability Alliance was set up in 1974 to campaign for a **comprehensive disability income scheme** for all people with disabilities. The Disability Alliance is a federation of organisations of and for people with disabilities, and since 1974 the number of its member organisations has grown from 30 to over 90. Despite commitments by all the major political parties to the introduction of a comprehensive disability income scheme, little progress has been made in practice.

Current social security provision for people with disabilities is both inadequate and discriminatory. Even taking account of the available benefits, people with disabilities are still more likely to suffer from poverty than are non-disabled people. Also, people who are equally severely disabled can receive widely differing amounts of money according to the cause or origin of their disability, their national insurance contribution record, their age, or their marital status.

It is a fundamental principle that people with disabilities should have equal rights to participation in customarily accepted activities, roles and relationships within society. There are many areas in which changes need to be made to the way that society is organised, in order to ensure that these rights can be fully exercised. Access to adequate levels of income, although not sufficient alone, is one essential element.

The Disability Alliance believes that society should pay an income as of right to all people with disabilities. This income should be paid regardless of the cause, type or origin of disablement, and regardless of the age, sex, marital status or national insurance record of the person concerned. Instead, it should be based on the severity of disablement.

Such an income - along with benefits for disabled people who are retired, unemployed, or unable to work because of their disability - would form part of the process of transforming the position and status of disabled people in society. It would aim to eliminate poverty and financial hardship among people with disabilities. The Disability Alliance also believes that adequate financial provision must be made for people caring for someone with a disability.

A Comprehensive Disability Income Scheme would consist of:

* **A Disablement Allowance**, payable solely on the basis of the severity of disability. This would be measured in terms of the degree of restriction that the disability places on a person's activities. The disablement allowance alone would not be sufficient to live on, but would go towards meeting the extra costs of disability, and therefore towards equalising the standards of living of people with and without disabilities.

* **A Disablement Pension**, payable to everyone who is unable to work because of long term illness or disability. Provision would also be made for people who, through illness or disability, have a restricted capacity for work.

In addition, there should be adequate **provision for carers**, both to maintain the incomes of carers who are unable to undertake paid employment and to recognise the costs and restrictions involved in caring.

It is time for the political commitments of the past 20 years to be put into practice. The relationship between disability and poverty is well established and the case for a comprehensive disability income scheme widely accepted. The country can afford such a scheme, and people with disabilities cannot afford to wait any longer for its implementation.

1. Introduction

The Disability Alliance was set up in 1974 in response to the disappointing proposals put forward by the Government in the White Paper "Social Security Provision for Chronically Sick and Disabled People".(1) The White Paper came after a decade of pressure -following the formation of the Disablement Income Group(2) in 1965 -for a comprehensive disability income scheme designed to meet the problems of poverty and inadequate incomes faced by many people with disabilities in the UK.

Despite commitments by successive governments to improve social security provision for people with disabilities, the 1974 White Paper announced a package of measures costing only £23m a year. This was equivalent to just 34p per disabled person per week. Although these measures represented improvements on previous provision, organisations of and for people with disabilities were "united in fury" at the poverty of this package.

In 1975, the Disability Alliance set out the case for a comprehensive disability income scheme for people with disabilities. (3) It identified the three principal financial problems faced by people with disabilities as poverty, lower incomes and assets than non-disabled people, and the inequity in the levels of provision by the State to different groups of disabled people. Three long term policy objectives were therefore stated for a comprehensive disability income scheme:

- * to eliminate poverty amongst people with disabilities.
- * to bring the average incomes of people with disabilities up to the levels of the non-disabled, and to provide for the extra costs of disability.
- * to distribute resources among people with disabilities so that people with equally severe disablement are entitled to the same allowances and pensions, irrespective of the cause or place of disablement.

Underlying these three objectives were three fundamental principles of equity:

- * **Equity between people with disabilities and non-disabled people** - through measures to raise the living standards of " people with disabilities at least up to those

of non-disabled people; to meet the additional expenses of disablement; and to provide special protection against living standards being eroded at times of inflation.

* **Equity among people with disabilities** - so that people with different types of disability shall have a right to income on equal terms. This should apply to all kinds of disability, whether mental or physical; from birth or acquired; contracted in the home, at work, or at war.

* **Equity between degrees of disability** - by assessing the severity of the disability, so that benefit shall vary according to the degree, and not the type of disability.

Commitments in principle...

All the major political parties have now accepted the case for the introduction of a comprehensive disability income scheme:

"Much has been done in recent years to help the disabled, but there is a long way to go. Our aim is to provide a coherent system of cash benefits to meet the costs of disability, so that disabled people can support themselves and live normal lives. We shall work towards this as swiftly as the strength of the economy allows."
(Conservative Party Manifesto, 1979)

"We shall give priority to... the introduction of a disablement allowance to help offset the costs of disablement."
(Liberal Party Manifesto, 1983)

"In principle there is a strong case for supporting the introduction of a general disability income scheme payable irrespective of cause of disability."
(Social Democratic Party Green Paper No. 11 1982)

"Labour is committed to introducing a new and comprehensive disability income scheme with two separate non-contributory elements: an allowance to compensate for the additional indirect (as well as direct) costs of disablement, payable according to the severity of disablement; and a more streamlined income maintenance benefit."
(Labour Party policy document, "Social Security and Taxation" 1986)

...but little progress in practice

Despite these expressed commitments, no substantial progress has been made towards the introduction of a comprehensive disability income scheme. The past decade has instead seen a series of piecemeal changes which, although sometimes useful, have failed to correct the longstanding anomalies in social security provision for people with disabilities. Furthermore, in a number of vital areas, benefits have been cut and new anomalies created.

Cuts have taken place in a whole range of benefits. long term benefits -such as retirement and invalidity pensions - are now increased in line with the rise in prices only, rather than using the increase in average earnings when this is greater. Unemployment, sickness, invalidity and maternity benefits were cut by 5% in 1980. Unemployment benefit and supplementary benefit for unemployed people have been made taxable, and the earnings related supplements to unemployment and sickness benefit abolished. Cuts have also been made in child dependency additions and in support for housing benefit⁴. In total, the level of social security spending is now over £11 billion lower than it would have been but for the cuts which have been made since 1979. (5)

Although a number of new benefits for disabled people were introduced in the late 1970s (see Appendix 2), people with disabilities have not been protected from these cuts. Nor, according to the 1979 Conservative Government, could they expect to be exempted:

"There were simply not the available resources for major improvements in benefits and services for disabled people. Nor could disabled people be entirely shielded from the effects of high unemployment."

(Hugh Rossi, Minister for the Disabled, IYDP and After -The UK Response, DHSS, July 1982)

Many people with disabilities rely on retirement pensions, housing benefit, and unemployment benefit which have all been cut. In addition, as mentioned, the value of certain specific disability benefits, such as invalidity benefit and sickness benefit, has been reduced.

There has also been the tightening of the linking rule for sickness and invalidity benefits; the introduction and extension of statutory sick pay, with losses for many claimants;⁽⁶⁾ the abolition of injury benefit and the recent cuts in industrial disablement benefit; further cuts to invalidity benefit in 1985; and the provisions in the Social Security Act 1986 to abolish supplementary benefit additional requirements and replace them with flat rate disability premiums. (7)

In addition to these cuts in social security benefits, people with disabilities have also been hit by the massive increase in NHS prescription charges, and cuts in Local Authority services. (8)

In many ways, despite the commitments of the political parties, the prospect of a comprehensive disability income scheme seems less immediate now than it did in the late 1960s and early 1970s. One reason for this is the increasing use of the argument that the country cannot afford a decent and dignified social security system for people with disabilities. The 1979 Government made clear their view that any major reform must await an upturn in the economy:

"We have made it clear that our first priority is to strengthen the economy. I regret that until that has been achieved, no progress can be made towards our objective of a

coherent system of benefits for disabled people, which will cost thousands of millions of pounds."

(Hugh Rossi, Minister for the Disabled, July 13 1982)

Although, as explained in Section 5 below, the Disability Alliance has never accepted that there is any validity to this argument, it has undoubtedly had a crucial influence on policy making.

A second reason for the apparent remoteness of a comprehensive disability income scheme is the effect on public debate of the continual attacks on social security provision since 1979. These have shifted the attention of the public and of pressure groups away from improvements in social security, and into a fight against the further erosion of existing rights. The necessity for this 'defensive' battle was intensified by the setting up of the "Fowler Reviews" into social security in 1984.

The way forward

For a number of years it has been argued that sweeping changes in the system of benefits for people with disabilities could not be made because the Government lacked up to date information on the size of the disabled population. Although, in reality, it has been the lack of political will which has been the main barrier to change, the excuse of inadequate information will soon be redundant. In 1984 the Government announced the setting up of a new survey to investigate the number of people with disabilities, their incomes and needs. (9) This survey - covering Great Britain but excluding Northern Ireland - is currently being carried out by the Office of Population Censuses and Surveys (OPCS), and the results are expected to be available by 1988. The recent White Paper on the 'Reform of Social Security, (10) announced that there will be a full review of disability benefits in the light of the results of the OPCS survey.

The intention of this pamphlet is to put forward the case for positive action on incomes to ensure that people with disabilities do not experience poverty and are able to participate fully in society. Provision of adequate incomes as of right for all people with disabilities is not, of course, sufficient on its own to enable full participation. There are many other aspects of the way that society is organised which place restrictions on the lives of people with disabilities. It is crucial that provision of adequate incomes does not lead to any reduction in the level of services designed to help people with disabilities to maintain independent lives in their own homes and communities. Nevertheless, adequate incomes as of right are a necessary part of participation in modern society, and the lack of such an income is a major cause of exclusion, isolation, and material deprivation.

2. The case for a comprehensive disability income scheme

Although there are no precise and up to date estimates of the number of people with disabilities in Britain, it seems likely that there are around 3 million people with very severe, severe or appreciable disabilities (see Appendix 1 and Table 6). The incomes of people with disabilities is therefore an issue of major importance. Before looking at our proposals for a comprehensive disability income scheme, we consider in this section the financial difficulties and the restrictions which people with disabilities currently face.

The financial needs of people with disabilities

The financial needs of people with disabilities arise both directly; and indirectly from the restrictions which disablement, and society's response to disablement, place on their participation in customarily accepted roles and relationships, and on their access to Income.

People with disabilities require higher incomes to enjoy living standards comparable to those of the non-disabled population. Yet, at the same time, people with disabilities currently have very restricted access to income from employment and earnings.

The need for higher incomes than the non-disabled

Many disabilities involve specific expenses that do not apply to non-disabled people. These are the obvious direct financial costs of disability -for example for drugs, hearing aids, spectacles, sticks, calipers, surgical belts, wheelchairs, hoists, special clothing, incontinence pads, nonslip mats, handrails, breathing apparatus etc.

People with disabilities also often have to spend considerably more on meeting the more general basic needs. They may require extra heating; extra clothing; special diets, individual transport such as taxis, or their own car; as well as having care or household management needs - e.g. shopping, cooking and cleaning -for which they have to pay privately. Items such as cars or freezers, which may be conventionally regarded as luxuries, are often necessities for someone with a disability who is trying to live an independent life.

On top of these extra needs, people with disabilities may have to pay more for some of the basic items. People with limited mobility may have to depend on nearby shops rather than being able to take advantage of cut price stores and supermarkets, as well as being unable to take advantage of cheaper forms of public transport.

All these financial costs of disability have been clearly documented in research studies over the past 15 years for a variety of different disabilities and for a range of different age groups. (11)

The 1969 OPCS survey found that just under one third of all 'impaired' people said that they had at least one source of extra expense. (12) In a study of disabled wheelchair

users, three-fifths said that they spent extra money on heating because of their disability. (13) A recent study of disabled children found that the regular weekly costs of disability alone - i.e. ignoring larger items bought less frequently, and expenses arising from crises - amounted to £12 per week at 1984 prices for a family on average income. (14) A study of people with mental handicaps has estimated that the average additional weekly costs incurred by their families -again ignoring capital costs -was £19.50 at 1981 prices. (15)

However, just looking at the additional financial costs incurred by people with disabilities and their families underestimates the extent of their need for income to ensure that they enjoy the same average standard of living as their non-disabled peers. Looking at costs which are **actually** incurred ignores the extent to which people with disabilities simply cannot afford, given their existing incomes, to undertake all the expenses and activities necessary to enjoy a comparable standard of living.

For example, a person with mobility needs may remain effectively housebound if they cannot afford to pay for taxis or other private transport. People with disabilities may be unable to take advantage of the bulk-buying of food because they cannot afford to purchase a freezer. Equally important, though often forgotten in narrow considerations of the obvious financial 'costs of disability', is the extent to which people with disabilities are excluded from social participation and relationships by their lack of income.

Therefore, any consideration of the extra financial needs of people with disabilities must take account not only of the obvious direct and indirect financial costs that arise from the disability and which are actually incurred, but also of the income necessary to allow people with disabilities to enjoy the full range of activities and roles which the non-disabled population takes for granted. At present, people with disabilities face many restrictions on their range of activities, with lack of access to income being one of the main causes.

Loss of earnings

Many people with disabilities or members of their families are prevented from working or are restricted in the sorts of work or the number of hours that they can do. The 1969 OPCS survey found that over two-fifths of people with disabilities said the number of hours they could work was limited by their disability¹⁶. Excluding people who were retired, less than 6% of the 'very severely handicapped' were working. Only 30% of the 'severely handicapped' and half of the 'appreciably handicapped' were working. (17)

Unemployment amongst people with disabilities is higher than amongst the workforce in general, particularly after allowing for the fact that the official registers of people with disabilities who are seeking work considerably underestimate the extent of the problem¹⁸. The national survey conducted by Townsend found that in 1969 some 28% of disabled men and 56% of women with disabilities were unemployed at a time when the general level of unemployment was just 2.4%. His survey confirmed the picture shown by the official statistics that fewer than half of all unemployed people with disabilities were registered as disabled. (19)

People with disabilities are also likely to remain unemployed for longer periods. Nearly half of the registered disabled in the sample had been out of work for 3 years or more, compared with just over one-third of the unregistered disabled or sick, and one-fifth of those who had neither a handicap nor illness. In all age groups, people with disabilities are likely to have been unemployed for considerably longer periods of time than the non-disabled. (20)

Unemployed people with disabilities also have a very different occupational profile to that of the non-disabled unemployed. People with disabilities are much more likely to be seeking work as general labourers or in other manual occupations. (21) This occupational profile also holds for people with disabilities who are in work since they tend to be under-represented in non-manual occupations, and over-represented in semi-skilled and unskilled occupations.

Therefore, when people with disabilities do manage to find employment, they are more likely than others to be low paid. The 1969 OPCS survey found that half of the employees with disabilities had incomes below 42% of average earnings and one quarter had earnings below 32% of the average²². The wage rates of Remploy Company - set up with the sole intention of providing work for severely disabled people - are around one half of the average weekly earnings, whilst earnings in some sheltered workshops and adult training centres are notoriously low. (23)

This restricted access to employment and earnings is caused by both the employment capacity of people with disabilities, and also the attitude of society and employers to employing people with disabilities. There is clear evidence of the discrimination that people with disabilities face in obtaining employment. (24) Government action to improve the employment prospects for people with disabilities has been notably ineffective. Even the limited action that has been taken - particularly the operation of the 3% 'quota' scheme - has been under attack in recent years. (25)

Social security provision

Because of their lack of access to employment and earnings, most people with disabilities rely on social security benefits for all or part of their income. The main sources of income are retirement pensions, supplementary benefit, invalidity benefit, severe disablement allowance, attendance allowance, mobility allowance and the war and industrial injuries disablement pensions. (26) In addition, for some carers there is an invalid care allowance. The numbers of people receiving particular benefits, together with the rates of these benefits from April 1987 are given in Table 1.

Striking features of the social security system for people with disabilities are its complexity and the inequity between different groups of claimants. The various benefits are based on different principles, and there are a large number of different criteria for eligibility. Rarely is a person with a disability able to survive on one benefit alone, a fact which adds considerably to the complexity.

There are also varying rules as to whether the benefits are taxable, whether they are affected by earnings and whether they are offset against supplementary benefit. Moreover, there is a crude hierarchy of provision between people injured at work or in a war, disabled people who have paid national insurance contributions, people eligible for the non-contributory benefits, and those who have to rely solely on supplementary benefit (see section below on 'inequities').

People with disabilities rely on a range of 'income maintenance' benefits, designed to maintain the incomes of people who are not working for one reason or another. Retirement pensions are particularly important because the majority of people with disabilities are over pension age. Invalidity benefit and severe disablement allowance (SDA) are both benefits for people who have been unable to work for more than six months because of sickness or disability. Invalidity benefit depends on national insurance contributions whereas SDA is non-contributory. Carers of certain people with disabilities can receive the invalid care allowance (ICA).

Attendance and mobility allowance are non-contributory benefits payable on the basis of the need for attention or supervision, and mobility difficulties respectively.

The war and industrial disablement pension schemes provide general compensation payments, based on a percentage assessment of disablement arising from a war or industrial injury. They also provide specific compensation for attendance needs (and for mobility needs in the war pension scheme), as well as a number of other special additions, including payment for reduced earnings potential as a result of the injury. In addition, claimants can receive an income maintenance benefit -invalidity benefit -if they are unable to work. Industrial pensioners can also claim the normal mobility allowance if they qualify.

One general problem with the income maintenance benefits is that they have always been set too low in relation to the level of supplementary benefit. This is true for the contributory benefits - retirement and invalidity pensions -and even more so for the non-contributory benefits (ICA and SDA) which have been set at just 60% of the rate of these contributory benefits. **The result is that very large numbers of people with disabilities rely on means-tested supplementary benefit to reach a level of income equal to the State's unofficial poverty line.**

Table 1:**Numbers of people with disabilities receiving different types of allowances**

Allowance	Number in receipt	Weekly rate for single person from April 1987 (£)
1. Attendance allowance	545,000	
lower rate	322,000	31.60
higher rate	223,000	21.10
2. Invalid Care Allowance	22,000	23.75
3. Mobility Allowance	452,600	22.10
4. Invalidity Benefit	850,000	39.50
With invalidity allowance		
- higher rate	211,000	8.30
- middle rate	176,000	5.30
- lower rate	321,000	2.65
- no allowance	141,000	-
With additional component	528,000	4.9 (av) 29.11 (max)
5. Severe Disablement Allowance	252,000	23.75
6. Industrial Disablement Pension	186,000	
20% or less	92,000	12.90
30%	46,000	19.35
40%	22,000	25.80
50-80%	23,000	32.25-51.60
90-100%	4,000	58.05-64.50
Additional allowances		
- reduced earnings	147,000	up to 25.80
- constant attendance	2,200	up to 51.60
- unemployability supplement	300	39.50
- exceptionally severe disablement	700	25.30
7. War Disablement Pension	220,000	
20% or less	90,000	12.90
30%	50,000	19.35
40%	26,000	25.80
50-80%	39,000	32.25-51.60
90-100%	15,000	58.05—64.50
Additional allowances		
- unemployability supplement	11,625	41.95

- constant attendance	5,151	up to 51.60
- exceptionally severe disablement	522	25.80
- comforts	13,005	up to 11.10
- lowered occupation	12,177	up to 25.80
- age	34,782	up to 14.00
- clothing	14,878	up to 1.69
- invalidity	8,731	up to 8.30
- war pensioners mobility supplement	11,672	24.55
8. Retirement pensions	1,079,000	39.50
9. Supplementary benefit		
Under pension age	273,000	
- with NI benefit	98,000	38.65 + housing costs
- without NI benefit	175,000	38.65 + housing costs
Over retirement age	500,000	38.65 + housing costs
Additional payments		
- disabled persons heating	136,000	5.55
- laundry	185,000	no max
- diet	490,000	no max
- wear & tear/special clothing	35,000	no max
- baths	35,	no max
- blindness	42,000	1.25
- domestic assistance	3,000	up to 48.70
- over 80 age addition	449,000	.25
- attendance costs	1,000	up to 21.10

Notes to Table 1

The dates for the number of people receiving each benefit, and the sources are as follows:

Attendance Allowance: March 1985. Social Security Statistics (SSS) 1986, Table 14.30

ICA: 9 January 1987. Figure supplied by DHSS. This figure includes about 10,000 'married' women who had been awarded ICA since the decision to extend the benefit in June 1986. The Government has estimated that about 70,000 'married' women would eventually qualify.

Mobility Allowance: 7/11/1986. Hansard 19/11/86 Written Answers (WA) Column 220.

Invalidity Benefit: April 1985. SSS 1986, Tables 4.30 and 4.31. The figures for the amounts of the additional component were supplied by the DHSS. The maximum figure is as from April 1987, and the average figure is at March 1985.

Severe Disablement Allowance: 30/3/86. Hansard 21/7/86, WA col. 93

Industrial Disablement Pension: 30/9/83. SSS 1986, Tables 21.34, 21.40, 21.42. Figures for the additional allowances are for 30/9/82, and are in SSS 1986, Table 21.42

War Disablement Pension: 31/12/85. SSS 1986, Tables 36.35, 36.40.

Retirement Pensions: September 1985. SSS 1986, Table 13.30. Number estimated on basis of 1968-9 OPCS survey to be 'appreciably, severely or very severely handicapped'.

Supplementary Benefit: December 1984. SSS 1986, Table 34.30. The figure for those over pension age is based on the assumption that 30% of all supplementary pensions are disabled. The figure for those under pension age does not include all people with disabilities, but just those who had been incapable of work because of sickness or disability for more than 6 months. The figure for additional requirements are in SSS 1986, Table 34.44, and Hansard 24/7/86, WA col. 405.

For people receiving supplementary benefit, the range of additional weekly payments - 'additional requirements' - have become particularly important. Ten of the fourteen available additions, including those shown in Table 1, are payable largely on the basis of ill-health and disability. A number of them have no maximum amounts fixed, but can meet virtually the full cost of the claimant's needs.

Supplementary benefit claimants can also receive one-off 'single payments' for a range of items, as well as free prescriptions and other welfare benefits. Although these additions and payments have the fundamental fault of being means-tested, they currently provide the only element of flexibility in the social security system to meet some of the extra costs of disability. But even these limited rights are not secure. The Government has passed legislation which gives it the power to abolish the additions and replace them with flat rate disability premiums for various - administratively defined - categories of people with disabilities. Single payments are also to be abolished and replaced by discretionary payments from a cash-limited Social Fund.

Poverty and inequity

The combined effect of higher living costs, reduced earnings opportunities, and inadequate and discriminatory social security provision, is to produce three basic problems for people with disabilities; poverty, lower incomes and other resources, and inequitable treatment by the State.

Poverty

The 1969 arcs survey was crucial in establishing not only that a significant proportion of people with disabilities were living on supplementary benefit (30%), but also that an additional 7 per cent (250,000 people) were entitled to benefits but not drawing them. (27) The arcs survey also established that financial need varies with the severity of disability. Two thirds of the very severely handicapped had incomes of less than their supplementary benefit scale rate entitlement, compared with just under one quarter of the severely and appreciably handicapped and one fifth of those with minor handicaps. (28)

These results were substantiated by the independent national survey of household resources and standards of living carried out in 1968/929 and the correlation between severity of disability and financial need was supported by the analysis of the General Household Survey carried out for the Royal Commission on Income Distribution and Wealth, which concluded that "Those suffering from the greatest physical handicaps also suffer a very high incidence of financial hardship". (30)

Despite the developments in social security provision for people with disabilities in the 1970s, the latest figures show that in 1983 nearly two-thirds of the disabled population in Britain was living in poverty or on its margins. Table 2 indicates that the number of disabled people - together with members of their families when living with them -whose incomes are below the supplementary benefit level increased from 270,000 to 430,000 between 1975 and 1983. The number of both those in poverty and those on the margins of poverty increased to a total of 2,590,000, representing 59.8% of the disabled population. The corresponding figure for the non-disabled population was 27.9%. Even these figures underestimate the extent of deprivation amongst people with disabilities since they make no allowance for the extra costs of disability.

Both younger and older members of the disabled population run a greater risk of being in poverty or on its margins than their non-disabled counterparts. Table 3 compares the disabled and non-disabled population under and over pensionable ages. As many as 40% of the long term sick and disabled under pension age had very low incomes, compared with 23.3% of non-disabled people. The corresponding figures for those over pensionable ages were 70.8% and 60.4% respectively.

Many studies have called attention to the deprivation of families and individuals in local areas. They show that many thousands of people do not obtain their full entitlement to benefits. Reputable investigations in localities as widely dispersed as Strathclyde, North Yorkshire, Chapeltown, Harlow, London and Bristol, have demonstrated that many disabled people miss out on their entitlements. (31) In one of the latest of these enquiries -in Bristol- more than 50% of all people with disabilities who were visited had rights to higher incomes than they were claiming at the time of the visit. (32)

In 1981, the latest year for which figures that include housing costs are available, some £70 million of supplementary benefit alone went unclaimed by sick and disabled people under pension age. (33) This was equivalent to £14.30 unclaimed per claimant per week- nearly £20.00 at current prices. This non-take up of benefits is directly related to the complexity of the benefit system, and the excessive reliance on means-tested provision.

Table 2**Changes in extent of poverty among disabled population 1975-83**

Level of income average in year in relation to supplementary benefit level	Numbers in thousands			Percentage of population		
	1975	1979	1983	1975	1979	1983
	Below supplementary benefit level	270	430	430	7.3	10.6
Receiving supplementary benefit	1,040	1,020	1,000	28.3	25.1	23.1
At or up to 40 per cent above supplementary benefit level	1,120	1,110	1,160	30.4	27.3	26.8
Total	2,430	2,560	2,590	66.0	63.0	59.8

Source: DHSS analyses of the Family Expenditure Survey. The latest, for 1983, is entitled "Low Income Families", and was placed in the House of Commons Library in July 1986.

Note: The 1975 estimates apply to December of that year but for 1979 and 1983 the estimates are averages for the year. The 1975 figure would have to be reduced slightly to conform with the "average for year" criterion. The figures include estimates of the number of disabled pensioners in each category, based on information obtained in an independent survey (Townsend P., Poverty in UK, Penguin Books, 1979, page 1048 and survey printout). See also the note to Table 3.

Lower incomes and resources

Table 3:

Numbers and percentage of total and disabled population living in poverty or on the margins of poverty in 1983 (GB)

Level of income average year relation to supplementary benefit level	Total non-disabled population			Disabled population		
	of Over pension age (000s)	Under pension age (000s)	All ages (000s)	Over pension age (000s)	Under pension age (000s)	All ages (000s)
Below	720	1,630	2,350	360	70	430
Receiving supplementary benefit	1,120	4,010	5,130	760	240	1,000
At or up to 40 per cent above	1,900	4,410	6,310	850	310	1,160
More than 40 per cent above	2,450	33,620	35,620	810	930	1,740
Total	6,190	43,220	49,410	2,780	1,550	4,330
Below	11.6%	3.8%	4.8%	12.9%	4.5%	9.9%
Receiving supplementary benefit	18.1%	9.3%	10.4%	27.3%	15.5%	23.1%
At or up to 40 per cent above	30.7%	10.2%	12.8%	30.6%	20.0%	26.8%
More than 40 per cent above	39.6%	76.7%	72.1%	29.1%	60.0%	40.2%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: As table 2 for columns 1,2,3 and 4. The distribution of column 4 is based on evidence about those of pensionable age who were “appreciably or severely incapacitated” in Townsend P., Poverty in the UK, Penguin Books, 1979, p 1048 and survey printout. The information for different age groups has been updated to take account of the trends in age distribution among the elderly.

Note: The estimate of the disabled under pension age refers to people who were sick or disabled for three months or more and includes dependents in the income unit. Estimates are rounded to the nearest 10,000.

As well as the problem of poverty, people with disabilities suffer more generally from lower incomes and more restricted access to a wide range of other resources than non-disabled people. To a large extent this reflects the greater reliance of disabled people on inadequate state benefits. Also, as we saw above, people with disabilities who are working are more likely to be low paid than their non-disabled counterparts.

In addition to lower incomes, people with disabilities have a much lower level of other resources than the non-disabled. Indeed, if we take the value of assets as well as net disposable income, the proportion of people living below the State's poverty line in 1969 was three times higher (50%) for those with severe or appreciable incapacities than for those with no incapacity. (34)

People with disabilities are also more likely than the non-disabled to experience housing and environmental deprivation, lack basic amenities, to have dietary deficiencies and to experience social deprivation. Not surprisingly this deprivation is mirrored by people's perceptions. In all income groups, a greater proportion of the 'appreciably and severely handicapped' than the non-handicapped said that they had difficulty managing on their income. (35) A more recent survey of people off work due to prolonged sickness again supported these findings. The proportion of those who found it difficult to manage financially rose from 42% of those off work for one month to 66 per cent of those off work for 12 months. (36)

Inequities in social security provision

In addition to the problems of poverty and generally lower incomes, the existing pattern of social security provision has created a further problem - gross inequities in the distribution of income by the State to different, administratively defined, categories of people with disabilities.

Piecemeal improvements

Despite the improvements in benefits for people with disabilities in the 1970s, the developments have continued to be piecemeal and fragmented. Rather than building a comprehensive framework of benefits, the result is an incoherent mixture of benefits which overlap considerably for some groups while missing others out altogether.

In the 1970s it was hoped that the Royal Commission on Civil Liability for Personal Injury (37) would recommend a coherent re-organisation of the private and public systems of compensation for disablement. The Report was a big disappointment. Some of the structural problems which had developed historically were identified, but the Commission failed to advocate the kind of radical overhaul which appealed to a substantial group of opinion.

Anomalies...

As a result, anomalies continue to abound in the system of social security provision for people with disabilities. Two people with equally severe disabilities may receive widely differing amounts from the social security system depending on where and when they became disabled.

The best known differences lie between war and industrial injury disablement pensioners and other people with disabilities. Higher benefits are available to the relatively small groups of people under the industrial and war disablement schemes, while the majority rely for all or part of their incomes on means-tested supplementary benefits.

Table 4 illustrates some of the anomalies by taking the case of somebody with a disability assessable at the 100% rate under the industrial pension scheme. If the disability occurred at work (case A), the person would receive a weekly pension of £64.50 on account of the severity of their disability. If s/he was unable to work as a result of the disability, s/he would also receive £39.50 as an invalidity pension, regardless of her/his national insurance contributions. To this would be added an invalidity allowance of up to £8.30, or an earnings related additional component if this were greater (up to a maximum of £29.11). From April 1987, a reduced earnings allowance of up to £25.80 could be paid on top of the invalidity pension, although any invalidity allowance or additional component would be offset against this sum.

Cases B to D consider the benefits for people with equally severe disabilities which, however, did not arise from an industrial (or war) injury. Case B is a pensioner whose disability did not arise until after pensionable age, having had a full working life. S/he would receive the basic retirement pension of £39.50 per week, plus an earnings related component of up to £29.11 per week.

In Case C the person's disability occurred more than five years before pensionable age. Assuming that s/he was incapable of work and had paid national insurance contributions s/he would receive an invalidity pension of £39.50 plus the greater of either an invalidity allowance of up to £8.30 or an additional component of up to £29.11.

Table 4:

Notes

1. The figures in the table refer only to benefits paid as of right. They do not take account of means-tested benefits such as supplementary benefit or housing benefit. If these were taken into account, the differentials would be narrowed somewhat.

The benefit rates shown are for a single person. For cases A to D we have assumed that the person is:

- * 100% disabled under the war or industrial pension schemes
- * incapable of work
- * eligible for highest rate attendance allowance, and mobility allowance

Variations between cases A to D depend on whether the person's disablement arose from an industrial/war injury or not, their age at the onset of incapacity for work, and their national insurance record.

For case E we have assumed that the person is:

- * Incapable of work and first became so after the age of 20
- * 70% disabled under the Industrial/war schemes
- * not eligible for attendance or mobility allowance.

Other relevant details are:

Case A: Industrial injury claimant, first incapacitated under age of 40.

Case B: Retirement pensioner, first incapacitated after pension age.

Case C: Invalidity pensioner, first incapacitated under 40.

Case D: Insufficient contributions to qualify for invalidity benefit.

Case E: Insufficient contributions for invalidity benefit. 70% disabled. First incapacitated after 20th birthday.

2. From October 1986, special hardship allowance has been renamed 'reduced earnings allowance' and is payable on top of the disablement pension. In the table we have shown this second situation. However from April 1987, any invalidity allowance or additional component received is offset against the amount of reduced earnings allowance.

3. There is a higher rate ('unemployability supplement') paid with war disablement pensions.

4. Maximum rate of the invalidity allowance. This is paid to people first incapacitated under the age of 40. The number of people receiving the various rates of the invalidity allowance is shown in Table 1. The invalidity allowance and the additional component (see note 5) are offset against each other: the claimant in effect receives whichever amount is the higher.

5. This was the average payment of the additional component to invalidity pensioners in March 1985. The average payment to retirement pensioners was somewhat higher, and the maximum which could be received was over £29 per week. Variations in the amounts received would obviously affect the figures in the table. For simplicity we have simply taken the average: this does not affect the relative position of cases A to C very much, but does lessen the differential between those receiving very high amounts of additional component in cases A to C, and those who cannot receive any at all (i.e. cases D and E).

6. This is the maximum rate of the constant attendance allowance under the industrial disablement scheme. This allowance can only be received by people who are 100% disabled under this scheme (or 80% or more under the war disablement scheme). It is payable at four rates. In September 1983 only 2,200 people were receiving the allowance under the industrial injuries scheme, and a further 5,151 were receiving it under the war injuries scheme at the end of 1985.

7. This allowance can only be received by people getting one of the top two rates of the constant attendance allowance. In September 1983, just 700 people were receiving ESDA under the industrial injuries scheme and 522 were receiving it under the war scheme at the end of 1985.

8. For people under the war pension scheme, there is a higher rate of war pensioners mobility supplement, currently worth £24.55.

9. A woman would be able to receive mobility allowance if she first became disabled after pension age, so long as she satisfied the criteria before her 65th birthday and claimed before her 66th. The same age limit applies to men.

Case D considers someone who does not meet the national insurance contributions condition for invalidity benefit. Since we have assumed that the person has a disability assessable as 100% under the industrial/war pension schemes, s/he would be eligible for severe disablement allowance (SDA) of £23.75. However, s/he would have no entitlement to an invalidity allowance or an earnings related additional component. The SDA would be considerably less than the basic supplementary benefit entitlement and so, after 52 weeks, s/he could receive at least £14.90 in supplementary benefit per week being assessed at the long term rate.

Case E looks at the difference which would occur if the person's disability was assessable at only 70% rather than 100%. In this situation there is a further anomaly that if the incapacity for work occurred after the age of 20, s/he would be ineligible for SDA unless she was also receiving a qualifying benefit such as mobility allowance or attendance allowance or was registered as blind or partially sighted. People in this position would have to rely solely on means-tested supplementary benefit. And, if they had savings of more than £3000, or their partner was working, they would not receive even this limited assistance.

This does not exhaust the anomalies contained within the present benefit system. In particular, there are a number of special allowances payable with the war and industrial pensions, as well as higher rates of attendance allowance and, in the case of war pensions, of mobility allowance too.

There are also different rates of invalidity allowance dependent on the age of the person at the onset of their incapacity for work, special additions for blindness, and exclusions based on marital status. This illustrates the crude hierarchy of benefits, with people injured at work or at war at the top, and people who have never been able to work at the bottom. This is highly discriminatory against people who, as a result of lifelong disablement, have been unable to work.

...further anomalies

Other anomalies have been created by the new disability benefits introduced in the 1970s:

* The **mobility allowance** has a restrictive set of criteria which means that many people who are unable to use public transport, or who are unable to walk in the sense of directing themselves to their intended destination, are nevertheless excluded from the benefit. Also it is not payable to any children under the age of 5 nor to adults over the age of 75. In fact, nobody over the age of 66 can even make a first claim for mobility allowance. In November 1989 the first groups of mobility allowance recipients will have the allowance withdrawn as they reach 75.

* **Attendance allowance** is only payable from the age of 2, even though it may be evident from birth that a disabled child has attendance needs which are significantly greater than those of a healthy child. The restriction that the attendance needs must be present for 6 months before the allowance is payable means that many people with terminal illnesses die before they become eligible. As with mobility allowance, people who fall marginally short of qualifying for the allowance receive no help at all.

* The new **severe disablement allowance** -which replaced NCIP and HNCIP in 1984 - introduced a percentage disablement test into an incapacity benefit for the first time. People whose incapacity first occurs after the age of 20 have to show that they are not only incapable of work, but that they are also '80% disabled'. Since all recipients of NCIP and HNCIP were automatically transferred onto SDA, the 80% test continues the discrimination against thousands of married women who were ineligible for HNCIP because they were not regarded as substantially incapable of performing their 'normal household duties'.

* Only a tiny minority of all full time carers receive the **invalid care allowance**. Until June 1986 married women were excluded. The current restrictions are that the carer must be of working age, caring for at least 35 hours a week, earn no more than £12 a week, and be caring for a disabled person who is in receipt of attendance allowance. The Equal Opportunities Commission estimated that only 0.5% of all carers receive the invalid care allowance³⁸. Although this percentage will rise with the inclusion of married women, the vast majority of carers will still receive no assistance.

Further anomalies will be created by the provisions in the **1986 Social Security Act**:

* The abolition of the existing system of supplementary benefit additional requirements - additional weekly payments to meet specific needs such as heating, diet, laundry, domestic help - and their replacement by two flat rate disability premiums will mean that people with severe disabilities will receive less help than at present. By averaging out the needs of all people with disabilities, the system will fail in one of the Government's most strongly emphasised intentions -to direct help to where it is most needed.

* Many people with disabilities will not be eligible for the disability premiums at all. In order to qualify, it is necessary to fit into one of the narrowly defined categories of disability -i.e. to be incapable of work, blind, or in receipt of mobility or attendance allowance.

* Carers on supplementary benefit will lose out through the abolition of the long term rate of benefit, and will not receive any compensation in the form of a premium. Indeed,

carers will be in an even more difficult position because as soon as they claim ICA, the person they are caring for would lose entitlement to the higher rate disability premium.

* As a result of the proposed changes, large numbers of people with disabilities will be made worse off. The Government's own figures, published with the White Paper on the Reform of Social Security, indicated that 60,000 sick and disabled people under pension age alone would have a lower entitlement under the new system. And this was before taking account of the loss of supplementary benefit single payments, the cuts in the state earnings related pension scheme, cuts in widows' benefits, and the prospect of child benefit not being uprated in line with inflation. The Government's figures also exclude the vast majority of people with disabilities. If account is taken of disabled pensioners and people under pension age who are not incapable of work or blind or receiving attendance or mobility allowance, the true figure is nearer 1 million disabled losers. Not all these people will lose immediately since existing claimants will have their current benefit level 'protected' in cash terms. However, over time, the real value of their benefit will fall, as it will not be increased in line with the rise in prices. New claimants will be hit from the introduction of the new scheme -many will receive less than they would have under the current system.

Conclusion

The case for a comprehensive disability income scheme for all people with disabilities is overwhelming. The problems of the extra costs and the restrictions imposed by disablement, together with the restricted access to employment and earnings, force most people with disabilities to rely on State social security benefits for at least part -and often all -of their income. But the inadequacy of these benefits, together with the inequitable treatment of different groups of people with disabilities, means that the majority are forced to live in poverty or on the margins of poverty. Many more have living standards well below those enjoyed by the non-disabled population.

3. A comprehensive disability income scheme

The piecemeal addition of new benefits over the last decade has helped some groups of people with disabilities, but has also caused increased complexity and confusion. In addition, these new benefits have failed to eradicate poverty.

Long term objectives

The long term objectives of social security provision for people with disabilities should be:

* to eliminate poverty amongst people with disabilities.

* to bring the average incomes of people with disabilities up to the levels of the non-disabled and to provide for the extra costs of disability.

* to distribute resources amongst people with disabilities so that people with equally severe disablement are entitled to the same allowances and pensions, irrespective of the cause or place of disablement.

Fulfilment of these objectives would have the further beneficial effect of greatly diminishing the extent to which people with disabilities depend on means-tested benefits, such as supplementary benefit.

In conjunction with the development of appropriate services - and other policy measures designed to break down the barriers to participation in society - a comprehensive disability income scheme would allow many more people with disabilities to live independent lives within their own communities.

Obviously such a scheme could not exist in isolation from the rest of the social security benefit system. To ensure that poverty is eradicated amongst people with disabilities and their families, it will be necessary to have a system of adequate non-means tested benefits for all people who are unable to work, including children, pensioners, lone parents, and the unemployed. Adequate provision must also be made to meet housing costs. In this document we do not provide a blueprint for the reform of the whole benefit system. At the same time, we recognise that progress on some of our recommendations can only come as part of a general improvement in benefit provision.

The principles

Before looking at the details of our proposals, there are three principles which must be emphasised:

* To be worthy of its name, a comprehensive disability income scheme must provide financial help for all people with disabilities. It must therefore cover people with physical disabilities, sensory disabilities, mental handicaps, and mental illness.

* A comprehensive disability income scheme should not discriminate between people on the basis of the cause, type or origin of their disability. Nor should it discriminate on the basis of age, sex, marital status or employment record.

* A comprehensive disability income scheme must recognise the fact that financial need is related to the severity of disability. This requires the payment of a benefit whose level varies with the severity of disability.

We recommend a comprehensive disability income scheme should consist of the following elements.

A Disablement Allowance

The first component is a disablement allowance varying with the severity of disability. The assessment of the severity of disability would be on the basis of the extent to which people with disabilities are restricted from following ordinary activities.

The disablement allowance would be a long term benefit. It would not be paid during a few days or weeks of incapacitating sickness. Generally, awards would only be made in cases where the sickness or disability was assessed as likely to last for at least six months. However, exceptions may have to be made, for example, in the case of people with serious mental health problems. There would be provisional and long-term awards, depending on the expectations about the long-term nature of the degree of disablement.

The allowance would be payable to people with disabilities of all ages. Although some very young disabled children may not be able to be assessed with certainty immediately, provision for backdating the allowance would ensure that they did not lose out. In the case of identifiable terminal illnesses the allowance would be payable immediately. There is also a case for continuing to pay the allowance for a short period after the death of the claimant, in recognition of financial commitments undertaken. The allowance would also be paid in full to claimants while they are in hospital, and an obligation placed on hospitals to ensure that patients have full access to their money and opportunities to use it to improve the quality of their life. (39)

As of right

The allowance would be tax free and, like the current war and industrial injury disablement pensions, would be payable whether or not the claimant was working or receiving an income maintenance benefit such as retirement pension or the disablement pension (see below). The allowance would therefore be paid as of right and would not be means-tested. It would also be disregarded for the purpose of establishing entitlement to means-tested provision, such as supplementary benefit.

The disablement allowance alone is not intended to provide a sufficient income on which to live. Rather it is meant to recognise the extra costs and restrictions faced by people with disabilities - whether they are working or not - and to provide a means of enabling people with disabilities to overcome these disadvantages.

The current social security system provides compensation for people whose disablement arises at work or as a result of war service. We believe that the rates currently payable under the war and industrial pension schemes - see Table 1 -should act as the starting point for setting the levels of the disablement allowance for **all** people with disabilities.

Attendance and mobility needs

In addition to the industrial and war pensions, attendance allowance is currently payable on the basis of the need for attention or supervision, whilst mobility allowance can be paid to people with serious walking difficulties. Both these needs -which are absolutely fundamental for many people with disabilities -would be taken into account in the type of assessment of disability that we are proposing for the disablement allowance. For this reason we believe that both attendance and mobility allowance should be absorbed within the disablement allowance.

It might be argued that attendance and mobility allowance cover such significant and crucial items of additional expense for people with severe disabilities that they should remain as separate benefits. However, both benefits are currently of a 'pass or fail' nature: people who fail marginally short of meeting the conditions for the receipt of either allowance receive nothing towards the cost of these two vital needs. In the case of mobility allowance, this issue has recently caused considerable concern and distress for groups of people with mental handicaps, and blind or deaf/blind people who are physically capable of the act of walking, but unable to make effective use of their walking ability. Problems also occur with attendance allowance, particularly with people -such as those with epilepsy -who can have difficulty showing that they have a need for 'continual supervision'.

Incorporating restrictions on mobility and self care into the assessment of severity of disability for the disablement allowance would allow provision to be made for people with varying degrees of attendance and mobility needs. At the same time it would have the advantage of avoiding a series of separate assessments for the different needs arising from disability.

The rates

As a result of absorbing attendance and mobility allowance, we propose that the rates of the disablement allowance should be set above those available under the war and industrial pension schemes, with the normal maximum (100%) rate set at £80 per week at 1987/8 benefit rates (see table 5). The disablement allowance should be introduced at five rates, according to the severity of disability, with the lowest rate being worth £16 per week. Although no precise estimate of the population of people with disabilities has yet been calculated using the sort of assessment that we are suggesting, the 1969 OPCS survey showed that most of the 'appreciably, severely or very severely' handicapped people were

Table 5:

actually 'appreciably handicapped'. We therefore assume that most people with disabilities would qualify for one of the lower rates of benefit. Our updated estimates of the number of people who would qualify for each of the rates of benefit are given in Table 6.

Additional allowances

In addition to the normal maximum rate of the disablement allowance, we envisage that there would be a system of additional weekly allowances available to the relatively small group of people with very severe disabilities, where there are exceptionally high associated costs. These could include people with particularly expensive diets. It would also be a means of providing a realistic alternative to institutional care for people with very high attendance needs.

One-off grants would also be important in certain cases -for example, to enable the purchase of essential household items, and to help people to move out of institutions by enabling them to set up a home of their own. The need for these special allowances and grants could be assessed as part of the general assessment for the disablement allowance.

Income and equity

The introduction of a general disablement allowance would replace the current inequitable system of special industrial and war related allowances. The aim would be both to improve the provision for many people disabled in wars or at work whose assessments are currently too low in relation to their disablement, and to establish equity for people whose disabilities arise in other ways. It is a fundamental principle of a comprehensive disability income scheme that people who are equally severely disabled should receive the same level of benefit from the State.

Table 6

Estimated number of people of different age, according to severity of disablement (private households, Great Britain, all ages, 1985)

Degree of disablement (OPCS numbered categories in brackets)	Suggested percentage disablement	Age			(000s)
		0-15 (000s)	16-64 (000s)	65+ (000s)	
Maximum (Categories 1-2)	100	6	8	46	60
Very Severe (Category 3)	80	34	80	228	342
Severe (Category 4)	60	30	72	174	276
Fairly severe (Category 5)	40	25	180	380	585
Appreciable (Category 6)	20	205	482	960	1,647
Total		300	822	1,788	2,910

Note:

Estimates in the 1968-69 arcs study for Britain have been updated for (a) population change, and (b) upward trends reported for all age groups in the GHS of "Limiting long-standing illness and disability". Estimates for children, based on research data, have been added. An allowance to compensate for underestimation in the arcs survey has also been added - in conformity with GHS and specialised national and local survey evidence (as reported in MSC, Working Group Report, Quota Scheme for the Employment of Disabled People, Annex 8, April 1985). The estimates in this table are lower than those given in tables 2 and 3. This is partly because the figures in those tables for people with

disabilities under pension age include dependants in the income unit, and partly because the figures in tables 2 and 3 include substantial numbers of people whose disability is 'slight or moderate' rather than 'appreciable or severe'.

Existing claimants?

Existing beneficiaries under the war and industrial injuries schemes would, in a number of cases, have their benefits improved as a result of the introduction of a comprehensive disability income scheme. This is because the existing method of assessing disablement under these schemes does not concentrate adequately on the extent to which it restricts the activities of the people concerned. Current assessments also only take account of the extent of disablement specifically resulting from the industrial Injury.

Other people with disabilities -including those receiving mobility and attendance allowance-would also gain (in the vast majority of cases) since their disablement would be assessed in relation to all the restrictions on their activities. People who currently just fail to qualify for attendance or mobility allowance, and those who cannot prove that their disablement arose from a war or industrial injury, would clearly be better off.

There will be a tiny minority of cases where people with disabilities will have lower weekly entitlements under the disablement allowance than the amount they currently receive. These cases would be mainly people with high percentage assessments under the war or industrial pension schemes, combined with receipt of one or more of the additional allowances under those schemes (see Table 1).

Ideally, we would like to see these benefit levels extended to the whole disabled population, since there is no evidence at all that the benefits under the war and industrial pension schemes are over-generous in relation to the needs of the claimants. It would therefore remain our aim to increase the rates of the disablement allowance substantially over and above the levels that we have set out -particularly for the group of very severely disabled people for whom the only alternative may be residential care.

The level of the existing war and industrial pension provision has been achieved only by restricting benefits to a small minority of people with disabilities. Recent Government proposals have both cut the total level of provision for people disabled at work, and redistributed the remaining total to the more severely disabled. (40) We have always opposed such a method of 'reforming' the industrial injuries scheme, and argued that genuine reform can only take place in the context of the introduction of a comprehensive disability income scheme which would substantially increase the incomes of the vast majority of people with disabilities.

Real protection

Nevertheless, it is essential that the introduction of a comprehensive disability income scheme does not lead to any existing claimants being made worse off. Full protection would therefore be guaranteed to all existing beneficiaries: their current benefit would be protected in real terms. It would continue to be increased each year at least in line with the rise in prices, and also by no less than the increase in benefits generally. The currently fashionable method of transitional protection -i.e. freezing benefit levels in cash terms -is totally unacceptable.

All newly disabled people -regardless of the cause or origin of their disability -would be assessed for a disablement allowance under the new comprehensive disability income scheme: no new awards would be made under separate war or industrial injury schemes, or for mobility or attendance allowance.

Assessment

The crucial issue for the disablement allowance is the way that disability is assessed. The method of assessment that is used should ideally have the following characteristics:

- It should be equitable both in terms of the assessment given to people with different degrees of severity of disability, and in terms of giving people with equally severe disabilities the same level of assessment.
- It should be capable of providing consistent assessments across the whole country.
- It should not involve intrusive, insensitive, or demeaning questioning or examination.
- It should not be exclusively 'negative' in nature, through over-concentration on what people cannot do.
- It should neither penalise people who make great efforts to overcome or hide their disabilities, nor encourage and promote dependency.
- It should be simple to understand and administer, emphasising self-assessment, avoiding the dominance of medical principles or personnel, and recognising that people with disabilities themselves should have a major role in the administrative process.
- It should be sufficiently flexible and sensitive to cope with people who have improving, deteriorating, or fluctuating disabilities.

Devising such a scheme is a very difficult task and some of these aims may appear contradictory. However, before considering some of these practical matters, it is worth asking what we are trying to measure when we talk about assessing the severity of disability? A number of the existing social security benefits involve just such an assessment: the war and industrial injuries disablement pension schemes, attendance allowance, mobility allowance and severe disablement allowance.

Faculty or...

Two main approaches to assessment can be distinguished. The war and industrial pension schemes, together with severe disablement allowance, take as their starting point the loss of faculty i.e. the loss of power or function of an organ of the body. A series of prescribed percentage assessments exist for the disablement resulting from different losses of faculty. These percentages are meant to represent the extent of the individual's inability to perform normal bodily or mental processes. However, there is no obvious relation between the assessments attached to the various losses of faculty, and the degree of restriction on activities that the individuals concerned experience. This is largely because the disablement resulting from the loss of faculty is not measured directly.

This 'loss of faculty' approach to assessing disability was developed in the aftermath of the 1914-18 war to meet the needs of thousands of limbless ex-servicemen. It remains biased toward the problems facing a small minority of people with disabilities -such as those with amputations or loss of limb or an eye.

In the mid-1960s the McCorquodale Committee on the Assessment of Disablement (41) failed to recommend an overhaul of the faculty assessment, despite the fact that it gave no reasoned justification for the percentage awards. Furthermore, rather than take account of the lessons to be learned from developments in recent international classifications of disability -especially the World Health Organisation's publication on 'International Classification of Impairments, Disabilities and Handicaps' (42) - the Government again invoked the outmoded loss of faculty approach for severe disablement allowance in 1984.

...function

An alternative approach to measuring disability emphasises not loss of faculty, but diminished function or restricted activities. This 'loss of function' approach therefore concentrates on the effects of disability, looking at the extent to which the individual is prevented from carrying out the ordinary activities of daily living.

Limited forms of functional assessment are currently used for the administration of attendance and mobility allowance. For attendance allowance a number of questions are asked about the individual's capacity to undertake a series of personal care activities, whilst mobility allowance concentrates solely on the ability of the individual to walk. We believe that the equitable distribution of resource between people with disabilities requires that a more comprehensive form of 'functional' assessment be adopted for the disablement allowance. The assessment would include a wider range of normal activities than those covered by attendance and mobility allowance.

A functional assessment involves making an approximate assessment of an individual's capacity to engage in normal daily activities. This assessment would therefore take account of both the actual range of activities that the person can undertake, and the degree of difficulty, pain, mental stress and cost that they experience in doing so.

Concentrating-solely on the activities that an individual does undertake would be inadequate since many people with disabilities make herculean efforts to conceal and overcome their incapacity. This fact is currently recognised to some degree in the administration of mobility allowance whereby the assessment of whether a claimant is virtually unable to work should ignore any distance covered with 'severe discomfort'.

Self assessment

How would such a method of assessment work in practice? We believe that it is essential that self-assessment should be the starting point. Anybody applying for a disablement allowance would be asked to fill in a form, giving answers to questions about their ability to perform a range of everyday activities. The questions would ask whether the person could perform the activities with no difficulty, with some degree of difficulty, or not at all. For people with disabilities who have difficulties filling in the form for themselves, a friend or relative would be able to help them. All people with disabilities would also be able to ask their carers, partners or friends to submit evidence on their behalf.

Corroboration

Although self-assessment would be central, it would not be sufficient alone. One reason is that, as mentioned, many people with disabilities tend to underestimate their incapacity, whilst some may exaggerate theirs. Some form of corroboration would therefore be necessary. The precise form that this should take is a matter for discussion and consultation. One possibility is that a range of people -not necessarily all medical-would be eligible both to assist the claimant and to sign a statement backing up the individual's claim. These might be general practitioners, occupational therapists, community nurses or a similar person who is in regular contact with the disabled person. The choice of which person actually signed the statement could then be left up to the individual claimant.

The decision

A decision would then have to be made on this submitted claim. Once again, the precise details of the administrative procedure will have to be sorted out after consultation with interested parties. However, a possible structure could be as follows.

The completed claim would be sent to a Disablement Assessment Worker (DAW), who would either accept the evidence on the form as it stands, or would visit the claimant or call for further evidence if necessary. The DAWs would then send their recommendation on the claim to the Disablement Assessment Board in whose name the actual decision would be taken. In practice, the Disablement Assessment Board, which would operate through area teams, would 'rubber stamp' the vast majority of recommendations. However, the Board would have the right to reconsider and amend any of the recommendations of the DAW.

In order for an administrative structure of this sort to be both effective and acceptable, certain important features would have to be guaranteed:

- * There would have to be proper training for the new Disablement Assessment Workers, ensuring that they are adequately equipped to take decisions on a form of assessment that would not be solely or even primarily, a medical one.

- * An appropriate career structure would have to be set up for these Workers, and people with disabilities themselves would be positively encouraged to apply for these positions.

The Board

The composition of the Disablement Assessment Board would also be crucial. Most important would be the inclusion of people with disabilities. Our suggestion is that, in area teams of three members, at least one member should be a disabled person. The teams would include at least one medical member, to assist in cases involving conditions whose effects are problematic. However, since the assessment is not solely a medical one, people with experience in other areas, such as rehabilitation, would also be included.

Appeal rights

Claimants would have clear legal rights of appeal against decisions of the Disablement Allowance Board. In the case of provisional assessments, there would be an automatic review after twelve months, and there would be an annual review of people with progressively disabling conditions and the very old. Claimants would also be able to request reviews of their awards at any time if their condition had deteriorated.

The assessment form

The question still remains how the assessment of disability will actually be carried out-how the level of assessment will be arrived at. This depends on a number of important issues. These include:

- * the precise activities that would be covered by the assessment of disablement

- * the number of degrees of difficulty which would be catered for in the answers

- * the way in which the answers to the questions will be combined to produce the overall assessment and the method of arriving at the level of assessment. These are issues that require careful investigation and consideration before final decisions can be taken. The Disability Alliance is currently undertaking research with a view to producing a working example of a self-assessment form which could form the basis for discussion.

Although the precise details of such an assessment require further investigation, the general form would be as follows. The assessment would cover the skills necessary to carry out the basic activities involved in personal care, household management, mobility, communication, and social participation. The last two categories are particularly

important. It is not enough simply to concentrate on individual or personal activities: people with disabilities have rights to full social participation, and the restrictions on their abilities in these areas must be taken into account.

For each of these categories, the self-assessment form would contain questions asking about the claimant's ability to carry out a number of activities. The choice of these questions is crucial. They must reflect adequately the range of activities and tasks necessary to maintain independent life. For purposes of illustration, the following sorts of questions might be included:

- * Can you wash and bath yourself all over?
- * Can you do your own shopping?
- * Can you go up and down stairs on your own?
- * Can you hear ordinary conversation?
- * Can you read ordinary print?
- * Can you put your thoughts into spoken or written words which others can understand and follow?

These are only examples of the type of questions which could be asked. In each case, claimants would indicate whether they could carry out the activity with no difficulty, with some difficulty, or not at all. There would also be the opportunity for claimants to provide further information about the difficulty that they experience, whether they can only do the activities sometimes, as well as giving details about any aid or adaptations that they normally use to help them carry out these activities. The answers to all these questions, together with any other information which the claimant wanted to provide, would be used to determine the overall level of severity of disablement.

Trigger questions

For some groups of people with disabilities it would seem unnecessary for them to undergo a full self-assessment before receiving a payment of the disablement allowance. We would therefore envisage that a number of 'trigger' questions would be used to identify people with particular disabilities. These trigger questions could then be used to establish automatic entitlement to particular levels of assessment.

Exactly which trigger questions should be used is a question for detailed investigation, and this is part of the Disability Alliance's current research. However, there are a number of potential examples. Existing recipients of mobility allowance, attendance allowance, or industrial and war pensions could be automatically transferred onto an equivalent level of the disablement allowance, without prejudicing their right to undergo a full assessment if they felt that they should be receiving a higher rate award. It may also be possible to make use of information about age, ability to use public transport, reliance on a wheelchair for outdoors mobility etc, to avoid the need for detailed questioning on all or part of the self-assessment.

One other area in which trigger questions will be useful is in relation to people who have already undergone one test of disablement through registration with Local Authorities. This includes people who are blind, partially sighted, deaf, or otherwise 'substantially

and permanently handicapped'. We believe that it would be wrong for people in this position to have to undergo another full assessment simply to establish a basic entitlement to the disablement allowance. Instead, their registration should act as a trigger to a certain minimum level of assessment -again, without prejudicing their right to a full assessment if they have additional difficulties which they feel have not been adequately taken into account. To take one example of the sort of approach which we are advocating, we believe that people who are registered as blind should have an automatic assessment of at least 40%.

Can it work?

Would such a system of functional assessment be feasible? This approach to disablement has already been adopted in a number of research studies. The 1969 OPCS survey showed that the effects of disablement upon personal care activities could be distinguished for people with a very wide range of types of impairment, including not only those with amputations, congenital malformations, diseases of the bones and organs of movement (for example arthritis, muscular dystrophy and lumbago), and diseases of the circulatory system (for example coronary disease and arteriole B sclerosis), but also blindness, diseases of the respiratory and B digestive systems and mental, psychoneurotic and personality disorders. (43)

A wider form of 'functional assessment' is also being used in the current OPCS survey of disablement. (44) The evidence collected from this survey could usefully be examined both for information about suitable 'trigger' questions as well as for more general guidance on questions for assessment.

There is no doubt that the methods for this sort of assessment need to be refined. One vital point is that methods must be adopted which are not exclusively 'negative in nature'. There is a serious danger that functional assessments concentrate solely on what the individual cannot do. This was undoubtedly a problem with the 'Household Duties Test', devised for married women claiming non-contributory invalidity pension, and care will be needed to ensure that the same problems do not arise, as well as to ensure that the assessment does not contain a built-in bias against either women or men.

We have already stressed the need to avoid the problem of people with disabilities underestimating their incapacity. However, it is also the case that social security provision should not encourage dependency and incapacity in people who can manage independently, nor should it be demoralising in its concentration on people's inabilities. This is a difficult line to tread and will require careful discussion on the precise nature of the functional assessment and the mechanisms for carrying it out.

However, by concentrating on the impact of disablement, the method of functional assessment offers a starting point for treating disabled people equitably according to the degree of their disablement.

A Disablement Pension

The second element of the comprehensive disability income scheme is the provision of an income maintenance benefit for people who, through long term sickness or disability, are unable to work.

As shown in Table 1, there are currently over 1 million people receiving either invalidity benefit or severe disablement allowance on the grounds of incapacity for work. There are also a substantial number of people who are incapable of work but are excluded from SDA because they are assessed at less than '80% disabled', as well as a number of people who currently do not claim an incapacity benefit because they would be no better off than on supplementary benefit.

A disablement pension should be paid to all people who have been unable to work for more than six months because of long-term sickness or disability. The pension would be paid solely on the basis of incapacity for work. It would not depend on the individual's national insurance contribution record. There is no case for discriminating against people who -because, for example, of lifelong disablement -have not had the opportunity to work and pay national insurance contributions.

Nor would the disablement pension depend on the person's marital status, or on their assessed severity of disability for the disablement allowance. For people in hospital for long periods, the current system of successively reducing benefits should be reviewed, bearing in mind the need to encourage the patient's independence, and the need to provide for individual comforts.

Short term...

For the first six months of incapacitating sickness or disability, there should also be a non-contributory income maintenance paid direct to the claimant by the DHSS. The experience of paying statutory sick pay through employers has not proved to be in the interest of claimants: many employees have simply failed to receive their legal entitlement. (45)

...and long term incapacity

Although we have suggested that the disablement pension should be payable on the basis of incapacity for work, there are a number of problems with the way this test operates for invalidity benefit at present. These concern both the nature of the test -emphasising as it does the negative features of the person's incapacity- and the way in which it is administered. These problems have been considered in more detail in a previous Disability Alliance publication. (46) One particular problem is the 'fit 'within limits' test whereby, in order to qualify as incapable of work after 6 months or so, claimants have to show that there is virtually no work that they are capable of doing. We believe that the current administration of this test is too extreme and no longer reflects the real nature of the test as developed in case law.

Putting greater emphasis on the opinion of the individual's general practitioner and on the person's abilities to meet all the routine requirements of real jobs, as opposed to the sort of DHSS 'policing' which currently occurs, would be one major step in the right

direction. The incapacity for work test could also include greater emphasis on the availability of 'suitable' work. It should already take account of the person's past employment record, and of the workplace aids and adaptations that they might require.

Means tested dependency

It is vitally important that the disablement pension -along with all income maintenance benefits -is paid at a level which avoids dependency on means-tested benefits.

One of the problems with the social security system since the war is that income maintenance has always been set too low. Many claimants -especially with needs additional to those assumed for basic claims -have been forced to claim means-tested supplementary benefit on top of the benefits that they receive as of right. For example, the existing single person's rate of invalidity benefit of £39.50 is just £0.85 per week higher than the long term rate of supplementary benefit.

Unified income maintenance

Our proposal for a disablement pension is intended to introduce a unified income maintenance benefit for all people who are out of work long term because of their sickness or disability. This would remove the existing discrimination against people who do not qualify for invalidity benefit because they have an insufficient national insurance contribution record. The non-contributory benefit for people who are incapable of work - severe disablement allowance (SDA) -is currently paid at just £23.75 per week.

The unified disablement pension would also bring immediate benefit to people who are incapable of work but do not qualify even for SDA because they do not meet the 80% test of disability. This extra test of disability currently applies to people claiming SDA whose incapacity for work first occurs after the age of 20. This test should be abolished immediately: the disablement pension would be based solely on a test of incapacity for work.

Substantial increases

In addition to removing the discrimination against people who have inadequate national insurance records, there is also an urgent need for income maintenance benefits to be raised substantially. In putting forward this argument, we are not calling for preference for people with disabilities. We believe it would be both impracticable and morally indefensible for higher income maintenance benefits to be paid to people who are out of the work force because of their incapacity, than to people who are, for example, retired.

Invalidity pension is currently paid at the same rate as retirement pension, and we believe that this parity should be continued for the disablement pension. The same additions should also be paid for adult and child dependants of people who are incapable of work.

However, we fully support the demands of pensioners' organisations for the payment of retirement pension at a much more generous level -say $\frac{1}{3}$ of average earnings for a

single person, and $\frac{1}{2}$ of average earnings for someone claiming for both themselves and an adult dependant -and we believe that the disablement pension should be paid at that level.

Existing additions

The existing invalidity benefit includes two additions to the basic pension. The first addition is the invalidity allowance, payable at three rates, which increase the younger the claimant was at the onset of disability. The second addition is an earnings related additional component which is really part of the State Earnings Related Pension Scheme (SERPS), in effect paid as an early retirement pension. Until November 1985, invalidity pensioners could receive both of these additions: from that date they have only been able to receive whichever of these two additions was the greater.

Both additions discriminate between different groups of people with disabilities and yet neither is related to the severity of disability. The invalidity allowance was designed to recognise the fact that people who claimed invalidity benefit from an early age would not have the opportunity to build up savings over much of their working life. Therefore, no awards are made to people who become incapacitated within five years of pensionable age.

This discrimination on the basis of age at onset of incapacity, plus the fact that the allowance is only payable to people receiving invalidity benefit, inevitably leads to serious anomalies, and we would prefer to see resources used to increase the basic level of the disablement pension.

The earnings related 'additional component' can currently be invaluable to those people on invalidity benefit who receive it. However, like the invalidity allowance, it discriminates unfairly between groups of people with disabilities. It favours those who have worked for the longest periods, and also those who have been receiving higher wages whilst in work. In other words, the 'additional component' perpetuates the inequalities that exist within the job market. This inevitably works to the disadvantage of many people with disabilities who have either never worked or worked only briefly, as well as those who have been employed on low wages.

It is essential that a way is found to remove, or at least reduce, this inequality of treatment. This could be done in a number of ways. Most obviously, a significant increase in the basic level of the disablement pension -available to all people who are incapable of work -could both absorb the earnings related components currently in payment, and improve the relative incomes of those who at present receive little or no benefit from this scheme. An alternative route would be to devise a means of 'crediting in' to the additional component people who have either always been incapable of work, or who have had an interrupted work record, and to improve the position of people in low paid work.

At present, when an individual reaches pensionable age, their invalidity pension is converted into a retirement pension. However, if the person's contribution record is

insufficient to qualify them for a full rate retirement pension, some disabled people can see their income fall upon retirement. Such a possibility must not be allowed to arise.

We therefore recommend that receipt of the disablement pension will automatically qualify the individual for a full rate retirement pension. This raises an important issue: since the vast majority of people with disabilities are pensioners, it is vital that action should be taken to improve the income position of pensioners generally. This involves both increasing substantially the level of the retirement pension, and increasing access to the full pension by relaxing the qualifying conditions.

Partial capacity

In the 1974 White Paper on Social Security Provision for Chronically Sick and Disabled People, the Government conceded that "limiting income support to those totally incapable of work is increasingly seen as too narrow an approach. (47) Despite this announcement, there has still not been any progress toward providing income maintenance for people who are partially capable of work.

Disabled people who are in receipt of supplementary benefit can only earn £4 per week before their benefit is reduced £ for £. For invalidity pensioners and people in receipt of severe disablement allowance, there is a modest system of partial capacity provision in the form of "therapeutic earnings" individuals can earn up to £26.00 per week without their entitlement to the incapacity benefit being affected, but only if the 'work' that they undertake is regarded by their general practitioner and the DHSS as being 'therapeutic'. This is a very grey area and not an arrangement that can be entered into with any confidence by claimants. In contrast, for the first 5 years after pensionable age -65 for a man, 60 for a woman - pensioners can earn up to £75 a week without loss of retirement pension. After these 5 years, the retirement pension is completely unaffected by earnings.

Disincentives

The lack of general provision for partial capacity creates a considerable disincentive to disabled people's attempts to integrate themselves into everyday life. It also creates a state of dependency by forcing people who can work and who want to work to define themselves as totally incapable of work: and to rely solely on State support instead. **The scheme of income maintenance for those who are totally incapable of work should therefore be extended - as occurs in other countries -to those who are partially capable of work.**

The arguments against a partial capacity benefit typically tend to stress the administrative costs and complexities of operating such a scheme. The arguments for such a benefit tend to come from people with disabilities who stress that the present system of benefits and earnings bears very little relation to the reality of life. This reality is a continuum of work capacity rather than the 'sick or fit' distinction, embodied in the present benefit system.

Dimensions of capacity

Partial capacity can take a number of dimensions. One is obviously the ability to work a limited number of hours, either each day, each week, each month or each year. There are many groups of people with disabilities who require part time work either as an interim measure or as a permanent arrangement. These include people with specific disabilities which make full time work difficult e.g. multiple sclerosis, chronic bronchitis, arthritis, renal failure and some psychiatric conditions such as schizophrenia and depression.

Other groups include people requiring an extensive period of rehabilitation following disablement; those recovering from an illness or surgery; and people with deteriorating illnesses which lead to a progressive loss of function over time. In all these cases, the ability to carry out part time work without experiencing total loss of benefit can play a vital role in maintaining confidence and either enabling re-integration, or postponing total incapacity.

There are, of course, other ways in which disablement can lead to reduced work capacity apart from a reduction in the number of hours that can be worked. Many people with disabilities have the ability to work full-time, but can only secure relatively low paid employment. Other people will be able to do a wider range of jobs, but may take longer to do so. In addition, there is also a group of people with disabilities who are totally incapable of undertaking certain jobs, but have an unimpaired capacity for alternative well paid employment.

Given the complex nature of the relationship between disability and work capacity, and of the relationship between work capacity and hours worked or earnings, it is indeed difficult to devise a simple, comprehensive benefit which will be capable of meeting the needs of all people with partial capacity. (48)

Definition of capacity

The crucial issues are how work capacity is defined and measured, and the form of provision which is made for people who are defined as having reduced capacity. The ways in which capacity can be defined and measured fall into one of two groups. The first involves making a direct assessment of work capacity. Such an assessment is already used to determine total incapacity for entitlement to invalidity pension, and we have proposed that this test should be continued, in a modified form, for the disablement pension. However, for a partial capacity benefit, it would be necessary to extend this assessment to cover degrees of work capacity rather than a simple pass/fail test. In principle this could be done by using an assessment method similar to that which we have proposed for the disablement allowance, but concentrating solely on the ability to perform 'work-related' activities.

The second possible method of assessing work capacity is not to make a direct assessment, but to look at the nature of actual work undertaken by the person. In practice, this method involves basing a partial capacity benefit on either the number of hours worked, the level of earnings, or some combination of the two. This method also requires a mechanism for distinguishing people who are working part-time -or on

reduced earnings -because of their reduced working capacity, from other people in a similar position but whose work capacity is unimpaired.

Each of these methods have their disadvantages. Making a direct assessment of work capacity requires the administrative machinery for assessing each individual. Unlike the assessment for the disablement allowance, which could be based on a relatively uniform range of personal and social activities, the considerable variation in skills and activities required for different jobs would make an objective and consistent assessment of work capacity very difficult indeed.

On the other hand, concentration solely on earnings will tend to encourage low pay, since it effectively introduces a low wage subsidy for disabled employees. This would also discriminate against people who were low paid for reasons other than reduced work capacity.

An hours rule

Using hours worked as the starting point may well be the best alternative. A possible model could be as follows. The basic disablement pension could be reduced pro rata for the number of hours worked using, for example, a 40 hour week as the base. Therefore, someone with reduced work capacity, who was working for 20 hours a week would receive 50% of the full rate of disablement pension. Somebody working for 10 hours a week would receive 75% of the full rate of the disablement pension. This sort of arrangement would not provide any assistance to people who were working for a full week, but on reduced earnings. However, this problem should be tackled by across the board action on low pay, rather than by special treatment for people with disabilities.

One other problem is the position of people who work for a limited number of hours but who, because their disability is not relevant to the actual job they are doing, can still command a high wage. Although this is unlikely to be a significant problem in terms of numbers of people, it could be catered for by the provision of an 'earnings rule': a taper could apply to the partial capacity benefit when weekly earnings exceed £75 per week. This would be in line with the rule that applies to retirement pensioners for the first five years.

Eligibility

Who would be eligible for a partial capacity pension? Since we are not proposing a direct assessment of work capacity, some means of identifying people with disabilities is required to avoid the partial pension simply becoming a general supplement to part-time work. We suggest that a partial capacity pension would only be payable to someone who has been assessed for the disablement allowance at 20% or more. We appreciate that the relationship between disability - as measured by our functional assessment - and incapacity for work - is not perfect, but it is unlikely that there will be very many people with reduced work capacity who would not receive an assessment of at least 20% for the disablement allowance.

So how would the scheme work in practice, and how would it fit in with the disablement pension? Anybody who was regarded by their GP as being incapable of work would be eligible for the full disablement pension. If they did not qualify for full pension -or if they actually took up employment -then they would be eligible; for a reduced (partial capacity) pension, calculated in the manner we have set out above, so long as they had been assessed for the disablement allowance at the 20% rate or higher.

An effective employment policy

The need for an effective employment policy for people with disabilities goes hand in hand with the need for a comprehensive scheme. As we saw in section 2, people with disabilities are more likely to be unemployed than their non-disabled counterparts. All private sector firms with more than 20 employees are currently legally obliged to employ registered disabled people as at least 3% of their workforce. Government departments have also accepted a moral obligation to do so. In practice, very few firms meet the quota, and little action is taken against those that break the law. Moreover, in recent years there have been clear signs of a weakening commitment on the part of the Government to the 3% 'quota', and a desire to replace it with a 'voluntary' code for employers.

We believe that this is the wrong approach. The existing scheme should be strengthened and enforced more rigorously, and improvements made in the services, training, and facilities available to people with disabilities at work. (49) Together with the provision of a partial capacity benefit of the type described above, this would lead to a significant improvement in the employment and earnings opportunities and possibilities open to people with disabilities. This would enable many more people with disabilities to live financially independent lives.

A comprehensive scheme

A comprehensive disability income scheme should therefore consist of:

- * **A Disablement allowance**, payable to all people with disabilities, regardless of whether they are working or not, and based on the severity of disability.
- * **A Disablement pension**, payable to all people with disabilities who are unable to work, regardless of their national insurance contribution record. Provision would also be made for people who are only partially capable of work.

Such a scheme can legitimately be described as 'comprehensive' since it aims to provide income for all people with disabilities irrespective of the cause, origin, or type of their disability. The scheme would therefore do away with the existing inequities whereby entitlement to benefit from the State can depend on the type, cause, and origin of the disability, as well as on the age, marital status and work record of the person concerned.

One vital consequence of having such a comprehensive scheme would be to benefit the groups of people who tend to be 'hidden', and who are therefore largely excluded under the current system:

* **Elderly people with disabilities** are too often simply regarded as old, rather than having their special needs considered. The vast majority of pensioners are **not** disabled and so disability should not be seen as the inevitable consequence of old age. (50) At present, many pensioners with disabilities have to rely on supplementary benefit as a result of inadequate national insurance records during their working life. Mobility allowance also cannot be claimed after the age of 65, nor received beyond the age of 75. Under a comprehensive disability income scheme, disabled pensioners would have the right to a full rate pension, and there would be no upper age limit on the receipt of the disablement allowance. Indeed, many of the people with the most severe disabilities are pensioners and so they would benefit most from the introduction of the disablement allowance.

* **Children with disabilities** are currently excluded from attendance allowance until they reach the age of 2 and from mobility allowance until the age of 5. Under the disablement allowance they would be eligible for benefit as soon as their disabilities could be identified, with backdating where appropriate.

* **Married women with disabilities** are still discriminated against in a number of ways. Many disabled married women are unable to receive severe disablement allowance even though they are incapable of work. These women may also be ineligible for supplementary benefit if their partners are working, or are receiving other benefits. Under a comprehensive disability income scheme, all married and cohabiting women would be entitled to disability benefits in their own right.

* **People with mental handicaps** are often overlooked in discussions of disability, since the popular image of disability tends to concentrate on people with physical or sensory disabilities. This misconception is reflected in the current benefit system. Percentage assessments under the industrial injuries and war pension schemes are biased towards loss of physical or sensory faculty, something which has now been carried over into the assessment for severe disablement allowance. People with mental handicaps -as well as blind people -are currently facing great difficulties in obtaining mobility allowance. (51) Many people with mental handicaps are also unlikely to have paid sufficient contributions to qualify for the national insurance benefits such as invalidity benefit or retirement pension. A comprehensive disability income scheme, by concentrating on the degree of restriction imposed by the disability rather than the nature of the disability itself, would offer all people with disabilities the same access to the disablement allowance.

* **People with mental illness**, both inside and outside hospital, also fail to have their needs adequately assessed under the present benefit system. This results mainly from the outmoded conceptions of disability on which the system is based.

* **People with visual handicaps** currently receive little assistance from the social security system to help with their costs and needs. Despite the mobility problems that

blind people face, blindness alone is not sufficient to qualify for mobility allowance, and so blind people receive no help for this basic need. Under a comprehensive disability income scheme, all blind and partially sighted people would be assessed for the disablement allowance, and would be considerably better off than at present.

* **People with communication handicaps** are similarly poorly treated by the current system. Neither hearing nor speech impairment are sufficient to qualify for either attendance or mobility allowance. Only a comprehensive assessment method which considers the impact of disablement on the ability to carry out the normal range of personal and social activities could treat people with communication handicaps equitably.

* **People with fluctuating or intermittent disabilities** such as multiple sclerosis, epilepsy, have particular problems qualifying for particular benefits such as attendance allowance or invalidity pension.

* **People with disabilities arising from an industrial injury** would be better off under a comprehensive disability income scheme in the vast majority of cases. It would be unnecessary for them to prove that their disability was actually caused by an industrial injury, and the assessment would therefore be made in respect of the total level of their disablement. The assessment would also more accurately reflect the severity of their disablement.

A comprehensive disability income scheme would therefore treat all people with disabilities on an equal basis. The current anomalies -resulting from discrimination on the basis of age, sex and marital status, type of disability, cause of disability, and age at onset of disability -would be removed. The social security system would recognise that the needs of people with disabilities do not arise from these factors, but from the consequences of their disability on their incomes, expenditure and activities.

4. Carers and care needs

A comprehensible disability income scheme for all people with disabilities must be accompanied by adequate financial provision for carers. Many people with disabilities are dependent on relatives and friends for some degree of help with everyday living or personal care. At one end of the spectrum are the small tasks performed by friends and neighbours on a daily or weekly basis for a relatively independent person living alone. At the other end is the sort of twenty four hour a day nursing care and supervision given, for example, to someone with severe senile dementia.

Who are the carers ?

Exactly how many carers there are is difficult to estimate. As with people with disabilities themselves, no reliable up to date information currently exists on the number of carers or their needs. (52) However, the Equal Opportunities Commission has estimated that there are more than one and a quarter million carers looking after

someone with a severe or very severe disability, usually an elderly dependant. (53) It has also been estimated that there are some 5 million people providing some degree of help in the cases of people with less severe disabilities. (54)

What is clear is that it is overwhelmingly women who provide care for adults and children with disabilities. A survey of carers in 1978 found that there were three times as many women carers as men, (55) and later studies have confirmed this inequality in the responsibility of caring. It has been estimated that between the ages of 35 and 64, "roughly half the housewives can expect at sometime or another to give some help to elderly or infirm persons". (56)

The 1980 Women and Employment Survey found that, among women of working age, one woman in eight was caring for a dependent relative or friend. (57) The chances of becoming a carer increases with age as elderly parents -and later, spouses -begin to need additional care: two-third of the carers identified in the Women and Employment Survey were over 40. Also, there are large numbers of carers who are themselves over pension age. (58)

The number of people with disabilities requiring care is likely to rise substantially during the next two or three decades. The main reason for this is the rapid growth in the number of elderly and very elderly people. (59) Who will provide the required degree of care? The main thrust of policy since the early 1970s has been to encourage and promote the kind of informal care provided by relatives and friends, as opposed to State provided institutional care. (60) Although there are serious doubts as to whether there will be sufficient 'carers' to meet the future needs of people with disabilities in the community, (61) the number of informal carers seems certain to continue rising for the foreseeable future.

The costs' of caring

Whatever feelings of love, affection or duty lie behind the 'decision' to become a carer for a disabled friend or relative, caring can have a variety of costs: financial, emotional, social and psychological. The nature and extent of these costs varies with the time spent caring, and the type and degree of the disability of the person being cared for.

Caring for someone with a severe disability is likely to be an exhausting and stressful experience. (62) On top of the additional workload, there are the restrictions on social activities, and the emotional strains caused by conflicting responsibilities. (63) These social and psychological costs of caring are made worse when, as happens all too frequently, supporting services are inadequate. (64)

Restricted employment

The financial costs alone of caring can be devastating. There is clear evidence that the care of a disabled friend or relative is likely to result in a loss of employment opportunities for the carer. This may result from having to give up or losing a job. It can also arise from reduced hours of work, fewer opportunities for overtime, and restricted

promotion and career development. (65) Parental employment - particularly that of mothers - has also been shown to be affected by the need to care for a severely disabled child. (66)

As a result of these restricted employment opportunities the earnings of carers are reduced. One small study found that carers with part time jobs were 'in jobs paying well below the average compared with the type of jobs which they previously held, (67) and that women in part time employment were often found to have taken up 'menial jobs...at hours and in places designed to fit in with their home commitments'. (68) In total the average earnings foregone by women not in employment, but who would have liked to take up paid work again, was estimated at £87 per week at 1982 prices. Earnings foregone by women forced into part time employment averaged £37 per week.

Government savings

The other side of the coin of the financial and other costs borne by informal carers is the vast savings made by the Government. If the unpaid labour of carers was translated into public expenditure the total cost would be enormous. Some idea of this cost can be obtained by looking at the expenditure which would be necessary to provide residential care for people with severe disabilities who are currently living in the community. The gross cost of providing places in local authority homes, private nursing homes, and hospitals has been estimated at over £7bn per year. (69)

Social security provision for carers

Social security provision for carers has been as derisory and discriminatory as that for people with disabilities. Until 1975 there was no specific provision at all for people looking after a disabled relative or friend. The introduction of invalid care allowance (ICA) was a belated and completely inadequate response to the financial needs of carers: numerous restrictions have been applied to the receipt of this benefit.

ICA -restricted entitlement

The first restriction is that ICA can only be claimed by people who are caring for someone receiving attendance allowance. This in itself means that no payment can be made for the first six months of disability. Although ICA is no longer restricted to people caring for a relative, the carer must be caring for at least 35 hours per week, and must be earning no more than £12 per week.

The most fundamental restriction until June 1986 was that ICA could not be received by married or cohabiting women. This blatant piece of discrimination was reluctantly removed by the Government only after it became clear that the European Court of Justice was about to rule that the exclusion of 'married' women breached an EEC Equal Treatment Directive. (70)

In November 1985 ICA was being received by less than 11,000 people, and the Government has estimated that over 70,000 'married' women were being excluded from

benefit. (71) Up to June 1986 ICA had therefore specifically excluded most of the people who are performing the caring duties which would qualify them for the benefit. The number of people receiving ICA can be contrasted with the fact that over half a million people with disabilities receive attendance allowance, and there is still a significant amount of non take-up of this benefit. (72)

Reliance on supplementary benefit

Even for people who receive ICA, the benefit is totally inadequate. ICA is intended to be an income maintenance benefit for carers who are unable to work because of the responsibilities involved in looking after someone with a disability. However, it is currently worth only £23.75 per week, just 60% of the rate of retirement pension and invalidity benefit, £7.70 per week less than unemployment benefit and £6.65 less than the short term rate of supplementary benefit. As a result, nearly one third of all carers receiving ICA have to rely on supplementary benefit to 'top up' their weekly income. (73)

At present, some carers on supplementary benefit -whether they receive ICA or not - are entitled to the long term rate of benefit i.e. £38.65 per week for a single person. This is only where the person being cared for receives attendance allowance, and where there are no alternative means - such as friends, relatives, or private paid help - by which the person could be cared for. In December 1982, just 7,000 carers qualified for the long term rate on this basis. (74)

Even this limited help is under threat: the proposal to replace supplementary benefit by 'income support' in April 1988 will abolish the long term rate of benefit. And, of all the groups of claimants currently eligible for the long term rate, carers are the only group for whom no compensating provision -however inadequate -is being made in the form of a 'premium'.

The extension of ICA to married women, although long overdue and welcome in itself, does not 'solve' the problem of incomes for carers. For many married women, the extension of ICA will be offset by the loss of either dependants' additions to other benefits -such as their partner's invalidity benefit -or of supplementary benefit. ICA is also restricted to people of working age and so provides no support for the growing number of elderly carers, arguably the most vulnerable group, who are in urgent need of extra support.

An income scheme for carers

It is essential that the many costs and restrictions incurred by carers are recognised and that adequate financial provision is made. Otherwise, individual carers will continue to bear a substantial proportion of the costs of 'community care'. Given the well-documented physical, psychological, social and emotional costs of caring, this is entirely unacceptable.

When considering the provision of income for carers, it is important to keep in balance the rights of both carers and the people with disabilities whom they are looking after. For instance, it is sometimes suggested that all income provision should be made to the disabled person, who would then have the choice of how to spend the money and, if necessary, to 'employ' a carer or carers. This element of choice is indeed important for people with disabilities, and the disablement allowance (and special allowances) would aim to provide such choice.

However, we believe that carers too have rights and should not be prevented from exercising choice because of the lack of an inadequate income. Although many people with disabilities make payments to their carers -and would be assisted to do so by the disablement allowance -it is vital that carers should have an independent income of their own. This was clearly recognised in the 1974 White Paper on Social Security Provision for Chronically Sick and Disabled People. In proposing the introduction of ICA -in addition to attendance allowance -the White Paper stated, "There is a strong case for a non/contributory benefit as of right [for carers]..., even though the person needing attendance qualifies for attendance allowance, since this is not designed to provide for the maintenance of the attendant". (75)

Carers' pension

We therefore believe that there is an urgent need to pay an adequate income maintenance benefit to all carers of working age who are unable to work because of the time that they spend looking after someone with a disability. This carers' pension would replace the existing invalid care allowance (ICA) and would be paid irrespective of marital status or national insurance contribution record. However, it would differ from ICA in a number of important ways.

Unlike ICA, the carers' pension should be paid at the same rate as the other long term income maintenance benefits - i.e. at the same level as retirement pension and the new disablement pension. We have already argued the case for these long term benefits to be raised substantially above the existing level of retirement pension, and we would expect the carers pension to rise in line.

The criteria for receiving the carers' pension should also be less restrictive than those for ICA. We recommend that the pension should be payable to all carers looking after someone with a disability assessed at 40% or more for the disablement allowance. The criteria of hours spent caring should be reduced to 24 hours per week, and the earnings limit increased substantially to the £75 per week which applies to retirement pension.

Beyond £75 the pension would be gradually withdrawn. This would make some provision for carers who can only work part time because of their caring responsibilities. No test of recent employment or job-seeking would be involved in the carers' pension.

Because of the commitments involved in being a full-time carer, the carer's pension would be payable for up to six months after caring stopped - for example, if the person being cared for dies or goes into hospital.

As with the disablement pension, receipt of the carers' pension would qualify the carer for a full rate retirement pension on reaching pensionable age. However, this alone would not help the large number of carers who do not take up full time caring until they are themselves over pension age. Once again, this demonstrates the need for action to improve the level and scope of retirement pensions generally.

Carers' allowance

In addition to the carers' pension, we believe that there is a strong case for a benefit to be paid to all full time carers, whether they are working or not, and regardless of their age. Such a benefit - or carers' allowance-should be paid in recognition of the emotional, social, psychological 'costs' of caring.

This allowance would be paid direct to the carer and would be tax-free, non means-tested, and disregarded for the purposes of determining entitlement to means-tested benefit. It would be paid on top of any other social security benefits, including the carers pension. As with the carers' pension, the allowance would be paid to carers providing 24 hours or more care to someone with a disability assessed at 40% or more.

80th the carers' allowance and the carers' pension could be claimed at the same time on the same form. Taken together, the two benefits would represent a substantial contribution towards recognising the vital role played by carers in enabling disabled people to remain in the community, rather than being forced into institutions. They would also help to reduce the existing reliance of many full time carers on supplementary benefit, and would facilitate a more flexible relationship between paid work and caring. Carers could, for example, use part of their income to buy substitute care so that they could continue a job and career, or at least have a break from the isolation of caring.

Services and Residential Care

The need for services

The provision of adequate incomes for carers and the provision of adequate services to support people with disabilities and carers are often seen as alternatives. The reality is that people with disabilities and carers require both incomes and services. There is, therefore, a parallel need for the development of more extensive 'respite care', domiciliary, and day care facilities by Local Authorities. In recent years there have been some initiatives in these areas in both the voluntary and statutory sectors, for example,

the Crossroads Care Attendant Schemes. This is an area which is too important to be left to the voluntary sector alone, and yet Local Authority provision of support services have, in general, been hard hit in recent years by the attack on social services expenditure. (76)

Residential care

Many people with disabilities currently live in some form of residential home. Improved provision of services, and better financial support for informal carers will help to enable many more people with disabilities to continue living in their own homes. Nevertheless, residential care is likely to remain an important component in the network of care facilities for the foreseeable future. It provides an alternative when informal carers feel they can no longer cope, without forcing people with disabilities to move into long stay hospitals.

The existing range of residential care is a mixture of Local Authority, voluntary and private sector provision. Payment for this provision also comes from a variety of sources: Local Authority sponsorship, voluntary sector subsidies, payments through the supplementary benefit system, and contributions from the individuals themselves. The confusion and instability caused by these funding arrangements has been increased in recent years by the introduction of national limits on the supplementary benefit available to pay for different categories of residential and nursing homes. (77)

Adequate and secure funding of residential care is crucial to its survival, and to ensure that it meets the needs of people with severe disabilities who cannot manage in the community. And it is essential that measures are taken to monitor the standard of care provided -and the charges made -by homes in the private and voluntary sectors.

The system of funding must also ensure that Local Authorities are not encouraged to run down their provision of domiciliary services and place people in residential homes unnecessarily. Clearly, there is a delicate balance to be achieved between adequate domiciliary services and adequate access to residential provision. The important point is that the needs of people with disabilities -rather than administrative or financial convenience -should be the overriding consideration in developing this vital area of provision.

5. Can we afford it?

The expenditure necessary to resolve the anomalies in Britain's benefit structure for people with disabilities, and to eliminate the extensive poverty that exists, is indisputably considerable. However, this expenditure -along with the inability of the country. to afford a decent and dignified social security scheme -have been much exaggerated.

Indeed it is wrong to think of such a scheme as a 'cost' to society at all: the money required for the components of a comprehensive disability income scheme merely reflects the extent to which it is necessary to redistribute the nation's income if the needs

of people with disabilities are to be met adequately. The argument about 'cost' also ignores the extent of the proven public desire to support such a scheme.

Public support

The majority of the population are strongly in favour of a fairer and more adequate system of benefits for people with disabilities. They are also prepared to pay the price.

Various opinion polls have shown strong support for higher benefits, and for equal benefits for those with the same levels of disability, regardless of the cause of disability, and regardless of the person's work record.

Table 7

Despite the high cost, should there be a single disability benefit for all physically or mentally disabled people?

	People who know someone disabled		
	all respondents	any	own family
	%	%	%
Agree	54	56	59
Disagree	20	23	20
Depends	17	6	14
Don't know	8	6	7
If you agree should it be:			
Done now	38	41	50
Increased gradually	39	37	32
Done when the economy improves	14	12	11
Depends on cost	4	4	1
Don't know	5	6	6

Source: A national quota sample of 983 people aged 16 and over, Britain, interviewed in Dec. 1980. See note 79.

A public opinion survey carried out in 1974, for example, found that 82% of people in Great Britain thought that people with disabilities arising in the armed forces, at work, by accident or from birth should all be treated equally. (78) A later study in 1980 confirmed the same figure. In the same survey, as Table 7 shows, 54% of all respondents indicated that they would support a single benefit for all people with

disabilities despite the high costs. The great majority (67%) of these believed it should be done "now" or gradually by stages rather than wait an improvement in the economy. (79)

Another opinion poll in January 1987 confirmed these views. On behalf of the Disablement Income Group, Gallup interviewed a nationally representative sample of 800 adults throughout Great Britain. The results were as follows: (80)

* 76% said that people who are equally severely disabled should receive the same level of benefit, regardless of whether they had worked, and regardless of whether their disability was caused by an accident at work or not.

* 83% said that the level of benefit received by disabled people who have never worked is 'completely inadequate'.

* 57% said the level of benefit received by people who have worked but whose disability is not caused by an industrial accident is 'completely inadequate'.

* 83% said that the difference in the levels of benefit received by people with equally severe disabilities is either 'totally unfair' (50%) or 'not very fair' (33%).

- 67% said that they would be prepared to pay an additional amount of tax in order to cover the cost of a disability income scheme.

•
The level of public support for a comprehensive disability income scheme is therefore overwhelming.

The 'economic' argument

Despite these clear expressions of public opinion, Governments since 1979 have emphasised that they regard improvements in the economy as essential before there are any increases in the resources devoted to benefits for people with disabilities:

"As you know, this Government came to power committed to the introduction of a coherent and comprehensive system of benefits for the disabled, to enable them to support themselves and lead as normal a life as possible. This is still our aim but we cannot start planning the way forward until we have achieved our first objective, which is to beat inflation and revitalise the economy. There is simply no money available at present to introduce any new benefits or allowances or to alter the qualifying conditions for existing ones".

"When we are certain that the economy is strong enough to afford new benefits then we shall be in a position to consider the details. We do not wish to risk raising false hopes by giving commitments on particular aspects of the likely form or scope of such a benefit when we do not know what the country can afford or when".

(Patrick Jenkin, in a letter to the Disability Alliance, quoted in 'The Government's Record on Behalf of People with Disabilities', Disability Alliance, June 1981)

The Disability Alliance has always disagreed with this line of argument. There are many people with disabilities working within the economy -and many more who are capable of working - whose contribution deserves to be encouraged and strengthened. There is also a clear need to increase the purchasing power of all people with disabilities in order to enable them to enjoy comparable standards of living to those of the non-disabled population. Such a policy would also have the advantage of leading to a rise in the demand for goods and services, something which is vitally needed at a time of mass unemployment.

What would the scheme cost?

To cost our proposals for a comprehensive disability income scheme, we need to take account of the proposed rates of benefits, as well as estimates of the number of people who would qualify. This gives the **gross** cost of the scheme. However, it is the **net** cost which is the relevant figure: the amount by which social security expenditure on benefits for people with disabilities would have to be increased above its existing level. We must therefore take account of the savings on existing benefits, as a result of implementing our scheme. Further savings will also accrue to the Government from the reduced demand for hospital and other residential facilities provided by the State, as well as from increased tax and national insurance revenue.

The gross cost of the **disablement allowance** is estimated to be £4.6 billion at 1987/8 benefit rates (see Appendix 3 for details). However, the net cost is considerably lower, as a result of savings on mobility and attendance allowance, war and industrial disablement pensions, and supplementary benefit additional requirements such as those for heating, diet etc. We estimate that the net cost of the disablement allowance would therefore be £2.25 billion per year. Even this does not take into account any savings resulting from the fact that more people with disabilities would be enabled to remain in their own homes, rather than living in an institution.

The gross cost of paying the **disablement pension** at the existing rate of retirement pension would be £3 billion. However, since nearly two-thirds of all those who would qualify for the pension would, in any event, be in receipt of invalidity pension, the net cost of this scheme would be nearer £500 million per year. This net cost is mainly due to increasing the rate of severe disablement allowance to the rate of retirement pension (£200m gross), and extending the disablement pension to people excluded from severe disablement allowance as a result of the 80% disablement test (£450m gross).

The net cost of £500 million is based on the assumption that the disablement pension is paid at the level of the existing retirement pension. However, as we said earlier, we would urge a substantial increase in the level of the disablement pension as part of a general rise in long term income maintenance benefits.

Estimating the cost of our proposals for a **partial capacity pension** is notoriously difficult, depending as it does on the number of people who would take up part time work, the number who would move from full time to part time, savings on other benefits, changes in tax and national insurance revenue. Previous studies⁸¹ have suggested that there may actually be net savings. We have simply assumed that there will be no net cost.

Taken together, the disablement allowance and the disablement pension would therefore involve increased net expenditure of £2.75 billion. Paying a carers' pension at the same rate as retirement pension would involve a further net expenditure. Estimates of the number of carers who would meet our suggested requirements are very hard to make. The number currently estimated to be eligible for ICA is about 80,000. Since our criteria for the carer's pension are more relaxed than those for ICA, the number eligible might reasonably be supposed to be in the region of 150,000 to 200,000. This would lead to a gross cost of the carers' pension of £300-£400m. The net cost would be nearer £200-£300m.

We can afford it

The total net cost of these proposals would therefore be about £3 billion per year. This is inevitably only an estimate, since we do not have adequate information on the number of people with disabilities or their carers. However, it indicates that the net cost of a comprehensive disability income scheme is not unmanageable.

£3 billion per year is a relatively small proportion -approximately 6.5% -of the existing total of social security expenditure⁸². And this total is itself at present much smaller than in some other comparable European countries.

Action to increase incomes, especially among people with severe disablement, will also reduce the demand for hospital and other residential services provided by the State. This, along with the increased tax revenue generated will further reduce the net increase in expenditure that the scheme entails.

Furthermore, narrow conventional assessments of the purely financial effects of improvements in social security provision ignore many aspects of their advantages. These include the very real social benefits that arise from preventing hardship, suffering, anxiety and loss of dignity.

6. Implementing the scheme

Phasing in

For administrative reasons alone, a comprehensive disability income scheme would have to be phased in over a period of time. In proposing a new disablement allowance, the Disability Alliance is also arguing for a new method of assessing disability. This is designed to achieve greater equity for people with different types of disability, and to

allow people with disabilities representation in the administration arrangements of a scheme which will affect them critically. Such a scheme could clearly not be introduced immediately. A timetable has to be planned, and the payment of the disablement allowance - and associated benefits for carers - would need to be phased.

The Disability Alliance has long argued that priority should be given to people with the most severe disabilities, on the grounds that they have the most acute financial needs. It is therefore proposed that the disablement allowance be introduced in two stages: those assessed as requiring a 40% allowance or higher at the first stage, and those assessed as requiring 20% at the second stage.

The first stage must be completed as a matter of urgent priority. Inevitably there will be preparatory work before the payment of benefits could begin. Details of the Government's proposals, and a draft self-assessment form will be circulated to people with disabilities and their representative organisations for comment. Disablement Assessment Workers will have to be recruited and trained, with positive encouragement given to people with disabilities to apply for these posts. Local disablement allowance boards, again including people with disabilities, will need to be appointed to confirm award of the allowance.

In the light of representations, the final draft of the self-assessment form, and details of the proposed administrative arrangements, would be circulated for further comment. The details would include the 'trigger' questions which would be used to identify groups of people with automatic entitlement to particular levels of the disablement allowance. Once final decisions have been taken, there will be a widespread advertising campaign to publicise the proposals for the new scheme. Existing beneficiaries should be informed that they will automatically receive a disablement allowance at the same level as their previous entitlement, but that they have the option of a full assessment to qualify for a higher rate. The same would apply to people identified by any of the 'trigger' questions.

It is impossible to be precise on the length of time that this preparatory work will take. In particular, it is essential that there is adequate consultation with people with disabilities and their representative organisations. Nevertheless, we would hope that this first stage could be completed within, say, 12-18 months of a Government committing itself to introduce a disablement allowance. The second stage, involving people assessed as requiring a 20% disablement allowance, would then occupy a further 12 months.

With this sort of phasing arrangement, the net costs of the scheme will be spread over more than one financial year. The gross cost of phase one of the disablement allowance would be £3 billion (see Appendix 3). Allowing for savings on other benefits, the net cost would be considerably less, probably nearer £1.25 billion. Paying the disablement pension and the carers' pension at the existing level of retirement pension would, as stated, add about a further £150m, taking the net cost to £2 billion.

Transitional protection

All existing claimants of benefits that would be replaced by the elements of a comprehensive disability income scheme would have their current benefit levels protected indefinitely in real terms. This means that no existing claimant would be made worse off as a result of the introduction of the new scheme, even if their assessed entitlement under the new scheme is less than they are currently receiving. This 'transitional protection' would therefore extend to claimants of war and industrial pensions, mobility and attendance allowance, and the invalidity allowances and the additional component paid with invalidity pension. Clearly, if any of the beneficiaries of these benefits had higher entitlement under a comprehensive disability income scheme than they presently receive, they would receive that higher amount immediately.

Indexation

All elements of the comprehensive disability income scheme would be uprated in line with the rise of average earning when this is greater than the rise in prices. The fundamental aim of the scheme is to ensure that all people with disabilities can participate fully in the activities of society. For this to take place it is essential that they share in any general increase in living standards which is enjoyed by those in employment. Simply increasing benefits in line with prices will be inadequate since, over a period of time, the living standards of people with disabilities would fall further and further behind those of the general population. Indeed all social security benefits, not only those for people with disabilities, should rise in line with living standards generally.

Appendices

Appendix 1

How many people with disabilities?

The debate about the problems of disablement has been increasingly hampered by the lack of reliable national information about the numbers of people with disabilities. The most commonly quoted source of information about numbers is a report of the survey carried out in 1968-9 on behalf of the Government by the Office of Population Censuses and Surveys. (84) These estimates formed the basis for a number of the policy statements issued by successive governments in the 1970s.

According to the survey there were just over 3 million 'impaired' people aged 6 and over living in private households. This included 1,128,000 who were 'very severely, severely, or appreciably handicapped' according to a set of criteria concerned with self-care - getting to or using the WC, feeding, doing up buttons and zips; getting in and out of bed; having a bath or an all-over wash; washing hands and face; putting on shoes and socks or stockings; dressing other than buttons and shoes etc.

People were defined as 'impaired' if they lacked all or part of a limb or had a defective organ or mechanism of the body, and those among them who had difficulty in carrying out one or more of the activities listed above were defined as 'handicapped'. The risk of impairment and handicap was shown to increase rapidly among the older age groups. Nearly three-fifths of all impaired people, and nearly three-quarters of those who were handicapped were aged 65 and over.

This survey had a number of shortcomings. It excluded certain important groups, such as children under 16, people living in hospitals and residential homes, and the Northern Ireland population. Some people who did not want to admit that certain conditions, such as mental or sensory handicaps, applied to them, were not represented in the totals. The method of sampling by means of a postal questionnaire is also thought to have resulted in the widespread underestimation of impairments. (85)

For all these reasons, the OPCS survey produced what is now widely accepted to be an underestimate of the total population with disabilities. The British estimate was considerably lower than comparable estimates for the United States, Denmark, Australia and the Federal Republic of Germany⁸⁶. The estimate was also much lower than that produced in a general survey of the entire population of the United Kingdom. (87) The estimates of elderly disabled people were also much lower than those produced by two previous national studies of the elderly in Britain. (88) Finally, the estimates were much lower than those derived subsequently from the general household survey during the 1970s and 1980s. (89)

The addition of all the excluded groups would probably add something like 1 million to the OPCS figures (90) which also require updating to take account of the population changes -particularly the increase in the number of people over 65 and over 75 -and for

the upward trend in 'limiting, long-standing illness' recorded by the General Household Survey. Taking all these factors into account suggests that the number of people with appreciable, severe, or very severe disabilities is close to 3 million.

The need for reliable and up to date information has been accepted by the Government in recent years, and a new national survey was begun in 1985, once again carried out by OPCS. (91) This has aimed to correct a number of the shortcomings of the original survey - for instance children and disabled people in institutions are being included, along with a more extended definition of disablement- although serious doubts remain as to whether the full extent of disablement will be uncovered since the sampling methodology is similar to that used in the 1969 survey. Also, N. Ireland has once again been excluded from the survey -an important and regrettable omission, given the well documented high levels of deprivation there. The results of this survey are expected to be available in 1988 and the Government's recent White Paper on Social Security promised a review of all disability benefits in the light of these results. (92)

Appendix 2

Historical development of benefit provision for people with disabilities.

Social security provision for people with disabilities has never been developed in a coherent fashion. It has been described as a 'muddle from the beginning'. (93) Two different philosophies underlay the initial developments in the late nineteenth century: deriving from the legal concept of tort and common law liability, and the concept of insurance to provide income maintenance.

The Workman's Compensation Act of 1897 broke away from the concept of tort by making employers in dangerous trades liable even when they had not been negligent.

Provisions for war pensions were influenced in 1914-16 by the principle developed in that act of partial compensation for loss of earnings. From 1917, however, loss of faculty became the dominant concept governing entitlement. Disablement pensions were paid on top of earnings. This was a crucial departure in the evolution of social security and represented the first recognition by society of the right of people with disabilities to financial compensation irrespective of their earnings or other sources of income.

The Beveridge Report of 1942 was highly critical of Workmen's Compensation. It recommended that industrial injury compensation should be part of a unified plan for social security and argued that a complete solution to anomalies would only be found in a completely unified scheme for disability which does not differentiate on the basis of cause. (94) The post war labour Government rejected Beveridge's proposals for the similar treatment of all sick and injured people and established the completely separate scheme that exists today. long term disablement benefits under the National Insurance (Industrial Injury) Act 1946 were based not on incapacity for work, nor on loss of earnings but, like war disablement pensions, on loss of faculty. This involved the

assessment of the degree of disablement by comparison with a 'normal' healthy person of the same age and sex. As with the war pensions, entitlements normally range from 20 per cent to 100 per cent in 10 per cent bands. For assessments of less than 20 per cent a lump sum payment is usually made.

A third approach historically was through national health insurance in 1911, and later national insurance. A flat rate sickness benefit was provided in 1948 for those who were incapable of work. In 1966 earnings related sickness benefit was added to the flat rate scheme but it could only be drawn for the first 26 weeks. From 1971 this distinction between short term and long term beneficiaries was formalised by the replacement of sickness benefit with invalidity pensions for those who had been off work for more than six months. The introduction in 1972 of the small invalidity allowances on top of the invalidity pension represented another departure in compensation for people with disabilities. The allowances are paid according to the age of the claimant at the onset of disability, and increase in three stages the lower this age is. However, the allowance is not paid to people disabled within 5 years of pensionable age, no matter how long their disability lasts.

Developments in 1970s and 1980s

In the 1970s, there were a number of important new developments in both compensation and non-contributory insurance benefits for people with disabilities. In the first place, in 1971 a general attendance allowance was introduced to match the 'constant attendance' allowances paid under the war and industrial disablement schemes. Attendance allowance is now payable at two rates and is received by over half a million disabled people. The attendance allowance was described in the 1974 White Paper as "a comprehensive universal benefit based neither on the compensation principle, nor on the insurance principle, but on evidence of severe disablement, however caused, which requires attendance". (95)

A second development, in 1975, was the introduction of a non-contributory invalidity pension (NCIP). NCIP was paid at 60% of the contributory invalidity benefit to people of working age who were unable to work, but who did not qualify for the invalidity pension because they had not paid sufficient national insurance contributions. Prior to NCIP there was no incapacity benefit for people - such as those with congenital disabilities -who had never been able to work, and hence to pay national insurance contributions.

Married women who were incapable of work were initially excluded from receiving NCIP. This was on the grounds that they were likely to be at home anyway, even if they were not incapable of work. However, a backbench revolt led to the Government agreeing to their inclusion, although there was a delay of another two years to devise a test of a married woman's ability to carry out her 'household duties'. In November 1977, NCIP was extended to married women who were 'incapable of performing normal household duties' as well as being incapable of work. The extension of NCIP became known as housewives' non contributory invalidity pension (HNCIP).

This discrimination against married women was widely criticised and, in 1984, NCIP and HNCIP were abolished and replaced by a new severe disablement allowance (SDA) also paid at 60 per cent of the rate of the full invalidity pension. The "household duties test" was abolished. However, this did not mean that SDA was based solely on incapacity for work: certain groups of claimants have to satisfy an "80% disablement" test in addition to showing that they are incapable of work. Although SDA does not directly discriminate against new claimants who are married women, one effect of the 80% test has been to continue to exclude the vast majority of married women who are incapable of work but who were excluded from HNCIP by the household duties test.

A third development in the 1970s was the introduction of a mobility allowance. This allowance was phased in over a three year period from January 1976 for different groups between the ages of five and sixty five. The allowance is paid to those who are unable to walk or virtually unable to walk, and is currently received by over 450,000, people.

In 1976, the first recognition in social security provision was given to the needs of people who could not work because they had to stay at home to care for a severely disabled person who is in receipt of attendance allowance. This came with the introduction of invalid care allowance (ICA). ICA is payable, like SDA, at only 60 per cent of the rate of invalidity pension and it is non-contributory. Although a welcome addition to the provision for benefits for disability - payable to carers in this instance - ICA has always been very restrictive in its coverage. Although the condition that it could only be paid to people caring for relatives was abolished in 1981, married women continued to be excluded until June 1986.

Appendix 3

Costing a Disablement Allowance

Gross Cost (1)

Rate of Allowance	Number	Weekly benefit (£m)	Annual Cost (£m)
100%	60,000	80.00	249.6
80%	342,000	64.00	1,138.2
60%	276,000	48.00	688.9
40%	585,000	32.00	973.4
20%	1,647,000	16.00	1,370.3
Total	2,910,000		4,420.4
plus: Additional allowances			220.0
Gross cost			4,640.4

Net cost (2)

			£m
Gross cost			4,640.4
minus:	Mobility allowance	558.0	
	Attendance allowance	836.0	
	War Pensions	446.0	
	Industrial Dis Pensions	353.0	
	Supplementary benefit	300.0	2,493.0
			2,147.4
plus:	Administrative costs (5%)		107.4
Net cost			2,254.8

Notes

1. The gross cost of the disablement allowance is calculated on the basis of the proposed rates of the allowances given in Table 5, and the estimated numbers of people with disabilities with each degree of severity of disability given in Table 6. A figure of £220m (5% of the total) has been added for the special additional allowances.

2. To calculate the estimated net cost we have subtracted the Government's estimates of expenditure on attendance and mobility allowance in the financial year 1987-8. We have also deducted three quarters of the estimated expenditure on industrial and war pensions.

The reason for not deducting the whole of this expenditure is to allow for people who would receive a lower assessment under the new scheme than under the existing schemes. Estimates of the expenditure on all these benefits are taken from The Government's Expenditure Plans 1987-8 to 1989-90, Cmnd 56-II. We have also made a deduction for the savings on supplementary benefit. The figure of £300m is a very rough estimate of the savings on supplementary benefit additional requirements. For administration we have added 5% of the net benefit cost calculated so far. For 1984-5 the administration figures were 3.5% for attendance allowance, 2.5% for mobility allowance and 11.5% for supplementary benefit (Cmnd 56-II).

Notes to text

1. Department of Health and Social Security (DHSS), Social Security Provision for Chronically Sick and Disabled people, HC 276, London, HMSO, 1984
2. The Disablement Income Group has recently republished its own proposals for social security benefits for people with disabilities: DIG's National Disability Income, London, DIG, 1987.
3. Disability Alliance, Poverty and Disability, London, Disability Alliance, 1975.
4. Franey R., Hard Times: The Tories and Disability, London, Disability Alliance, 1983.
5. House of Commons Library Research Division, Research Note No. 262 addendum 2 October 1986, London, House of Commons, 1986.
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Members of the Disability Alliance

Action for Dysphasic Adults
ARMS-Action for Research into Multiple Sclerosis
Age Concern
Alzheimer's Disease Society
Arthritis Care
Association of Carers
Association to Combat Huntington's Chorea
Association for Spina Bifida and Hydrocephalus
Bracknell Action Group for the Physically Handicapped
Breakthrough Trust
Brent Association for the Disabled
British Association of the Hard of Hearing
BASW- British Association of Social Workers
British Deaf Association
British Epilepsy Association
Brittle Bone Society
Campaign for Mentally Handicapped People
Child Poverty Action Group
Community Psychiatric Nurses Association
Cystic Fibrosis Research Trust
DIG Wearside Advice/Information Centre
DISC (Disabled in Camden)
Disabled Drivers' Association
Disabled Living Foundation
Disabled Motorists' Federation
Disablement Welfare Rights
Downs Syndrome Association
Exodus 1
Family Service Units
Family Welfare Association
The Fellowship and Aid Association
The Friedreich's Ataxia Group
Glenrothes and District Council on Disability
Greater London Association for the Disabled
Greenwich Housing Rights
The Haemophilia Society
Haringey Disablement Association
Health Visitors' Association
Help the Aged
Invalid Children's Aid Association
Islington Disablement Association
Jewish Blind Society
Jewish Society for the Mentally Handicapped
John Grooms Association for the Disabled
Labour Campaign for Mental Health

Leicester Rights Centre
Leonard Cheshire Foundation
Longton Citizens Advice Bureau
Low Pay Unit
MENCAP (Royal Society for Mentally Handicapped Children and Adults)
MIND (National Association for Mental Health)
Multiple Sclerosis Society
Muscular Dystrophy Group of Great Britain
Myalgic Encephalomyelitis Association
National Association for Maternal and Child Welfare
National Association for the Welfare of Children in Hospital
National Council for Carers and their Elderly Dependants
National Council for One Parent Families
National Deaf/Blind and Rubella Association (SENSE)
National Deaf Children's Society
National Educational Development Trust
National Federation of the Blind of the United Kingdom
National League of the Blind and Disabled of Great Britain
National Schizophrenia Fellowship
National Union of the Deaf
Northern Ireland Council for the Handicapped
North Wales Community Aid Group
Outset
Parkinson's Disease Society
Pensioners' Link
Pitsmoor Citizens Advice Bureau
Psychiatric Rehabilitation Association
Renal Society
Richmond Fellowship
Royal National Institute for the Blind
Royal National Institute for the Deaf
The Schizophrenia Association of Great Britain
Scottish Council on Disability
Scottish Paraplegic Association
Scottish Society for the Mentally Handicapped
Scottish Spina Bifida Association
SEOUAL (formerly Possum Users' Association)
SPAID (Society for the Prevention of Asbestosis and Industrial Diseases)
Spastics Society
Sunderland Disablement Advisory Centre (DIAL UK)
Tooting Bec Hospital Citizens Advice Bureau
Wales Council for the Disabled
Wandsworth Disablement Advice Service
Warrington Committee for the Disabled
Wessex Kidney Patients' Association

Trade Union Affiliations

London South East Industrial Branch of the Association of Professional Executive Clerical and Computer Staff (APEX)
Glasgow Branch of APEX
Association of Scientific, Technical and Managerial Staffs
Bakers' Food and Allied Workers' Union
The Civil and Public Services Association
Confederation of Health Service Employees
Electrical, Electronic Telecommunications and Plumbing Union (EETPU)
National Communications Union
National and Local Government Officers Association (NALGO)
National Union of Mineworkers
Society of Civil and Public servants
Society of Graphical and Allied Trades
Society of Telecom Executives
Society of Telecom Executives - London HO Network
Services Branch
Society of Telecom Executives - Charles House Branch