

# **POVERTY AND DISABILITY**

**The Case for a Comprehensive Income  
Scheme for Disabled People**

**The Disability Alliance**

96 Portland Place

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AN EARLIER VERSION of this statement of policy was submitted on 23rd April, 1975 to the joint Parliamentary Under-Secretary of State with responsibilities for the disabled, Mr. Alf Morris. This revision takes account of comments made at that meeting and elsewhere by Government Ministers and their advisers. Many of the members of the Alliance and others made helpful comments on earlier drafts, both in writing and at a special meeting called on 22 March, 1975. The constructive interest of the all-Party group of MPs on disablement was of great help in preparing the document. Thanks are due to Linda Peachey of the Department of Sociology and to members of staff of the Printing Centre, University of Essex, for the typing and speedy reproduction of earlier drafts.

THE DISABILITY ALLIANCE,  
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## *List of Member Organisations*

Age Concern

British Association of Social Workers

British Rheumatism and Arthritis Association

Campaign for the Mentally Handicapped

Central Council for the Disabled

Cheshire Foundation Homes for the Sick

Child Poverty Action Group

Disablement Income Group

Family Service Units

Family Welfare Association

Greater London Association for the Disabled

Help the Aged

Invalid Children's Aid Association

Jewish Blind Society

Mind (National Association for Mental Health)

Multiple Sclerosis Action Group

National Association for Deaf/Blind and Rubella Children

National Association for Maternal and Child Welfare

National Association for Welfare of Children in Hospital

National Educational Development Trust

National Federation of the Blind of the United Kingdom

National Fund for Research into Crippling Diseases

National League of the Blind and Disabled of Great Britain

Parkinson's Disease Society

Psychiatric Rehabilitation Association

Scottish Paraplegic Association

Scottish Society for the Mentally Handicapped

Scottish Spina Bifida Association

South-West Essex Branch of the Disablement Income Group

Spastics Society

*Organisations asking to be kept in touch with the work of the Alliance*

Disabled Living Foundation

Multiple Sclerosis Society

Muscular Dystrophy Group of Great Britain

National Children's Bureau  
National Society for Mentally Handicapped Children  
Royal National Institute for the Deaf  
Royal National Institute of the Blind ,

# The Case for a Comprehensive Income Scheme for Disabled People

AFTER MORE THAN A DECADE of pressure the British Government has still not committed itself even in principle to the introduction of a comprehensive income scheme for disabled people. In 1965, Megan du Boisson and Berit Thornberry founded the Disablement Income Group to call attention to the poverty and inadequate incomes endured by many of Britain's disabled, and to campaign for a comprehensive disability income. Some disabled people, in particular disabled married women and those disabled from birth or childhood had no right to any form of income from the nation and, among those with some entitlement to benefit, for example to sickness benefit, industrial injuries and war disablement pensions, there was unwarranted discrimination: people with equally severe disablement received widely different rates of benefit.

Successive Government Ministers not only expressed sympathy with the objective but held out expectations that a major measure would soon be introduced. In 1965, as Chancellor of the Duchy of Lancaster in overall charge of the social services, Douglas Houghton stated that the disabled were included in the Government's "major review" of social security, which .at the time was heralded as the first major review of social security since the Beveridge report of 1941. In 1967 deputations of the disabled were received by the Prime Minister and by the Minister of Social Security, Peggy Herbison, and impressions conveyed that early action would be taken. In 1968 Judith Hart, as the new Minister of Social Security, dashed expectations aroused by Labour's major review of social security by revealing the Government's ignorance of the scale and severity of the problem. She set up a national survey, and reports were published in part in 1971 and in part in 1972. The Conservative Secretary of State for Health and Social Security, Sir Keith Joseph, frequently referred in the early 1970's to certain modest measures introduced by the Government (which are discussed later) as representing "only a beginning". At the annual general meeting of the

Disablement Income Group in 1972 he said, "The introduction of a disability income to compensate for loss of earnings and extra living expenses is only a matter of time." Finally, as Shadow Secretary of State before the election of February 1974 Barbara Castle frequently spoke of the need for a "comprehensive" scheme and Alf Morris, who became the first "Minister for the Disabled" in a post especially created in February 1974, has reiterated the urgency of a system of income support. Thus, on 9 June 1974 he said there was a "need for a new and properly structured income scheme."

A policy statement made by the Labour Party in 1973 was categorical. *Labour's Programme 1973* stated:

Britain's mentally and physically disabled people have long been denied the help they need. ..They are not a tiny minority, for there are well over a million people living at home with a severe handicap. The aim of a Socialist policy for this group must be to provide financial support as of right, even for those with no insurance qualification. The cause of disability must cease to be the main consideration in determining the benefit. We must make the degree of handicap the basic factor, and bring everyone up to best existing benefits. Otherwise disabled housewives and large numbers of physically and mentally handicapped children will continue to rank as non-persons with no income benefits.

There were three significant commitments in this statement: to provide new forms of income as of right for all the disabled numbering over one million; to bring the rest of the disabled up to the level of benefit paid to war and industrial injury disablement pensioners; and to eliminate inequities by basing benefit on degree of disablement. Partly as a consequence the Disablement Income Group felt sufficiently encouraged during the winter of 1974 to work out a scheme costing over £500m a year. This was published in April 1974. On 17 July 1974 *The Times* reported that two alternative schemes which had been considered by the Labour Party had been costed respectively at £284m and-£355m.

Yet on September 13, 1974 the Secretary of State, Barbara Castle, announced a package "eventually" costing £23m a year. If such a sum were distributed to the disabled population as a whole it would amount to only 34p per person per week. The proposals were not comprehensive. Thus, the non-contributory invalidity pension, at only 60 per cent of the rate of contributory invalidity pension, would be paid to only about 150,000 people under pension age who were "incapable of work for more than six months and who, were it not for their incapacity, would be breadwinners". Another 70,000 in-patients in psychiatric hospitals would get a "pocket money rate" of benefit at 20 per cent of the contributory invalidity pension. The benefit was not intended to cover children, old people, housewives and those in employment. The invalid-care allowance was not expected to start until 1976-77 and was expected to reach only 11,500 people, or 7 per cent of the small number of households receiving attendance allowances. This allowance is intended for persons caring for the disabled, rather than the disabled themselves. Finally, the mobility allowance, fixed at only 40 percent of the contributory invalidity pension, is to apply only to the very severely disabled aged between 5 and 65.

On the same day the Conservative Party also issued a policy statement and Sir, Geoffrey Howe pointed out that the recommendations of both Parties were very similar. He said, "There is no essential difference between us".

The disabled themselves were disconsolate and dismayed. In the words of Colin Low, the General Secretary of the National Federation of the Blind, organisations concerned with the disabled were "united in fury at the poverty of this package'. Since then, after an amendment had been forced through Parliament, the Government legislated for the introduction of an allowance for disabled housewives, but only 40,000 are planned to' be covered. As a result of inflation, increases in the benefits to be included in the package have been announced, but the total cost proportional to the size of the disabled population and to the levels of earnings per head, remains tiny.

The inadequacy of the new Government measures must be conveyed to the public and the arguments for a comprehensive scheme brought up to date and clearly set out. That is the purpose of this paper. Before setting out an alternative policy we will try to answer three basic questions: How many disabled people are there? What allowances are there for the disabled? And are these allowances adequate?

### **How many Disabled?**

A national survey carried out in 1968-69 by Amelia Harris and her colleagues at the Social Survey Division of the Office of Population Censuses and Surveys found that there were just over 3,000,000 impaired people aged 16 and over living in private households, including 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 W.C.; 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; and, for women, combing and brushing hair, or men, shaving.<sup>1</sup> 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".

Tables 1a and 1b set out the estimates from the survey of the number of both impaired and handicapped in the population. The numbers increase strikingly among the older age groups.

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<sup>1</sup> Harris, A. I. et al, Handicapped and Impaired in Great Britain, Office of Population Censuses and Surveys, Social Survey Division, Vol 1 London, HMSO, 1971

Table 1a

Estimated number of impaired and handicapped people in Britain with impairment and handicap (appreciable, severe or very severe)

Age	Impaired	Handicapped
16-29	89,000	19,000
30-49	366,000	97,000
50-64	833,000	281,000
65-74	915,000	349,000
75 and over	867,000	381,000
All ages	3,071,000	1, 128,000

Source: Harris, A.I. et al, Vol 1, p.18 and Vol III, p.49.

Table 1b

Estimated number of people of different age with very severe, severe or - appreciable handicap

Degree of handicap	Age					All
	16-29	30-49	50-64	65-74	75 and over	
Very severe	5,000	12,000	26,000	35,000	80,000	157,000
Severe	4,000	30,000	94,000	102,000	125,000	356,000
Appreciable	11,000	55,000	162,000	213,000	176,000	616,000
Total	19,000	97,000	281,000	349,000	381,000	1,128,000

Note: Totals sometimes do not add up precisely because of rounding of estimates to nearest thousand.

Source: Harris. A.I. *et al*, Vol 1, p.18

The Government survey represents a major advance in knowledge of the scale and some of the effects of disability. However, it leaves a number of gaps in information. Although data were collected about some of the difficulties of housework, employment and social activities these were not reflected in the estimates of numbers very severely, severely or appreciably handicapped. For example, some people may not be severely or appreciably handicapped by the criteria of self-care used in the survey (listed above) but may be so handicapped according to *other* criteria, such as incapacity to perform household activities, undertake even light employment, or join in social activities.

Again, the survey did not include disabled people living in hospitals and residential homes, and did not cover the population of Northern Ireland or children under 16. The last omission has not yet been made good. After admitting that it was difficult "to arrive at any reliable estimate of the number of handicapped children in the United Kingdom" Sir Keith Joseph, when Secretary of State, rejected on October 3, 1973 a request from Alf Morris, M.P., for a survey of their numbers. He made only two points. One was that it was impracticable to apply to children the definitions and tests of handicap applied to adults. This ignored the fact that there were many functions like eating, sleeping and communicating which children find it as necessary as adults to perform, and ignored too the history of the specialised literature on handicapped children, particularly the work of the National Children's Bureau<sup>1</sup> and the research team under Michael Rutter and Jack Tizard who studied children in the Isle of Wight.<sup>2</sup> The other point, made by Sir Keith was that since children necessarily come into contact with the education system their needs are less likely than those of adults to be overlooked. But this point cannot apply to the vast majority of children under five and it ignores evidence of the neglect by both educational and other services of a variety of needs of handicapped children and their parents.<sup>3</sup>

Until the numbers of children who are handicapped is established through a national survey rough estimates might be based on two

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<sup>1</sup> Davie, R., et al From Birth to Seven, London, Longmans, 1972

<sup>2</sup> Rutter, M., Tizard, J., and Whitmore, K., Education, Health and Behaviour, London, Longmans, 1970

<sup>3</sup> See the review by Boswell D.M., Jaehnig W.B., and Mittler, P., A Handicapped Identity, The Open University Press, 1975

sources. The National Children's Bureau found in a study of seven year olds that 2.6 per cent were congenitally handicapped and another 1.6 per cent had been injured after accidents, had progressively disabling illnesses, were severely or partially deaf or were otherwise in need of special educational treatment. If these two percentages are applied to children of all ages a total in the United Kingdom of more than 500,000 children is reached. However, some will be only slightly handicapped and the study did not specify degrees of handicap. A study in the Isle of Wight of children aged 10-12 found that 1.1 per cent were severely or moderately handicapped in the sense that they had difficulty or discomfort or restriction or inability to perform ordinary activities, or needed substantial regular help with dressing, washing, bathing or feeding, or needed help with all or nearly all ordinary activities. A further 2.2 per cent were slightly handicapped, in the sense that while they had no difficulty with everyday activities they did have difficulty or discomfort or restriction in performing any strenuous activities, or had a limp or wore surgical shoes or other aids, or had dietary restrictions; and finally, 2.4 per cent who had a chronic condition but, except for transient episodes, no limitation of daily or even strenuous activities. These proportions apply of course only to children aged 10-12 and children living in the Isle of Wight. If they were applied to all children aged under 16 in the United Kingdom they would produce estimates of 157,000, 314,000 and 343,000 respectively in each of the three categories.

### **What Allowances are there for the Disabled?**

The principal sources of income of the disabled are retirement pensions, war and industrial injury disablement pensions, invalidity pensions and supplementary benefit, although other benefits supplementing the main sources of incomes, such as attendance allowances and invalidity allowances, have been added in recent years. Table 2 sets out the numbers receiving particular benefits, together with the rates of benefit from April 1975. In the case of retirement pensioners the number who are also disabled is not available, though the survey by Amelia Harris and others suggests that about three-quarters of a million are appreciably, severely or very severely handicapped. In the case of

persons under pensionable age it is difficult to identify separately from administrative statistics the short-term sick, the long-term sick and the disabled.

Social security for the disabled has never been confronted as a single strategic problem, and even in recent years the pattern of income support has evolved in a piecemeal and fragmented way which it is difficult to defend on rational grounds. As the Government acknowledged<sup>1</sup> two somewhat different philosophies underlay early developments: the first was expressed in the legal concepts of tort and common law liability; the second in the concept of insurance to provide maintenance. The Workmen'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 to 1916 by the principle developed in that Act of partial recognition of 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 the disabled, by comparison with the non-disabled, to income compensation, irrespective of *their earnings* or *other sources of income*.

New long-term benefits for industrial injury were proposed in The Beveridge Report of 1942 and enacted after the war. Disablement pensions were based not on incapacity for work, nor on loss of earnings but, like war disablement pensions, on loss of faculty, involving assessment of the degree of disablement by comparison with a normal healthy person of the same age and sex. As with war pensions, pension assessments normally range from 20 per cent to 100 per cent in 10 per cent steps. For assessment of less than 20 per cent a lump sum payment is normally made but, as Table 2 shows, some people qualify for a weekly special hardship allowance even if they have received such a lump sum or gratuity.

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<sup>1</sup> Social Security Act, 1973, Social Security Provision for Chronically Sick and Disabled People, House of Commons Paper 276, 1974, p.6

Yet a third approach historically was through national health insurance (itself based on voluntary insurance as developed by the friendly societies) and, later, national insurance. A flat rate weekly sickness benefit was provided for those who were incapable of work. Incapacity to work is defined in relation to someone's normal job, but, as time passes, *any* job which someone might reasonably be able to do. In 1966, earnings-related sickness benefit was added to the flat-rate sickness benefit but it could be drawn only for a period of 26 weeks. This had the effect of making a distinction between short-term and long-term beneficiaries. So from 1971 sickness benefits for those who had been off work for more than six months was replaced by "invalidity pensions". Contribution conditions were relaxed and higher rates of benefit were paid for wives and children.

Small additional invalidity allowances became payable to the claimants, varying according to age of onset of disability, but, as Table 2 shows, the great majority of invalidity pensioners are not entitled to such an allowance or are entitled only to the lower rate. Although invalidity allowances are small and are not comprehensive they mark the acceptance of a new principle -of compensation according to age of onset of , disability -which has attracted extraordinarily little discussion, especially from those representing the interests of the elderly. The allowance is not paid to people disabled within five years of the retirement age, even if they remain disabled for another thirty years. Nor is it related to severity of current disablement or even disablement at onset. "

Table 2

Number of disabled in Britain receiving different types of allowances and the rate of benefit for single persons from April 1975

Type of allowance	Number (31 Dec 1973)	Rate of benefit per week payable	
		from April 1975 £	from Nov 1975 £
<b>1 war disablement pensions</b>			
20 per cent or less	140,000	3.80	4.36
30 per cent	75,000	5.70	6.54
40 per cent	42,000	7.60	8.72
50 per cent to 90 per cent	68,000	9.50 to 17.10	10.90 to 19.62
100 per cent	20,000	19.00	21.80
Total	345,000	-	-
war disablement pensions: additional allowances			
unemployability supplement	11,000	up to 12.40	up to 14.20
constant attendance (five separate rates)	8,000	up to 15.20	up to 17.40
comforts allowance	14,000	1.60 or 3.20	1.85 or 3.70
allowance for lowered standard of occupation	17,000	7.60	8.70
age allowance (mainly 1914 war)	41,000	up to 4.20	up to 4.80
clothing allowance	29,000	0.37 or 0.56	0.40 or 0.62
invalidity allowance	7,000	-	-
<b>2 industrial injury disablement pensions</b> <sup>1</sup>			
20 per cent or less	105,000	3.80	4.36
30 per cent	47,000	5.70	6.54
40 per cent	21,000	7.60	8.72
50 per cent to 90 per cent	23,000	9.50 to 17.10	10.90 to 19.62
100 per cent	5,000	19.00	21.80
Total	202,000	-	-
industrial injury disablement pensions: additional allowances			
special hardship allowances	81,000	up to 7.60	up to 8.70
constant attendance allowances	3,000	up to 7.60	up to 8.70
unemployability supplements	1,000	11.60	13.30
special hardship allowances payable with gratuities in lieu of pensions	61,000	up to 7.60	up to 8.70
<b>3 invalidity pensions</b> (attracting higher than usual rates for dependants)	436,000	11.60	13.30
with invalidity allowances			
nil	80,000	11.60	13.30
lower rate of allowance	221,000	11.60 plus 0.75	13.30 plus 0.85
middle rate	68,000	11.60 plus 1.50	13.30 plus 1.70
higher rate	67,000	11.60 plus 2.40	13.30 plus 2.80
<b>4 retirement pensions</b>	760,000 <sup>3</sup>	11.60 (single rate)	13.30
<b>5 attendance allowance</b>	152,000	6.20 or 9.20	7.10 or 10.60
<b>6 supplementary benefit</b> <sup>2</sup>			
sick and disabled under pensionable age for 6 months or more receiving:			
supplementary benefit with national insurance benefit	90,000	12.00 plus rent	13.70 plus rent
supplementary benefit only	140,000	12.00 plus rent	13.70 plus rent

Source: Social Security Statistics: 1793, pp. 68, 73, 130, 131, 175, 183, 184

<sup>1</sup> 30 Sep, 1972

<sup>2</sup> 6 Nov, 1973

<sup>3</sup> Number estimated on the basis of the OPCS survey to be appreciably, severely or very severely handicapped (including dependent wives)

The development of the attendance allowance in 1971 represents yet a further approach to compensation. In the words of the Government, "It is 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."<sup>1</sup> Table 2 shows that some war and industrial injury disablement pensioners receive "constant attendance" allowances. According to criteria of severity of handicap, based on self-care, two rates of attendance allowance have now been introduced. On 30 June, 1974, 33,000 were paid for children aged 2-15, 52,000 for adults of working age and 80,000 to people over pensionable age, adding to 165,000, or 80,000 more than at the end of 1972.

### **Are The Allowances Adequate?**

The principal financial problems encountered by the disabled could be summed up under three headings. First is the problem of poverty. Large numbers of the disabled have been shown to have incomes below the Government's poverty line, that is, the levels of subsistence income defined by the scale rates of the Supplementary Benefits Commission plus housing costs. The findings were published in December 1972 in Vol. III of the Harris Survey,<sup>2</sup> which appeared 18 months after Volumes I and II and attracted far less attention than they deserved. Like other findings about means-tested services these findings represent an uncomfortable commentary on the Government's avowed strategy. Thirty per cent of the impaired in the survey were receiving supplementary benefits but another seven per cent appeared to be entitled to benefits but not drawing them. This latter figure represented 250,000 people. Two studies were subsequently carried out to explore this crucial result, but one was carried out at least six months and the other at least a year after the main disability inquiry.<sup>3</sup> These found that

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<sup>1</sup> Social Security Provision for Chronically Sick and Disabled People, op.cit., p.8

<sup>2</sup> Harris, A. I., et al, Income and Entitlement to Supplementary Benefit of Impaired People in Great Britain, Vol. III of Handicapped and Impaired in Great Britain, London HMSO, December 1972

<sup>3</sup> Ibid. and see also Smith. C.R.W., Entitlement to Supplementary Benefit of Impaired People in Great Britain, Office of Population Censuses and Surveys, Social Survey Division, 1972

there were at least 70,000 people eligible to receive supplementary benefits and were willing to claim. There were another 100,000 who were not willing to claim, an unknown proportion of whom were eligible for benefit. The time-lag between the inquiries, the failure to check whether some people with apparently higher incomes in fact had incomes low enough to claim benefit, and the existence of 100,000 people with low incomes not willing to claim benefit, all suggested that the figure of 70,000 was a rock-bottom estimate and that the true figure was likely to be at least twice as high.

Other evidence can be adduced to show that there are substantial numbers of the disabled whose incomes fail to reach the State's standard of needs. Thus, the Harris survey found that just under a third of the impaired said they had at least one source of extra expense because of disability, in some cases for services they would otherwise be able to undertake themselves, and in others as additional expenditure on items needed solely as a result of their disability.<sup>1</sup> Yet according to annual reports of the Department of Health and Social Security only a tenth of the sick and disabled without entitlement to national insurance who are receiving supplementary benefit are in fact awarded exceptional circumstances additions. Indeed, a special DHSS study of families receiving supplementary benefit found that "relatively *few*" of the long-term sick received lump sum payments for exceptional needs.<sup>2</sup> Again, a special study of a wide range of supplementary benefit recipients in Coventry found that approximately half failed to obtain their full entitlement.<sup>3</sup> This fraction refers to various aspects of the assessment and it was found that about a third of all claimants might be entitled to discretionary additional payments according to the SBC's own rules but do not get them either because they are unaware of their rights or because the Supplementary Benefit Officers fail to establish their true needs. The study gains authority from the further information provided that there were 27.5 per cent of recipients *under* pension age who appeared to have grounds for appeal and that although some would not agree to appeal as many as 20 per cent appealed and were successful.

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<sup>1</sup> Op.Cit., P.47

<sup>2</sup> DHSS, Families Receiving Supplementary Benefit, London, HMSO, May, 1972, pp.55-56

<sup>3</sup> Bond, N., Knowledge of Rights and Extent of Unmet Need Amongst Recipients of Supplementary Benefit, Coventry CDP, Occasional Paper, No. 4., 1971

If we concentrate attention therefore on poverty as defined by the State there is evidence both that a substantial section of the disabled legally entitled to supplementary benefits live in poverty, and that the scheme is currently failing to meet their poverty even when they are receiving benefits. And it must be remembered that there are other groups of the disabled living in poverty who are not covered by the scope of the supplementary benefits scheme - many handicapped children, disabled housewives and disabled men and women who are in low-paid employment.

One important indicator of poverty is the rate of unemployment. Under the Disabled Persons (Employment) Acts those who are disabled but medically assessed as fit for work either in ordinary or sheltered conditions are placed on the disabled persons register at the employment exchange and special efforts are made to find them work. Table 3 shows that the unemployment rate among the registered disabled rose sharply in the early 1970s, and remains much higher than the national unemployment rate. Unfortunately the increase in unemployment has corresponded with a decline in the proportion of firms fulfilling their quota of disabled employees. Firms with 20 or more employees must employ a quota (normally 3 per cent) of registered disabled persons. There are more than 60,000 firms with 20 or more employees. In 1974 60 per cent of these firms did not fulfil this quota, compared with only 45 per cent in 1964. There has been a steady deterioration in the enforcement of the Employment Acts, and a steady increase in the number of firms not fulfilling their quotas which have been issued with permits to engage people not registered as disabled.<sup>1</sup>

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<sup>1</sup> For data for a period of ten years, covering both points, see Hansard, 30 Jan. 1973

Table 3

Number and per cent of registered disabled persons who were unemployed

Year (April)	Disabled Workers			All workers unemployed per cent
	Number registered	Unemployed		
		Number	Per cent	
1965	658,925	48,318	7.4	1.4
1966	654,483	45,192	6.9	1.3
1967	655,379	58,048	8.9	2.3
1968	654,788	65,350	10.0	2.4
1969	645,545	68,586	10.6	2.4
1970	634,336	72,116	11.4.	2.6
1971	620,691	80,172	12.6	3.2
1972	610,107	91,063	14.9	4.1

Source: *Hansard*, 30 January, 1973. Written answer

Not all employed disabled people have in fact been, or allowed themselves to be, on the disabled persons' register, and comparatively little is known about the advantages and disadvantages of registration. What is certain from the national survey carried out by the Government is that fewer of the disabled who are employed than who are not employed live in poverty and therefore that access to paid employment is an important factor in the poverty rate. But the national survey also shows that disproportionately more of the disabled than of the non-disabled who are in employment are living in poverty or on its margins, especially if they have dependants.

Second is the related problem of low incomes and other resources. The Harris survey demonstrated that the disabled have incomes and other resources which are relatively low when compared with the non-disabled, even when standardised by age. This bears out local and regional research<sup>1</sup> and research in other societies.<sup>2</sup> For example, about

<sup>1</sup> For example, Sainsbury, S., *Registered as Disabled*, London, Bell, 1970

<sup>2</sup> See, for example, the series of papers published by the US Department of Health, Education and Welfare, for example Swisher, I.G., "Income of the Disabled: Its Source and Size", *Social Security Bulletin*, August 1971. See

half the severely disabled in a United States survey in the mid-1960's had incomes below the poverty level.<sup>1</sup> Moreover, people in the more severe categories of disability tend to have lower incomes than those in the less severe categories of disability. Fewer of the disabled than of the non-disabled own their own homes. Fewer have substantial assets and large numbers of consumer durables in their homes. Fewer have rights to occupational pensions and other employers' welfare benefits. Yet, as already indicated by evidence of the extra expenses attributable to disability, many of the disabled have a need for *higher* incomes than the non-disabled. New data collected in the General Household Survey reinforce this emerging picture of gross inequalities between the disabled and non-disabled. In 1971 there were "marked differences in income level" between the chronic sick identified in the survey and the non-chronic sick. "A high proportion of people in rented than in owner-occupied accommodation were chronic sick, particularly in the private unfurnished sector. Chronic sickness was more common amongst people living in housing built before 1919, in accommodation without central heating, without a fixed bath and without a lavatory; and in accommodation with a lavatory it was most common where the entrance to the lavatory was outside the building."<sup>2</sup> Basic provision for the long-term sick in Britain is also smaller than in many other European countries. Thus, as a proportion of available net national income Germany spent 1.0 per cent on invalidity benefits in 1972, Denmark 2.2 per cent, Netherlands 2.3 per cent and Italy 2.8 per cent, compared with only 0.6 per cent in the United Kingdom.<sup>3</sup>

A third major problem which we might identify is the gross inequity of provision of income by the State to different categories of the disabled. This can be expressed along a number of different dimensions. There is the well-known inequality between war or industrial injury disablement pensioners and other disabled people, whereby a rate of weekly benefit is payable up to £19.00 per week (£21.80 from November 1975),

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also Andersen, B.R., *The Physically Handicapped in Denmark*, Danish National Institute of Social Research, Copenhagen, 1964.

<sup>1</sup> Swisher, I.G. *Ibid*

<sup>2</sup> Office of Population Censuses and Surveys, Social Survey Division, *The General Household Survey, Introductory Report*, London, HMSO, 1973, p.287

<sup>3</sup> Report on the Development of the Social Situation in the Community in 1974, Brussels, March 1975, pp.268-269

irrespective of earnings or national insurance entitlement, to those disabled in war or as a result of certain types of industrial injury or disease but not to people whose disabilities originated elsewhere and whose disabilities may be equally severe or more severe. There is the erratic conferment of compensation through the courts when liability can be proved, and yet the results depend very much on differential access to the law and the interpretation of liability and amount of damages. There is the distinction between people who have been in employment and satisfy the contribution requirements of eligibility for national insurance sickness benefits or invalidity benefits and people who have no right to any income by virtue of their chronic sickness or disability, some of whom can then claim supplementary benefits and some of whom cannot. The Government has now proposed to introduce a non-contributory 'invalidity' pension for persons who might, but for their disability, be treated as employable, but at a 60 per cent rate of the contributory benefit. They are certainly out of step with public opinion. In 1974 a national survey undertaken privately showed that only 20 per cent of a sample of 1,073 voters felt that "those who have paid national insurance should receive more money when disabled". Eleven per cent did not know but 68 per cent disagreed.<sup>1</sup>

A further example of the piecemeal development of anomalies is the invalidity allowance. There is a weekly allowance of £2.40 (£2.80 from November 1975) if incapacity to work began before the age of 35, £1.50 (£1.70 from November 1975) before 45, 0.75p (£0.85 from November 1975) five years before minimum pensionable age, and nothing thereafter. The amounts are unrelated to degree of disablement and four men all aged 61 with equally severe disability might be receiving different amounts and, presuming they lived into their 80s, would go on receiving these different amounts for the next 20 years irrespective of any change in the severity of their disablement.

No government has yet attempted to review the principles that are in fact applied to the disabled of different age with the object of developing a more equitable system. It is perhaps significant that questions asked in a

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<sup>1</sup> Help for the Disabled, Louis Harris International, 1974, Table 7A

representative quota sample survey, on behalf of the National Fund for Research into Crippling Diseases in September 1974, established that only 15 per cent of the population felt that a particular group of the disabled (those disabled in the armed forces, those disabled at work, those born disabled, or those disabled by disease or accident) should get more benefits. As many as 82 per cent wanted the disabled to be treated equally.<sup>1</sup>

Action directed at the problem of poverty in the restricted definition of the term by the Government is clearly not enough and there is a powerful argument for simultaneously raising the incomes generally of the disabled and meeting the gross inequities in present income provision.

### **An Alternative Policy**

The long-term policy objective must therefore be threefold: to eliminate poverty, to bring the incomes of the disabled up to the levels of those of the non-disabled, and to distribute resources among the disabled so that people with equally severe disablement, irrespective of the cause or place of disablement, are entitled to similar weekly allowances or pensions. Fulfilment of these three aims would satisfy the further aim of greatly diminishing the extent to which disabled people depend on means-tested assistance.

We recommend that the construction of policy takes the following form:

(i) *Disablement allowance*. An allowance should be paid to compensate people for the degree to which they are restricted from following ordinary activities. Disablement allowance would not of course be paid during a few days or weeks of incapacitating sickness but only after six months if there is no early prospect of recovery. There would be provisional and long-term allowances, depending on the expectations of an assessment board about the long-term nature of the degree of disablement. They would be tax-free. They would be paid to, or on behalf of, persons of both sexes and every age, including children. In

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<sup>1</sup> Help for the Disabled (ibid.), Table 8B

principle parents of handicapped infants of under two years of age would be eligible for allowances, but in practice few could be assessed with certainty during this early period of life. Like war and industrial injury disablement pensions, these allowances would be payable whether or not people had earnings, and whether or not they received retirement pensions or other social security benefits. They would not be reduced against other forms of income, but payable in addition to such income.

In amount the allowances would correspond with war and industrial injury disablement pensions. At the 100 per cent rate these are to be £21.80 per week from November 1975. However, a glance at Table 2 and at the report of the Harris Survey will show that the great majority of people who are appreciably, severely or very severely handicapped are appreciably handicapped, and most disabled people in these categories would become eligible only for the 20 per cent to 40 per cent rates of benefit, (of £4.36 to £8.72 per week from November 1975).

At the initial stage we would envisage the allowance being introduced at five rates: 100 per cent, 80 per cent, 60 per cent, 40 per cent and 20 per cent- covering the 1,128,000 handicapped people estimated from the Harris Survey (Table 1) plus an estimated 100,000 children, totalling over 1,200,000. The disablement allowance is not therefore intended to be sufficient without other resources on which to live, but to represent in income form the various financial disadvantages which the disabled experience by comparison with the non-disabled and help to make good those disadvantages. Thus, a man who was in employment but earned a relatively low wage because of disablement would have that wage augmented by the allowance. The allowance would help to make up his wage to the kind of level he might have reached if he had been non-disabled, or it might be thought of as meeting extra expenses or compensating him for the general disadvantages of disablement (insofar as any weekly payment can so compensate). A retirement pensioner would also have his pension augmented by the allowance. By comparison with a non-disabled contemporary the allowance would compensate him in at least three respects: for some of the general extra expenses of disablement in old age; to enable certain comforts or

services to be purchased to compensate for activities foregone;<sup>1</sup> and to make up in some measure for previous inability to earn enough to qualify for an average or substantial earnings-related pension additional to a flat-rate pension.

(ii) *Invalidity or disablement pension.* A basic invalidity pension at the full rate should be paid to all those of working age who cannot earn because of disablement. From November 1975 the contributory rate of invalidity pension is to be £13.30 per week. A new Act has also introduced non-contributory pensions (for chronically sick or disabled persons who have only worked for short periods or who have never worked because of their disablement) at a rate of 60 per cent of contributory pensions (or £7.90 per week from November 1975). We do not believe that people who have never had the opportunity to contribute to the national insurance scheme because of a lifelong disablement should be denied benefit at the full rate. The distinction between them and those receiving invalidity pensions is all the more invidious because in introducing the latter in 1971 the Government decided to pay the full rate "even if their contribution record was deficient".<sup>2</sup>

The Government has also conceded that "limiting income support to those *totally* incapable of work is increasingly seen as too narrow an approach."<sup>3</sup> We welcome this acknowledgment, and look forward to a fresh Government statement. As in other countries, the British scheme of income maintenance for those of working age who are totally incapable of work should be extended to those *partially* incapable of work, at least for those whose disablement is assessed at 20 per cent or more. But the principle that persons of working age who cannot work should receive a pension is difficult to apply to those with partial as distinct from full working capacity. What is to be the test? At present the Government

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<sup>1</sup> In its policy statement of April 1974 the Disablement Income Group put forward a similar proposal for "disablement pensions" to "meet the expenses and other difficulties of daily living". The Group was aware that extra expenses might be difficult in all cases to identify and value, not least because disabled people with low incomes may go without, or go short of, the goods and services their disablement may justify. They added, however, that "this pension would be intended to cover, without the need to identify them, the very varied expenses and *restrictions* affecting the majority of disabled people" (Our emphasis) Realising a National Disability Income, DIG, London, 1974, para 12

<sup>2</sup> Social Security Provision for Chronically Sick and Disabled People, op.cit. House of Commons Paper 276, p.7

<sup>3</sup> House of Commons Paper 276, op. cit. p.16

operates an earnings limit. Those with invalidity pensions lose benefit once they earn more than £7. Those disabled persons receiving long-term supplementary benefit begin to lose such benefit once they earn more than £4. We suggest there should be a restriction on benefit only once earnings exceed 50 per cent of the national average. Up to that level of earnings people in work with assessed disablement of 20 per cent or more will be entitled to receive full invalidity pension. Above that level of earnings, for these categories, entitlement will be progressively phased out.

Under the proposals of the Government's new Social Security Pensions Bill, invalidity pensioners will also qualify for earnings-related benefit in much the same way as retirement pensioners. However, except possibly for those disabled in late middle age, few disabled people are likely to benefit to any substantial extent. On the basis of the Harris survey and other sources' the Disability Alliance estimates that fewer than 20 per cent of disabled people of working age will be receiving earnings-related benefit of £1 per week or more. Few even of these will be receiving substantial benefit. Disabled people of working age include many who have never held, or only briefly held, paid employment. They include many who have had long spells of unemployment, and certainly a lot less than 20 completed years of employment. And they include many whose earnings have been very low. Finally, entitlement depends on revaluation of earnings in relation to average earnings "up to the last complete tax year before the invalidity pension becomes payable ..."<sup>1</sup> This will result in any earnings-related component being set at a figure which does not take account of inflation in the meantime. For these various reasons, we do not expect earnings-related provisions to be important except to a minority of the disabled. And it will be many years before these provisions take effect.

Indeed, we believe it would be wrong for any income maintenance scheme to be based primarily or mainly on the principle of income relationship to earnings, or compensation for loss of earnings. Some peoples' disablement takes many years to develop and its onset may be

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<sup>1</sup> Explanatory Memorandum on the Social Security Pensions Bill, 1975, Cmnd. 5929, London, HMSO, 1975, clause 14, p.6

imperceptible. During the course of several years many people may be forced to take a succession of increasingly low-paid jobs before they are obliged, because of their disablement, to stop work altogether. It would be unfair to relate pension to the earnings received in their last job, and it may be difficult or impossible to decide what was the job they held prior to disablement, quite apart from taking account of changes in the meantime in the rates of earnings of *that job*, because of inflation. But there is a further argument, which we would urge the Government to examine in relation to its new Pensions Bill. Some people could, theoretically, qualify for the full earnings-related component of invalidity pension around the age of 40, if they worked for 20 years and only then became disabled. Others disabled at the age of 40 might qualify for no earnings-related benefit, because of low earnings. Is it fair that the former should continue to get the differentially higher pension, not just for the following few years, but for the further 25 years to the normal pensionable age and, say, for the next 10 or 20 years in old age as well? This question calls our attention to the importance generally in schemes of income maintenance and (especially earning capacity at a point more than a decade earlier) and more to criteria of current degree of disablement and current special expenses.

After the individual reaches pensionable age invalidity pension is converted into retirement pension. Receipt of invalidity or disablement pension in working life implies no loss of entitlement to flat-rate retirement pension upon attaining pensionable age. A substantial number of retirement pensioners are not entitled to flat-rate pensions at the full rate because of deficient contribution records. Such a possibility must not be allowed to arise in the case of those who have been disabled. We *therefore recommend that any person of pensionable age who becomes entitled to a disablement allowance should also be eligible for flat-rate retirement pension at the full rate, irrespective of year of disablement.*

Should a disabled married woman receive income maintenance in her own right, irrespective of any earnings of her husband in employment? The Disability Alliance takes the view that in addition to disablement allowance, claimed by virtue of the degree of their disablement, married women, with 20 per cent or more disablement, should be entitled to

claim invalidity pensions, irrespective of their husband's earnings. But they would not be entitled to claim dependants' allowances, unless their husbands were also adjudged incapable of work, in which case each would be entitled to half any allowance for a dependent child. The case is as follows.; If such women cannot do the work to maintain a household and care for any children or other dependants, which in principle are covered by the husband's wages (or more directly any housekeeping allowances which are ordinarily provided), they should receive allowances to provide for these functions. The notional "wage" derived from such work cannot be earned, and either necessary work within the household and family is not done or someone else has to be paid to do it. In the same way as discussed above for men and single or widowed, separated and divorced women, disabled wives would still in principle be entitled to claim invalidity pension unless they (but also their husbands) earned more than 50 per cent .of the national average.

There is one final point in relation to income maintenance. The Conservative Government introduced invalidity allowances of small-weekly amounts for three groups of disabled people under pensionable age, according to age of onset of disability. (See Table 2 for present rates of benefit). These provide small weekly additions to invalidity pensions. The present Government proposes in the new Pensions Bill to increase the numbers qualifying for the two higher rates by increasing the qualifying ages for allowances. The Disability Alliance objects to these proposals on three grounds. First, the allowance is designed to recognise the additional income needs of those who have been living longest on invalidity pensions, but nothing is paid to people within five years of pensionable age, or after pensionable age. Yet some retired people will have been disabled for 10 or 20 years and many people over 55 (women) or 60 (men) will become disabled and remain so for 10 or 20 years. In their late 70s or 80s it would be absurd to argue that their income needs are less than other people in their 70s or 80s who happen to have become disabled, say, in their early 50s. To be meaningful, a higher rate should be payable after, say, 10 years invalidity or disablement, and perhaps a higher rate still after 20 years. In some respects capital grants rather than weekly allowances would be more appropriate (to replace clothing, linen and furniture, for example). Second, the Government

does not propose to withdraw invalidity allowances once people attain pensionable age. Thus, before long there will be a group of younger retirement pensioners with invalidity allowances and many older retirement pensioners without such entitlement, *even though many of the latter have been disabled for far more years*. This is indefensible. If invalidity allowances were to remain, opportunity should be afforded for retirement pensioners who can show they have been disabled for 10 years or more to claim them. Third, the allowances take no account of severity of disablement. This is inequitable. For example, there may be two men aged 64, one of whom became severely disabled at the age of 60 and now requires additional income for diet, heating and partial attendance, and the other of whom became incapable of work because of bronchitis in his late 50s but is now only moderately disabled. The second man but not the first is entitled now and *for the rest of his life* to an invalidity allowance. We recommend the Government therefore to adopt the proposal above for disablement allowance (Section (i) above) and to award invalidity allowance after a fixed period of years.

(iii) *Special allowances to meet expenses of specific disabilities*. We further recommend the development of allowances for special expenses. Certain specific impairments make special calls for cash, such as the need for special diet on the part of the diabetic, and the maintenance of guide-dogs and provision of writing and reading aids on the part of the blind. So whatever the general argument for compensation for degree of disablement or for severity of restriction of personal, household and social activities, and whatever the arguments for replacement of loss of earnings through invalidity, disablement or retirement pensions, there will be people with specific impairments or disabilities which result in particular expenses or the need to incur particular expenses. The attendance allowance already corresponds with constant attendance allowances payable under the war pensions and industrial injuries schemes and can be treated as the first example of what might become a number of supplements under this heading. Single grants to purchase certain household facilities (such as refrigerators and aids) not covered by the special provisions for the disabled under the Housing Acts (especially sections 56(2), 59,65(3) and 71(2) of the Housing Act 1974) could also be made.

(iv) *Accommodation allowance for disability*. This proposed allowance might easily be included under the previous heading but because, in time, it might be applied universally to all the disabled it is listed separately. A flat-rate accommodation allowance would be payable to all persons receiving disablement allowances who experience difficulty with self-care, mobility and participation in household management. The allowance is intended to meet the extra housing costs of those who have difficulty with ordinary personal and household activities. Eligibility for the allowance would be determined during assessment for the disablement allowance, and would be paid at three rates, full, two-thirds and one-third rate, depending on degree of restriction of activities for self-care and household management. It is proposed that the full rate would be fixed in relation to mean national housing expenses, so that values were maintained during inflation. For purposes of illustration in this policy statement, however, rates of £2, £4 and £6 per week are suggested for people who are appreciably, severely or very severely disabled (interpreted in percentage terms as 20-39 per cent, 40-79 per cent and 80-100 per cent disabled). We envisage that this scheme would in part replace rent and rate rebates (and in part supplementary benefit and tax relief on mortgage interest) for the disabled. We are aware that take-up of rent and rate rebates, especially in privately owned accommodation, is very poor and are concerned that all disabled people who are entitled to housing allowances should receive them.

## **Assessment**

How would the *disablement allowance* be assessed? There are precedents for the assessment of severity of disablement both in the war and industrial injuries disablement pension schemes and the attendance allowance scheme. In the procedure developed by the attendance allowance board a series of questions are asked of the medical practitioner about the individual's capacity to undertake a series of self-care activities. We feel that this list should be adopted in assessment of disablement allowance, but that two further sets of questions or criteria should be added to cover (i) capacity to undertake household activities; and (ii) capacity for social communication and participation.. Depending

on the degree to which the individual had difficulties with the activities listed under any of these three headings, his disablement would be assessed on a percentage scale like that indicated earlier.

What exactly does this approach involve? It involves making an approximate assessment of individual *capacity* to engage in certain activities both on the basis of actual activities and any qualifying evidence we can obtain (whether from themselves, or others, including doctors) about underlying ability. First, there is impairment arising from some physical or mental condition. Second, there are the *consequences* of such impairment, of functional incapacity or disablement. This incapacity or disablement underlies actual behaviour, and is usually consistent with such behaviour. However, there are individuals who make herculean efforts to conceal their incapacity, and other individuals, by contrast, who exaggerate their incapacity. The assessment would therefore be based on an individual's considered judgment (or that of someone living with him) about his capacity to undertake a list of activities, checked as far as possible with other evidence -whether from medical practitioners, social workers, tests of physical or mental performance or other sources. The testimony neither of the individual disabled person nor of specialist witnesses can be ignored.

The approach can be justified not only in the light of administrative precedent but also a number of research studies. And the study carried out for the Government by Amelia Harris and her colleagues showed that the effects of disablement upon 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 or movement (for example arthritis, muscular dystrophy and lumbago) and diseases of the circulatory system (for example coronary disease and arterio sclerosis) but also blindness, diseases of the respiratory and digestive systems and mental, psycho neurotic and personality disorders.<sup>1</sup>

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<sup>1</sup> Harris, A., I., et al, op.cit., Vol. 1, pp.254-262

No doubt the method needs to be refined. No doubt special cases may have to be made for people suffering from certain forms of impairment, particularly discontinuous impairments like epilepsy. But it offers a beginning in treating disabled people equitably according to the degree of disablement. We envisage that the assessment forms could be completed by a social worker or a general practitioner on behalf of an individual. The GP should always be invited to note any circumstances they know of that would influence assessment. The application would then be checked by an independent Disablement Allowance Board, operating through area teams. These would take the form of experienced interdisciplinary panels having at least one medical member, so that cases involving disabled persons with conditions whose effects are problematical can be fairly assessed. We therefore envisage that assessment by a medical member will not be necessary in more than a minority of cases, though as suggested above, the patient's general practitioner should be given every opportunity to comment on assessment forms at the initial stage.

We recommend that the Disablement Allowance Board itself should include experts in rehabilitation, social scientists with special knowledge in the fields of disability and social security, and disabled people, as well as medical experts. There should be an annual review of the people with progressively disabling conditions and the very old. Individuals should have the right after twelve months to request a new assessment, and should have the right of appeal. In the case of provisional assessment, there would be an automatic review after twelve months. We propose that the whole machinery should be set up only after direct consultations with unions and groups representing disabled people.

### **Administrative Priorities**

Because every individual would have to be assessed the disablement allowance scheme would take time to introduce. The administrative experience of the war pensions, industrial injuries disablement and attendance allowance schemes can be drawn upon to devise a phased programme. Between December 1972 and December 1973 the number of attendance allowances increased from 85,000 to 152,000, or by

67,000. This suggests that following such experience arrangements could be made to register 100,090 in a preliminary period of twelve months and 200,000 persons per annum thereafter (or 180 and then 360 per annum for every 100,000 population) so that, bearing in mind the numbers of disabled already receiving war or industrial injury disablement pensions, the entire scheme could be implemented in just over four years. In the first two years an attempt would be made to confine assessment to very severely disabled and disabled persons of *any* age, bringing in persons with lesser disablement at a later stage. Many of the disabled are, of course, already known and are receiving incomes from the Supplementary Benefits Commission, are on local authority or employment exchange registers, or are in hospitals, hostels or residential homes.

### **Full protection against inflation**

During the 1970s the annual rate of inflation has grown rapidly. Table 4 demonstrates the accelerating increases in prices, and in earnings. New rates of benefit which have been introduced by Governments have rapidly lost their value and people depending on other sources of fixed income have fallen into poverty. The Government's introduction of index-related National Savings Certificates is to be welcomed but is overdue. The principle should be extended quickly to all forms of income maintenance. The fundamental problem is that in periods of *accelerating* inflation social security benefits fixed in relation to *previous* changes in prices and earnings lag substantially behind current earnings. Social security benefits, including the new disablement allowances proposed above, should be raised quarterly. All rates should be raised in line with the increases in average industrial earnings, following a method whereby the previous six months' experience is projected forward by at least three months so that a review is linked to the expected level of earnings at the time that the new rates are implemented. Thus, at the end of January the Government could review the rates of earnings in the previous July to December and project them to April, announcing the new rates in early February and implementing them in April. This procedure would be repeated every quarter. We believe this would be a more adequate form of protection against

inflation than the current methods of review. We accept that. this may sometimes -involve back-payments -either because inflation exceeds the anticipated rate or because it would be difficult for the Government to assume high rates of *future* inflation in administering the Social Security system. We are also concerned that the Government's new Pensions Bill proposes to accept an out-dated method of revaluing earnings when working out entitlement to the additional earnings related component of both invalidity and retirement pension. We believe that both basic and additional components should be decided in the first place, and reviewed, in relationship to *current movements in earnings*.

Table 4

Annual percentage increase in prices and earnings 1964-1974

Year	Percentage increase	
	in retail prices (monthly average)	in earnings, all employed (each December compared with previous December)
1964	3.3	7.2
1965	4.8	8.1
1966	3.9	4.0
1967	2.5	5.5
1968	4.7	9.0
1969	5.4	8.4
1970	6.4	13.6
1971	9.4	8.9
1972	7.1	15.5
1973	9.2	13.1
1974	16.0	29.4

Source: *Department of Employment Gazette*, May 1975, 411 and 492. The data refer to the general index of retail prices and the monthly index of average earnings (including males and females and part-time and full-time earners of all ages).

## Cost

Estimates of cost depend first on estimates of numbers of disabled people in different categories of severity of disablement. The estimates made for the Government in the Harris report were based on population data from the 1966 census and need to be brought up to date. We have also added estimates for Northern Ireland (proportionate to population) and we have added estimates too of disabled persons in long-term care in hospitals and residential homes. Finally we have added estimates of disabled children. All these estimates are subject to revision and it should be noted that the Harris criteria are based on self-care only. The revised estimates shown in Table 5 may be compared with those in Table 1b.

Table 5

Estimated number of people of different age in the United Kingdom, including long-stay institutions, who are appreciably, severely and very severely disabled

Degree of handicap (OPCS numbered categories in brackets)	Suggested percentage assessment	Age			
		0-15	16-64	65+	All
Very severe (categories 1-3)	80-100	20,000	50,000	140,000	210,000
Severe (category 4)	60-79	20,000	50,000	90,000	160,000
Fairly severe (category 5)	40-59	20,000	100,000	190,000	310,000
Appreciable (category 6)	20-39	120,000	250,000	450,000	820,000
Total		180,000	450,000	870,000	1,560,000

Estimated costs will also depend on the methods of assessment which govern allocation to percentage rates of allowance. We show in Table 5

the method of assimilation which we have adopted, and in the early stages of the new scheme we propose that all those allocated to a particular range be awarded a rate of allowance equivalent to the lower percentage (except those who are 100 per cent disabled). At a later stage we recommend the adoption of nine rates, in 10 per cent "steps", on the range 20 per cent to 100 per cent.

The net costs of the scheme will be much smaller than the gross costs. We envisage first that war and industrial disablement pensioners will continue to draw their present pensions, though we hope that steps will be taken to co-ordinate the methods of assessment in the different schemes. The numbers of such pensioners are therefore deducted from the numbers in Table 5 in calculating costs. Second, there will be a number of savings. We believe that long-stay patients and residents should have rights to their full disablement allowances, and that though invalidity or disablement pensions received in addition must in part be paid over for their keep, part should also remain within the control of such patients, or their agents. However, savings will be made in the revenue accounts of hospital and local authorities after the introduction of the scheme. There will be some savings because of the replacement of indirect tax allowances by cash allowances. Much more substantial savings will also be made in supplementary benefit. Indeed, we believe that the introduction of our proposals would free 200,000 disabled people from the need to apply for supplementary benefit.

Costs can be summarised as follows:-

(i) *Disablement allowance* 100 percent rate = £19 per week, 20 per cent = £3.80 per week. Net cost: £257m. (Gross cost £422m per annum, with savings of £40m supplementary benefits, £75m revenue accounts of hospitals and residential homes and a £50m saving in tax allowances and age relief.)

(ii) *Invalidity or disablement pensions* Rate £13.30 per week (as for invalidity pension at present) irrespective of contributory status. Net cost: £20m. (Gross cost = £29m, but savings of £9m benefit.)

(iii) *Special allowances to meet expenses of specific disabilities* It is assumed that over a period of three years approximately 25 per cent of persons becoming eligible for disablement allowances would also become entitled to dietary, clothing, housing modification, heating or other allowances averaging £3 per week, because of the special needs of their disability. Net cost: £30m. (Gross cost = £36m, but savings on supplementary benefit.)

(iv) *Accommodation allowance for disability* War and industrial injury disablement pensioners would become eligible for this allowance, in addition to other disabled people. It is assumed, for purposes of illustration, that £2 per week will be paid to those with 20-39 per cent disablement, £4 per week to those with 40-79 per cent and £6 per week to those with greater disablement. Net cost: £110m. (Gross cost = £210m, but savings on supplementary benefit, rent and rate rebates and revenue accounts of hospitals and residential homes.)

The net additional cost of this policy would be £417m, or an average of £5 per week per disabled person. These costs are estimated in relation to the rates of benefit applying from April 1975. To take account of rates of benefit payable from November 1975 the overall cost would have to be increased from £417m to £455m.

## **Summary**

According to government estimates, there are 1,500,000 disabled people in the United Kingdom. Their incomes are low in relation to the non-disabled and many are in poverty. Government schemes, of income support are uneven and inequitable. The Disability Alliance proposes a comprehensive income scheme for disabled persons of all ages, whatever the type or origin of their disablement. There are three components:-

(i) *Disablement allowance*, varying according to severity of disablement, for every disabled person, to compensate for the financial disadvantage of disablement.

(ii) *Invalidity or disablement pension* payable to all disabled persons incapable of work, irrespective of contribution record or marital status.

(iii) *Special" allowances to meet the expenses of specific disabilities*, such as dietary, heating, mobility and attendance allowances. One universal special allowance should be a *housing allowance* for accommodation needs.