

Disability Alliance Briefing B16

Ending Child Poverty in Britain: Can We Do More?

Poverty and disability

Government statistics

The Department for Work and Pensions acknowledges that *'Ill health and disability are both a cause and a consequence of income poverty and disadvantage.'* Government statistics indicate that in households with one or more disabled adult 39% of children live below 60% median income (compared to 26% in households with no disabled adult). This figure rises to 40% in households where there is one or more disabled child and one or more disabled adult.ⁱ

Extra costs

Disabled people are at particular risk of poverty because high living expenses (due to extra heating, laundry, special equipment or financing personal support, goods and services that non-disabled people can do without) are compounded by low or zero earning capacity. Various approaches to measuring extra costs have been developed in an attempt to resolve this issue, although none of them are currently utilised in Government statistics on poverty.

Disability Alliance believes that current statistics seriously underestimate the true rate of poverty among disabled adults and disabled children because they fail to take into account the extra living costs associated with disability. Extra costs disability benefits, such as disability living allowance (DLA) and attendance allowance (AA) are included as income although they are meant to cover some of the *additional* costs incurred by disabled people. ⁱⁱ Furthermore, whilst Government statistics on income are adjusted to take account of variations in the size and composition of the household (a process called equivalisation) no adjustment is made for disability. We believe there needs to be an 'equivalisation' for disability incorporated into current statistics. As a first step DLA and AA need to be ignored as income.

Disabled children

Despite the fact that families endlessly and repeatedly provide information about their disabled children to social, health, and educational services, remarkably little is known about the location, income needs, employment

status, and benefits received by such families. The Government remains reliant upon the 1989 OPCS figure of 360,000 disabled children. Inadequate statistical data undermine Government strategies to target extra support at families with disabled children.

Disability Alliance believes that statistical information about the number, location, and household composition of families with disabled children needs to be radically improved and their situation monitored in *Opportunity for all*. Statistical information should include: the number of disabled and non-disabled children per household; whether the household is lone parent or couple; the number of adults per households; whether any of the adults are disabled; the family's ethnic status; the family's main source of income.

Benefits – an adequate source of income?

Extra costs: The Government recognises that families with disabled children incur extra costs, and has introduced a number of significant improvements to disability benefits for low income families with disabled children: financial support for such families has risen by 103% since 1997. Low income families who have a severely disabled child have seen an increase of 184%. (For example, the disabled child premium in child tax credit has doubled, from £21.45 to £42.49, and the carer premium has increased from £13.65 to £25.55.) This is a vindication of the Government's anti-poverty strategy.

Although Disability Alliance welcomes additional financial support for low income families with disabled children, little is known about the number of disabled children who are accessing additional support (which is triggered by an award of DLA, with specific levels of DLA also triggering an award of Carers Allowance for the parent). We believe that poor statistics on the number of children awarded DLA and at which level severely undermine a coherent analysis of the efficacy of Government initiatives to reduce poverty among disabled children. Are hard-to-reach families, particularly from black and ethnic minority groups, accessing the support to which their disabled child is entitled? Information is also needed about what associated benefits (such as carer's allowance, or disabled child premium or severe disabled child premium in Child Tax Credit, or carer premium within income support) the family receives.

Benefits – a source of financial security?

It is well known that families with disabled children, and families with disabled parents, are significantly less likely to be in paid employment than other families. However, although such families are therefore disproportionately

reliant upon benefits, benefit income varies enormously due to lack of information, low take-up and incorrect assessments.

Lack of information: The woeful inadequacy of the provision of information to families with disabled children about the services and benefits they are entitled to have been well documented over the years.ⁱⁱⁱ

Low take up: In an unpublished paper written in 1998, the DWP acknowledged that take-up of DLA amongst the population as a whole was between 40% and 60%^{iv} - an unacceptably low figure. A complex system puts many families off applying. Furthermore, research indicates that 'socially disadvantaged' families who are most in need of additional support are less likely to apply for DLA and carer's allowance, are more likely to be turned down if they do apply, or to be awarded lower rates than families with similar needs. Families from minority ethnic groups with a disabled child are even more disadvantaged than already disadvantaged white families with comparable needs.^v

Incorrect assessments: Parents with disabled children may not get their full benefit entitlement because of the provision of poor – and sometimes incorrect - advice.

Appeals: the fact that 54 per cent of people are successful at appeal for disability living allowance (DLA) indicates problems within the decision-making process.^{vi}

Inadequacy of benefits to cover extra costs. Even when families with disabled children *do* receive their maximum benefit income, they report that it still falls well short of the minimum budget needed to care for a disabled child.^{vii}

Disability Alliance believes that the Government should finance a DLA take-up campaign on a national basis. In practice, this would need to involve partnerships between local and central government and the voluntary sector and would target health and education professionals as well as Sure Start. The involvement of the independent advice sector will be crucial in providing ongoing support and advice to disabled parents and families with disabled children.

Disabled parents and DLA

The current benefit system does not recognise the additional costs of being disabled and being a parent. For example, disabled parents may have to pay

somebody to take their child to school, or hospital, or incur additional transport costs if they take them themselves.

Disability Alliance believes that disabled parents incur substantial additional costs as a consequence of being both disabled, and having parental responsibilities. We believe that parenting responsibilities need to be taken into account when assessing somebody's needs for DLA. This would, for example, help disabled parents finance their additional childcare needs.

Disability Living Allowance – the mobility component

To qualify for the higher rate mobility component you must be aged 3 or over and *'suffering from physical disablement'* such that you are *'unable to walk'*. The lower rate mobility component is only available to those aged 5 or over. It is available to people who can walk but cannot do so *'without guidance or supervision from another person most of the time.'*

Disability Alliance believes that there should be no lower age limits for disabled children to access the mobility components. The criteria that is already in place for older children – that it can only be awarded to a child who requires *'substantially more guidance or supervision from another person than persons of (their) age in normal physical and mental health would require'* could easily apply to those under 5. Similar wording could be adopted for the higher rate mobility component. There is no need for age limits.

Winter fuel allowance: extra costs – such the need for extra heating, hot water and laundry costs - experienced by disabled people are substantial and well documented.

Disability Alliance believes that the £200 winter fuel allowance should be extended to disabled adults who receive the middle or highest rate care component or higher rate mobility component of DLA. This would be a major help in offsetting some of their additional disability-related expenditure. We would like also to see this extended to families with disabled children. If winter fuel payment of £200 was extended families with a severely disabled child (i.e. higher DLA care or mobility, or middle rate care) 237,100 families would benefit – at the relatively low cost of £47.42 million.

Social Fund: It is well known that disabled people are poorly served by the Social Fund. Recent research indicates that families with disabled children would rather go without than turn to the Social Fund for additional support. ^{viii}

Disability Alliance would suggest that the Government consider an automatic annual grant of £500 for families on Income Support whose child is in receipt of DLA. This would reduce bureaucratic costs and ensure that low income families with disabled children are receiving the additional support they need. The current rules on the repayment of the Social Fund for people moving into work act as a major disincentive to do so. We suggest that where a lone parent comes off IS and moves into work, payment of a loan should be suspended for a six month period. If they remain in work after that time, the loan should be written off.

Family Fund: (for low-income families with severely disabled children) The Fund is being regularly asked for help by desperate families for essential items (eg washing machines, clothing) which the Social Fund should have helped with. This is sapping the Family Fund's ability to finance the sort of 'extra' activities originally envisaged - such as holidays and driving lessons. In addition, due to shortage of funds, the Family Fund increasingly finds itself unable to help families where a parent is in work.

Disability Alliance recommends an increase in the funding available to the Family Fund so that parents are not disadvantaged for going to work.

Carer's allowance:^{ix} The Government's 'work to welfare' drive has resulted in families who cannot work because they care for their disabled children feeling very undervalued. Given that these families would almost certainly be working if they were not caring full time, it is essential that carer's allowance be improved so that it acknowledges their contribution as carers and better reflects the earnings they are unable to access.

Disability Alliance believes that, because Carer's Allowance is an earnings replacement benefit, it should match other long-term earnings replacement benefits, like incapacity benefit. Another option would be to make the allowance non-taxable (like severe disablement allowance) which would allow for a more generous CTC calculation. Furthermore, families feel very strongly that it is unfair that a couple with two or more disabled children can both claim carer's allowance, but a lone parent who may be caring for two or three disabled children can only get one lot of carer's allowance. There is therefore a strong argument for an

additional payment within CA for carers looking after more than one disabled child. This additional payment could be reflected in a double carers premium for those families on income support.

Hospital fares: The existing scheme should be extended to include visits to a child in hospital, as well as taking a child for treatment.

Hospital downrating: Payment of both the care component and the mobility component of DLA (and carer's allowance) stop if an adult has been in hospital for more than 28 days, or a child under 16 for more than 84 days (days are added together if readmission occurs within 28 day periods so people requiring regular short-term admissions incur regular cuts in benefit). This iniquitous rule poses huge problems for families whose child needs regular hospital admissions. Families report costs *rise* when their child is in hospital, and that nurses usually depend upon them to remain in hospital and help care for their sick or disabled child. Hospital downrating can generate a financial crisis in a family that relies upon DLA and carer's allowance.

Disability Alliance recommends that:

- **The Government reconsider the current rationale for hospital downrating;**
- **Meanwhile, DLA and carers allowance should be brought in line with new downrating rules for other benefits during hospital stays.**

Childcare

Families with disabled children

- Families with disabled children are more likely to be single parents; less likely to work; more likely to be in semi-skilled or unskilled manual jobs; more likely to be dependent on income support; less likely to own their own home.
- Although the majority of parents with disabled children would like to be in paid employment, barriers include: inflexible employers; inflexible school hours; ill-health among parent-carers; frequent moves in quest of appropriate housing or schooling; day-time medical appointments.
- Barriers to accessing appropriate childcare include: discrimination, extra costs and long-term childcare needs.
- Problems accessing childcare are compounded by inadequate local authority service provision.

Sick or disabled parents

- Sick or disabled parents (who are disproportionately represented in workless households) find it difficult to locate or finance appropriate childcare for their children. The demands of being a parent may exacerbate an existing impairment or illness, thereby increasing the need (and costs) for support services (including childcare) and decreasing the ability to seek out employment.

Disability Alliance – recommendations

Families with disabled children and disabled parents confront barriers to childcare over and above those faced by other families. Both groups of parents are disproportionately reliant upon local authority support services, and are particularly vulnerable to gaps in provision. Disability Alliance believes that the provision of universal and free childcare for all, irrespective of work status, is the only way to resolve discrepancies and

inadequacies of current provision. However, until such time as this can be achieved we would like to submit the following recommendations:

Families with disabled children

- Information on the numbers, geographical locations and needs of families with disabled children should be compiled so that childcare can be provided in a targeted rather than a generalised manner.
- The focus of childcare provision should not be confined to the 'early years', but should consider the needs of disabled teenagers and young people who may experience widely varying care needs but would benefit from social contact with their peer group. Parents and their children should be able to choose whether they need integrated youth clubs, or more specialised provision (for example for young people with learning disabilities or challenging behaviour.)
- Local authority support services for families with disabled children need to be improved and extended.

Childcare tax credit – disabled children

- families with disabled children should be able to access help with the costs of childcare for a 'transitional' period *prior* to taking up employment to ensure that their childcare arrangements are suitable and unlikely to break down, and enable them to regain the confidence, skills and training they need to access employment.
- childcare tax credit should be allowed to run on for at least 8 weeks for parent/carers following the loss of a job. This would enable the parent to job-seek without the need to be caring at the same time and provide continuity of care for the child;
- the upper limit of eligible costs for families with a disabled child should be increased and/or the rates should be changed so that all children are treated as a first child where there is a disabled child in the family.
- childcare tax credit should be made available to families where one partner is in work of 16 hours or more a week and the other is caring for a disabled child and other sibling(s);
- families who choose to care for their disabled children themselves should be adequately supported both in financial terms - for example, by a significant increase in Carer's Allowance - and by the provision of appropriate and affordable support services.

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Further information about Disability Alliance is available on
www.disabilityalliance.org.

ⁱ Households Below Average Income 2002/03 (After Housing Costs)

ⁱⁱ DLA is a non means-tested benefit which has two components. The care component is paid at three rates according to assessed need for supervision and help with personal care (highest - £58.80, middle - £39.80 and low - £15.55 a week). A mobility component is also available. It is payable at two rates, £55.55 for the higher rate and £41.05 for the lower rate. DLA can be claimed by anyone under 65. Eligibility for the high rate mobility component has recently been reduced from age five to age three.

ⁱⁱⁱ See, for example, Mitchell, Wendy & Sloper, Patricia. **User-friendly information for families with disabled children: a guide to good practice** (November 2000) and the recently published **A review of services for disabled children and their families** published by the Audit Commission.

^{iv} First findings from the disability follow-up to the FRS (Research summary No. 5) March 1998

^v See Roberts, Keri, Lawton, Dot. **Reaching its target? Disability living allowance for children** (Social Policy Report No. 9, Social Policy Research Unit, University of York, 1999) and Chamba, Rampaul, Adham, Waqar, Hirst, Michael, Lawton, Dot, Beresford, Bryony. **On the edge: Minority ethnic families caring for a severely disabled child** by (Policy Press, May 1999)

^{vi} See Hansards, 17 September 2003: column 757/8W

^{vii} See Zauidi, Asghar., and Burchardt, Tania: *Comparing incomes when needs differ: Equivalisation for the extra costs of disability in the UK*. (CASEpaper, 2003)

^{viii} Ongoing research undertaken by Gabrielle Preston, Policy and Information Office at Disability Alliance, to be published by Centre for Analysis of Social Exclusion, London School of Economics.

^{ix} Carer's allowance of £44.35 is available to anybody who cares for 35+ hours a week for a disabled adult or child in receipt of middle or highest rate care component of DLA or AA.