

RehabGroup

Investing in People, Changing Perspectives



Rehab Group Budget 2022 - Submission to Department of Social Protection, Community and Rural Development, and the Islands

We wish to make the following submission to the Department of Social Protection, Community and Rural Development, and the Islands in respect of areas within its remit for Budget 2022.

In summary, we are urging the following:

- **Increase Disability Social Welfare Payments to address the serious inadequacy of current income support – particularly for people with disabilities who wish to live independently.**
- **Establish the principle in 2022 of a cost-of-disability payment.**
- **Improve employment supports to address Ireland's dreadful rate of employment for People with Disabilities**

Engagement and Research underpinning this submission

Rehab provides services to **over 10,000 people** - in every county in Ireland. The vast majority of people using our services rely on a social welfare payment or are linked, through a training allowance, to social welfare rates set by the Minister for Social Protection. We support people with many different kinds of disabilities or disadvantages but the largest cohorts we support are people with intellectual disabilities, mental health challenges, and autism. By far the most common social welfare support among these groups is Disability Allowance (DA).

Each year, Rehab asks the people using its services about what would make a difference in their lives in the forthcoming Budget.

This year, the Rehab Advocacy Team held **33 focus groups** around the country during the month of May to gain an understanding of what the people using our services felt they needed the Government to do in Budget 2022. We had participants from **21 counties** and we asked them about services, supports, and other challenges they faced.

This comprehensive engagement with people from our services shines a light on the issues of most concern to people with disabilities in Ireland and how they would like the Government to respond through its annual Budget process. This submission is therefore based on the feedback from these focus groups.

Summary

Overall, five key issues were most prominent in the feedback we received from people in our services:

- 1. The most prevalent issue raised was the struggle to live on current rates of social welfare. And this is especially so if the person was living independently or wanted to live independently.**
- 2. Challenges in finding employment**
- 3. The cost and availability of suitable Housing**
- 4. The lack of appropriate Transport and the high costs this imposes**
- 5. Hidden healthcare costs**

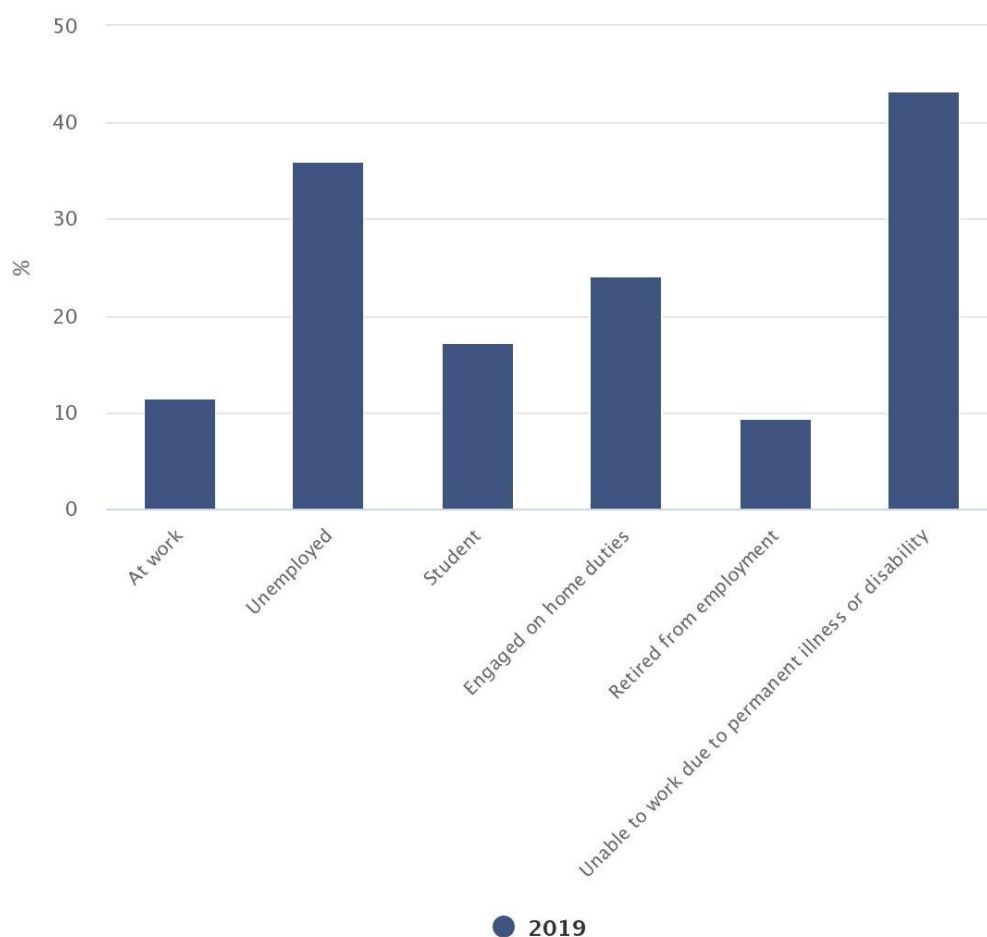
Below we set out some of the feedback on areas that relate to the Department of Social Protection, concentrating on the first two of these issues – the struggle to make ends meet and the challenge in obtaining sustainable employment.

1. The Struggle to Make Ends Meet

“My mum buys my clothes for me because I can’t afford to and I’m 25!”

People with disabilities and mental health challenges are one of the groups most vulnerable to poverty and social exclusion in Ireland.

This is borne out every year in the Survey of Income and Living Conditions (EU-SILC). The most recent EU-SILC data (for 2019) show that those individuals who were not at work due to permanent illness or disability had very high deprivation rates (43.3%) - this is the highest of any category.

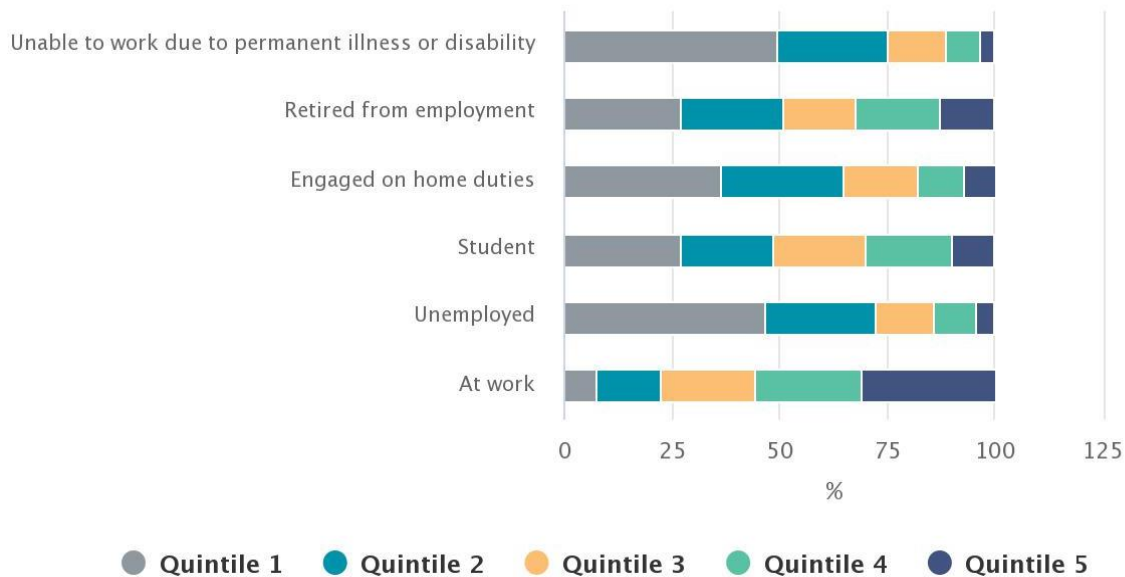


Source: CSO Ireland

Figure 1 Enforced Deprivation Rate by Principal Economic Status

The EU SILC data also reaffirms that those most at risk of poverty in 2019 were individuals who were not at work due to illness or disability (37.5%). This compares with an at risk of poverty rate of 4.6% for those that described their principal economic status as ‘at work’.

People with disabilities also typically have the lowest income of any group in Irish society. The graph below shows how almost half of people with disabilities are in the bottom income bracket in Ireland.



Source: CSO Ireland

Figure 2 Disposable Equivalised Income Distribution by Principal Economic Quintile, 2019

It is not surprising then that the most prominent feedback we receive from people who use Rehab’s services is that social welfare rates are too low.

The clear feedback from our focus groups was that many people struggled to live on the income they received through social welfare. This was particularly pronounced among people living independently or who wished to live independently. This is the single most prevalent piece of feedback we received during this engagement and echoes the survey research we completed last year. In that research, people living independently were three times more likely to tell us that they struggled with basic bills than people who lived at home. There is a clear lacking in the State’s response to this group.

Respondents also had concerns about the high costs imposed by inadequate transport in rural areas and how social welfare fails to compensate for this. The struggle to meet one-off unexpected bills was also highlighted in many groups, as was the reliance on family to meet their basic costs. And many pointed to the fact that basic social welfare rates had not increased since 2019.

Some of the typical comments we received through our focus groups included:

Disability Allowance is too low:

“[I’m] Left with very little to live on... [I] can’t have savings. [I] Have had to spend more on phone and internet bills due to the lockdown to keep in touch with friends and with staff. [The] Cost of living is going up all the time but the DA is not. It really is a struggle.”

"The fuel allowance helps but it isn't enough and I sometimes have to choose between buying fuel and general living costs, for example topping up [my] phone. Electricity and gas are constantly increasing."

"Rent keeps going up but DA stays the same...DA should be increased. It's not easy to live on just DA...it is hard to afford things like phones, laptops, all my bills too...A deposit for rent is very hard to save for."

It's an enormous struggle to live independently:

"DA is not enough to live on, especially not if you are to live alone."

"DA has to be increased, it is difficult to make ends meet, especially when living alone."

"Increase DA, the cost of living is more than I have in income"

Many people in rural areas highlighted the high cost of transport:

"I find it hard to keep a car on Disability Allowance – costs like insurance, NCT, Motor Tax, then getting it serviced. It's worth it as I'd be lost without it."

"I have to limit how often I come in [to my day centre], because of the cost of taxis."

"I'm really struggling. Some months are better than others. I need my car as I commute 150km round trip for my course. It can be really difficult to keep things going."

The adequacy of social welfare is often disguised by the extent to which families are relied upon:

"Sometimes it's difficult to pay bills, I have to ask family for help now and again."

"My parents give me a helping hand. They shouldn't have to. They're pensioners and I'm nearly thirty. It's not right".

"My mum buys my clothes for me because I can't afford to and I'm 25!"

Many people highlight that the rate of Disability Allowance hasn't increased in two years (last increased in March 2019).

"DA rate hasn't gone up since 2019...I was disappointed in the budget last year that it didn't go up, and I do feel that it's leaving people with disabilities behind."

"Everything is getting more expensive, so why is DA staying the same?...you have to watch every penny going out".

"Inflation means that we need a bit extra, rents went up so much, why not DA too?"

And many struggle to afford one-off bills.

“Bills can be a worry, if they change or increase it can be stressful.”

“If you get an unexpected bill it can be very difficult to pay- can cause stress. [It’s] Impossible to save money, it is just enough to exist.”

“I have a car and if it breaks down I can’t afford to fix it”.

Improving the Disability Allowance Application Process

In addition to the focus groups we ran on the Budget, we have also been engaging extensively with the people who use our services on other issues during this year. We would like to highlight one with particular relevance to the Department.

A consistent issue that continually arises for people who use our services and is fed back through engagement is how difficult applicants find the Disability Allowance application process. There is perennial difficulty in navigating the application form and, in particular, the follow-up requests for information.

In our experience, many people simply don’t understand requests they receive from the Department – this results in unnecessary delays, extra time/personnel costs on the Department, an elevated level of unnecessary appeals, and in many cases, people lose out on a benefit they are entitled to. The inconsistent decision-making process also discourages people from trying out employment opportunities as they are afraid they won’t get back on Disability Allowance if they lose it.

Also in our experience, and based on much feedback from front-line staff, many people are turned off by the process or simply give up halfway through out of sheer frustration and lose out as a result. Most can't navigate the current process without substantial help from families or support staff. It comes as no surprise that so many decisions on Disability Allowance are overturned on appeal.

It is welcome that the Department is currently reviewing their processes around Disability Allowance. We would strongly urge this process to be completed as soon as possible so that the process is made disability-friendly – particularly for those with an intellectual disability or significant mental health challenge. In addition to improving processes and the application form, we believe additional training should be provided to staff and GPs so that they too can play their part in providing a much better disability-friendly application system.

Recommendations on Income Supports

- 1. Basic Social Welfare Rates need to be increased.** It has been two years since the last increase in basic rates – the level of income support was already inadequate, and inflation has risen since then by 1.5% according to the most recent data (May 2021). People with disabilities cannot afford to go through a third Budget in a row without their basic needs being met.

2. A particular focus is required **on supports for people who live independently**. This was the single biggest feedback we received across the focus groups. Income supports for independent living were increased in last year's Budget and this was welcome. However, they still go nowhere near meeting the basic cost of living an independent life. Such income supports are also vital if the update of the strategy on housing for People with Disabilities is to have any chance of succeeding. The Living Alone Allowance and Fuel Allowance should be increased further.
3. There is an urgent need to publish the Cost of Disability research and **establish the principle of a cost of disability payment in this year's Budget**. The Cost of Disability report is completed but is undergoing appraisal by various Government Departments. We cannot allow the delay in completing the report hold back this key reform.
4. Complete the review of the Disability Allowance application process and ensure that any **new system is disability-friendly**.

2. The Challenge of Finding Employment

“Employers don't want to know once they see you have a disability.”

Ireland is not doing well in terms of employment for people with disabilities. According to the latest comparative research (see Figure 3), Ireland has the highest employment gap in the EU between people with disabilities and the general population (42 percentage points).

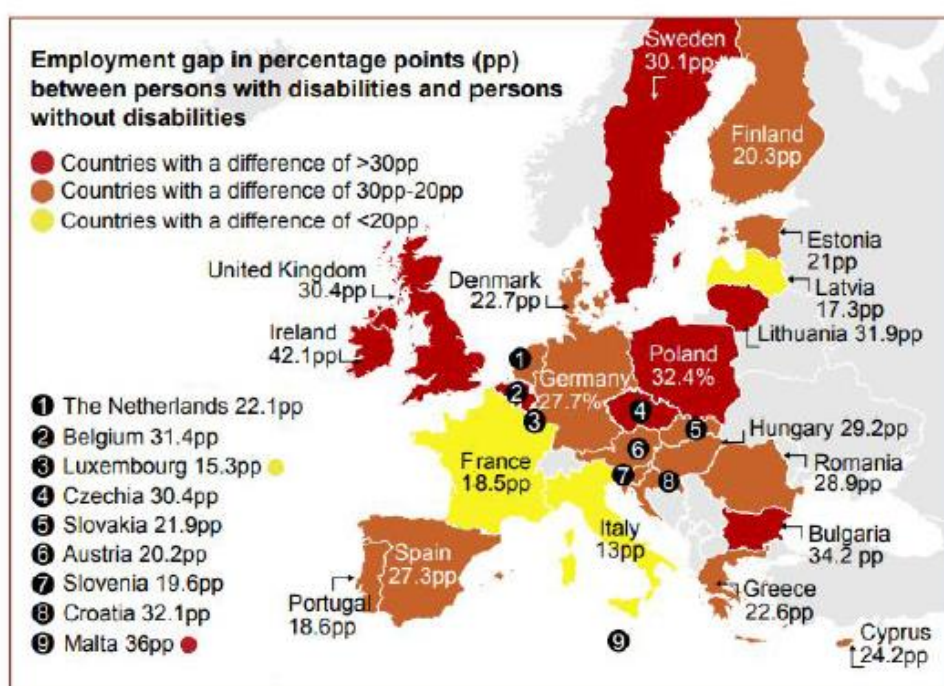


Figure 3 Source: European Disability Forum - Human Rights Report 2020 quoting EU SILC

A recent publication titled *Monitoring Decent Work in Ireland* found that people with disabilities experienced higher rates of discrimination when seeking work. 14 percent of workers with a disability reported perceived workplace discrimination - twice as high as people without a disability.¹

In the Roadmap for Social Inclusion 2020, Ireland has set itself the target of increasing the employment rate of people with a disability. However, this target will not be met unless there is a significant change in the approach of public authorities to employment supports and work opportunities for people with disabilities.

Having paid employment provides not only financial security and control but a sense of purpose for people as well as good mental and physical health. Participants in our focus groups highlighted the importance of employment for them, citing the health benefits, involvement in their communities, and the sense of achievement it brings.

¹ https://www.esri.ie/system/files/publications/BKMNEXT414%20%281%29_0.pdf, p.105

Barriers to Employment

Employers

There was a consensus among participants in our focus groups that the main barrier they face to gaining employment are employers themselves. Many participants expressed that employers “do not understand disability” and that employers should receive more training on diversity and inclusion of people with disabilities in the workplace. Participants feel that it is very difficult for a person with a disability to get a job because of employer attitudes towards them:

“Employers don’t really show an interest in taking on people with disabilities.”

“Employers don’t want to know once they see you have a disability.”

“Companies sometimes look down on people with disabilities.”

“It is really difficult to get work. Having a disability holds us back. Employers are nervous about taking us on.”

People using Rehab services said that employers should engage with diversity and inclusion training:

“Sometimes the changes that companies have to make are very small, I wish they realised that.”

“...if they understood more there would be more people with a disability working”.

“I would like employers to focus on my ability, not my disability.”

Some participants highlighted that people are less likely to disclose their disability to employers for fear of discrimination or being treated differently in the workplace:

“a lot of people have to go in and not say what their disabilities are, and I think that’s unfair.”

One participant explained that they had to leave their job because they were treated differently in the workplace:

“I used to have a job...I ended up leaving for personal reasons because some...people were watching me like a hawk...”

Participants also felt that the government could do more to support employers by providing incentives to hire people with disabilities and funding for training while involving people with disabilities in the process:

“We feel the government should invest in supporting businesses to educate themselves around disability. They should give more incentives to businesses to employ people with disabilities.”

“Government don’t tell employers about the grants that are available to help them take on people with disabilities”.

“The government should involve people with disabilities in planning incentives and education for the employment sector.”

Fear of losing Disability Allowance

Participants were fearful that they would lose their Disability Allowance if they were to take up part-time or full-time employment. The prospect of losing Disability Allowance, and the challenges to receive the payment again if they can no longer work, appears to be a significant deterrent. Participants would like to be able to work more hours and earn a higher wage without the threat of losing the Disability Allowance:

“...why would you work if you are going to end up losing your Disability Allowance money?”

Participants also shared their dissatisfaction with the Community Employment (CE) Scheme. Participants were critical of the scheme as once it ends some people find it difficult to get back onto their Disability Allowance payment. They felt that CE Schemes do not provide job security and are not a long-term solution to help people with disabilities into the workforce.

Covid-19

Covid-19 and the corresponding restrictions have undoubtedly had a major impact on people with disabilities. Some focus group participants are employed however have been unable to work during the pandemic due to underlying health conditions or closures.

One participant, who works in a school, could not go back to work despite schools re-opening because of his disability:

“Even though the workplace is open I still can’t go in because of my disabilities. I’m wondering will I be able to back to work.”

He hopes that he can return to work in September.

Another participant became visibly upset because she has not been able to return to work since the beginning of the pandemic:

“I need my job, I’m out of work a long time now.”

Other participants expressed how difficult it has been for them to gain employment or attend work placements due to the restrictions. Many felt that the restrictions were a barrier to gaining vital work experience.

Wage Subsidy Scheme for People with Disabilities

One of the key programmes that could help support more people with disabilities into sustainable employment is the Wage Subsidy Scheme for people with disabilities.

The Wage Subsidy Scheme for people with disabilities (WSS) is an employment support to businesses, designed to supplement wages of people with disabilities to help sustain employment opportunities for them.

Rehab Enterprises Ltd has accessed the Department's Wage Subsidy Scheme for people with disabilities for many years. Along with other employers, we have found this to be a vital support. It resolves two of the main concerns that employers have with employing people with disabilities by recognising that a person may experience decreased work productivity and that they may require additional support to carry out their role.

The problem is, however, that the level of subsidy available to employers under the scheme has not increased since the last recession. This has very significantly undermined the sustainability of employing people under the scheme.

When it was first established, the Wage Subsidy Scheme's link to the National Minimum Wage (NMW) was considered crucial to ensuring that people with disabilities were supported to get meaningful and gainful employment in the open labour market. Before its introduction, employment opportunities for people with disabilities focused very much on sheltered workshops, community employment, and other sheltered occupational services. Any loss or diminution of the linkage between the WSS and the NMW reduces this recognition by the state of the contribution that people with disabilities can make to the open labour market with appropriate support. In practical terms, it means that as the NMW rises and therefore labour costs rise, the level of support under the WSS stays the same. This means that there is an ever-increasing gap to be filled by the employer.

In the past few years, the level of the WSS has fallen out of alignment with the NMW, due to it not being increased in line with NMW increases. In 2008, the subsidy was 61% of NMW and this has fallen to 52% today (2021 minimum wage is now at €10.20 per hour, WSS still at €5.30 per hour). This drop may seem relatively small but it represents a huge challenge to social enterprises such as ourselves and other employers of people with disabilities.

The Programme for Government commits to "fine-tune and expand targeted employment schemes such as the Wage Subsidy Scheme and the Ability Programme to help more people with disabilities stay in the workforce". We also understand that the WSS for people with disabilities is under review by the Department of Social Protection.

We believe there should be changes to the WSS to allow greater flexibility and to help it sustain more employment opportunities. These are also needed to ensure that all disability types, including those with severe and enduring disabilities, are catered for.

We will engage with the review of the Department's WSS but some of the issues that should be looked at for a revised scheme would include:

- a. There should be greater flexibilities around the minimum contract length (currently six months) and how Strand 3 is paid.

- b. The threshold for the number of people with disabilities employed to avail of funding for an Employment Assistance Officer should be lowered. This should depend on the needs and profile of the employees, including variances in productivity levels.
- c. The threshold of minimum work hours per week to work should be lowered from 21 to 8. High weekly hours discriminate against certain people and profiles of particular disabilities. 8 hours of work per week is deemed an employment outcome for employability companies and is the generally adopted outcome criteria for grant funding in the disability sector.

Recommendations on Employment Supports

1. **Raise the €350 threshold on the earnings disregard on Disability Allowance** so that more people can take up work while also holding an entitlement to a small amount of DA – this is a very important safety net for people with disabilities that encourages people to try out work opportunities without the threat of permanently losing their DA if they are unable to sustain employment. We would also encourage the Department to explore options around **an easy or automatic path-way back to DA for long-term recipients** if an employment opportunity does not work out.
2. Invest in **extra job coaches for people with disabilities** through EmployAbility or a similar programme. The **ratio of participants to job coaches is currently 25:1** which is far too high and effectively excludes people with severe and enduring disabilities. Also, there is a need to recognise that the **current cap of 18 months** for the employability service in terms of supporting ongoing needs is too restrictive for some people.
3. Implement **improvements in employer supports** for people with disabilities as promised in the Programme for Government ie: to *“Fine-tune and expand targeted employment schemes, such as the Wage Subsidy Scheme (WSS) and the Ability Programme, to help more people with disabilities stay in the workforce.”* As part of the review of the WSS, improve the potential scope of and flexibilities in the scheme. Crucially, the rate of support under the scheme needs to be brought back **above 60% of the National Minimum Wage**
4. Fulfill the promise in the Programme for Government to **double the target for employment of people with disabilities in the public service to 6%** - draft legislation for this fell with the last Dáil and no new legislation has yet been published.
5. The current requirement that only employers can draw down grants to promote disability awareness and diversity training in their organisation is self-defeating. Organisations offering Disability Awareness Training and people with disabilities themselves should have access to the grant. This would prime many more employers to engage with the issue of unemployment and disability and make a real difference to Ireland’s low levels of employment among people with disabilities. With such a reform, additional funding should be set aside to **promote disability awareness and diversity training among employers**, and to ensure that employers have sound information on supports and funding available to them