

Cyflwynwyd yr ymateb i ymgynghoriad y Pwyllgor Cydraddoldeb a Chyfiawnder Cymdeithasol ar Anabledd a Chyflogaeth

This response was submitted to the Equality and Social Justice Committee consultation on Disability and Employment

DE20

Ymateb gan: Iechyd Cyhoeddus Cymru | Response from: Public Health Wales



Public Health Wales Response to the Equality and Social Justice Committee Inquiry

Disability Employment and Payment Gap

02/09/2024



Introduction

Public Health Wales (PHW) is pleased to have the opportunity to provide evidence to the Equality and Social Justice Committee's inquiry into the disability employment and payment gap. As an organisation committed to improving the health and wellbeing of all people in Wales, we recognise the critical importance of addressing health inequalities and their impact on employment. Our long-term strategy focuses on reducing health inequalities and addressing the wider determinants of health, such as economic inactivity due to ill health, which directly aligns with this inquiry into the disability employment and payment gap. By prioritising fair work, inclusive employment practices, and targeted support for individuals with chronic conditions, PHW aims to mitigate the factors that contribute to the employment disparities faced by disabled people, thus supporting the inquiry's goal of reducing barriers to employment and closing the disability pay gap.

Key Issues

Definition of 'Disabled People'

We understand that the definition of 'disabled people' for this inquiry aligns with the Equality Act 2010, which includes individuals with physical or mental impairments that have a substantial and long-term adverse effect on their ability to perform everyday activities. This definition encompasses chronic conditions, learning disabilities, neurodivergence, and other related conditions.

Economic Inactivity Due to Ill Health

There is a growing concern regarding the rising levels of economic inactivity due to ill health, which is increasingly becoming a significant issue in Wales. Data shows that Wales had the highest sickness absence rate (3.6%) in the UK.⁹

⁹ [Sickness absence in the UK labour market - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk/peopleandwork/employmentandhrm/sicknessabsence/articles/sicknessabsenceintheuklabourmarket/2024) Accessed: 23 August 2024

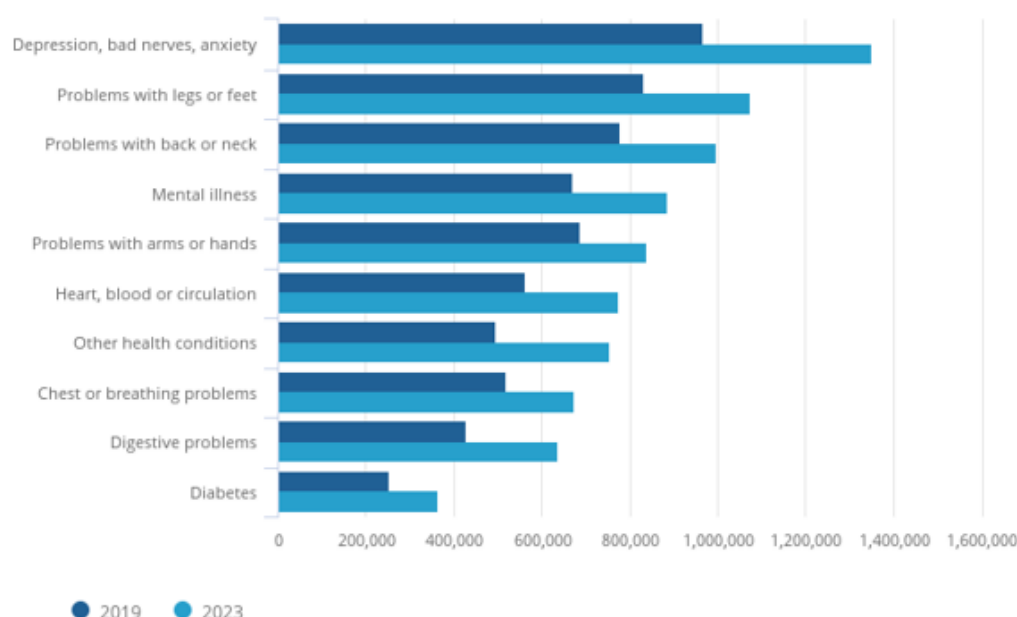
Figure 1: Economically inactive by reason long-term sick (% of economically inactive), 2004-2023, Wales



Source: NOMIS using Labour Force Survey

The graph above (figure 1) shows the prevalence of chronic conditions in the Welsh working-age population is notably higher than the rest of the UK combined prevalence. Additionally, mental health conditions and musculoskeletal (MSK) conditions are leading causes of long-term sickness absence, further exacerbating economic inactivity. This trend not only has severe implications for individuals but also places a considerable economic burden on the Welsh economy.

Figure 2: Health conditions of people aged 16-64 years who are economically inactive because of long-term sickness, UK, Q1 2019 - Q1 2023



Source: ONS using Labour Force Survey

Age-Related Risk Factors and the Ageing Population

The ageing population in Wales presents significant challenges to the workforce, as age is the largest risk factor for chronic health conditions. Currently, 36% of the UK's working-age population has at least one long-term health condition¹⁰, with the burden of disease in working adults primarily due to mental health issues and musculoskeletal (MSK) conditions (figure 2). The prevalence of these conditions, along with the rising number of older workers, exacerbates economic inactivity due to ill health which in turn widens health and wealth inequalities. These inequalities manifest in pay gaps and reduced employment opportunities for those with chronic conditions, further linking income as a determinant of health. In Wales, the economic costs of workplace-related ill health are substantial, with an estimated £531 million¹¹ lost annually due to sickness absence and lower productivity, which poses a serious threat to both the health and economic stability of the nation.

Health and Wealth Inequalities

The disability employment and pay gap is both a cause and consequence of significant health and wealth inequalities. Disabled people are more likely to be in low-paid work. Being in low-paid work can negatively affect health. This is because income is closely tied to the broader social determinants of health, such as access to quality healthcare, nutritious food, safe housing, and a healthy living environment. When people earn less, they often have fewer resources to support their health.

¹⁰ [Rising ill-health and economic inactivity because of long-term sickness, UK - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk) Accessed: 23 August 2024

¹¹ [Workplace health and safety statistics for Wales, 2023 \(hse.gov.uk\)](https://hse.gov.uk) Accessed 23 August 2024

The disparities in pay further exacerbate health inequalities, particularly among vulnerable groups. For instance, there is an 11.6% pay gap between disabled and non-disabled people in Wales¹², contributing to persistent income and health inequalities. The financial stress from low income has profound effects on mental health, as families struggle to meet basic needs such as housing, food, and clothing. This stress is linked to adverse health outcomes, including increased susceptibility to chronic conditions like heart disease and lower cognitive development in children.

Low pay not only impacts an individual's financial stability but also directly affects their ability to live a healthy life. In Wales, 21% of working-age adults live in relative income poverty¹³. Employment alone is not a sufficient safeguard against poverty.

Addressing these disparities is essential to reducing the disability employment gap and ensuring that all individuals, regardless of their health status, have access to fair and equitable employment opportunities. Doing so will help break the cycle of inequality that perpetuates poor health and limited economic prospects for disabled individuals.

Supporting Disabled Individuals in Employment

It is crucial to implement and support initiatives that help disabled individuals enter or remain in the workforce. This not only addresses the employment gap but also ensures that disabled people have the opportunity to contribute economically and socially, thereby reducing inequalities. Specific support measures and targeted interventions are essential for this effort.

The Social Model of Disability and Remaining Barriers

PHW supports the application of the social model of disability in underpinning employment and recruitment practices. However, significant barriers persist that prevent disabled individuals from fully accessing the labour market. Employers often hold misconceptions about the competencies of disabled applicants, and there is a pervasive belief that employing disabled people is financially burdensome. Furthermore, disabled individuals face personal barriers, including a lack of self-assurance due to societal perceptions and fear of rejection upon disclosing their health conditions. Environmental barriers, such as inaccessible workplaces and inadequate public transportation, further exacerbate these challenges.

Access to Apprenticeships

While there has been a focus on creating opportunities for access, growth, and progression through apprenticeships, the extent to which disabled people are accessing these opportunities remains unclear. More targeted efforts are needed to ensure that apprenticeship schemes are fully inclusive. This includes providing reasonable adjustments during the recruitment and training processes and promoting the schemes through Disability Confident employers.

Further Policy Measures and Support

¹² [Disability pay gaps in the UK - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk/peopleinwork/payandpensions/disabilitypaygaps) Accessed: 23 August 2024

¹³ [Relative income poverty: April 2022 to March 2023 \[HTML\] | GOV.WALES](https://gov.wales/relative-income-poverty) Accessed: 23 August 2024

To increase participation rates among disabled individuals, especially young people, there is a need for comprehensive policy measures that address both individual and systemic barriers. Employers should be encouraged to engage in open discussions with disabled staff to identify and implement reasonable adjustments. There should also be a focus on providing Disability Equality Training to promote understanding and inclusivity within the workplace. Additionally, policies should be reviewed and revised to ensure that they use inclusive and respectful language towards disabled people.

Supporting Voluntary Opportunities

For those currently unable to work, voluntary opportunities can serve as a valuable pathway to future employment. Actions that would support access to these opportunities include offering flexible volunteering options, providing training and skill development programmes, establishing mentorship initiatives, and offering access to support services such as career counselling. By collaborating with community organisations, tailored volunteering opportunities can be created to help individuals connect with potential employers and expand their professional networks.

Public Health Wales Work Programmes

Healthy Working Wales (HWW)

The Healthy Working Wales programme has made significant strides in supporting employers and employees in managing health at work. We have focused on promoting good practice in recruitment and retention of disabled individuals and those with chronic conditions.

HWW has developed and delivered various resources aimed at improving employer practices in these areas. A significant achievement includes the creation of a popular webinar focused on equality, diversity, and inclusion, particularly concerning disabilities. This resource received substantial engagement from employers, indicating a strong demand for support in recruiting and retaining disabled people. HWW has also been working closely with key stakeholders in the NHS to share best practices in supporting staff with long-term health conditions, recognising that much more can be done across Wales to address employment inequalities and support disabled individuals to enter and remain in the workforce.

HWW has outlined future plans that directly support the goals of the inquiry into reducing the disability employment and pay gap. A key focus will be on enhancing the management of sickness absence to help employees with chronic health conditions remain in work. This will involve promoting existing materials, sharing best practices, and delivering targeted training through webinars and e-learning modules. By equipping employers with the necessary tools to manage health-related work absences effectively, HWW aims to reduce the risk of long-term economic inactivity among disabled individuals and those with chronic conditions.

Additionally, HWW is committed to improving the recruitment and retention of disabled people within the workforce. The programme plans to address employment inequalities by sharing best practices and offering practical guidance to employers, helping them create more inclusive workplaces. These efforts will be particularly targeted at sectors where low pay, precarious contracts, and a high proportion of young workers are prevalent, such as retail, accommodation, and food services. By focusing on these sectors, HWW aims to reduce health inequalities and promote fair work opportunities across Wales, ultimately contributing to closing the disability employment and pay gap.

Fair Work

The PHW commitment to fair work is reflected in their advocacy for employment practices that ensure equity and inclusivity. Fair work principles are integral to addressing the employment disparities faced by disabled people and are a key focus of our strategic priorities.

There is strong evidence that high quality fair work has a positive impact on employee health and wellbeing, and conversely, unemployment undermines good health. Factors, such as impairments and long-term health conditions, act as barriers to people getting and being able to stay in work, exacerbating health inequalities. In Wales only 46.9% of the working aged disabled population are in employment¹⁴ compared to 79.7% of non-disabled working aged people resulting in a 33% gap. Additionally, Wales has the highest sickness absence rate of any UK region (Wales 2.8% vs the UK average of 2.2%).

Public Health Wales has been actively engaged in promoting fair work as a critical component of reducing the disability employment gap and increasing participation in meaningful employment. Our work around fair work includes the development of materials and case studies¹⁵ that highlight best practices, such as the Engage to Change initiative, which has been recognised for its success in supporting disabled individuals into employment.

Despite these efforts, progress in closing the employment and disability gap has been challenging, largely due to external pressures such as the economic recession, recruitment and retention issues, an ageing workforce, and the need for ongoing skills development. During the engagement¹⁶ phase, stakeholders, including Health Boards, cited these challenges as significant barriers to advancing fair work initiatives. Additionally, while there has been substantial activity around improving access to opportunities such as volunteering, training, upskilling, education, and apprenticeships, further focus is needed to ensure that these pathways are fully accessible to disabled people.

Moving forward, actions to address these challenges should align with the Fair Work Panel's recommendations, which emphasise the need for inclusive and supportive workplace practices that enable all individuals, particularly those with disabilities, to thrive in fair and equitable employment.

Employment Health Management Partnership (EHMP)

The Employment Health Management Partnership (EHMP) was established with a clear vision: to prevent workforce attrition due to ill health through improved sickness absence management and supportive workplace strategies. The partnership set objectives, including promoting the importance of keeping people in work, enhancing health professionals' understanding of the health-work relationship, facilitating collaboration between key agencies like the NHS and DWP and integrating services more effectively. Although this programme is currently in abeyance, it set a precedent for multi-agency collaboration aimed at reducing economic inactivity due to ill health.

National Exercise Referral Scheme (NERS)

The NERS programme is an evidence-based health intervention incorporating physical activity and behavioural change techniques to support referred individuals to reduce their risk of long-term ill

¹⁴ [Outcomes for disabled people in the UK - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk/people-in-work/disabled-people/articles/outcomes-for-disabled-people-in-the-uk/2024) Accessed: 23 August 2024

¹⁵ phw.nhs.wales/services-and-teams/wider-determinants-of-health-unit/fair-work-for-health-well-being-and-equity/resources/case-studies/ Accessed: 23 August 2024

¹⁶ [Fair Work for health, well-being and equity: A summary report on PHW engagement phase \(nhs.wales\)](https://phw.nhs.wales/services-and-teams/wider-determinants-of-health-unit/fair-work-for-health-well-being-and-equity/resources/case-studies/) Accessed: 23 August 2024

health through becoming more physically active. It therefore plays a role in supporting people with chronic conditions. This programme can be leveraged to help individuals maintain their health, thereby supporting continued employment and reducing long-term sickness absence.

Welsh Government Programmes

In-Work Support Services

We commend the Welsh Government's In-Work Support Services, which offer valuable resources for both employers and employees. These services, now available across Wales, provide vital support for managing health at work, including mental health and MSK conditions, and are a critical tool in reducing the disability employment gap.

Recommendations

While we recognise the importance of the inquiry's focus, we suggest that a strategic, multi-agency response is essential to effectively tackle the rising levels of economic inactivity due to ill health. This approach should prioritise the management of sickness absence and the recruitment and retention of disabled people. Additionally, addressing the root causes of economic inactivity, such as chronic health conditions, through targeted health and employment initiatives will be crucial in mitigating the current employment challenges and reducing inequalities.

Public Health Wales remains committed to working alongside the Welsh Government and other partners to ensure that all individuals, regardless of health status, have access to meaningful and fair employment opportunities. We look forward to contributing further to this important inquiry.