



# **Response from Thomas Pocklington Trust (TPT) and Royal National Institute of Blind People (RNIB) to the APPG on Poverty: Poverty Premium Inquiry**

## **1. About us**

Thomas Pocklington Trust (TPT) is a registered charity which offers people who are blind or partially sighted the support they require to lead an independent life. We are committed to increasing awareness and understanding of the needs of people with sight loss and to developing and implementing services which meet their needs.

Royal National Institute of Blind People (RNIB) promotes the interests of blind and partially sighted people and those at risk of sight loss, across the UK. We are led by a trustee board with over 80% blind and partially sighted people. Over 33,000 people are part of RNIB Connect community, the vast majority of whom have sight loss. Our ambition is to change the world for those living with, and at risk of, sight loss. We take action to prevent avoidable sight loss, provide support and services to enable independence and campaign to create a fully inclusive society.

Through our knowledge, research and engagement with blind and partially sighted people it is clear that a high percentage of this community are on low incomes, and that significant barriers exist which put this group at risk of paying higher rates for goods and services.

TPT and RNIB are pleased to respond to this inquiry.

## **2. What we want to see**

Whilst this response focuses primarily on addressing additional issues around the poverty premium specifically relating to many people with sight loss, both TPT and RNIB agree with other recommendations that have been made to policy makers on this area previously. This is particularly true of payment providers and financial services needing to do more to offer adequate choices to those on lower incomes instead of penalising them, and that more effective financial capability programmes need to be in place.

TPT and RNIB recommend:

1. Improved access to the labour market for blind and partially sighted people, and further commitment from government to enable more blind and partially sighted people into work.
2. More effective financial capability programmes.
3. Increased provision and role of advice services. There needs to be improved access to good advice on dealing with debt and benefit maximisation.
4. Government to develop a strategy for the revival of the advice sector.
5. All websites to be fully accessible. More needs to be done to make sure all information is accessible to enable financially better choices.
6. Benefit claimants to be able to opt for a payment frequency which suits their needs.
7. Local Authorities to do more to ensure people are claiming full benefit entitlements.
8. Government to commission research on, and regularly update, Minimum Income Standards to inform policy on the incomes disabled people should achieve
9. Regulators to tackle the culture and practices of providers rather than putting it on the users to have to do this.

Our arguments for the above are discussed in further detail throughout the remainder of this submission. We have also consulted with several blind and partially sighted whose views and experienced are *mentioned*.

## **3. Issues & Evidence**

There are over 2 million people living with sight loss in the UK, with this number set to increase to 2.7million by 2030<sup>1</sup>. This group are largely regarded as a low income group and therefore a high percentage are at risk of being affected by the 'poverty premium'. Along with the APPG, we are concerned that low-income consumers still face higher costs and for our organisations this is an important policy concern.

Only one quarter of registered blind and partially sighted people of working age are in employment<sup>2</sup>. In some cases benefits such as Personal Independent Payment (PIP) and Employment Support Allowance (ESA) help to cover the additional costs of having a disability and not being in employment, but evidence shows in many cases this is not enough to cover the extra costs associated with being blind or partially sighted.<sup>3</sup> In addition to this group being more likely to be poor in terms of wealth, they are also more likely to rent rather than to own accommodation, and if in employment at all, more likely to be in routine or semi-routine employment classes and in a lower wage bracket.<sup>4</sup>

TPT and RNIB agree that the average poverty premium of £490 per year is a significant sum to low-income households. This figure is relevant to all things considered important for a reasonable quality of life and avoidance of social and material deprivation. Also, further analysis shows that the hardest hit by the poverty premium are single-adult households. The above is reflected in findings from research TPT commissioned in 2016 which looked into additional associated costs of

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<http://www.rnib.org.uk/professionals/knowledge-and-research-hub/key-information-and-statistics>

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<http://www.rnib.org.uk/professionals/knowledge-and-research-hub/research-reports/employment-research>

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<http://www.pocklington-trust.org.uk/project/sight-loss-minimum-income-standards-additional-costs-severity-age/>

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<http://pocklington-trust.org.uk/wp-content/uploads/2016/02/tpt-synthesis-housing-and-independent-living-final-100215.pdf>

sight loss.<sup>5</sup> TPT also commissioned the Centre for Research in Social Policy (CRSP), Loughborough University, in 2017 to investigate the extent to which benefits and minimum wages can provide visually impaired people with part or all of the income they need in order to meet a minimum income standard (MIS), and explored their experiences of coping on a low income.

The TPT funded research found that:

*The budget for a working age person living alone who is eligible for certification as severely sight impaired with little or no sight is 60% more than for someone without that impairment: £116 extra on top of the minimum income standard of £195 a week. This is more than double the additional £49 a week identified in a previous study for a working age person who is eligible for certification as sight impaired and has some usable sight. (Having a Guide Dog adds an extra £16 a week to minimum costs for someone who is severely sight impaired, and being a Braille user adds £6). The budget for someone of pension age who is living alone and is eligible for certification as sight impaired and has some usable sight is 41% more than for someone without that impairment: £75 extra on top of the minimum income standard of £182 a week. This is 50% more than the additional cost (£49 a week) for someone of working age with the same degree of sight loss.*

Travel, technology, social activities, food and extra domestic help are the five main areas of life that present additional costs for those who have severe sight impairment. Taking the issue of travel for example, this is a component which can hit people with a poverty premium; however it is heightened for many blind and partially sighted people who have to rely on expensive transport methods such as taxis due to access and mobility barriers in using private and other public transport methods.

Importantly, there are a range of practical and psychological factors which present variations in costs, and include the strength of local services, having the confidence and ability to do domestic tasks such as

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<http://www.pocklington-trust.org.uk/project/additional-costs-of-living-for-people-with-sight-loss/>

cleaning, gardening, minor repairs etc and the amount of help from friends and family. This highlights that to enable blind and partially sighted people to participate fully there are a number of logistical, financial and psychological challenges to address.

The contribution of each component to the overall poverty premium derives from both its incidence and the size of the calculated cost of the premium. In other words, some components are problematic for low income households because a large number of households incur a poverty premium such as costs associated with where the household lives. An example of this in particular for people with sight loss is the difficulty accessing low-cost supermarkets. These will be explored in the sections below.

### **3.1 Accessibility**

Whilst many low income groups experience exclusion from better rates of energy provision for example due to credit ratings and other factors, there are some issues directly relating to sight loss which contribute to this particular group being excluded and heightens the risk of paying more for goods and services.

The issue of switching providers (energy, insurance etc) is something which is talked about regularly in the context of discussing solutions to the poverty premium. This is particularly true of people not switching to a cheaper provider over the fear of thinking it may cost them more and the hassle of the process. The latter is very true for blind and partially sighted people as again crucial information isn't always accessible and sent in their preferred format.

The majority of people with sight loss lose their sight when they are older. State of the Nation (2016) states around 79% of people with sight loss are over the age of 64.<sup>6</sup> Statistics show that this group are less likely to have access to the internet and technology. 'Also the cost of everyday living for a severely sight impaired person of pension age is a hefty 73% more than for a pensioner who is not visually impaired'.<sup>7</sup> Older people

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<sup>6</sup><https://www.rnib.org.uk/sites/default/files/RNIB%20State%20of%20the%20Nation%20Report%202016%20pdf.pdf>

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are often more reliant on support from friends and family to help with bills, shopping and budgeting. RNIB's 'My Voice' survey shows that 40% of people feel cut off from people and things around them<sup>8</sup>.

Purchasing goods and services via the internet is proven to be one of the cheapest ways to shop and compare providers. For some blind and partially sighted people accessing the internet will require purchasing assistive technology and voice over software, along with having to learn how to use this. This software is very expensive, and the majority of blind and partially sighted people who use it are the small proportion who are in employment and therefore have this technology provided through Access to Work. The cost to learn how to use it outside of this is around £30 per hour, which for many is not affordable. Further, even if a person with sight loss can use the internet and technology independently, there are issues around the accessibility of many websites – this can be on price comparison sites or for people to get better supermarket store rates by shopping online. Companies' websites frequently aren't designed to be compatible with assistive technology. To reiterate, this means that people with sight loss have to rely on others, or pay to speak to a person working for companies over the phone, which often charge a high line cost per minute.

*“Before my sight deteriorated I did everything online. I have since learned to do this with assistive technology, however with all the fancy updates and features on certain apps it makes it harder to navigate. I can only imagine how off putting this is for those people trying to learn how to use assistive technology for the first time.*

This 'digital exclusion', combined with low financial capability makes the task comparing different providers more difficult and switching therefore more unattractive because many are more risk averse.

One participant from the MIS research claimed:

- *“Since losing my sight I have felt penalised as I don't get the discount offered to direct debit users and get charged for not being paperless”.*

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[https://www.rnib.org.uk/sites/default/files/My%20Voice%20UK%20Report-FINAL\\_0.PDF](https://www.rnib.org.uk/sites/default/files/My%20Voice%20UK%20Report-FINAL_0.PDF)

Also several other MIS participants find comparing and changing providers over the phone independently very difficult as it often requires being asked for information that they couldn't see and juggle a magnifier at the same time'.

One of the top 5 components of the poverty premium is food<sup>9</sup>. Those on lower incomes are less likely to be able to travel to large supermarkets where produce is cheaper than local supermarkets and stores. Blind and partially sighted people are more likely to have to use smaller, more expensive local stores to purchase food due to their mobility and access needs.

*"I go to the shops as little as possible. I do it all online meaning I often miss out on the in store supermarket deals. I then have to pay for delivery and telephone charge. When I do food shop over the phone, I often feel like the staff do not provide me with a good service, they aren't interested in giving me the bargain deals or telling me about offers'.*

Supermarket deals often take the form of multibuys which, for many people on low incomes can cost too much in one purchase. If store staff are not available to assist when a person with sight loss is shopping, they are at a higher risk of paying more for certain products due to being unable to read price labels and therefore compare costs.

More enforced policies and procedures need to be adopted by businesses and regulators. For example raising awareness amongst shops and businesses regarding accessibility – They should be adhering to the Equality Act 2010.

Housing is another important factor to consider. MIS findings showed that for blind and partially sighted people, familiarity is important, and for some participants they may have been able to reduce their housing costs if they moved to cheaper or smaller accommodation. However one participant for the MIS research who was paying rent above the LHA level in a two bedroom property was reluctant to move to a smaller

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property as they couldn't face the daunting prospect of learning where everything is all over again.

A 70 year old partially sighted female told us about the extra costs she believes apply to many older people.

*“Often, people who lose their sight when older don't consider themselves as disabled and often will not register themselves as visually impaired, which means they are excluded from receiving a lot of support and benefits....also their homes often tend to be poorly insulated and they are more likely to spend more time in their home, along with those who don't work, which means their energy bills are likely to be higher.*

To emphasise some of the above, an RNIB survey demonstrated that more than half of participants described themselves as managing their financial affairs with the assistance of family and friends, with over 10% stating that they rely on other people<sup>10</sup>.

Blind and partially sighted people on low incomes often have to make tough decisions about what resources are most important to their daily lives, both in order to meet their basic needs and also to meet additional needs brought about by living with a visual impairment.

### **3.2. Role of Benefits & Advice**

Greater demands are being placed on household budgets as the costs of basic goods have increased beyond income and benefits. Many households in receipt of benefits are now facing further income reduction as a result of a number of changes to the benefits system, including freezes and various caps and reductions. The MIS research highlighted that changes, such as the introduction of Universal Credit, have worsened the prospect for working age people who are not eligible to be in the Employment Support Allowance (ESA) “support group” and may end up on reduced income.

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<http://www.rnib.org.uk/knowledge-and-research-hub/research-reports/travel-mobility-and-living-skills-research/barriers-social-inclusion>



The effects of the poverty premium are at risk of worsening due to increasingly inadequate benefits, combined with the general increase in cost of living.

Blind and partially sighted people are more likely than the general population to be out of work, or working limited hours and/or in lower paid occupations<sup>11</sup>. As well as revising policies that bear down disproportionately on people on low incomes there should be more investment in affordable credit and more choice in how benefits are paid - notably payment frequencies and payment direct to landlords. Benefit take up campaigns and a strategy to reverse the decline in funding for advice agencies are also urgently needed.

### **3.3 Employment**

Pressure on businesses to date, mitigating the poverty premium, has been focused on how they can support their workforce through improving employee benefits, increasing wages and ensuring worker representation on various committees. However, as previously noted only a quarter of all working age people registered as blind or partially sighted are in employment. The issue for this group is having access to the labour market in the first place. Importantly, MIS findings demonstrated that blind and partially sighted people with earnings from work should be better able to raise their living standards, and may be less vulnerable to benefit cuts than those wholly dependent on out of work benefits.

An additional issue is that many people of working age, although wanting to work, are fearful about job security and the risk of losing benefits they may have been receiving if a job doesn't work out.

We recommend that businesses should look at more flexible working opportunities to accommodate disabilities and also to be aware of the

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<http://www.pocklington-trust.org.uk/project/sight-loss-minimum-income-standards-additional-costs-severity-age/>

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role and scope of the Access to Work (ATW) scheme. Businesses have a responsibility to ensure work pays and can give employees a good standard of living.

#### **4. What steps have been taken by national government, local authorities, public bodies etc to mitigate the poverty premium?**

##### **What can they / businesses do?**

As noted above, adverse trends in certain areas need to be reversed – notably benefit reductions and the financial squeeze on the advice sector (through local authority spending cuts and restriction of legal aid).

In our experience, and through supporting our community, very little has been done so far which would specifically help blind and partially sighted people on low incomes.

Local Authorities vary in consistency and the way that they interpret benefits - e.g when a local authority is reviewing concessionary bus fares, it has often been an argument that disabled people already receive benefits to help with this additional cost, failing to appreciate the pressures to which that income is already subject.

Finally, Government needs to commit to doing more to enable people with sight loss, and other disabilities to access paid work, and enable them to have a fair chance of no longer being reliant on benefits and come out of a low income group. Those who remain dependent on working age benefits need a more adequate and secure source of income than is currently offered by the present system.

For further information or to discuss our response in more detail, please contact:

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References