

# A Work, Health and Skills Plan for Wales

**Delivering a more inclusive labour market for disabled people and people with long-term health conditions**

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## Introduction

Employment support in Wales is changing, with the UK Government committing to the devolution of all non-Jobcentre Plus employment support programmes. Learning and Work Institute (L&W) analysis indicates an estimated £47 million per year could be provided through devolution to deliver employment support in Wales.

This shift comes at a time when 15.8 per cent of the working age population in Wales are economically inactive, a rate that is higher than that of England (14.2 per cent).<sup>12</sup> Disability and poor health are the main cause of this in Wales at 6.9 per cent. In England, a smaller proportion (4.6 per cent) of the working-age population are economically inactive for this reason, with looking after home and family the main driver (5.9 per cent).<sup>3</sup>

Wales faces other labour market inequalities too. Women are significantly more likely to be economically inactive than men (at a rate of 18.8 per cent compared with 12.7 per cent).<sup>4</sup> Overall, economic inactivity is also more likely to affect those from minoritised ethnic groups (18.0 per cent) compared to those from White backgrounds (15.7 per cent), though economic inactivity through disability or long-term health condition specifically is most prevalent among those from White (7.1 per cent) and Mixed backgrounds (6.9 per cent).<sup>5</sup>

The move towards devolution provides an opportunity for the next Welsh Government employment strategy to address specific challenges at a regional and local level. To inform a new approach to employment support in Wales, L&W have been conducting research, funded by Serco, focused on boosting employment and closing gaps faced

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<sup>1</sup> Throughout this paper economic inactivity data (from the 2021 Census) refers to adults (16-64 years of age) who are listed as economically inactive through disability or long-term health condition, looking after home or family, or for 'Other' reasons. It does not include students or people who say they are retired

<sup>2</sup> 2021 Census

<sup>3</sup> 2021 Census

<sup>4</sup> 2021 Census

<sup>5</sup> 2021 Census

by women, people from ethnic minority groups, disabled people, and people with long-term health conditions.

This briefing paper explores the employment gap in Wales for disabled people and people with long-term health conditions. It draws on employment gap analysis for the four economic regions in Wales using Annual Population Survey and 2021 Census data.

It also presents findings from a series of qualitative fieldwork conducted in June and July 2025. This included two focus groups with people with lived experience of disability or long-term health conditions. The first group was held online with seven people living in and around Wrexham. All participants in this group were employed but had previous experience of economic inactivity. The second focus group was held in person with people living in and around Neath. It was attended by three participants, all of which were economically inactive. Participants across both groups were later invited to attend an online feedback session to help shape recommendations. Two participants joined this discussion.

While the qualitative findings offer valuable insights, the small number of participants means they may not be representative of the broader population. It is also important to note that all participants identified as being from White backgrounds, and that more than half were women. Some participants had physical health conditions, but most were experiencing mental health conditions. Participants were a mix of different ages ranging from 23-58.

A stakeholder workshop was hosted in June 2025 with 13 attendees from private, public, and third sector organisations involved with skills and employment support in Wales. This workshop focused on stakeholders' experiences of supporting disabled people and people with long term health conditions into employment.

Stakeholders who attended this workshop, and stakeholders who attended two other workshops (focused on women and people from ethnic minority backgrounds) were invited to join an online feedback session in July 2025. Eight stakeholders joined this feedback session to discuss potential policy recommendations.

## The disability employment gap in Wales

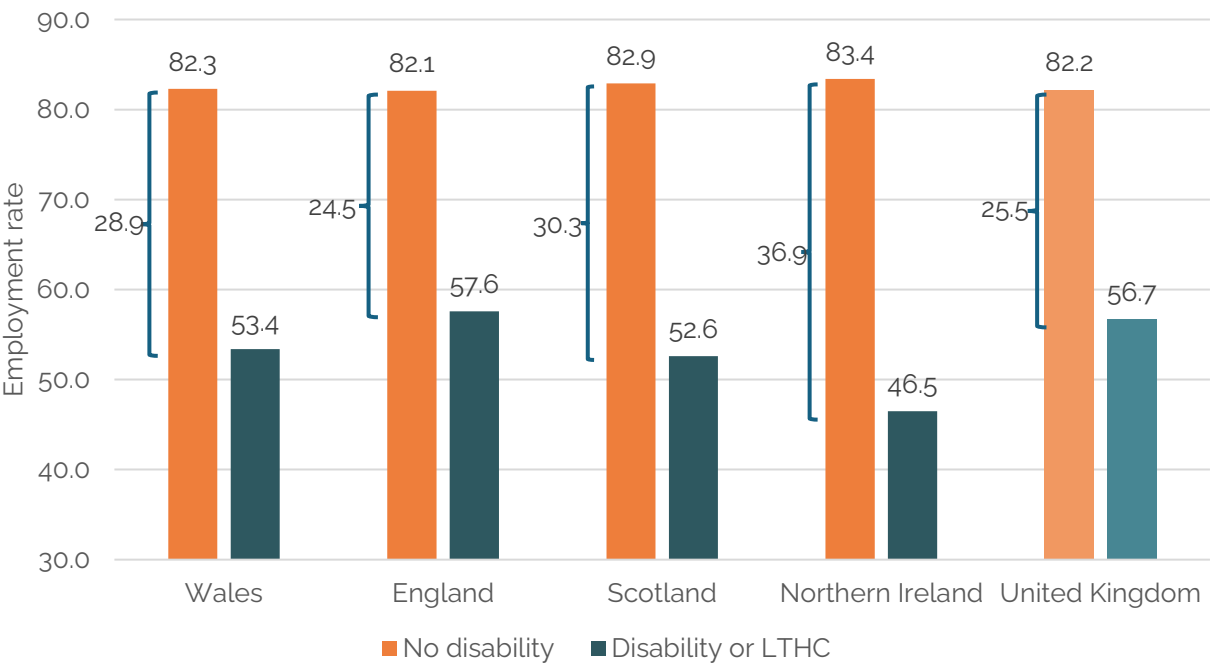
This first section compares the difference in employment rate for disabled people and those with long-term health conditions, with non-disabled people. It draws on Annual Population Survey data covering April 2024 to March 2025.

### How Wales compares to the rest of the UK

The employment rate for disabled people and those with long-term health conditions in Wales was 53.4 per cent, compared to a rate of 82.3 per cent for non-disabled people. **This gives Wales a disability employment gap of 28.9 percentage points.**

Figure 1 shows how the employment rate gap in Wales compares to other UK nations. While Wales has a larger employment rate gap than in England (24.5 percentage points), and the UK as a whole (25.5 percentage points), it has a smaller gap than both Northern Ireland (36.9 percentage points) and Scotland (30.3 percentage points).

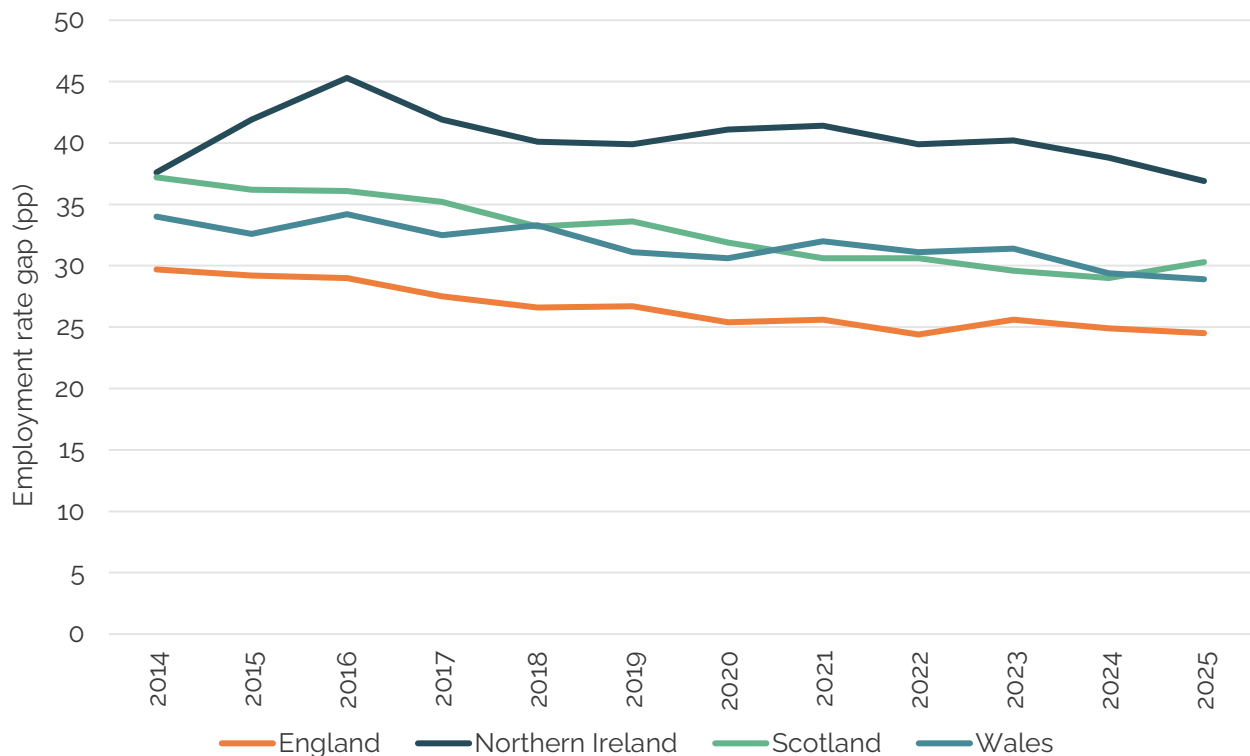
**Figure 1: Employment rate gap between disabled people and people with long-term health conditions (LTHC) and non-disabled people in each UK nation (aged 16-64)**



Source: UK Annual Population Survey April 2024 to March 2025

Time series data highlights that the employment gap in Wales between disabled adults and adults with long-term health conditions and non-disabled adults has gradually fallen. Figure 2 shows that in the last 10 years between April 2013 – March 2014 to April 2024 – March 2025, the disability employment gap fell from 34.0 to 28.9 percentage points. The rate of decline in Wales is comparable to that experienced by both England and Scotland in that time period. It is important to note that the rate at which the disability employment gap has closed is considerably lower than that of gender and ethnicity.

**Figure 2: Employment rate gap between adults aged 16-64 with disabilities or long-term health conditions and no disability in each UK nation (percentage point difference) from April 2013 -March 2014 to April 2024-March 2025**



Source: UK Annual Population Survey April 2024 to March 2025

### Variation across regions

Comparing employment rates of disabled people and those with long-term health conditions and non-disabled people at regional level reveals some significant variation. Figure 3 shows the employment gap for each of the four regions in Wales.<sup>6</sup>

Mid Wales had the largest employment gap (31 percentage points), followed by South East Wales (30 percentage points). The gap was smaller in South West Wales (28 percentage points) and smallest in North Wales (25 percentage points).

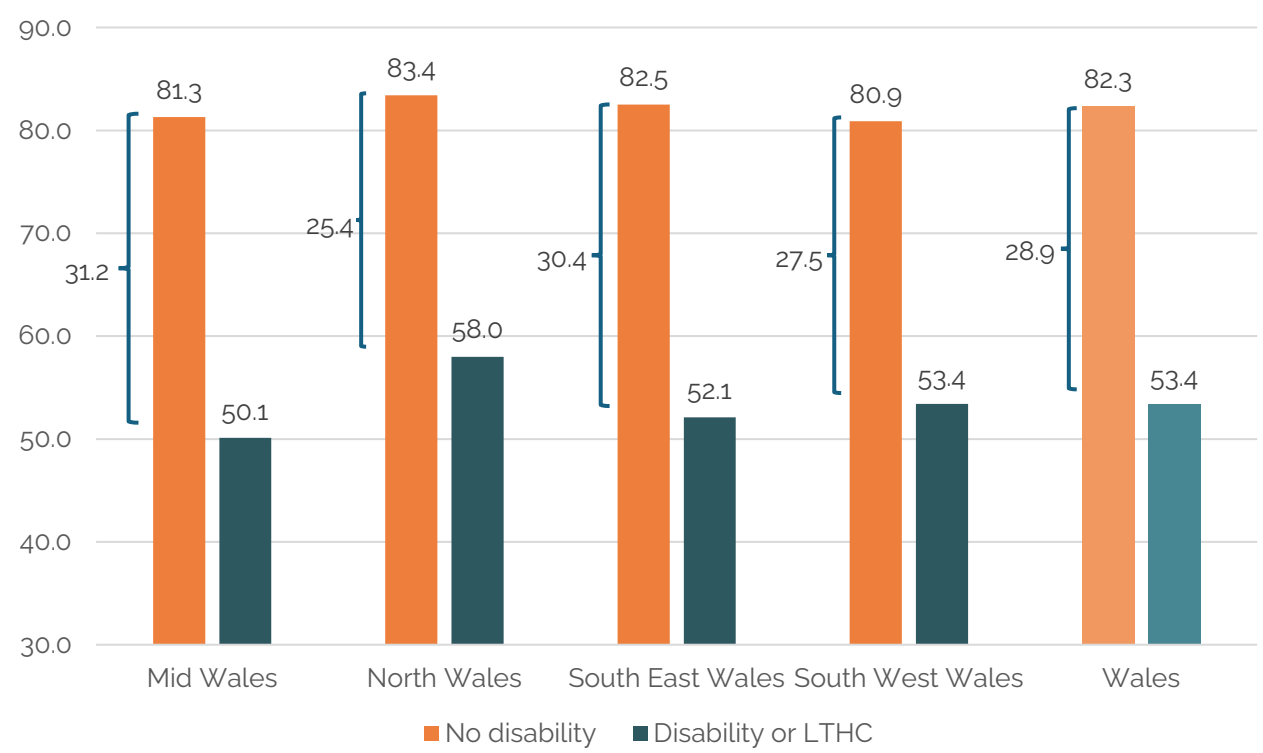
Wider evidence suggests that Mid Wales provides limited employment opportunities due to its rural economy, ageing population, and infrastructure challenges, while South East and South West Wales face legacy issues from deindustrialisation in the Valleys.<sup>7</sup>

<sup>6</sup> Wales has four regions. South East Wales includes the local authorities of Blaenau Gwent, Bridgend, Caerphilly, Cardiff, Merthyr Tydfil, Monmouthshire, Newport, Rhondda Cynon Taf, Torfaen and the Vale of Glamorgan. South West Wales includes Carmarthenshire, Neath Port Talbot, Pembrokeshire and Swansea. North Wales includes Conwy, Denbighshire, Flintshire, Gwynedd, the Isle of Anglesey and Wrexham. Finally, mid-Wales includes Ceredigion and Powys.

<sup>7</sup> Welsh Government (2021) [Regional Economic Frameworks](#)

In contrast, North Wales benefits from stronger employer engagement and skills provision, contributing to a smaller gap.

**Figure 3: The employment gap between disabled people and those with long-term health conditions (LTHC) and non-disabled people in the four Welsh regions (aged 16-64)**



Source: UK Annual Population Survey April 2024 to March 2025

### Economic inactivity at local authority level

Disability and poor health are the main cause of economic inactivity in Wales, with 6.9 per cent of the working-age population economically inactive for this reason. A smaller proportion (5.4 per cent) are economically inactive through looking after their home or family.

In England by comparison, a smaller proportion of the population are economically inactive through disability or long-term health condition (4.6 per cent). Instead, economic inactivity is more likely to stem from looking after home or family (5.9 per cent).

Table 1 draws on data from the 2021 Census to show rates of economic inactivity through disability or long-term health condition in each of the 22 local authority areas in Wales.

Blaenau Gwent stands out as having the highest rate of economic inactivity through disability or long-term health conditions with a rate of 10.5 per cent of the working age

population. The next highest rates were observed in Merthyr Tydfil and Neath Port Talbot, both at 9.6 per cent. Caerphilly had a rate of 8.7 per cent, followed by Rhondda Cynon Taf with a rate of 8.6 per cent.

At the other end of the scale, Gwynedd had the lowest rate of economic inactivity through disability or long-term health condition with a rate of 4.8 per cent. Monmouthshire (4.9 per cent), Flintshire (5.1 per cent), Cardiff (5.3 per cent) and Powys (5.3 per cent) were also at this lower end.

The data shows that local authorities in South East and South West Wales tend to have higher rates of economic inactivity, while those in North and Mid Wales tend to have lower rates. All local authority areas in North or Mid Wales, other than Denbighshire (7.7 per cent), have rates of economic inactivity through disability or long-term health conditions that are lower than the rate for Wales overall.

Wider evidence suggests that South East and South West Wales have higher rates of economic inactivity largely due to a legacy of industrial decline which has led to fewer employment opportunities, while chronic health issues have increased. Additionally, deep and persistent poverty, especially among disabled people and informal carers, contributes to poor health outcomes and limited access to work.<sup>8</sup>

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<sup>8</sup> Joseph Rowntree Foundation (2025) [Poverty in Wales 2025](#).

**Table 1: Rate of economic inactivity through disability or long-term health conditions (adults aged 16-64)**

Region	Local Authority	Economic inactivity through disability or long term health condition
South East Wales	Blaenau Gwent	10.5%
South East Wales	Merthyr Tydfil	9.6%
South West Wales	Neath Port Talbot	9.6%
South East Wales	Caerphilly	8.7%
South East Wales	Rhondda Cynon Taf	8.6%
South East Wales	Torfaen	8.0%
South East Wales	Bridgend	7.8%
North Wales	Denbighshire	7.7%
South West Wales	Carmarthenshire	7.6%
South West Wales	Swansea	7.3%
South West Wales	Pembrokeshire	6.8%
North Wales	Conwy	6.7%
South East Wales	Newport	6.5%
North Wales	Isle of Anglesey	6.0%
North Wales	Wrexham	5.9%
South East Wales	Vale of Glamorgan	5.5%
Mid Wales	Ceredigion	5.4%
Mid Wales	Powys	5.3%
South East Wales	Cardiff	5.3%
North Wales	Flintshire	5.1%
South East Wales	Monmouthshire	4.9%
North Wales	Gwynedd	4.8%

Source: ONS 2021 National Census



## Economic inactivity through disability, health conditions and other characteristics

This section explores the extent to which different groups in Wales experience economic inactivity through disability and long-term health conditions. It presents data taken from the 2021 Census focused on adults aged 16-64 who are recorded as economically inactive through looking after home or family, disability or long-term sickness, or for 'Other' reasons. It does not include students or people who say they are retired.<sup>9</sup>

As of 2021, Wales had a higher rate of economic inactivity through disability or long-term health condition (6.9 per cent) than England (4.6 per cent).

Across Wales, there is a positive correlation between the rate of economic inactivity through disability or long-term health condition and age. As age increases, the rate of economic inactivity through disability or long-term health condition also increases. Highest rates are observed among those aged 50 to 64 years, for which the rate is 10.7 per cent, 3.8 percentage points higher than the rate for Wales as a whole. For this age group, Wales has a higher rate of economic inactivity than England (7.8 per cent), however England shows the same positive correlation as age increases.

Data shows that economic inactivity through disability or long-term health conditions was most prevalent among those from White (7.1 per cent) and Mixed (6.9 per cent) backgrounds. The rate was lower for those from 'Other' (4.5 per cent), Black (3.7 per cent) and Asian (2.3 per cent) ethnic backgrounds. The younger age profile of those from ethnic minority backgrounds is likely a driver of this difference.

This trend is consistent with that of England, however the rates are lower for each ethnic group. Those from a White background are most likely to be economically inactive through disability or long-term health condition (4.9 per cent), followed by those from Mixed (4.4 per cent), 'Other' (4.1 per cent), Black (3.8 per cent) and Asian (2.8 per cent) backgrounds.

Looking at breakdowns by gender, the data shows that economic inactivity through disability or long-term health condition is slightly higher among women (7.1 per cent) than men (6.7 per cent). Notably, this is driven by those aged 50 to 64 years, of which a higher proportion of women (11.6 per cent) than men (9.8 per cent) are economically inactive for this reason. In all other age bands, similar rates are observed for both men and women.

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<sup>9</sup> Adults under 64 years old who reported that they were retired at the time of the 2021 Census have been excluded from analysis.

Analysis of economic inactivity through disability or long-term health condition by housing tenure shows that rates are significantly higher among those living in socially rented accommodation (20.9 per cent). By contrast, rates are lower among those who own property with a mortgage (2.1 per cent).

## Disability, long-term health conditions and qualification level

At the time of the 2021 Census, 13.7 per cent of adults aged 16-64 in Wales reported having no qualifications. This rate was over three times higher among those who are economically inactive through disability or long-term health conditions (41.7 per cent). Adults who are economically inactive through disability or long-term health condition were also more likely to report that their highest qualification was at Level 1 or Entry Level (13.6 per cent) than the adult population of Wales as a whole (9.3 per cent).

Those who are economically inactive through disability or long-term health condition were also significantly less likely to be qualified at Level 4 or above (13.3 per cent), compared to the wider working age population of Wales (34.3 per cent).

A similar picture emerges when analysing the working age population of England. A higher proportion of those who are economically inactive through disability or long-term health conditions in England report having no qualifications (39.2 per cent), compared to the wider population (12.4 per cent).

Additionally, a higher proportion of those who are economically inactive through disability or long-term health condition report that their highest qualification is Level 1 or Entry Level (16.4 per cent), compared to the wider population (9.9 per cent). Those experiencing economic inactivity through disability or long-term health condition were also less likely to be qualified at Level 4 or above (13.1 per cent) than the broader population (37.1 per cent).

## Experience of economic inactivity

This section presents findings from the qualitative research on the challenges faced by disabled people and those with long term health conditions when it comes to entering or re-entering the labour market.

### Physical and mental health conditions

In a focus group where participants were out of work, most participants reported that they are not currently seeking work due to ongoing challenges with their mental and/or physical health. Participants with physical health conditions such as chronic pain or mobility issues highlighted that they are limited in the jobs they can apply for due to being physically unable to perform certain roles, especially those requiring

manual labour. Many face significant mobility and travel issues due to a lack of accessible public transport, particularly in rural areas, and insufficient practical implementation of reasonable adjustments from employers.

For participants with mental health challenges, several had experienced severe mental health crises as a result of personal trauma, such as bereavement or relationship breakdown, which led to long-term unemployment:

"I was working two years ago. I had a breakdown. I'm just trying to get myself back on my feet. I take each day as it comes." (*Participant, Neath*)

### **Limited access to effective mental health support**

While participants were making efforts to improve their mental health, many described long waiting lists for mental health services, with some waiting over a year to access support from voluntary organisations and the NHS. When participants did access NHS support, they reported that the support was largely focused on medication, with little access to therapy or counselling:

"They're so quick to prescribe antidepressants... but there's a root cause. This is just going to mask that." (*Participant, Neath*)

Stakeholders reflected that disabled people can experience a loss of confidence, tending to focus on limitations rather than capabilities.

### **Negative experiences with employment support**

Most participants described their experience of formal employment support, particularly through Jobcentre Plus (JCP), as intimidating, unsupportive, and sanction-focused. Participants reported feeling judged and treated with suspicion by employment advisers for being unemployed due to health issues, and pressured to find work quickly, even if this work was unsustainable due to their health challenges:

"The work coach I worked with basically put me under a lot of pressure to apply for jobs before I was ready... but there wasn't necessarily help to apply for the job." (*Participant, Neath*)

Stakeholders called for a shift in how employment services communicate with disabled people. They stressed the importance of moving away from deficit-based narratives and towards messaging that promotes ambition, capability, and long-term career development.

For some participants, frequent adviser changes had hindered the ability to form trusted relationships, and digital journals made participants with limited digital skills feel stressed and confused by the service they were receiving. Participants highlighted a perceived lack of tailored, face-to-face support, especially for CV writing, and

understanding job applications, and expressed that, if this support does exist, they had not known where to find it.

### **Stigma and discrimination**

Some participants expressed that they did not feel confident discussing their mental health with employers due to stigma. They explained that disclosure of mental health issues during job interviews has led to negative reactions or rejections in the past. Some participants felt pressured to lie about their mental health to avoid being screened out at interviews or treated differently at work:

"I was asked about the gap in my employment. I mentioned mental health and you could feel the interviewers didn't want to entertain me... I ended up having to be dishonest... I made things up and said I went travelling. Lo and behold, I then became successful." (*Participant, Neath*)

One participant with a physical health condition felt that they were not considered by employers or employment advisers even for work that they are physically able to complete, such as desk-based roles:

"People think I don't have the physicality to work, but many jobs don't require that." (*Participant, Wrexham*)

Stakeholders described a lack of awareness among employers (especially Small and Medium-sized Enterprises) around available support such as the Access to Work scheme. There was also a perception that some employers are unsure how to make reasonable adjustments for employees, or how to put in place inclusive recruitment processes. Standard recruitment processes, including online applications, mandatory testing, and traditional interviews, are often inaccessible to disabled people. Stakeholders highlighted that these methods can unintentionally exclude candidates with neurodiverse conditions or fluctuating health, reinforcing inequality at the entry point to employment.

### **Lack of in-work support**

Several participants described bullying and lack of support in previous workplaces, and that some employers failed to provide reasonable adjustments or support for their mental health, leading to job loss or further deterioration:

"I've had quite a few jobs... but I feel like there's no support to help you stay in them or move up." (*Participant, Wrexham*)

Stakeholders supported this finding, reporting that employer misconceptions, stigmas or misunderstanding of disabilities continue to act as a significant barrier to employment. These attitudes often result in reluctance to offer roles or make

reasonable adjustments, especially among smaller employers lacking confidence or awareness.

A minority of participants had positive experiences with mental health first aiders, wellbeing hours (time allocated by employers for activities that support employees' mental health), and external counselling, but these were rare.

Stakeholders highlighted that the benefit system is flawed in that it can generate fear, particularly around potential loss of benefits, for disabled people engaging in work or training. It was suggested that the complex "better off in work" calculations are poorly understood, and that the system fails to facilitate gradual progression into employment.

A lack of ongoing support once a disabled person finds a job, was also identified as a critical issue. Stakeholders reflected that the "no crossover" or "no handholding" approach means individuals are likely to "bounce back into the system" due to insufficient post-placement support. Connect to Work is intended to bridge this post-placement gap, but it may be too early to tell what its impact has been.<sup>10</sup>

There was also agreement that existing in-work services (e.g., for musculoskeletal or mental health conditions) were too narrow in scope and in need of expansion to cover a wider range of conditions.

## What next?

Separate briefings considering the labour market context for women and ethnic minority groups, and a final report setting out options for how Wales can make the most of the opportunity of devolution, are available from [L&W's website](#).

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<sup>10</sup> [Connect to Work](#) provides in work support to disabled people, those with health conditions and people with complex barriers to employment in England and Wales.