



Briefing for MPs Welfare Reform Bill: second reading debate Wednesday 9 March 2011

1. About DBC¹

The Disability Benefits Consortium (DBC) is a national coalition of over 40 charities and other organisations committed to working towards a fair benefits system. Using our combined knowledge, experience and direct contact with disabled individuals, people with long-term conditions and carers, we seek to ensure that Government policy reflects and meets the needs of all disabled people.

2. Introduction

We welcome the Government's intention to simplify the benefits system, chiefly by introducing the Universal Credit. Disabled people and those with long-term conditions would benefit from a system that is easier to understand and more user-friendly. However, most importantly, the system must be fair and must provide people with the financial support they need.

We have serious concerns that the Bill in its current form, could lead to those most in need losing out on the support they rely on and that it will not achieve the stated aim of enabling more disabled people to start or return to work.

3. We welcome some recent policy shifts

We welcome the Government's decision not to reduce Housing Benefit for people claiming Jobseeker's Allowance for more than a year. Disabled people and those with long-term conditions face a range of obstacles in the job-market and therefore often find it takes longer to enter or return to employment.

Similarly, we welcome the Government's decision to conduct a review into the decision to remove DLA mobility component from people in state-funded residential care, but this does not go far enough (see section 5 below).

4. Disability Living Allowance (DLA) and Personal Independence Payment (PIP)

- While we do not oppose the proposed move from DLA to PIP in principle, we have fundamental concerns about making these sweeping changes in the context of 20% cuts in expenditure, (saving £2,170m, according to the Impact Report²). This benefit is intended to compensate for the additional costs of living with a disability or long-term condition. It seems inevitable that these cuts will mean some people will no longer receive this compensation. Since many disabled people live on low incomes, this could increase disability poverty.

¹ DBC members: Action for Blind People, Action for M.E., Age UK, Arthritis Care, Breast Cancer Care, Carers UK, Child Poverty Action Group, Citizens Advice, Clic Sargent, Cystic Fibrosis Trust, Deafblind UK, Disability Alliance, Every Disabled Child Matters, Guide Dogs, Haemophilia Society LASA, Leaning Disability Coalition, Leonard Cheshire Disability, Macmillan Cancer Support, Mencap, Meningitis Research Foundation, Mind, Motor Neurone Disease (MND) Association, MS Society, Muscular Dystrophy Campaign, National Aids Trust, National Autistic Society (NAS), National Deaf Children's Society, Parkinson's UK, Rethink, Royal Association for Disability Rights (RADAR), Royal National Institute for the Deaf (RNID), Royal National Institute of Blind People (RNIB), RSI Action, Scope, Sense, Skill, Sue Ryder, TUC, United Response, Vitalise.

² The Impact Report is available to download on the DWP website: <http://www.dwp.gov.uk/policy/welfare-reform/legislation-and-key-documents/welfare-reform-bill-2011/>

- We are particularly concerned about the decision to focus support on “those with greatest needs”. In particular, it could be that those now receiving the lower-rate DLA care component will miss out under the new system. If people with moderate needs lose their support, their health, independence and quality of life may deteriorate, leaving them in need of greater support than before, placing a greater burden on the benefits system, the NHS and social services.
- At a time when local authorities across the country are raising their eligibility criteria for social care, we are concerned that those with moderate needs will lose out from changes to DLA as well.

We are therefore calling for greater clarification on the impact of the 20% cuts in determining who will be eligible for the new PIP and at what level. Will people who currently qualify for the lowest level of DLA qualify for PIP under the new system?

4.1 The PIP Assessment must be fair and appropriate for people with disabilities and long-term conditions.

- All current DLA claimants are to be retested in order to receive the new PIP benefit. However, it is difficult to see how the reassessment process can succeed in objectively determining who qualifies for support and at what level against the background of 20% cuts. Lessons must be learnt from the implementation of Employment and Support Allowance, which has been widely criticised for failing to properly assess barriers to employment for disabled people and those with long term conditions.

We are therefore asking the Government for an assurance that the assessment will be fair and accurate, especially in relation to its suitability for people with fluctuating and mental health conditions and those with lower incidence conditions.

“It’s impossible in advance to know what state I’ll be in at the time of the assessment (although the stress won’t help), but whatever the assessor believes he/she has observed is going to permanently affect my income thereafter”

Person with Parkinson’s

4.2 Qualifying period

- The Bill will extend the qualifying period before claimants can receive PIP from 3 months under DLA to 6 months under PIP. People will continue to need to demonstrate a need for a further 6 months. We are concerned that this will unfairly disadvantage people with sudden-onset conditions such as stroke, or people who experience the immediate debilitating effects of treatment such as cancer. If applied to disabled children it would also lead to children born with complex health needs and impairments waiting much longer until they were able to receive financial support.

We are therefore calling on the Government to reconsider this decision.

4.3 People over pensionable age

- People currently receiving DLA before they reach state pension age can continue to claim it after they reach state pension age. However, the Bill does not make clear whether the same will apply under PIP. This is an important issue for people who are in receipt of the mobility component, as there is no equivalent to this in Attendance Allowance (a benefit available to people over pension age). The loss of the mobility component of DLA/PIP

would have a severely detrimental impact on people's independence. (See section 5 below)

We are therefore calling on the Government to clarify the impact of the introduction of PIP for people over 65 as a matter of urgency.

4.4 Personal Independence Payments (PIP) for disabled children

- The Bill and preceding consultations lack clarity on the effect of DLA reform on disabled children under 16. Under the previous system, there was an inbuilt assumption that the system must work differently for children. For instance, children were eligible for the care component of DLA for the first 84 days in residential care and school, whereas for adults this stops after 28 days.

We are therefore calling on the Government for urgent clarification on how the new system will reflect the specific needs of children under 16, and in particular, for how many days of their stay in residential care or school, they will be eligible for a) the care component and b) the mobility component of PIP.

4.5 Automatic entitlements

- Currently some disabled people are able to automatically qualify for the Higher Rate Mobility Component of DLA if they meet strict criteria around the severity of their impairment. This applies to people who are severely mentally impaired, deafblind, severely sight impaired, or who are double amputees. The automatic entitlement is a clear and administratively efficient way of identifying disabled people with the highest level of mobility needs and awarding the Higher Rate of the Mobility Component to them.
- The consultation on the future of DLA, which closed on 18 February, proposed removing all these automatic entitlements. We do not believe that this is a sensible approach, as it will increase costs of assessment, which will lead to the same outcome as in the original system - that people in these groups with severe impairment, should receive the Higher Rate of the Mobility Component.

We believe that the Government should reconsider its approach in relation to automatic entitlements, as they provide a simple and cost effective way of awarding mobility support to those people with severe needs in this area.

4.6 The impact on carers

- The Bill could have a significant impact not only on people living with disabilities and long-term conditions but also those who care for them. There are 6 million carers in the UK, performing a vital role with very little social and financial recognition. A recent survey showed that 72% of those providing substantial care are worse off financially as a result of caring. Reduced earnings and the high cost of illness and disability mean that many carers' family finances rely on benefits, including carers' benefits for their income. DLA therefore plays a vital role in meeting additional costs related to disability.
- **Eligibility for Carer's Allowance:** It is essential that eligibility for Carer's Allowance is established through *both* levels of the PIP 'daily living' component, otherwise thousands of carers could lose Carer's Allowance.
- **The impact on carers of DLA/PIP reform must be urgently considered:** The Impact Assessment of DLA reform makes no mention of carers and no estimates have been published of the number of carers who would be affected by the reform or the cut to the DLA/PIP budget. We are therefore calling on the Government urgently to publish estimates of the number of carers at risk of losing Carer's Allowance.

4.7 Passported benefits

- DLA acts as a gateway to other kinds of financial support, including benefits such as the Blue Badge, exemption from road tax and the disability premium.
- It is not clear from the Bill who, under the new system will be entitled to these additional benefits.

We are calling on the Government to make clear which level of PIP would entitle claimants to which passported benefits, and to ensure that those who lose out on DLA/PIP as a result of the 20% cuts do not lose their gateway benefits as well.

5. DLA Mobility for people in residential care

There has been a decision to delay removal of the DLA mobility component for people in care homes until March 2013. Despite the delay, it is still extremely concerning for many people with disabilities and long-term conditions. Those living in care homes and their families value this benefit as essential to their independence and quality of life.

5.1 There is no “overlap” with local authority funding

- We fundamentally disagree with the Government’s rationale for its removal. According to the Impact Assessment, the policy objective remains to identify and remove “overlaps” in the way mobility needs in residential care homes are met. However, evidence shows that very little duplication exists, and removal of this benefit would severely undermine the Government’s stated aim to support disabled people to lead full, independent lives. As we point out in the report *Don’t limit mobility*³, local authorities often have a narrow interpretation of assessed need in terms of mobility. While care packages may meet specific needs such as going to a day centre or a doctor’s appointment, they are unlikely to factor in the costs of visiting friends and family and partaking in community and leisure activities.
- Furthermore, while some transport and mobility needs are covered by schemes such as Dial-A-Ride, these do not perform the same function as the mobility component of DLA. Not all local authorities have schemes such as Dial-A-Ride and cuts to local authority budgets mean they are likely to be scaled back. Service users tell us this is already happening. Furthermore, some disabled people find them difficult and inconvenient to use. Even at its best, Dial-A-Ride does not perform the same function as DLA mobility.

The DLA mobility component gives disabled people independence and autonomy in a way that local authority funding does not. For this reason, we are calling on the Government not to make those living in residential care ineligible for this vital benefit and to amend the Bill accordingly.

5.2 The review must include wide consultation

- We are calling for further information on the forthcoming DWP review examining “the support given by DLA against the responsibilities of care homes”. **It is crucial that this review takes into account the experiences of those living in care homes and includes evidence from the disability sector.**

5.3 Children in residential school

- Loss of the mobility component and the Motability scheme in particular would severely limit many disabled children’s participation in family life. It is vital to facilitate travel to family, community and leisure activities, which may otherwise be prohibitively expensive

³ Link to report

for families with disabled children, especially where they are staying at a considerable distance from their home.

We are calling for urgent clarification on whether children in residential schools will continue to receive mobility benefit and if so, for how many days of their stay.

“Personally, with no savings to fall back on and mobility taken away, I don’t know how I shall get to the optician and numerous dentist appointments when the cost of a return trip to either of these medical necessities by wheelchair taxi is £30 a time.... Any chance to get out of the four walls to visit friends for a short time will be taken away by the Government’s decision.... If I am expected to add even more immobility, toothache and failing sight to the already painful problems of living with MS, it hardly seems worth carrying on battling to live a life.”

Person with MS

6. Time Limiting of Contributory Employment & Support Allowance (ESA)

- From April 2012, people receiving contributory ESA in the Work Related Activity Group – those who have paid sufficient tax and National Insurance in previous years and are deemed able to take steps towards work, but cannot currently work – will have just 12 months before they are means-tested for this benefit.
- After 12 months if a claimant’s partner is earning as little as £149 per week, or working 24 hours per week, they will not be eligible for income-related ESA and will lose all of the £91.40 per week from the benefit.

6.1 The impact on disabled people and those with long-term conditions

- Nearly 900,000 people are expected to move into the ESA Work Related Activity Group from the 1.5 million Incapacity Benefit claimants who are being reassessed. **At the moment over a third (36%) of people receiving ESA get contribution-based ESA. Assuming that the same proportion of those getting IB are getting contribution-based IB, then we can expect 324,000 people migrating from IB will be affected by time-limiting.**
- In their impact assessment DWP assume that 90% of people in the Work Related Activity group on contributory ESA will be time limited in the long term and they estimate that 40% of these will lose all their ESA weekly entitlement after means-testing.

6.2 The proposals are unfair and fail to protect the most vulnerable

- It is wrong to penalise disabled people whose condition means they are not ‘fit for work’ for not getting back to work within a year.
- Disabled people take different lengths of time to prepare for and find work, depending on their impairment, the personal barriers they face, and the availability of suitable jobs in their area.
- The 12 month time-limit is arbitrary. DWP figures show that only 13% of disabled people on the Pathways to Work Programme in 2008/9 returned to work within a year. This illustrates that the vast majority of claimants are not ready to return to work within a year.
- People have worked and paid into the system with the expectation that they will be supported should they not be able to work.

- It will be hugely disruptive, stressful and potentially devastating for claimants to face means testing and a loss of income after 12 months. This is very likely to set them back in their preparations for work, contrary to the purpose of being on Work Related ESA.
- Three of the 12 months of time-limiting will include the period claimants are assessed for ESA where they are on a lower rate of the benefit. This will affect new claimants, taking effect from 2013-14.
- This change will come into effect very rapidly, in April 2012. Any time spent in the Work Related Activity Group *prior* to this will be taken into account. Anyone put in the group from April *this year* will immediately be means tested and may lose all their support, even though the means testing policy was not in force when they started their claim.

6.3 What is the Government's justification for time-limiting?

- The Government want to bring contributory ESA more in line with contributory Job Seekers' Allowance (JSA), which is paid for 6 months. They have also said that time-limiting will "encourage a return to work and stop people being trapped on benefits for a lifetime". **However, these arguments fail:**
- ESA and JSA are benefits for two entirely different groups. JSA is for people who are immediately available for work. ESA is for people who are unable to work due to disability or ill health, and need support to enable them to move towards employment. The time-limiting proposal will mean that many disabled people on ESA will lose some or all benefit after a year. We do not believe this is a right or sensible approach to supporting more people to move towards work.
- The structure of the ESA Work Related Activity Group is already focused on moving people into work; receipt of the benefit is conditional on claimants taking agreed steps and activity to move towards work. This can include training, education or condition management. The government should not penalise those people who take longer than one year before they are ready to return to work.
- ESA does not trap people on benefits for a lifetime. It is completely different to its predecessor, Incapacity Benefit, where claimants were left with no support and little contact with Jobcentre Plus. In the ESA Work Related Activity Group claimants must have regular contact with advisers, and be working towards employment.

6.4 What do we want to see?

- We recognise that all areas of spending are facing cuts. However, we believe that it is unfair and unjustified to time-limit benefits for disabled people who have paid into the system, and who have a right to expect that they will be supported as they move towards work.

We call on the Government to amend this policy to reflect the principle that those with a long-term condition or disability which makes them not 'fit for work' should be entitled to the support they need for as long as they need it.

6.5 Harsher sanctions: the impact on people with disabilities and long-term conditions

- The Bill introduces increased conditionality, both for those required to seek work and those required to engage in work-related activity; and much harsher sanctions for breaking these conditions.

- **We do not believe this will be effective.** There is very little evidence that such regimes effectively encourage people with disabilities to seek or gain paid work. In many cases it may actually discourage a return to work because of the adverse affects of a threatened sanction.
- **Work-related activity must be appropriate.** It is vital that activities people are set under the work preparation requirement are appropriate in the context of their disability and have a strong evidence base for assisting people into paid employment. It is also vital that the staff setting the conditions and metering sanctions are able take full account of disabilities in these decisions.

“I have just started claiming JSA, and already I feel caught in a horrible tangle of rules and systems that risk all the progress I have made following a breakdown two months ago.”
Person with a mental health condition

7. Housing Benefit: proposed changes could increase disability poverty

Changes to Housing Benefit will disproportionately affect disabled people, who are **twice as likely as non-disabled people to be social housing tenants**⁴.

- The Bill suggests that in the future the Secretary of State will be able to set Housing Benefit at a level unrelated to the real rent costs. This opens the door for up-rating Housing Benefit in line with the Consumer Price Index (CPI) rather than real rents, in effect restricting housing benefit levels even further than the measures already in place.
- Research by the Chartered Institute for Housing (CIH) shows that rent level increases outstripped the CPI in every year from 1999 to 2009, with 2009 being the only exception. The Cambridge Centre for Housing & Planning Research calculated that while in the period of 1997/ 98 to 2007/08, CPI increased by 20%, average rents in the same period increased by 70%⁵.

Since average rents increase at a much higher rate than CPI, linking Housing Benefits to CPI is likely to leave tenants unable to pay their rent.

The DBC strongly urges the Government to reconsider this proposal as it is likely to push disabled people further into poverty, and make living in private sector accommodation unaffordable at a time when the Government is placing more emphasis on the private rented sector as a provider of housing.

7.1 New bedroom (size) criteria in social housing: 400,000 disabled people could lose out

- Under the Bill, the Secretary of State will be able to introduce new size criteria for working age claimants renting in the social housing sector. **This could lead to disabled people being moved out of their homes.**
- This can be especially difficult for people with disabilities, who may be living in specially adapted accommodation. Finding a suitable alternative may take a great deal of time and effort, and cause anxiety. Furthermore, people with disabilities face barriers to

⁴ http://www.papworth.org.uk/page.php?s=40fec490658b590a363cbd420c24fef0&urlid=housing_statistics

⁵ Cambridge Centre for Housing & Planning Research, [How will changes to Local Housing Allowance affect low-income tenants in private rented housing?](#), p.29

establishing community networks, and the prospect of losing existing relationships and having to build new ones from scratch can be a significant burden.

- The DWP's impact assessment on under-occupation of social housing shows that this would hit 670,000 people living in the social housing sector, reducing their housing benefit by on average £13 per week, reaching 760,000 people by 2020. **Since disabled people are twice as likely as non-disabled people to be social housing tenants⁶, the DBC is concerned that a large proportion of those affected by these changes will be disabled people.**
- While no equality impact assessment is yet available to confirm the numbers, a rough estimate based on the distribution of people with a disability in the social housing sector suggests as many as 400,000 people with a disability could lose out.

7.2 Council Tax Benefit

The Bill would abolish Council Tax Benefit but there is no information regarding whether and in what form it will be replaced.

We believe Council Tax Benefit should not be abolished without further information being made available as to what will happen to the benefit in the future and the impact on current claimants.

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⁶ http://www.papworth.org.uk/page.php?s=40fec490658b590a363cbd420c24fef0&urlid=housing_statistics