

# Submission to the Welfare Reform and Work Bill Public Bill Committee

1st September 2015

## About the Disability Benefits Consortium and the submission

The DBC is a national coalition of over [60 different charities](#) and other organisations committed to working towards a fair benefits system for disabled people and carers.

Using our combined knowledge, experience and direct contact with disabled individuals and carers, we seek to ensure Government policy reflects and meets the needs of all disabled people.

This submission represents the agreed position of DBC and focuses on the clauses in the Bill pertaining to benefits.

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### Disability Benefits Consortium Members

Action for Blind People, Action for M.E., Action on hearing loss, Advocard, Age UK, Ambitious about Autism, Arthritis Care, Breast Cancer Care, British Lung Foundation, Carers UK, Child Poverty Action Group, Citizens Advice, CLIC Sargent, Contact a Family, Crohn's and Colitis UK, Cystic Fibrosis Trust, Deafblind UK, Disability Rights UK, Drugscope, Epilepsy Society, Epilepsy Action, Every Disabled Child Matters, Guide Dogs, Haemophilia Society, Hafal (mental health charity in Wales), Health and Social Care Alliance Scotland (the ALLIANCE), Inclusion London, LASA, Leonard Cheshire Disability, Livability, Macmillan Cancer Support, Royal Mencap Society, 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, National Rheumatoid Arthritis Society, National Union of Students, Papworth Trust, Parkinson's UK, Rethink Mental Illness, Royal College of Psychiatrists, Royal National Institute of Blind People (RNIB), RSI Action, Scope, Scottish Association for Mental Health, Sense, The Stroke Association, Sue Ryder, Terrence Higgins Trust, Thomas Pocklington Trust, Transport for All, TUC, United Response, Vitalise, Welsh Association of ME & CFS Support (WAMES)

### Summary

1. The members of the Disability Benefits Consortium (DBC) wish to see a society where disabled people, their families and carers are valued as equals. Disabled people should receive the appropriate support to live independently, be fully included in society and supported to look for and stay in work where they can.
2. To do this, much needs to be done. A third of disabled people live below the poverty line, around 3.7m people. Furthermore, DWP figures published in June show the number of disabled people living in poverty has increased by 2% over the last year equating to a further 300,000 disabled people living in poverty.<sup>1</sup>
3. We welcome therefore the Government's commitment in the July Budget to protect Disability Living Allowance (DLA) and its replacement Personal Independence Payment (PIP) from means-testing and taxation. DLA was designed to mitigate against the extra costs disabled people face as a result of their impairment. DLA and PIP play a vital role in supporting disabled people to live independently, be included in society and to work.
4. However, we are extremely concerned that the Bill legislates to cut a number of working age benefits which disabled people and people who have long-term health conditions are disproportionately likely to receive, such as Employment and Support Allowance (ESA), Jobseeker's Allowance (JSA), Housing Benefit (HB), Tax Credits and the new Universal Credit (UC).
5. The culmination of these cuts on disabled people, a third of whom are already living in poverty, will undoubtedly have a detrimental impact on their ability to live independently, be fully included in society as well as look for work.
6. Combined with predicted further reductions in local government funding, and therefore the amount of social care individuals can receive, many disabled people are telling us they are already extremely anxious and worried about how they will make ends meet and get the support they need.
7. In addition cutting support for disabled people to save costs is counter-productive in the longer term and likely to have knock-on effects with health and social care budgets.
8. In particular we strongly opposed the cut of £30 a week for new claimants in the Employment and Support Allowance (ESA) Work Related Activity Group (WRAG). Currently there are close to half a million disabled people and people with medical and health conditions in the ESA WRAG.
9. The Government has stated that it believes the £30 is disincentivising disabled people in ESA WRAG from working. This is misleading as these people have been found by an independent assessor as **not fit for work**.
10. Furthermore no evidence has been presented to back up their assertion. We believe it is unacceptable for the Government to cut benefits for sick and disabled people by £30 with no evidence that doing so will increase work incentives.

## **Employment and Apprenticeship (Clauses 1-2)**

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<sup>1</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/437246/households-below-average-income-1994-95-to-2013-14.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/437246/households-below-average-income-1994-95-to-2013-14.pdf) Households below average income, DWP. (June 2015)

11. The DBC welcomes the proposed duty on the Secretary of State to report annually on progress towards full employment as well as increasing the numbers of apprenticeships.
12. It is the aspiration of DBC members to break down the barriers to work so that disabled people are effectively supported to seek and stay in work, where they are able to.
13. We therefore welcomed the Conservative Manifesto aim to halve the disability employment gap. We believe the Secretary of State duty to report on progress must include reference to this aim. In order to meet this commitment the Government will need to bring forward effective personalised and specialist support so that disabled people can seek work effectively, sustain and develop a career.
14. A number of our members, notably Action on Hearing, Disability Rights UK, Leonard Cheshire Disability, Mencap, Mind, National Autistic Society, RNIB and Scope have suggested an amendment to Clause 1 obliging the Secretary of State to report on progress toward full employment for disabled people. In addition the above charities have suggested an amendment on personalised and specialised employment support for disabled people. We'd encourage the committee to look at this.
15. A number of our members are also members of the Special Educational Consortium (a consortium of over 35 organisations) which has suggested amendments on improving access to Apprenticeships and again we would encourage the committee to look at their submission.

### **The Benefit cap (Clause 7)**

16. The Bill lowers the benefit cap so that the total amount of out of work benefits a household might claim is £23,000 in London and £20,000 outside of London.
17. The DBC welcomes the exemption for families with a disabled member receiving Disability Living Allowance (DLA) or the new Personal Independence Payment (PIP). However a significant number of disabled people who are not in receipt of DLA/PIP but are in receipt of a number of other working age benefits such as Jobseeker's Allowance (JSA), Housing Benefit and Tax Credits will see a reduction in income.
18. In particular Employment and Support Allowance, a benefit specifically for disabled people and people with health and medical conditions who have been found not fit for work, would also be subject to the cap.
19. It is also important to remember that people have already been affected by the cap. The Institute for Fiscal studies found that:
20. *Half of those capped in November 2013 lost at least £46 per week as a result. Some recipients lost much more than this, so the mean loss among those capped was much higher still, at £70 per week<sup>2</sup>*

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<sup>2</sup> <http://www.ifs.org.uk/publications/7482>

21. These people would see further reductions over the course of a parliament and would be hit again with any further lowering of the cap which the Bill allows the Secretary of State to do. We therefore propose exempting disabled people.

**Suggested amendment**

Clause 7, Page 9, line 6, at end insert new sub-clause:–

*() Households containing members who are disabled under the Equality Act 2010 definition are exempt from the benefit cap*

**The benefit cap and carers (Clause 7)**

22. The benefit cap affects a small but significant number of carers who live in a different 'benefit household' i.e. caring for someone termed a 'non-dependant' in the benefits system. This is often those caring for a disabled adult son or daughter.

**Suggested amendment**

Clause 7, Page 9, line 6, at end insert new sub-clause:–

*() Households containing members who are in receipt of Carers Allowance or who attract the carer element of Universal Credit are exempt from the benefit cap*

**Assessing the impact of the benefit cap (Clause 8)**

23. The impact assessment accompanying the Bill contains no detail on the possible impact on disabled people not in receipt of DLA/PIP.

24. We therefore believe the Government should therefore urgently carry out further assessment of the impact on disabled people, carers and their families before the threshold is lowered.

**Suggested amendment**

Clause 8, page 11, line 29, at end insert new sub-clause:-

*() Before lowering the benefit cap threshold the secretary of state should assess the impact of the benefit cap on disabled people, their families and carers and report his or her findings to parliament*

**Reviewing the impact of the benefit cap annually (Clause 8)**

25. The suggested amendment below would mean that the Secretary of State must consider the impact on disabled people, carers and their families during the proposed annual review of payment levels.

**Suggested amendment**

Clause 8, page 10, line 30, at end insert new sub-clause:-

*() the impact on disabled people, their families and carers, and*

**Freeze of certain social security benefits for four tax years (Clause 9)**

26. We welcome the exemption of people in receipt of DLA/PIP from the four year freeze starting from 2016/17.

27. However the bill would freeze other key working age benefits that many disabled people, their carers and families receive, for example JSA and Housing Benefit.
28. Employment and Support Allowance, a benefit specifically for people who have been found not fit for work would also be subject to the freeze. While the Government has exempted the support component element from the freeze (around £35 per week) the basic rate of the ESA payment (£73.10) is not.
29. We believe this is inconsistent with the Conservative manifesto commitment which stated (p28): *'We will freeze working age benefits for two years from April 2016, with exemptions for disability and pensioner benefits – as at present'*.

**Suggested amendment**

Clause 9, Page 11, line 33, at end insert new sub-clause:-

*() People who are disabled under the Equality Act 2010 definition are exempt from the freeze*

**Freeze of certain Tax Credit amounts for four tax years (Clause 10)**

30. Disabled people, carers and their families are often in receipt of Tax Credits. Like the arguments above we believe that disabled people, a third of whom are living in poverty, should be exempted from this the freeze.

**Suggested amendment**

Clause 10, Page 12, line 31, at end insert new sub-clause:-

*() People who are disabled under the Equality Act 2010 definition are exempt from the freeze*

**Changes to Child Tax Credits (Clauses 11 and 12)**

31. We are also concerned about the impact on families of disabled children of the proposal to limit Child Tax Credit to 2 children.
32. While we welcome the Disabled Child Element being retained we believe that where a family includes a disabled child, their claim for Tax Credits or Universal Credit should not be subject to the rule limiting payments of the child element to two children.

**Suggested amendment**

Clause 11, page 13, line 12, insert new subsection:

*(5) Persons are exempted from Subsection 4 (3B) if any child or qualifying young person is disabled including, but not limited to, those persons in receipt of the disability element of child tax credit*

Clause 12, page 13, line 23, at end insert –

*(1B) The provisions in (1A) do not apply if any child or qualifying person is disabled including, but not limited to, those persons in receipt of the disabled child element of Universal Credit*

## **Employment and support allowance: work related activity component (Clause 13)**

33. When people are assessed as currently not fit for work they are placed in either the ESA Work Related Activity Group (WRAG) for disabled people with limited capability to work or the ESA Support Group for disabled people with limited capability for work related activity.
34. People in ESA WRAG may be able undertake work related activity which might involve education and training as well as pain and condition management for those with health and medical needs.
35. Over time many people with the right support will move towards and into work. Others with health and medical conditions may in fact experience deterioration in their condition and in fact move to the ESA Support Group where they are not expected to prepare for work.
36. The Bill legislates to reduce the amount of support new claimants receive within the ESA WRAG from £102.15 a week to £73.10, from April 2017 – a reduction of £29.05 per week. This is despite the fact that the WRAG is specifically there to provide support for those disabled people who are assessed as being not fit for work.
37. Currently there are 492,180 disabled people within the ESA WRAG. The largest group are those with 'Mental and Behavioural Disorders' (248,040). The second are people with diseases of the musculoskeletal system and connective tissue (86,230).
38. In addition there are 8,000 people with progressive and incurable conditions such as Parkinson's, Multiple Sclerosis, Spinal Muscular Atrophy, Cystic Fibrosis and Rheumatoid Arthritis who have been put in the WRAG, according to a Freedom of Information request placed by Parkinson's UK<sup>3</sup>.
39. The current rate of ESA is barely enough to get by, as many people with a range of long-term conditions have told the DBC in a recent survey (August 2015):

*'If I did not live with my parents it would not be sufficient for me to live on.'*

*'I have been totally reliant on the support of family to pay rent, bills, etc. I have been prohibited from taking part in any social activity, which has worsened my condition.'*

*'Unable to afford to travel to support centre and support groups as regularly as needed causing increased stress and making managing my symptoms even more difficult.'*

*'It just has a huge knock on effect for everything from getting home help, transport, clothing and eating a relatively healthy diet. Cost of gas and electricity over winter doesn't help either.'*

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<sup>3</sup> <http://www.independent.co.uk/news/uk/politics/thousands-with-degenerative-conditions-classified-as-fit-to-work-in-future--despite-no-possibility-of-improvement-9811910.html>

40. The Government's impact assessment states that the policy intention of removing the ESA WRAG payment is to *'remove the financial incentives that could otherwise discourage claimants from taking steps back to work.'*
41. No evidence has been presented to back up this assertion and we believe it is unacceptable for the Government to cut benefits for sick and disabled people by nearly £30 with no evidence that doing so will increase work incentives.
42. In addition it is important to remember that people within ESA WRAG have been found not fit for work by an independent assessor. The argument put forward in the Government's impact assessment that: *'someone moving into work could, by working around 4-5 hours a week at National Living Wage, [could] recoup the notional loss of the Work-Related Activity component or Limited Capability for Work element'* does not hold water as people in this group have been found independently not fit for work. This is not a realistic scenario for many people with severe disabilities for whom ESA represents a financial lifeline.
43. Furthermore disabled people face a multitude of barriers when it comes to work including a lack of knowledge among many employers about how to support disabled people in the work place. In addition there is limited support for disabled people to look for and stay in work.
44. Cutting this benefit to the bare minimum, thereby causing debt and stress, is unlikely to help disabled people seek work effectively and for those with health conditions it may risk prolonging, or even impeding their recovery.
45. This cut would therefore be counter productive to the Government's aim set out in the Conservative Party's manifesto, to halve the disability employment gap, an objective our members wholeheartedly support.
46. The DBC strongly opposes the reduction in ESA WRAG payments by £30 a week and wishes to see the clause left out.

**Suggested amendment**

Page 14, line 1

*leave out Clause 13*

**Universal Credit: Work Related Requirements (Clause 15)**

47. We are concerned about the implications of the proposed change in conditionality for responsible carers on Universal Credit. This would see responsible carers with a child aged 3 or 4 being allocated to the All Work Related Requirements group and requiring them to look for, and be available for work.
48. Many parents and carers of disabled children aged 3-4 will be unable to fulfil these requirements, particularly due to the well documented lack of childcare for disabled children. While carers of children in receipt of the higher or middle rate care component of Disability Living Allowance (DLA) are exempted from these requirements, many children under 5 do not receive this benefit due to difficulties in identification of need during early years and administrative delays.

**Suggested amendment**

Clause 15, page 14, line 43, at end insert new sub-clauses:-

*() The provisions in this section do not apply to those responsible carers of disabled children aged 3 or 4*

*() The Secretary of State must lay regulations determining what a disabled child is for the purpose of this subsection and may include, but will not be limited to,*

- (a) those children in receipt of an Education, Health and Care Plan,*
- (b) those children in receipt of a Statement of Special Educational Needs,*
- (c) those children identified by their local authority as having special educational needs,*
- (d) those children with child in need status,*
- (e) children meeting the definition of disabled under the Equality Act 2010.*