

The Effect of Government Policies on Disabled People Debate 10 July 2013

A briefing from Citizens Advice Scotland

July 2013



Summary

- CAS supports the motion's proposal that the UK Government publish a cumulative impact assessment of the changes that affect disabled people. An unknown, but potentially significant, number of disabled people have already or will be affected by a multitude of detrimental changes. Without an understanding of this impact, public and voluntary services will struggle to support those affected.
- Various studies already show that the impact of welfare changes on disabled people will be huge. Disabled people and their families in Scotland stand to lose over £1 billion in benefit payments. This includes over 100,000 claimants losing sickness benefits, over 50,000 losing entitlement to disability payments, and 83,000 disabled households affected by the 'bedroom tax.'

Introduction

Citizens Advice Scotland (CAS) is the umbrella organisation for Scotland's network of 80 Citizens Advice Bureau (CAB) offices. These bureaux deliver frontline advice services throughout nearly 200 service points across the country, from the city centres of Glasgow and Edinburgh to the Highlands, Islands and rural Borders communities.

In 2012/13, Scottish citizens advice bureaux dealt with over half a million new issues for clients. Around 200,000 of these issues related to benefits – over 500 for every day of the year. Disability and sickness benefits made up over 75,000 new issues last year.

Evidence from bureaux

Changes to sickness benefits, disability benefits and to Housing Benefit will or have already had a significant impact on those living with disabilities. The following paragraphs outline the experience of citizens advice bureau clients affected by these changes:

An estimated 115,000 claimants in Scotland will lose entitlement to sickness benefits between 2011 and 2014, with more than half (65,000) moved out of the benefits system altogether

The UK Government is currently undertaking a reassessment of all sickness benefit claimants as part of the migration to Employment and Support Allowance (ESA). Between 2011 and 2014, over 170,000 claimants in Scotland will undergo a reassessment at a rate of around 1,000 per week. As a result, an estimated 115,000 claimants will lose entitlement to sickness benefits, with more than half (65,000) moved out of the benefits system altogether¹.

For those found fit for work, some will be entitled to JSA and have a drop in income of around £30 per week while others will not be entitled and will have a drop in income of around £100 per week. We estimate that the reassessment will cause a drop of at least £390m in benefit payments to claimants who had previously been told they were unfit to workⁱⁱ. Aside from the financial impact of being found fit for work, claimants can experience significant stress and worry after losing entitlement, many of whom have been receiving support for years.

- ▶ A West of Scotland CAB reports of a client who expressed suicidal wishes after she was assessed as fit for work. The client felt humiliated in her assessment and felt that she was not believed. The client expressed a great need to be believed about her medical conditions, pain and depression. The client expressed suicidal wishes as her husband is now out of work and experiencing depression. They are struggling with the impact of poverty and are concerned that they will lose their home. The client is in receipt of DLA care and mobility components for rheumatoid arthritis and depression. The adviser spent some time talking to the client.

Around 43% of those reassessed are placed in the Work Related Activity Group (WRAG) where they receive ESA but must attend Work Focused Interviews to prepare them for returning to the workplaceⁱⁱⁱ. The Government has introduced a 12 month limit on those claiming contributions-based ESA in the WRAG which will affect 40% of claimants placed in the group^{iv}. Many of these claimants will not be entitled to JSA and face a substantial drop in income.

- ▶ An East of Scotland CAB reports of a client with health problems relating to a recent stroke whose ESA claim was due to end as a result of the 12 month time limit. The client has on going cognitive problems, difficulty swallowing, slurred speech, mobility difficulties and problems with balance.

83,000 households containing a disabled adult will be affected by the under occupation penalty with an average loss of £11 per week in housing support. Of the estimated 105,000 households in Scotland affected by the under occupation penalty (or 'bedroom tax'), 83,000 report an adult in the household with a Disability Discrimination Act recognised disability^v. There are limited exemptions for those with disabilities – including those who require an overnight carer – but the majority will still be affected. Despite being exempted from the benefit cap in recognition of the extra costs that claimants face, those claiming Disability Living Allowance are not exempt from under occupancy penalties.

Many tenants who live in adapted housing will be affected. Scottish Government estimates show that 16,000 affected households have some form of aid or adaptation, including 9,000 with a handrail, 2,000 with a wheelchair, and 1,000 with a stair lift^{vi}. Aside from the worry and stress caused to the tenant, the local authority is likely to be faced with a bill for adapting another home if the tenant is forced to move.

- ▶ A North of Scotland CAB reports of client and her husband who are both registered disabled and live in a two bedroom home that has been adapted for them. They have been advised by the local authority that they will have to pay £56 per month in rent as they are under occupying their home. The client is registered blind and expects to be given a guide dog in the next few months. The client had a letter from her GP confirming her requirement for "a second bedroom for her own personal medical reasons". The bureau helped the client to apply for a Discretionary Housing Payment.

The UK Government has increased the fund for Discretionary Housing Payments (DHPs) with the extra money specifically aimed at ensuring that the most vulnerable people are protected from the under occupancy penalty. However, the funding for DHPs is far below the level of payments that will be lost by claimants, meaning that the majority of those affected are unlikely to be supported by DHPs. Research by the National Housing Federation found that if the additional funding was distributed equally among every claimant of DLA affected, they would each receive just £2.51 per week – compared to an average £11 loss in housing benefit in Scotland^{vii}.

It is estimated that up to 100,000 disability benefit claimants in Scotland are likely to lose or have reduced entitlement in their reassessment for PIP over the next four years

From June 2013, the Personal Independence Payment (PIP) will replace Disability Living Allowance (DLA) as the benefit for those who require support to deal with the costs of their disability. Between October 2013 and October 2017, all working age DLA claimants will be reassessed for PIP, including 202,000 claimants in Scotland. The policy intention is to reduce the spend on disability benefits by 20% through PIP and DWP estimates shows that over half a million existing claimants in the UK will get a reduced award and 450,000 will have their entitlement ended^{viii}. Using this estimate, this would mean that over 100,000 claimants in Scotland (just over half) would be worse off as a result of the change. Depending on the rate of award, those losing entitlement altogether would lose between £20 and £70 a week in support to live with their disability.

Up to half a million disabled people across the UK could be worse off under Universal Credit

Over the next few years, a huge migration will see over 700,000 households in Scotland move from their existing benefits onto the new Universal Credit. Whilst many people may be better off, a joint report^{ix} by Citizens Advice and Disability Rights UK identified several key groups that could lose out financially under Universal Credit. Existing claimants will not lose out immediately, but new claimants and those whose circumstances change will be affected. Across the UK, this includes:

- 230,000 severely disabled people who live alone, or with only a young carer – usually lone parents with school age children – will get between £28 and £58 less in benefits every week
- 100,000 disabled children stand to lose up to £28 a week
- up to 116,000 disabled people who work will be at risk of losing around £40 a week.

Conclusion

This briefing outlines the impact of the UK Government's welfare reforms on people with disabilities. It shows that tens of thousands of claimants will lose support from sickness and/or disability benefits; that tens of thousands of disabled people are being affected by the 'bedroom tax'; and that significant numbers of disabled people are likely to lose out under Universal Credit. This briefing shows the human impact of many of these reforms.

What the briefing does not show is the cumulative impact of all of the changes. We do not know how many disabled people stand to be affected by multiple changes. Under these reforms, there are people with significant health conditions who stand to lose the majority of their income – they could lose their sickness benefits, disability benefits, and be affected by the ‘bedroom tax’. We have already seen clients who have been affected by this multiplicity of circumstance. The Government might not know what the cumulative impact of the reforms will be – but these clients know all too well what the cumulative impact is for them.

- ▶ A South of Scotland CAB reports of a client who has been affected by changes in entitlement in both her sickness benefit and Housing Benefit claims. The client was recently reassessed for sickness benefits and was found fit for work and has now received a letter stating she will need to pay 16% of her rent from April. As a result, the client is over £40 worse off per week. The client has lived in the property for more than 40 years.

We support the proposal that the Government publish a cumulative impact assessment of the changes that affect disabled people. An unknown, but potentially significant, number of disabled people have already or will be affected by a multitude of detrimental changes. Without an understanding of this impact, public and voluntary services will struggle to support those affected.

The cumulative impact assessment will help understanding of the impact of reform. However, it is the impact on real people, on their health and wellbeing, which determines the success or otherwise of government policies. The true impact of reform is the impact at an individual level, and the individual should not – must not – be lost from the final assessment of these damaging changes.

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- ^{iv} Department of Work and Pensions, *Time limiting contributory Employment and Support Allowance to one year for those in the work-related activity group: Equality impact assessment*, October 2011
- ^v Scottish Government, *Impact of Planned Housing Benefit Changes in Scotland: The number of disabled households affected by the under-occupation penalty*, February 2013
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- ^{ix} Citizens Advice, Disability Rights UK, the Children’s Society, *Holes in the Safety Net: The Impact of Universal Credit on Disabled People and their Families*