Welfare Reform Briefing
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Inclusion Scotland is a network of disability led organisations, individual disabled people and other organisations that support the principles of the Social Model of Disability. Our main aim is to draw attention to the physical, social, economic, cultural and attitudinal barriers that affect disabled people’s everyday lives and exclude us from participating in the mainstream of society.

Scale of proposed Welfare Benefit Cuts

- **£18 billion** of cuts to welfare benefits;
- over **£9 billion** taken away from households containing a disabled person.
- In Scotland, **£2 billion** is being taken out of local economies.
- IS estimate at least half of the benefit cuts (**+£1 billion**) will fall on Scottish disabled people and their families.

Welfare Reform: Inclusion Scotland is a member of the Scottish Campaign on Welfare Reform (SCoWR) and agrees with its five principles for reform. These are that the welfare system –

- should be **adequate** to protect people from poverty,
- should respect human rights and **treat people with dignity**
- should be **simplified**
- should **enable everyone to participate** fully in society, and
- should **take account of the different legislative and service infrastructure in place in Scotland**.

Inclusion Scotland believes that the current Welfare Reform Bill fails to meet four out of five of these principles. Its proposed changes may well “simplify” the system (though even that is uncertain because so many of the details of the changes that are to occur require as yet unpublished secondary legislation) but it will leave hundreds of thousands of disabled people without an adequate income; breaches several of the rights contained in the UN Convention on the Rights of Disabled People (including the rights to an adequate income, independent living, and mobility); significantly reduces disabled people’s ability to fully participate in society by, for example, taking away the lower rate care component from hundreds of thousands of disabled people and fails to take into account consequential impacts on housing provision and care services in Scotland.

Not only will the Welfare Reform Bill impact on many policy areas devolved to Scotland (such as Social Care, Housing Revenue and Investment, Council Tax and passported benefits), it will have an enormously negative impact on all people dependent on benefits but particularly Scottish disabled people and their families.
Current levels of anxiety about the proposed reforms are extremely high and are being exacerbated by the unfair and unjust Work Capability Assessments which are removing many disabled people from entitlement to Incapacity Benefit/ESA and moving them on to Job Seekers Allowance (JSA). Amid further cuts to local authority care services and the threat of having to pay more in charges for their care this fear is entirely understandable.

Below we set out the cumulative impact of the proposals in the Welfare Reform Bill and earlier welfare reforms. Taken together, the loss of income to disabled people and their families is truly staggering and will undoubtedly lead to greatly increased levels of poverty, destitution and homelessness. But the loss of income will also lead to a loss in disabled people’s ability to live independently and to participate in community life. Inclusion Scotland believe that this amounts to a calculated attack on disabled people who because of their physical, sensory and learning impairments are isolated and thus less able to defend themselves than other sections of society.

Please Oppose Legislative Consent: The Scottish Parliament will shortly consider a Legislative Consent Motion on the Welfare Reform Bill. Inclusion Scotland are aware that legislative consent has never previously been withheld by the Scottish Parliament. But we are asking that all Scottish Parliamentarians give serious consideration to withholding consent for this Bill.

We call on MSPs to look to the future welfare of disabled people in their constituencies and to work with your colleagues in other parties and in your respective Committees throughout the Scottish Parliament to oppose the legislative consent motion on the Welfare Reform Bill.

Impact of Welfare Reform on Disabled People:

- The welfare reforms announced in June 2010 will lead to 3.5 million disabled people losing over £9.2 billion in benefits.
- Moving disabled people off ESA and onto Job Seekers Allowance will account for over half (£4.87 billion) of these losses.
- The 12 month cap on entitlement to contributory ESA will, on its own, push an estimated 1 million disabled people into poverty (equivalent to 100,000 in Scotland).
- Scottish disabled people will lose well in excess of £500 million a year in benefits.

A disproportionate amount of the cuts are falling on benefits paid to disabled people e.g. Disability Living Allowance, Employment Support Allowance, the Independent Living Fund etc. Many other benefit cuts will also have a disproportionate impact because disabled people are less likely to be in employment and thus more likely to be reliant on benefits for all of their income. Scotland will suffer more than its fair share of these cuts because we

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1 conservative estimates from losses from just two benefits (DLA & ESA) exceed £400 million. DLA (£268m = 20% of the DLA budget) and ICB (ESA) savings 135.78m (assuming that 23% of people fail and 30% of those who fail come off benefit) and a change from the Retail Price Index (RPI) to the Consumer Price Index (CPI) in the calculations of benefit increase.
have more people with impairments & long term health conditions than other areas of the UK.

Inclusion Scotland have calculated the impact of welfare reform in 2011 – 2015 for Scottish households in which one or more disabled people live, based on savings that the Coalition Government has stated it intends to make. The cumulative loss will be:

- Families with disabled children will lose over £3,000 each by 2015
- Couples where one partner who acts as a carer to their disabled partner will lose more than £3,000 as a couple by 2015
- Individuals moved from Incapacity Benefit or Severe Disablement Allowance to JSA will lose nearly £9,000 each by 2015

Yet disabled people incur considerably higher living costs because of their impairments making the additional benefits they receive essential to preventing poverty. Previous research by Leonard Cheshire Disability found that the cost of living for disabled people is on average 25% higher than that of their non-disabled peers.

As a result disabled adults are twice as likely to live in low income households as non-disabled adults, with 30% already classed as living in relative poverty. The proposed cuts to benefits will both increase the proportion of disabled people living in poverty and the depth of the poverty they experience.

**Impact on Different Benefits**

1) **Employment Support Allowance & the Work Capability Assessment (WCA)**

Although the changes to Incapacity Benefit were introduced under the last UK Government concerns have been mounting about how the Work Capability Assessment for the new benefit has been implemented. Professor Malcolm Harrington’s independent review of the Assessment regime last year concluded that there were serious failings in the assessment system which particularly failed those with mental illnesses and long term conditions. Yet little seems to have changed since he reported.

A recent Citizens Advice Scotland (CAS) report found that ESA has been the most concerning issue for its advisers over the last 2 years. The CAS report also concluded that although the underlying principle of ESA was that sickness benefit claimants would be supported back into work the reality appeared to be that claimants were being moved from one benefit (ESA) to a less expensive one (JSA).

There have been a huge number of appeals against Work Capability Assessment decisions with over 400,000 already lodged with the Tribunal service across the UK (according to CAB sources WCA appeals have now passed the 50,000 mark in Scotland alone). Almost 40% of those that have had their cases heard have had their appeals upheld and the proportion of successful appeals rises to 70% when the disabled person is represented by a CAB adviser. This means that potentially hundreds of thousands of disabled people have suffered incorrect decisions, reductions in their benefits and huge amounts of anxiety and distress. Moreover because they have been
assessed as fully fit for work they have been denied the specialist assistance in seeking work that they should have been provided with.

Since the new WCA was introduced around 69% of new ESA claimants have been found fully fit for work and made to claim JSA or been moved off benefits altogether. Applying the same failure rate to the 239,550 existing Scots IB recipients means that the total number of claimants would be reduced by 66% (160,000) leading to annual benefit losses for Scots disabled people of £236 million. Yet this massive loss in household income is only one part of the cumulative losses that Scottish disabled people will suffer.

2) Disability Living Allowance & The Personal Independence Payment

The Government intends to reduce the amount of DLA paid out by 20%. For Scotland this will lead to benefit losses of £268 million p.a. As the new assessment tests are restricted to claimants of working age, at least 1 in 3 disabled people aged 16 - 65 would need to lose ALL of their current entitlement to achieve the necessary savings.

The Personal Independence Payment (PIP) will replace DLA in 2013/14. There will be 4 different rates of PIP but there is no equivalent to the Lower Rate of Care for DLA. All current working age recipients of Lower Rate Care, some 60,000 Scottish disabled people are almost certain to lose their current entitlement saving £60 million p.a.

This means that many thousands more people currently on the higher rates of the Care Component and/or the Mobility Component will also have to lose entitlement to make the additional +£200 million savings in Scotland that the Coalition Government wants to make. A very high proportion of Lower Rate Care recipients have learning difficulties, cognitive impairments (such as autism) and mental health issues.

Other Potential Losers:

- The Mobility component of PIP is to be taken away from all disabled people living in residential care. This will save £135 million a year by 2014-15. The current mobility component is: £18.95 (lower rate); £49.85 (higher rate).

- According to figures obtained by the Learning Disability Alliance Scotland this will affect a total of 74,850 disabled people (25% more than officially announced).

3) Housing Benefit (HB)

A package of changes to Housing Benefit has already been introduced this year (2011). Further changes will follow in 2013. The 2011 changes will result in –

- Private sector tenants losing several HB allowances.

- In Scotland 49,730 recipients of Local Housing Allowance (97% of all LHA recipients) losing an average of £10 a week.

- Throughout the UK 18% of those affected will be disabled people.
Changes in 2013: From April 2013 housing benefit for working age people in social rented homes will be linked to the size of property that the Government believes they need. This change will disproportionately impact on households containing disabled people.

The DWP’s own Equality Impact Assessment shows that -

- Across the UK of a total of 670,000 households affected by this change about 450,000 (66%) will contain a disabled person.
- These households will see their Housing Benefit cut by an average of £13 p.w.

However the impact of these cuts will be disproportionately large in Scotland –

- Scottish Government estimates that 95,000 Scottish households will be affected.
- If the two thirds DWP estimate holds good then at least 62,000 households containing a disabled person will lose up to £16 pw in housing benefit.

Although tenants will be penalised for under-occupying, they have little option but to do so, because there is a chronic shortage of 1-bedroom properties. Although 44% of working-age Housing Association tenants need a one-bedroom property only 24% occupy one.

Homelessness & Poverty: The Department for Communities & Local Government estimates that, in England & Wales, up to 20,000 households could become homeless due to the introduction of the benefits cap. This is on top of the 20,000 households expected to become homeless because of other changes to benefits. This would translate into approximately an additional 4,000 households becoming homeless in Scotland. However it is very likely that the impact will be higher in Scotland.

The Scottish Federation of Housing Associations estimate that due to claimants losing DLA, ESA, HB and/or other benefits as many as 1 in 5 Housing Association tenants may have their incomes affected, with some very substantial income losses for some tenants.¹

7. Scottish Government have established a Webpage on Welfare reform. Well worth a visit especially this library of resources and reports - http://www.scotland.gov.uk/Topics/People/welfarerelief/library