

HAS WELFARE **CONFIDENTIAL** BECOME UNFAIR

EMBARGO UNTIL 16th JULY

The impact of welfare changes
on disabled people

A report by the Disability Benefits Consortium
July 2019

EXECUTIVE SUMMARY



Acknowledgements

We would like to thank the Disability Benefits Consortium (DBC) research lead, Michael Griffin, for writing this report.

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Executive summary

The 10-year cut – the real-life impact of welfare changes on disabled people

The welfare system is intended to provide a financial safety net for some of the most vulnerable people in our society including disabled people and people with long-term health conditions. Yet, since 2008, changes to welfare benefits have led to this safety net failing, causing people to feel abandoned by a cruel and unfair system.

These changes have had a devastating impact on disabled people. Financial security for the majority of disabled people has all but vanished. Disabled people have been left living in poverty and isolation as a result.

This has created an environment that is difficult and unforgiving for disabled people. Those with the greatest needs, who are most vulnerable and with the fewest financial and social resources, are left to navigate a complex, stressful process. It's a process that ultimately leaves them with their health worse and with less financial support.

The Disability Benefits Consortium is a national coalition of more than 80 different charities and organisations committed to working towards a fairer benefits system. Together we seek to ensure government policy reflects and meets the needs of all disabled people.

This report, generously funded by The Three Guineas Trust, combines our knowledge, experience and direct contact with millions of disabled people, their families and friends with commissioned research, to lay bare the impact of recent changes to the financial security and lived experience of disabled people over the past 10 years.

Disabled people lose more

Disabled people have lost benefit payments of around £1,200 on average each year, as a result of the changes. Non-disabled people have seen a reduction of around £300.

For anyone, a reduction of financial support can be detrimental. But for disabled people, who already face

average extra disability-related costs of £583 each month¹, the loss of money can be devastating.

Disabled people don't just lose money – they lose access to transport, their independence, and in some cases, their jobs. The support they receive through welfare benefits provides only for the basic standards of living, but not the extra costs disabled people face.

The greater the need, the bigger the loss

At the core of any social security system should be the need to protect and support the most vulnerable in society.

Our research shows that not only are disabled people worse off than people who are not disabled but, even within this group, the most vulnerable are suffering. In households with at least one disabled adult and at

least one disabled child, the total loss as a result of all the benefit changes was, on average, over £4,300 each year.

The more disabilities a person has, the more they lose out as a result of these changes. Our research shows someone who has six or more disabilities loses over £2,100 each year on average, whereas someone with one disability loses around £700 each year.

Welfare and wellbeing are not mutually exclusive

There are numerous aspects to the changing social security system that are particularly problematic for many disabled people, and which have a detrimental impact on their wellbeing. Participants told us that the process of claiming was stressful, anxiety inducing and, in many cases, made their health worse.

From beginning to end, from assessment to award, many people find the whole system a struggle. The application and assessment processes are upsetting and require people to focus on their limitations and reliance on others. Undertaking this process can often destroy people's self-esteem and confidence, which can in turn lead to wider mental health issues.

The prospect of an appeal was something many of our participants couldn't contemplate, even though they felt their final award was inaccurate or unfair. Not only do people face the risk of losing any support they have already been awarded – they also face lengthening an already stressful and demanding process.



Conclusions and recommendations

This report looks at the financial impact and the lived experience of the recent changes to the social security system. It has exposed the devastating impact the changes have had on many disabled people's wellbeing and right to independent living.

The research asks if our social security system protects the most vulnerable or if it is a 'survival of the fittest' approach. But the picture that emerges in this study is that of a difficult and unforgiving environment. Disabled people who struggle to understand the system, or who have limited resources, are less able to find their way through the protracted and difficult process from application to award. And almost every change has led them further from financial security.

The research underpinning this report has shown that the cuts to benefits caused by these changes have had the biggest negative impact on those who need support the most. The families affected are, as a result, leading precarious lives characterised by financial insecurity, with worries over money, bills and what the future may hold. In these circumstances,

genuine inclusion in work, family and community life is a remote and unlikely prospect. This not only goes against what the government has said is the purpose of the changes – it is simply unjust, unfair and cruel. Many disabled people have not yet felt the full extent of the cuts made to welfare benefits, as many have not yet moved on to Universal Credit. When that happens, there will be dramatic increases in the levels of poverty among people who are already at crisis point.

It is a disaster waiting to happen.

The welfare system must be reformed so that it takes a more personal and tailored approach. We need it to provide greater support to disabled people so they can be free from poverty and despair, and live truly independent lives.



To achieve this, we urge the government to act upon the following recommendations:

Financial change

1. **End the benefit freeze.** The freeze has been a major factor in reducing the incomes of disabled people and pushing them into poverty.
2. **Bring back the Employment and Support Allowance (ESA)/Universal Credit work-related activity component.** There is no evidence to suggest its removal incentivises people to work. It also wrongly assumes that everyone affected can work, and that there are no extra costs for people with health conditions.
3. **Introduce a disability element to Universal Credit to replace the disability premiums that have been cut from the system.** Disabled people face unavoidable costs as a result of their condition and cannot afford to lose substantial sums each year.

4. **Remove the benefit cap for everyone who receives a disability-related benefit, including those in the work-related activity group or equivalent in Universal Credit.** The cost of living with a condition means they cannot afford to lose income.
5. **Return the work allowances in Universal Credit to pre-2016 levels.** If the government's aim really is to reduce the disability employment gap, it makes sense to let people keep more of their wages, rather than punish people for having a disability.
6. **Remove the two-child limit.** Disabled people also have children and this limit reduces their ability to ensure both they and their children do not live in poverty. The limit compounds their financial insecurity.

The application

7. **The Department for Work and Pensions (DWP) should produce simplified claim forms.** These should be easily available in jobcentres in accessible formats such as audio described and easy-read, as well as downloadable online. There should be no need to return these within four weeks.
8. **Increase resources so charities and other advice agencies are better able to assist people in completing all disability benefit application forms.** Completing the application form in an effective way requires significant understanding of the application and assessment processes. Without support, it is unlikely that some claimants, irrespective of need, will present their claim in an effective way.

Assessments

9. **Introduce regulations to ensure other types of evidence are given equal legal weight to the assessment reports.** Face-to-face assessments provide only a brief window into an individual's life and often lead to inappropriate or inaccurate judgements about an individual's capability.

10. **Automatically issue claimants with a copy of their assessment report, in their preferred format. Increase availability of recorded assessments, and ensure people know they have the choice to have the assessment recorded (audio or video).** Assessment reports often contain errors. Many disabled people do not trust assessors to act fairly and independently.
11. **A thorough review of the Personal Independence Payment (PIP) assessment criteria should be urgently conducted.** There should be meaningful involvement from disabled people and those with long-term conditions to ensure criteria are fair and truly reflect the extra costs people face.

Supporting information and medical evidence

12. **The DWP should commission an independent review of the evidence-gathering processes to explore ways to:**
 - support health and social care professionals to provide better-quality evidence eg guidance and templates
 - ensure the duties and responsibilities of the assessor, the DWP and claimant are clear and observed
 - make sure the DWP has a strategy to communicate to claimants and health professionals the evidence that will be most useful for their claim
 - ensure evidence supplied by friends and family members is given consideration
13. **From the start of the process, encourage claimants to obtain up-to-date evidence and pay or reimburse them for any costs.** The DWP should also provide better guidance on what constitutes good evidence. Disabled people often need to source and present evidence to substantiate their claim but are given little support in doing so.
14. **Work with medical practitioners to develop better-quality evidence for claimants.** Often, medical evidence that claimants are able to obtain merely gives a diagnosis while saying little about someone's needs and day-to-day difficulties.

15. **To restore confidence in the process, assessors should be obliged to review all supporting evidence provided by a claimant, with penalties if they do not.** The assessor report is currently given more weight in the decision-making, which is resulting in large numbers of ill-advised decisions.

Mandatory reconsiderations and tribunals

16. **Those looking at a decision again when it is challenged by the claimant should not be able to see the previous decision-maker's conclusions.** This will increase impartiality. There are too many cases of mandatory reconsideration reports being copied and pasted from the original decision.
17. **Those going through mandatory reconsideration should be given the opportunity to provide oral evidence of how their condition affects them in all cases.** Often decisions are changed at tribunal because of new oral evidence. Giving this at an earlier stage will improve the process.
18. **Increase the number of tribunal panel members so that tribunal waiting times can be brought down to more reasonable levels.** The average wait is 29 weeks for a tribunal hearing, with some areas having to wait up to a year.
19. **Introduce targets for the length of time cases need to wait to be heard by a tribunal.** Some people have to wait up to a year to be heard at tribunal. A target will help reduce waiting times.
20. **Conduct full audits of decisions that are subsequently changed at tribunals.** This will help restore confidence in the system and also provide ways of improving decision-making.
21. **The DWP should commission independent reviews of the Universal Credit and PIP application and decision-making processes.** This should particularly but not exclusively examine the failings of the mandatory reconsideration process.

Cost of living with a disability

22. Introduce regular, independent surveys of the actual costs of living with a disability.

Then, ensure that the level of payments under PIP better reflects the actual cost of living with a disability.

About the report

With funding from the Three Guineas Trust, the Disability Benefits Consortium commissioned research into the cumulative impact of changes to the welfare benefit system on disabled people since 2008.

This report looks at the financial impact – and lived experience – of the changes on disabled people over the past 10 years.

This report examines the impact of changes to welfare benefits in the UK for disabled people. The changes followed on from the 2008 financial crash and included a range of measures first initiated by the Labour government (2005–2010). These were fully realised under the Conservative and Liberal Democrat coalition (2010–2015) and continued by the current Conservative government.

The research commissioned for this report was conducted in two parts.

The first used economic modelling to understand the macroeconomic effect of the changes to the benefit system since 2008, and how this has financially impacted disabled people. This part of the research was carried out by Howard Reed from Landman Economics, who used microsimulation modelling to highlight the effects of social security changes on various groups of disabled people.

The second part of the research examines the impact of the changes to the benefit system on the lived experience of disabled people. This offers a deeper understanding of the impact of welfare changes, particularly those to PIP, ESA and Universal Credit.

This part of the research was carried out by the University of East Anglia and the University of Glasgow and consisted of in-depth interviews with 50 disabled people living with a variety of conditions.