

SUBMISSION FROM INCLUSION SCOTLAND

1. What are the biggest concerns/priorities for your organisation in relation to welfare reform? -

1.1 (a) **The cumulative impact of cuts to benefits on disabled people/children and their families.** Inclusion Scotland are concerned that many of the same people/families will be affected by loss of ESA and entitlement to DLA/PIP and then also affected by the under-occupation rule introduced by the Welfare Reform Bill for Housing Benefit (the “bedroom tax”). We believe this will impact on their ability to live independently and greatly increase the depth and extent of poverty amongst disabled people leading to increased homelessness and destitution.

1.2 Research by Sheffield Hallam university¹ suggests that by 2014 sixty five thousand Scottish disabled people currently claiming Incapacity Benefit/Employment Support Allowance (ESA) will have been removed from benefit entitlement altogether (through a combination of the Work Capability Assessments and time limiting contributory ESA to 12 months). Contributory ESA is paid at the rate of £91.40 per week and that is the minimum that these households will be losing. A further 36,000 disabled people will be moved off ESA onto Job Seekers Allowance (paid at the considerably lower rate of £67.50 per week).

1.3 During the same period assessments will be introduced for the Personal Independence Payment (PIP) which will gradually replace Disability Living Allowance (DLA). The total saving that is being sought is 20% of the current DLA budget.

1.4 Although there is no way of estimating exactly how many current claimants of DLA will lose entitlement we do know that there is no Lower Rate Care element of PIP whereas there is such a rate for DLA. There are currently 60,000 Scots recipients of the Lower Rate Care element of Disability Living Allowance. We believe that nearly all of this group will lose £19.55 a week.

1.5 Inclusion Scotland also believes that there is a high potential for overlap between those losing ESA (because they are found fit for work/exhaustion of 12 month entitlement) and those losing the Lower Rate Care component (because the UK Government’s intention is that entitlement to Personal Independence Payment will be focused on those with higher levels of impairment). There will also be a disproportionate impacts on particular impairment groups (e.g. 30% of Lower Rate Care recipients have learning difficulties and/or mental health issues).

1.6 The Scottish Government estimates that the “Bedroom Tax” will affect 95,000 households living in social housing². They will be penalised by losing 15% of their Housing Benefit if they have a bedroom more than the UK Government deems that they require (25% for 2 bedrooms more). As the Department of Work & Pensions (DWP) estimate that two thirds³ of the households (i.e. 60,000+) affected by the under-occupation rule will contain a disabled person then there is a very real concern that many of those who have already lost ESA and/or DLA/PIP will also be required to find additional rent payments with the threat of eviction if they do not. We believe that this will considerably increase the risk of homelessness amongst disabled

people. The Scottish Government estimate that in the most likely scenario over 10,000 households may be evicted due to the under-occupancy rule alone².

1.7 (b) Impact of particular cuts on disabled people's ability to live independently and participate in Scottish community life e.g. effect of loss of Independent Living Fund (2015) and/or potential for thousands of disabled people to lose the mobility component of DLA/PIP.

1.8 The loss of the ILF will potentially prevent disabled people from being able to continue to work as their travel and care costs will become unaffordable. Similarly the loss of entitlement to the Mobility Component will also impact on disabled people's ability to work and also to access shops, services and to participate in family and community life – particularly in rural/semi-rural areas.

1.9 We are also concerned that the loss of the Mobility Component will lead to loss of passport benefits such as the Blue Badge and Travel Pass – further restricting disabled people's ability to travel and access services and community life.

2. What would your organisation want the Committee's focus to be on?

2.1 (a) **In the near term** the Committee should focus on the need for primary legislation giving Scottish Ministers regulatory powers to deal with the introduction of Universal Credit and Personal Independence Payments and the devolution of the discretionary Social Fund and Council Tax Benefit to Scotland. The timescale for this is tight and everything possible should be done to protect those on low incomes who might otherwise lose entitlements.

2.2 (b) **In the near to medium term** the Committee also has to address the issue of "passport benefits" whereby people can gain access to a "benefit" from a local authority or other public body. These passport benefits can take many forms including local authority grants (e.g. for school uniforms), bursaries, school meals, travel passes, the Blue Badge scheme or cheaper/free access to leisure services.

2.3 These passport benefits can thus be of great value as they increase the ability of those living on a low income to survive and manage on a low budget; they increase the ability of low income families to feed and clothe their children and they increase access to services, education, training and employment. There are also benefits to wider society flowing from passport benefits such as reduced social isolation, health inequalities, poor educational attainment/low skills and worklessness.

2.4 (c) **In the mid to longer term** the Committee should investigate the impact of reforms on various groups e.g. disabled people/children, carers, lone parents, unemployed people, low income households & homeless people.

3. If you could question the Government about their implementation of the UK Bill what would you be asking?

3.1 Inclusion Scotland would be asking the Scottish Government how it intends to go about protecting disabled people and others on low incomes from the worst impacts of the reforms that are being introduced.

3.2 We would also be asking the Scottish Government to give real consideration to truly radical solutions which address the scale of the social devastation that might otherwise occur. Given that £2 billion is going to be taken out of the Scottish economy and at least 100,000 disabled people pushed into poverty⁴ (from the changes to ESA alone) we do not believe that tinkering at the edges is going to be sufficient.

4. What information would you suggest should be collected on how to monitor the implementation of the UK Bill?

4.1 We believe that a variety of information sources both formal and informal should be used to monitor the impact of implementation. Given the known disproportionate impacts on women and disabled people we would suggest that additional information is sought through the Scottish Households Below Average Income survey; DWP claimant statistics; Local Authority Homelessness statistics and CAS and Rights Advice Scotland user statistics

References:

1. "Incapacity Benefit Reform, The Local, Regional and National Impact", C. Beatty & S. Fothergill, Centre for Economic & Social Research, Sheffield Hallam University, Nov. 2011.
2. Welfare Reform - Impact of under-occupancy provision, Communities Analytical Services, Scottish Government, Jan 2012
3. "Housing Benefit: Size criteria for people in the social rented sector, Equality Impact Assessment", DWP, October 2011
4. "Comprehensive Spending Review and disabled people: a brutal attack on equality", Inclusion London, October 2010

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