The Tipping Point

The human and economic costs of cutting disabled people's support

A report from the Hardest Hit coalition bringing together over 90 disabled people's organisations and charities that are members of the UK Disabled People's Council and the Disability Benefits Consortium
The Paralympics was an important moment for Britain’s 11 million disabled people and indeed the whole nation. August saw column inches filled with the news of our Paralympians’ heroics, but away from the Olympic Park, 2012 has in many respects been a dreadful year for disabled people. Continued cuts to benefits and services have left many disabled people feeling angrier and less in control of their lives than for perhaps a generation.

The Government made promises on its approach to tackling the deficit:

“Too often when countries undertake major consolidations... it is the poorest – those who had least to do with the cause of the economic misfortunes – who are hit hardest. Perhaps that has been a mistake that our country has made in the past. This Coalition Government will be different.”

Rt Hon George Osborne MP, Chancellor of the Exchequer, Emergency Budget, June 22nd 2010

Yet cuts and changes in crucial benefits and support for disabled people present a serious threat to this ambition of protecting the poorest. Cuts that are inconsistent with the goal of independent living undermine the rights of disabled people enshrined in the UN Convention on the Rights of Persons with Disabilities (UNCRPD). Moreover, they jeopardise the vision set out by the Prime Minister of an 'aspiration nation' that unlocks the promise of all people. Disabled people want to work and contribute to their communities but too many hurdles are being put in their way.

“There are hidden costs [to being disabled]. Computing what those costs are is very difficult... but fundamentally they exist. Withdrawal of [that] additional funding to cover those additional costs, if that is being planned, will jeopardise the independence of disabled people.”

David Clarke, Paralympian, September 10th 2012

Our new research

This report reveals disabled people now find themselves at a "tipping point". Many disabled people feel that they are living on the edge, and that the loss of even a small amount of income could tip their already complex lives into greater dependence and insecurity.
During the summer of 2012 the Hardest Hit coalition surveyed over 4,500 disabled people on their views and experiences of the welfare and social care systems. We also conducted a series of fifty in-depth interviews with disabled people and a poll of over 350 independent welfare advisors.

The verdict is in: disabled people and their families are struggling to make ends meet and feel increasingly nervous about the future. Crucial decisions to come on the support disabled people receive can put this right. We call on the Government to act urgently to arrest disabled people’s slide into entrenched isolation and poverty.

The hardest hit by the cuts

Disabled people have experienced a massive drop in income of £500million since the Emergency Budget of 2010. Recent reports have shown that cuts range from £200 to £2,065 for typical disabled households just in the past year. The latest estimates suggest disabled people will experience £9bn cuts over the lifetime of this Parliament; half the total cuts being taken from the welfare budget.

The cumulative impact of cuts to date, not just to disability benefits, but across many vital areas of public expenditure, is already taking a huge toll:

- **Arbitrary cuts to support for people who are too ill or disabled to work**, as the 12-month time limit on contributory Employment and Support Allowance (ESA) takes effect for 400,000 people in the Work Related Activity Group (WRAG) by 2013/14.

- **Thousands of very sick and disabled people are being wrongly labelled fit to work** and denied ESA through flawed benefits assessments, forcing them to face long, stressful and costly appeals.
• **£2bn is being taken out of care budgets by local authorities** even though demand for care services continues to grow.

• **Vast hikes in charges for essential services**, including a £77million rise in charges for care, a 13 per cent increase in meals on wheels charges, and a 33 per cent increase in transport fees.

• **Cash value of benefits being reduced** due to changes in the way benefits are uprated in line with inflation meaning the squeeze on living standards hits disabled people struggling with rising costs.

Yet it doesn’t stop there. 88 per cent of the benefit cuts required to achieve the Government’s original plans for a reduction in borrowing are still to come

• **Half a million people are expected to lose out on vital support** as the Government scraps Disability Living Allowance (DLA), a benefit designed specifically to support disabled people with the extra costs of living with a disability, to replace it with the new benefit, Personal Independence Payment (PIP). This is designed to save the Government over £2bn

• **450,000 disabled people could stand to lose out under Universal Credit**. Many disabled people will get significantly less help under the new system.

In addition, the Chancellor’s threat of slashing a further £10bn from the welfare system looms ominously, with disabled people fearing that they’ll once again bear the brunt of the cuts.

**The human impact of the cuts: our survey**

Our survey reveals a series of shocking statistics - presented for the first time in this report. Key aspects of the welfare reform agenda already hitting disabled people hard include the Work Capability Assessment (WCA):

• **More than three quarters (78 per cent) of disabled people said their health had got worse as a result of the stress caused by their Work Capability Assessment (WCA) for Employment and Support Allowance (ESA).**

• **Two thirds (65 per cent) of disabled people felt that ESA assessors did not understand their condition.**

• **Nearly 9 in 10 (87 per cent) of welfare advisors said the frequency of reassessments for ESA is having a negative impact on disabled claimants’ health.**

With half a million disabled people set to lose Disability Living Allowance by 2015/16 we can now report:
• 8 in 10 (84 per cent) of disabled people believe that losing their Disability Living Allowance would drive them into isolation and struggling to manage their condition.

• 9 in 10 (94 per cent) of disabled people fear that losing their Disability Living Allowance would be detrimental to their health.

Our research indicates that cutting the DLA/PIP budget won’t only have a profound impact on individual disabled people’s lives but will also result in significant longer-term financial costs to Government. Our new research found that:

• 65 per cent of respondents in work stated that without DLA they would not be able to work.

• Three in ten disabled people stated that without DLA their carer would not be able to work.

• Three quarters of disabled people said that losing DLA would mean they would need more social care support from their local council.

“I know the government say they have to cut spending, but cutting DLA will simply mean they’ll have to spend more on other things. It’s a false economy.”
Hardest Hit research, 2012

When you take into account the knock-on and implementation costs of replacing DLA with PIP we conclude that the Government has overestimated the total amount of savings it will generate, by potentially up to £1.6bn.

The tipping point: getting it right for disabled people

We are at a political tipping point, with crucial decisions to be made for disabled people over the next twelve months. The Government needs to reduce the deficit but it faces political and economic choices about how it reduces public debt.

In the short term, final decisions are still being made by the Department of Work and Pensions on the detail of Personal Independence Payment and Universal Credit. These are decisions which could have a significant impact on the lives of hundreds of thousands of disabled people and must not be taken lightly.

Disabled people are calling on their representatives in Parliament to properly scrutinise the planned welfare reforms and ensure that the PIP and Universal Credit regulations being debated later this year are amended to make them as fair and proportionate as possible. It’s also not too late to correct some of the mistakes of the past, such as the problems with the ESA.
assessment and our crumbling social care system.

As a priority, the Hardest Hit coalition calls on the Government to:

- **Learn from the mistakes of the WCA and ensure the assessment for Personal Independence Payment (PIP) is as fair as possible** by: ensuring that the assessment criteria take proper account of the full range of barriers faced by people with disabilities and health conditions; making the assessment and reassessment processes as simple, transparent and proportionate as possible; and ensuring that robust evaluation and monitoring processes are in place.

- **Get the fundamentals of Universal Credit (UC) right**, ensuring disabled people do not lose out in cash terms as a result of the transition to UC from 2013. Key areas the Government must urgently reconsider include the abolition of the severe disability premium, the loss of financial assistance for disabled people in work and the loss in income for some families with disabled children.

- **Reform the Work Capability Assessment (WCA)** to ensure that it is working consistently and fairly to accurately recognise all individuals with limited capability for work or work-related activity, particularly those with fluctuating conditions, mental health conditions and sensory impairments.

- **Provide a lasting solution to the crisis in social care**, which has endured years of chronic under-funding, by implementing the recommendations of the Dilnot Commission and urgently addressing the current funding gap.

In the longer term, the Government must not treat disabled people as an easy target for cuts in the budget and spending review.

**Giving voice to disabled people**

As a coalition comprised of disabled people and organisations working with disabled people we have been moved to write this report because of the personal stories we hear every day. We have heard from people living on the edge who feel the nation's economic misfortunes are their misfortunes. We have spoken to disabled people who strive for a better life but who feel the current approach to welfare reform condemns them to a life of unnecessary struggle. This report aims to give a voice to the many millions of disabled people who are looking to Government to make the right decisions over the next year.