

Second Reading Briefing for Members of the House of Lords: Welfare Reform Bill 7th September 2011

Page 1	Summary of key issues
Page 3	Universal Credit (Bill Part 1)
Page 6	Time limiting contributory Employment and Support Allowance (Bill Part 2)
Page 7	New size criteria for social housing (Bill Part 2)
Page 8	Personal Independence Payment (Bill Part 4)
Page 12	Contact details
Page 13	Appendix I: Summary of key changes from Disability Living Allowance to Personal Independence Payment

About The Disability Benefits Consortium¹

The Disability Benefits Consortium (DBC) is a national coalition of over 50 charities and other organisations committed to working towards a fair benefits system. Using our combined knowledge, experience and direct contact with disabled individuals, people with long-term conditions and carers, we seek to ensure that government policy reflects and meets the needs of all disabled people.

Following the summary of the key issues that we believe should be considered during the passage of the Bill, the briefing then goes into greater detail on the different policy areas.

1. Summary of key issues

The policies laid out under the Welfare Reform Bill will have a massive impact on the lives of disabled children and adults, people with long-term conditions, families and carers. While in principle we support making improvements to the benefits system, we have serious concerns that the Bill in its current form, could lead to those most in need losing out on the support they rely on and will hinder the stated aim of enabling more disabled people and families to start or return to work.

Welfare policy is a complex area, but there are relatively simple tests to ensure that reform meets the needs of disabled people and their families. These include having a system that:

- Contributes towards the additional costs that disabled people and their families face;
- Recognises that disadvantage faced by disabled people has multiple causes;
- Acknowledges that different disabled people have different needs;
- Is dynamic enough to meet all disabled people's needs and does not exclude people through over simplification.

¹ Membership of the DBC: Action for Blind People, Action for M.E., Action on Hearing Loss, Age UK, Ambitious about Autism, Arthritis Care, Breast Cancer Care, British Heart Foundation, Capability Scotland, Carers UK, Child Poverty Action Group, Citizens Advice, CLIC Sargent, Crohn's and Colitis UK, Cystic Fibrosis Trust, Deafblind UK, Disability Alliance, Every Disabled Child Matters, Guide Dogs, Haemophilia Society, LASA, Learning Disability Coalition, Leonard Cheshire Disability, Livability, Macmillan Cancer Support, Mencap, Meningitis Research Foundation, Mind, Motor Neurone Disease (MND) Association, MS Society, Muscular Dystrophy Campaign, National AIDS Trust, National Autistic Society (NAS), National Deaf Children's Society, National Rheumatoid Arthritis Society, Papworth Trust, Parkinson's UK, Rethink, Royal Association for Disability Rights (RADAR), Royal National Institute of Blind People (RNIB), Royal College of Psychiatrists, RSI Action, Scope, Scottish Association for Mental Health, Sense, Sense Scotland, Sue Ryder, The Stroke Association, Transport for All, TUC, United Response, Vitalise.

We believe that the Bill fails these tests in its current form. In order to improve the Bill and subsequent Regulations and guidance, we urge the Government to bring in these changes:

Universal Credit

- Develop an independent test for the disregard for disabled people;
- Retain the Severe Disability Premium, which is available to support some disabled people who live alone without any support from a carer;
- Make the disregards payable to certain groups additive, so that for example someone who is both a lone parent and disabled is entitled to two disregards;
- Retain at least current levels of financial support to low income and out of work families with disabled children through the disability addition;
- **The above measures should be taken in preference to raising the support component and we understand that if this was done the above changes would not result in any increased costs;**
- Pay a higher percentage of the childcare costs of disabled children.

Contributory Employment and Support Allowance (cESA)

- Remove the proposed one-year time limit on cESA;
- Exclude time spent in the assessment phase (should time limiting go ahead);
- Restart the period of time limiting if someone moves from the support group into the work-related activity group (WRAG) (should time limiting go ahead).

New size criteria for social housing

- Exemptions should be made for people living in adapted homes and those in receipt of DLA and/or ESA.

Personal Independence Payment (PIP) - the replacement for Disability Living Allowance

- Ensure that the change from three rates of DLA care component to two rates of the PIP daily living component does not disadvantage disabled people;
- Retain a 3 month qualifying period for PIP, as is currently the case for Disability Living Allowance;
- Allow for claimants to avoid an unnecessary face-to-face assessment when sufficient written evidence exists;
- Remove the power to remove the PIP mobility component from people in residential care;
- Commit on the face of the Bill to eligibility to PIP for people over pension age;
- Allow for a series of biennial independent reviews of the implementation of PIP and the new assessment process.

Regulations

- The following Regulations should be subject to affirmative resolution:
 - Regulations relating to the disregards under Universal Credit;
 - All subsequent sets of the PIP assessment Regulations (not just the first set);
 - The Regulations relating to the power to remove PIP mobility from people living in residential care.

We would greatly welcome support from Peers as the Bill makes its way through the Lords. We would be very happy to arrange meetings with Peers to discuss our concerns and provide any additional information or personal stories.

2. Universal Credit (Part 1)

Introduction

Universal Credit (UC) will bring together the major in-work and out-of-work benefits and Tax Credits for people on a low income. This includes Income Support, income-related Employment and Support Allowance, income-based Jobseeker's Allowance, Housing Benefit, Working Tax Credit and Child Tax Credit. The Government is currently aiming for the first individuals to enter the UC system in 2013, followed by a gradual closure of existing benefits and Tax Credits as others transfer to the new system by 2017. The payment system will be able to take into account real-time earnings, aiming to reduce the number of under and over payments and make the system more responsive to fluctuations in income. As individuals move into work, their UC will be withdrawn at a rate of 65% against earned income. This will improve work incentives for many people without a disability. However many disabled people will be considerably worse off under Universal Credit. **Therefore, we are very concerned about some of the proposed arrangements for disabled people and carers.**

The gateway to extra support in UC for people with a disability

Currently someone who is disabled and receiving the middle rate of the care component (MR care) of DLA but is found fit for work is eligible for:

- The severe disability premium (SDP) (£55/week) (whether working or not) if they live alone and don't have a carer;
- The disability premium in some circumstances (£29 for a single person £41 for a couple) and;
- The disability element of working tax credit (about £50/week) if they work for at least 16 hours.

It is not unusual for someone to be eligible for MR care but be found fit for work, for example someone who has been severely visually impaired from birth is likely to receive MR care but be found fit for work under the current Work Capability Assessment, as is someone who can't walk but can self propel a wheelchair for 50 metres. People with disabilities are more likely to have a lower earning power and may be unable to work fulltime. If they live on their own and don't have a carer they are likely to have considerable extra costs which can't be covered just by DLA or PIP.

Under UC, the gateway to extra support for adults with a disability will be through the assessment process for Employment and Support Allowance (ESA) rather than DLA (or in the future PIP). ESA is the benefit paid to those who are unable to work because of an impairment or health condition. The assessment process for this is the work capability assessment (WCA). Someone will either be placed in the support group, the work related activity group (WRAG) or found fit for work. Unless someone is placed in the WRAG or the support group they will receive no more extra help through the Universal Credit system than someone without a disability.

The gateway to extra support for families of children with a disability is through receipt of disability living allowance (DLA). The Government proposes that the changes under the Bill will 'align' the extra support for adults and children. We dispute that it will do this.

The consequences of these changes

- **No extra help within Universal Credit for disabled people who are found fit for**

- **Less help for disabled people even if placed in the Support group or the WRAG if they live on their own without a carer because of the loss of the SDP.**
- **People in the support group who don't live on their own will be about £31 better off when sufficient savings are made to raise the amount they receive.**
- **Parents of disabled children (unless the child is receiving higher rate of the care component of DLA or is severely visually impaired) will have their means tested extra support (currently paid through child tax credit at £54/week) cut in half to £27/week.**
- **Parents of a disabled child receiving higher rate of the care component of DLA or severely visually impaired will receive an extra £1/week.**

We therefore recommend the following:

There should be an independent test for the 'disability disregard'. Under UC, rather than replicate the current Tax Credits system, certain groups will be eligible to earn a certain amount of money before their benefit starts to be withdrawn and this will be known as a disregard. The Government intends to include a disregard for disabled people in recognition of the disadvantage that disabled people face in the workplace. However only those who are found not fit for work will be eligible for this disregard. Many people who are not placed in the WRAG or support group are significantly disadvantaged in the amount they can earn and the number of hours they can work. **Therefore, we believe that the Government should develop an independent test for the disability disregard that accurately measures whether an individual's impairment/s means they are placed at a "disadvantage" in the labour market.**

The Severe Disability Premium should be retained

Currently disabled people on means tested benefits can receive premiums which help meet some of the extra costs they face. Of particular importance is the Severe Disability Premium. This is currently worth £55.30 per week for a single person and aims to meet the extra costs experienced by disabled people living alone. The eligibility criteria means an individual must:

- Claim a means tested benefit;
- Claim Disability Living Allowance care component at the middle or highest rate (MR care or HR care);
- Live alone (or with someone else who is entitled to at least MR care);
- Have no one claiming Carer's Allowance for providing care.

This recognises the very particular needs of disabled people living alone, who face a wide range of extra costs. For example, regular household maintenance tasks or food preparation become significantly more expensive when there is no one providing support. **However, there is no intention to continue to provide this payment under Universal Credit meaning any disabled person living alone without a carer will be worse off. Those not in the support group will be very significantly worse off.**

Disregards under UC should be additive

It is currently proposed that under UC, disregards will not be additive and they will be calculated per 'household'. So for example, a lone disabled parent will only receive one disregard either in recognition of being a lone parent **or** being disabled. A couple where both people are disabled will only be eligible for one disregard in their household instead of the two disability elements of Working Tax Credit that they are currently entitled to.

The Government should look again at this decision to ensure that UC adequately meets the needs of those who face multiple disadvantage.

Retain at least current levels of financial support to low income and out of work families with disabled children through the disability addition. The Universal credit will see the rates of disability additions for children and adults aligned. This benefit is for low income and out of work families with disabled children. The proposed changes will mean that the lower addition of this valued benefit will be reduced by half – resulting in a loss of £27/week - over £1,400 in benefits per year for each disabled child in a household. Whilst current recipients have been promised transitional protection, this policy will impact on up to 63 per cent of all children eligible for DLA after 2013.²

We understand that if all the above changes were implemented so as to retain roughly similar levels of support for disabled people as in the current means tested benefit system this would not result in any increased costs as the intention of the government is that any savings will be used to increase the support element for adults. We certainly believe that the support component within UC should be raised but believe that this cannot be at the expense of other disabled adults and children. The increase in the support element of UC should wait until money becomes available to stop the cuts in support for other disabled people.

Pay a higher percentage of the childcare costs of disabled children

The Universal Credit reforms childcare support for families. Under the current system less well off families who receive housing benefit and council tax benefit receive a much higher proportion of their childcare costs (about 95%) However, because the percentage of childcare costs paid will be the same throughout the system (probably around 70%) those with the lowest incomes and highest childcare costs are likely to be hit hardest. Families with disabled children are more likely to have higher childcare costs so will be disproportionately hit. It is essential that the Government addresses this issue to make work pay for families with disabled children.

Impact of UC on carers

There are nearly 500,000 working-age people currently in receipt of Carer's Allowance. Over half of these carers, those who currently receive a carer premium to Income Support or Jobseeker's Allowance will be moved to the new Universal Credit. Whilst there will be an addition for carers, at the moment there are no plans to provide a carers disregard or to exclude households which include a carer from the overall benefits cap.

² This figure is based on the current percentage of children who receive an award of DLA other than the higher rate. This figure is likely to reduce slightly with the inclusion of children with severe visual impairments in eligibility for the higher rate disability addition.

3. Time limiting contributory Employment and Support Allowance (cESA) (Part 2)

Employment and Support Allowance (ESA) is replacing Incapacity Benefit, the benefit for people who cannot work due to a disability or health condition. People receiving ESA are placed in either the Support Group where they receive a higher rate of benefit or the Work Related Activity Group where they receive a lower rate of benefit and are expected to prepare for employment. ESA can be paid either based on an individual's National Insurance contributions (contributory ESA) or because they are on a low income (income-related ESA).

The Bill will mean that from April 2012, people receiving contributory ESA (cESA) in the Work Related Activity Group will have payment of their benefit limited to 12 months. People will still be able to apply for income-related ESA after their contributory ESA claim ends, **but if a claimant's partner is earning as little as £148 per week, or working 24 hours or more per week or they have combined savings of £16,000 or more, claimants will no longer be eligible for ESA.**

In committee stage in the Commons, the Minister for Employment acknowledged that the decision to introduce a time limit in this way has not been taken on the basis of any evidence which shows that this is a reasonable time frame in which to expect people with a health condition or disability to have moved into employment.³ It is unfortunate that the Government has not taken this into account when developing this proposal.

The time limit will be applied retrospectively

This policy will be applied retrospectively, meaning that someone who began their ESA claim in April 2011 will have their benefit time limited at the end of March 2012, and will not receive any ESA if they do not meet the means test, despite the fact that the Welfare Reform Bill was not in force when they started their claim.

The assessment phase will be included in the time limit

The time limit will also apply from the start of an individual's claim. This means that it will include the 13 week assessment phase for ESA, where the benefit is paid at a lower rate and individuals do not know whether they will receive ESA or if they will be placed in the Work Related Activity Group or Support Group and therefore whether the 12 month time limit will apply.

A very significant number of disabled people will lose out

The Department for Work and Pensions has estimated that of those on cESA and in the work related activity group 94% will take longer than a year to find work.⁴ It is therefore estimated that by 2015/16 **700,000 people** will be affected by limiting contributory ESA. Whilst some may receive some alternative support, **280,000 will lose their entire benefit payment – currently worth £94.25 per week.**

"I didn't want to be declared not fit to work, as I know there is work I can do despite the problems that my Parkinson's can cause. But there's no guarantee that I'll find a job in 12 months, it could take me much longer. I've worked all my life and paid for decades into the system on the understanding that there'll be support if I need it. To be told that all of this support could have an arbitrary time limit is both unfair and

³ Welfare Reform Bill Committee, 3 May 2011, column 650

⁴ Parliamentary Question 55206, 16th May 2011

www.publications.parliament.uk/pa/cm201011/cmhansrd/cm110516/text/110516w0004.htm#11051628000780

stressful.” (Liz – a person with Parkinson’s).

“I will be 60 years old in May 2012 and I am currently being reassessed for ESA. If placed in the Work Related Activity Group I would potentially have less than 12 months to find work. At my age, with Rheumatoid Arthritis and Angina, the chances of finding a new job and retraining within such a limited timeframe would be slim. It is grossly unfair to time limit these benefits for people who have worked hard for years and now are disadvantaged because they happen to have been unlucky enough to be ill.” (Glenice – a person with Rheumatoid Arthritis)

People with fluctuating conditions will face a particular disadvantage

The 12 month period will include the total time spent in the Work Related Activity Group, regardless of whether or not this is continuous. This means that someone who moves in and out of the Support Group because their condition fluctuates risks being presented with a short period of time in which to move into work or face the possibility of having their benefit cut.

People who have deteriorating conditions including those who are terminally ill but likely to live more than 6 months are unlikely to be in a stronger position to re-enter employment after a year on ESA.

The current guidance for health care professionals states that people who have deteriorating conditions including those who are terminally ill but likely to live more than 6 months should be placed in the Work Related Activity Group unless their level of functioning is such that they are allocated to the support group.

For someone who has three years to live and is receiving palliative care it seems unlikely that they will return to work, yet such individuals are being placed in the WRAG.

A 62 year old client of a CAB in the South East had worked all his life until he became too ill to carry on. He was diagnosed with Motor Neurone Disease and experienced chronic fatigue and reduced mobility. He applied for ESA and was placed in the WRAG – the report from Atos adding that he could expect to return to work within a year.

We believe that it is unreasonable that someone with a condition with a usual life expectancy of two to five years (one to four years post-diagnosis), and which is expected to deteriorate, should only receive ESA for one year if they are not entitled to income based ESA. They have paid their National Insurance contributions (often for thirty or forty years) and are unlikely to receive a pension for more than a very short period and most not at all.

4. New size criteria for social housing (Part 3)

The Bill proposes a new size criteria in the social housing sector. The Equality Impact Assessment shows that 450,000 (66%) of those effected will be disabled people, 200,000 of which the Government estimates to be in receipt of DLA.⁵ We are deeply concerned by the disproportionate effect this measure will have on disabled people. We are also concerned that the cost-analysis undertaken by the Government implies that savings would only be made if a large proportion of people remain in their current accommodation, and take the cut in Housing Benefit. We fear that this suggests that the Government is very much aware of the difficulties tenants will face when trying to find smaller homes, and is

⁵ Written Answer, HC Deb, 19 May 2011, c317W

expecting many of those on the lowest incomes to meet the shortfall in their housing costs.

Representations made by numerous organisations throughout the passage of the Bill so far have made it very clear that there is a shortage of suitably sized properties available to people who would under the new rules be deemed to be under-occupying their home. Furthermore, representations have also been made that there are around 100,000 properties adapted specifically to suit the needs of the individual living in them, which would be affected by the new rules, meaning that should they have to move, new adaptations would have to be paid for. Both identify issues that we believe should be addressed in the forthcoming passage of the legislation.

Therefore we are seeking exemptions for disabled people from this policy on the face of the Bill. Exemptions should be made for people living in adapted homes and those in receipt of DLA/PIP and ESA. We include those in receipt of ESA as a limited proportion of people on ESA are not in receipt of DLA, and we would be concerned that a group of people, who have been identified as needing support to find employment for reasons of illness or otherwise, would be put in a situation where they have to fear for their home.

5. Personal Independent Payment (Part 4)

The Government is proposing to replace working age Disability Living Allowance (DLA) with Personal Independence Payment (PIP). We are deeply concerned that the decision to reform the benefit was preceded by an announcement that the Government plans to make significant savings on future DLA/PIP spending. The Government hopes to save 1.45bn per annum in DLA/PIP expenditure by 2014/15. As an illustration of the scale of this reduction, the annual expenditure on the approximately 885,000⁶ people currently in receipt of lower rate care is approximately £900m.

Disability Living Allowance

DLA is a tax-free benefit for disabled children and adults. There are two different components, care and mobility. The care component is paid at three different rates and the mobility component at two. Normally, individuals must have had these care or supervision needs or walking difficulties for at least three months and be expected to continue to have them for at least a further six months.

Approach to DLA reform

Whilst there is the potential to improve DLA we do not believe this requires abolishing the benefit. Many of the modifications needed could be achieved through better training for staff and through modernising the criteria used. We are particularly concerned at the overall objective of a **'reduction target' of 20%** in future spending as set out in the June Budget 2010. Although the Government has stated its commitment to supporting disabled people, we are concerned that the approach being taken is primarily concerned with reducing costs.

The purpose of DLA and the new PIP

The Government is clear that DLA exists to meet the extra costs experienced by disabled people as a direct result of their impairment/s or health condition and they have stated that PIP will remain an extra-cost benefit to support 'the extra costs of overcoming the barriers faced by disabled people to lead full and active lives'. PIP will have daily living and mobility components. The daily living component will be awarded according to an individual's ability

⁶ DWP, November 2010, Disability Living Allowance caseload for lower rate care

to carry out key activities to be able to participate in everyday life, whilst the mobility component will be awarded based on an individual's ability to get around. Both of these will be paid at two rates.

A focus on those with 'greatest need' could mean that other disabled people facing significant barriers in their everyday lives will lose out

A focus on those disabled people with the 'greatest need' risks excluding many disabled people who still face additional costs associated with their impairment or condition. People accessing the lowest rates of DLA are often unlikely to be able to access support elsewhere and cuts to these groups could remove vital preventative support, in the long term leading to increased pressures on social care or NHS budgets. **As the Dilnot Commission on adult social care recently acknowledged, meeting lower level needs is essential to ensure prevention of higher or crisis level needs.**⁷

The first draft of the PIP assessment criteria

In May 2011, the Government published the first draft of the assessment criteria for PIP.⁸ These criteria are being tested with current claimants over the summer and the Government hopes to publish a second draft in time for when the relevant clauses are discussed in Lords Committee. Given our concerns about the current draft of the criteria, we think it is essential for Peers to be able to have access to a second draft of the criteria and any further indication of weighting or points, while the primary legislation is being considered.

The Minister for Disabled People has stated several times that the Government is committed to PIP supporting participation and enabling disabled people to lead independent lives, and that the new benefit will be about promoting independence and social inclusion.

However, we are concerned that the draft criteria focus only on those activities required for the bare essentials of existing and will fail to help disabled people overcome the barriers many face to living independently and participating fully in society. The proposed descriptors seem to address a much narrower range of issues than DLA currently does.

The proxies chosen continue to focus on care and support needs, rather than the additional costs encountered by disabled people in everyday living. There are repeated references to whether someone can undertake an activity without assistance or prompting. Currently the criteria seem to be designed around the medical model of disability, rather than the social model. They look predominantly at the medical impact of an individual's impairment rather than how this interacts with society to create barriers to independence.⁹

In addition, we believe that more needs to be done to ensure that the PIP assessment criteria take account of the needs of people with fluctuating conditions. We believe that the new PIP assessment is similar to the Work Capability Assessment for ESA and therefore the recommendations made by Professor Harrington and the subsequent review group on fluctuating conditions¹⁰ should be taken into consideration to ensure that people are

⁷ Dilnot Commission (July 2011) Fairer Care Funding, 21

⁸ DWP (May 2011) Personal Independence Payment: initial draft of assessment regulations

⁹ For more detailed information please see the DBC's initial response to the draft PIP assessment criteria available at : <http://www.disabilityalliance.org/dbcpip.htm>

¹⁰ MS Society, Parkinson's UK, NAT, Crohn's and Colitis UK, Forward-ME Group (April 2011) Employment and Support Allowance Work Capability Assessment review - making it work for fluctuating conditions

assessed fairly and correctly.

Avoiding face-to-face assessments where sufficient written evidence exists

Under DLA, some disabled people are automatically entitled to the higher rate of the care or mobility component as long as they can provide the appropriate written evidence. The Government is not proposing to carry over these 'automatic' entitlements to PIP. **Plans to bring in the new benefit and re-assess all current claimants are estimated to cost £675m.**¹¹ We believe that these entitlements are a simple and cost-effective way of awarding the right level of support to these individuals and the automatic entitlements do not exclude claimants with other impairments from receiving these rates. We are therefore calling on the Government to retain the automatic entitlements.

Increasing the qualifying period will diminish the preventative impact of DLA and could push disabled people into debt

Currently, PIP will only be available to people with a long-term health condition or impairment who have been experiencing extra costs at the level required to be eligible for Personal Independence Payment for at least six months. This is a doubling of the current qualifying period under DLA. With the prospective test (the amount of time an individual can be expected to continue to qualify for DLA/PIP) remaining at six months, this means that the total period for which an individual has to demonstrate their need will increase from nine to twelve months. **As a consequence of this many more people will find themselves pushed into debt as they seek to manage the costs of their impairment.** Whether this be coping with adjusting to a sudden onset condition such as stroke or cancer, or bearing the costs of a gradually increasing impairment or condition that has seen their income steadily fall over a long period of time. The extension of the overall period of need risks excluding some groups altogether, for example, many people with spinal injuries may no longer find themselves eligible for support.

The Government has said that this measure stems from a desire to align the Personal Independence Payment (PIP) with the definition of long-term disability in the Equality Act. However, this could be achieved by retaining the three month qualifying period and extending the period of future need. The Government has also stated that doubling the qualifying period for PIP will bring the benefit in to line with Attendance Allowance yet there is no prospective test for Attendance Allowance – a fundamental difference between the two benefits.

We firmly believe that the qualifying period should remain at three months or less.

Extending the period of future need required will exclude people from the support offered by DLA/PIP and it should therefore remain at six months. However, if the Government is determined to extend the total period of need to one year we would ask that they do this through extending the period of future need, rather than doubling the qualifying period.

Removal of PIP mobility component from people living in local authority funded residential care

At the publication of the Welfare Reform Bill, the Government announced its intention to delay the removal of the mobility component of DLA/PIP from people living in residential care until March 2013. This brings this into line with the introduction of PIP and means that it is now PIP, rather than DLA, that will be removed. However, as all working age people claiming DLA are to be moved onto PIP the impact remains the same. Under Clause 83 of the Bill disabled people living in residential care could have their mobility payments taken

¹¹ DWP (February 2011) Disability Living Allowance Reform Impact Assessment, 2

away. We do not believe it is right to target a specific sub-group of disabled people in this way.

According to the Government the policy reason for removing DLA/PIP mobility is to 'identify and remove any overlaps' in the way mobility needs in residential care homes are met.¹² However, evidence shows that very little duplication exists, and removal of this benefit would severely undermine the Government's aim to support disabled people to lead full and independent lives. As pointed out in the reports *Don't limit mobility*¹³ and *DLA mobility: sorting the facts from fiction*,¹⁴ while care packages may meet specific needs such as going to a day centre or a doctor's appointment, they are unlikely to factor in the costs of visiting friends and family and participating in community and leisure activities. Any occasions of inappropriate use of the benefit should be dealt with in a proportionate way, rather than threatening to remove the mobility component from everyone living in local authority funded residential care.

At publication of the Welfare Reform Bill, the Government announced its intention to 'review the support given by DLA against the responsibilities of care homes, and reflect the outcomes from this review in the PIP eligibility criteria for people in residential care homes'.¹⁵ However, the Government has since made clear that this is an internal review, with no terms of reference and its findings will not be published in the public domain.¹⁶ **We are concerned therefore that with no publicly available information about the review and its remit, Peers will be left voting on a measure without being provided with all the relevant information.**

"If the mobility allowance is cut then I will not be able to run my car. I will not be able to afford the mileage. I will be stuck. I will have no choices." (A disabled person living in residential care).

Disabled people living in residential care want to be full and active members of their local communities and maintain relationships with family and friends in just the same way as disabled people not living in residential care and DLA/PIP mobility helps them achieve this. **We feel strongly that the power to remove the mobility component of Personal Independence Payment should be taken out of the Bill. Maintaining access to PIP for people over pension age**

The Government has indicated that when claimants continue to meet eligibility criteria, they will continue to receive PIP once they are over pension age. Individuals will continue to face barriers over this age and the PIP mobility component is especially vital to people over pension age, given that Attendance Allowance has no equivalent mobility component. Given the Government's commitment on this issue, we feel it would be appropriate to include this on the face of the Bill, rather than in Regulations.

¹² DWP (16th February 2011), Disability Living Allowance Reform Impact Assessment, <http://www.dwp.gov.uk/docs/dla-reform-wr2011-ia.pdf>

¹³ Mencap et al (2011) Don't limit mobility www.mencap.org.uk/document.asp?id=20622

¹⁴ Mencap et al (2011) DLA mobility: sorting the facts from fiction www.mencap.org.uk/document.asp?id=21275

¹⁵ DWP (16th February 2011), Disability Living Allowance Reform Impact Assessment, <http://www.dwp.gov.uk/docs/dla-reform-wr2011-ia.pdf>

¹⁶ Parliamentary Question 52907, 52908, 52926, 52927, 9th May 2011

www.publications.parliament.uk/pa/cm201011/cmhansrd/cm110509/text/110509w0003.htm#11050943001014

The impact of DLA reform on carers

The Bill could have a significant impact not only on disabled people and people with long-term conditions but also those who care for them. There are 6 million carers in the UK, performing a vital role with very little social and financial recognition. Reduced earnings and the high cost of illness and disability mean that many carers' family finances rely on benefits, including carers' benefits.

Under DLA a carer can receive Carer's Allowance if the person they are caring for receives the middle or highest rate of DLA care component. Carer's Allowance is paid at just £53.90 for 35 hours or more a week spent caring. The Impact Assessment on DLA reform makes no mention of carers and no estimates have been published of the number of carers who would be affected by the introduction of PIP. We are very concerned that carers could lose their entitlement to Carer's Allowance at the same time as disabled individuals may lose their PIP. **We believe that eligibility for Carer's Allowance should link to both rates of the PIP daily living component.**

Impact on children under 16

Given the specific needs of disabled children, we welcome the Government's commitment to consult before extending PIP to children under 16 and look forward to further information on how this will take place.

6. Contact details for further information

Simon Shaw, Sense and Chair of the DBC parliamentary group
020 7014 9386/ 07917 657 437 / simon.shaw@sense.org.uk

Appendix 1: Summary of key changes from Disability Living Allowance to Personal Independence Payment

	Disability Living Allowance (DLA)	Personal Independence Payment (PIP)	Disability Benefits Consortium concerns
How long do you have to wait?	3 months	6 months	Making people wait twice as long for support will push many more into debt. The Government has said the reason for the change is to make the total period of need one year which aligns with the Equality Act definition of disability; it is not a cost saving measure. It would therefore be preferable to retain the 3 month waiting period and instead increase the prospective test to 9 months.
How long do you have to show you will continue to need the benefit for?	6 months	6 months	
What help do you get with care needs?	The care component provides support with care needs. There are three rates, low, middle and high.	The daily living component will replace the care component and it will be paid at two rates.	We are concerned that this will reduce access to the benefit and people with lower level needs may lose out on vital preventative support. The Government has also not yet said whether Carer's Allowance will be linked to both rates – if linked to just the higher rate thousands of carers could lose their support.
What help do you get with mobility needs?	The mobility component provides support with mobility needs and is paid at two rates.	The mobility component provides support with mobility needs and is paid at two rates.	It is positive that the mobility component as proposed will now take better account of non-physical impairments.
How do you apply for the benefit?	Completion of an application form, supply of supporting evidence and in some cases a face to face assessment with a DWP doctor.	Completion of an application form, supply of supporting evidence but a much greater emphasis on attending a face to face assessment with a healthcare professional.	Based on the experience with Employment and Support Allowance we are very concerned about what these assessments will look like and are keen for reassurances that people will only be called for assessment when absolutely necessary. At the moment just one review of the new benefit is proposed on the face of the Bill and we believe this needs extending to allow for ongoing scrutiny.

<p>Is anyone automatically entitled to the benefit?</p>	<p>Some people have automatic entitlement to DLA. For the mobility component this applies to people who are severely mentally impaired, deafblind, double amputees or severely sight impaired. For the care component, this applies to people who are terminally ill or having renal dialysis in their own homes.</p>	<p>There will be no automatic entitlements under PIP.</p>	<p>If once the criteria for the new benefit are agreed it becomes apparent certain impairment groups will always meet the threshold for support it seems administratively more efficient to ensure these claims are fast tracked to receiving the benefit, rather than having to complete the entire application process. This would also free up resources for use elsewhere.</p>
<p>What about people living in residential care?</p>	<p>Do not receive the care component but can receive the mobility component.</p>	<p>Will not receive either component of PIP.</p>	<p>We are deeply concerned about this measure. There is no alternative support for people living in residential care and without this benefit thousands of people risk being trapped at home.</p>
<p>How much is spent?</p>	<p>At the moment 1.8 million people claim working age DLA and this costs approximately £6 billion pa.</p>	<p>Whilst the number of people who would be eligible for DLA is expected to increase PIP will be kept at current spending levels, translating to a 20%/£1.5 billion pa reduction in spending by 2015/16.</p>	<p>The announcement of future spending cuts before the reform programme gives the impression that this is reform based on costs not on need. Greater attention should be paid to who needs support – we do not believe there is anyone legitimately claiming the benefit at the moment who does not <u>need</u> it, yet many risk having their support reduced or removed altogether.</p>