

With foreword from
the Disability Alliance

Disability
alliance

Disability Rights and Tax Justice

A report by the PCS R&C Group Disabled Members Advisory Committee
on the impact of cuts on the UN Convention on Disability Rights,
and the case for tax justice



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Disability Alliance Foreword – November 2010

The coalition seeks to reduce welfare expenditure and the support disabled people receive from Disability Living Allowance and Employment and Support Allowance. The premise for cutting disability benefits is 'fraud'. It is heartening to see the PCS outline the evidence on fraud in this report. Too little attention is paid to fraud facts, with far too much focus on 'scrounger' rhetoric.

The National Audit Office reported in 2008 that fraud had been reduced by more than half since 2003. We need to move on from the real 'fake' in welfare – fraud rhetoric – and onto the substantive issue. The UK needs to develop appropriate, sustainable work for the thousands of people with significant health problems who need a little more flexibility in work arrangements and a bit more help from the state. Sadly, generating work opportunities does not form part of the government agenda.

Instead the coalition wishes to axe half a million public sector jobs. This is likely to be mirrored in the private sector. With increasing numbers of jobseekers it will be tougher for disabled people to compete for employment. At the same time, broader cuts and time-limiting benefits will mean reductions in support to get and keep work and – potentially – disabled people being cut adrift from our welfare system.

Deepening and entrenching disability poverty is not sustainable and risks incurring longer-term costs through greater NHS reliance for instance. It also fails the Cameron-Clegg promise of 'fairness'.

But, sadly, the coalition programme contradicts the fairness aspiration. Disabled people are twice as likely to live in poverty as other citizens. A third of all disabled people live in poverty across the life course. Disabled people experience higher living costs and a greater need for public services. Despite this evidence, £18 billion cuts to welfare will significantly affect disabled people and £4.1 billion will be stripped from essential disability benefits alone. These figures vastly overshadow the new banking tax revenue of £2.5 billion.

Our most disadvantaged disabled citizens are being disproportionately targeted to shoulder the burden of reducing the national deficit.

Like the PCS, Disability Alliance is not a marxist organisation. But we do support the tenet: 'From each according to ability; to each according to need.' This principle is crucial if cutting the national deficit and reforming welfare is to be made fair.

Neil Coyle

Director of Policy
Disability Alliance

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Executive Summary

In 2007 the UK government signed the UN Convention on disability rights and set itself an ambitious set of targets to meet by 2025. However its approach to the current economic crisis threatens to put progress towards disability equality back, not forward.

Addressing the tax gap – the amount of tax evaded, avoided and left uncollected – could reduce the budget deficit without the need for public sector and welfare cuts. The tax gap is estimated by the Tax Justice Network to be £120 billion. Instead of condemning the actions of large companies and wealthy individuals who avoid or evade contributing their fair share to the economy, the government is focusing public outrage on benefit claimants and, in particular, disabled benefit claimants.

The announcement of medical assessments for claimants of Disability Living Allowance (DLA) and the reforms to Employment Support Allowance are designed to tackle a level of fraud that simply does not exist. In reality only 0.5% of Incapacity Benefit and DLA claims are fraudulent.

The myth of the workshy benefit scrounger in relation to Incapacity Benefit or DLA portrayed in government rhetoric and in the media perpetuates a negative image of disabled people that could fuel hate crime.

The Chancellor of the Exchequer, George Osborne MP, suggested that he can raise the number of disabled people in employment by just ‘incentivising’ work and providing job-seeking programmes. However, this ignores the reduction in jobs available, the negative attitude of many employers and the additional barriers created by inaccessible transport and buildings or work environments that often make work for disabled people virtually impossible.

As well as the direct attack on disability related benefits, disabled people will be disproportionately affected by the

Comprehensive Spending Review programme of cuts which will reduce their financial viability and remove services on which many people rely for independence.

Leonard Cheshire Disability suggests that if additional living expenses related to impairments are factored in, then more than 50% of disabled people in the UK live below the poverty line.¹

Increases in VAT, changes to the indexation of benefits, reduction in housing benefit, restrictions to free social care and the rise in public transport cuts will all drag more disabled people below the poverty line and into problem debt.

There are fears that the housing benefit cap will price disabled people out of some geographic areas. Combined with reductions in public transport, this could restrict access to specialist healthcare and employment.

The National Housing Federation (NHF) estimates that if the increase in housing benefit claimants who are in the private rented sector were accommodated in social housing, it would save the government £625.6 million a year.

Investment in social care will be severely affected by the cuts to local authority funding and removal of ring fenced budgets down the line. For example, the £1.6 billion spent on the Supporting People Programme has been shown to save more than £3.4 billion in costs such as residential care, related NHS expenditure, homelessness and crime.² The Local Government Association (LGA) estimated that 81% of local authorities would only fund social care for those assessed with ‘critical’ or ‘substantial needs’ in 2009–2010.³

There is an alternative and this report will show how failure to invest in the economy and quality public services will impact on disabled people’s UN convention rights ‘to the full and equal enjoyment of all human rights and fundamental freedoms’, and turn back the clock on disability equality.

¹ Disability Poverty in the UK, Leonard Cheshire Disability, 2008.

² CapGemini, Research into the financial benefits of the Supporting People programme, Communities and Local Government (CLG), 2009

³ ‘Report on Adults’ Social Services Expenditure 2008-2009’, Local Government Association, 2009

Introduction

In 2007, the UK signed the UN convention on disability rights to “promote, protect and ensure the full and equal enjoyment of all human rights and fundamental freedoms by all persons with disabilities, and to promote respect for their inherent dignity.”⁴ This report will examine how the government’s policy of public sector budget cuts and their method threatens those rights.

Before looking at the indirect threat of the overall public sector cuts, it is useful to consider the direct attack on the welfare system and how this serves as a distraction from the mismanagement of the financial sector and the political decision not to tackle the £120 billion tax gap.

As Richard Murphy of the Tax Justice Network pointed out, the current economic situation is not the result of a government spending crisis. It is a government income crisis, with forecast income for 2009/10 dropping from £608 billion to £496 billion.⁵

Addressing the tax gap, which is the amount of money made up of avoided, evaded and uncollected taxes, could reduce the budget deficit without the need for public sector and welfare cuts. Figures produced for PCS by the Tax Justice Network to use in the Tax Justice Campaign show that £25 billion is lost annually in tax avoidance and £70 billion in tax evasion by large companies and wealthy individuals. In addition, £26 billion is not collected mainly due to a lack of resource. It is interesting to contrast the attitude expressed by politicians and the press to these figures with their attitude to benefit fraud, which accounts for less than £1 billion a year.⁶

Instead of addressing the tax gap, successive governments have steadily cut funding to HM Revenue & Customs (HMRC) with 25,000 jobs lost since 2004.⁷

The government announcement of £900 million funding to increase compliance work

and bring in approximately £7 billion tax is welcome. However, the sincerity and political will behind this policy has to be judged in the context of the government’s decision to implement an overall cut of 25% to the budget of the HMRC.

1 Welfare reform proposals and the myth of the scrounger

Although the government now claims that HMRC’s priority is to close the tax gap, the government has in fact focused public outrage on benefit claimants and, in particular, disabled benefit claimants.

The June budget included plans to reduce the number of claimants of Disability Living Allowance (DLA). The Chancellor announced that there would be medical assessments of eligibility for DLA saying, “that way we can continue to afford paying this important benefit to those with the greatest needs, while significantly improving incentives to work for others.”⁸

There was a clear inference that the number of claimants had trebled because some people were claiming the benefit fraudulently and would be caught out by the medical assessment. It also showed an alarming lack of understanding of the purpose of DLA, which is available to people whether or not they are employed. The DWP press statement went further and claimed the ‘system has become open to abuse’.

In the same spirit, the government is accelerating plans to reassess the claims of all those in receipt of Incapacity Benefit as they are converted to Employment and Support Allowance (ESA).

In August the Prime Minister, David Cameron MP, declared war on benefit fraud with plans to use credit rating agencies and informants to identify the fraudsters and to increase the number of prosecutions.

⁴ UN Convention on the rights of persons with disabilities

⁵ ‘Let’s tackle the tax gap once and for all’ Richard Murphy, The Guardian 20 August 2010.

⁶ ‘Fraud and Error in the Benefit System October 2008 to September 2009’ DWP 27 May 2010

⁷ Written evidence by PCS to Treasury Select Committee on Administration and Effectiveness of HMRC, November 2010

⁸ Budget speech June 2010

⁹ David Cameron promises tough action against benefit fraud’ The Guardian 10 August 2010

Cameron complained that only 1 in 4 benefit fraudsters were prosecuted⁹ – 8,000 for an estimated £1.5 billion.¹⁰ This contrasts starkly with under 200 prosecutions¹¹ by HMRC for a potential £70 billion tax fraud or 1 in 1,000.¹²

In fact, the levels of benefit fraud are much lower than the government suggests as it habitually quotes a combined figure for fraud and error. As can be seen below, the actual rate of fraud for disability related benefit is low, particularly in comparison with ‘official error’. Official error is hardly likely to reduce as the DWP loses more staff and resources. In some cases, it is resulting in under-payment rather than overpayment.¹³

Meanwhile, the press is full of outrage and stories of ‘benefit cheats’ who are faking impairments. This perpetuates a negative view of disabled people which fuels hate crime. This was well illustrated when the Treasury’s Spending Challenge website had to be suspended in July 2010 after it allowed numerous posts inciting hatred against disabled people to be published.

The Equality and Human Rights Commission (EHRC) and the Metropolitan Police are investigating the Treasury’s failure to remove the posts promptly after complaints.

Estimated disability related benefit overpayments 2009/10 ¹⁴				
	Fraud		Official error	
Incapacity Benefit	0.5%	£30m	2.1%	£130m
Disability Living Allowance	0.5%	£50m	0.8%	£90m

Estimated disability related benefit underpayments 2009/10 ¹⁵		
	Official error	
Incapacity Benefit	0.9%	£60m
Disability Living Allowance	0.1%	£10m

¹⁰ ‘Note on the Enforcement powers of HMRC and DWP - ‘Background Paper No 5’ Review of MPs Expenses and Allowances Public Standards October 2009

¹¹ ‘Funding boost could push tax evasion prosecutions to 800’ Accountancy Age 21 September 2010

¹² ‘Benefit fraud and tax evasion: Tracksuit vs. White collar’ This is The Money Blog 10 August 2010

¹³ ‘Fraud and Error in the Benefit System October 2008 to September 2009’ DWP 27 May 2010

¹⁴ ‘Fraud and Error in the Benefit System October 2008 to September 2009’ DWP 27 May 2010

¹⁵ ‘Fraud and Error in the Benefit System October 2008 to September 2009’ DWP 27 May 2010

1.1. Employment and Support Allowance (ESA)

The government will require everyone on Incapacity Benefit to undergo a Work Capability Assessment (WCA) when they move onto ESA – a policy which will require 1.5 million assessments.

The WCA will classify people into three groups:

- Fit for Work – for people to be moved onto the lower Jobseekers Allowance
- Work Related Activity – for people who will receive a higher rate of benefit but will have to attend work preparation activities
- Support – for people who will receive higher rate ESA and will be exempt from work preparation

Since October 2008, all new claimants have had to claim for ESA and undergo a WCA. The Citizens Advice Bureau Scotland (CAB) published a damning report on the first year of the tests which were conducted by private occupational health company Atos. They found evidence of rushed assessments with little attention paid to GP or consultants' reports. Sixty-nine percent of claimants assessed are being found fit for work. One in four people appeal and 39% have their appeals upheld. CAB Scotland says that where the claimant is assisted by an adviser, the success rate rises to 70%.¹⁶ The overwhelming concern expressed about the WCA led the DWP in July 2010, to announce a review after fresh figures showed that only 6% of those tested were found totally incapable of working.

The CAB also believed that many of the 37% of claimants who drop their claim before the assessment is completed do so because of the poor standard of claims administration by the hard pressed Jobcentre Plus, which has seen extensive job losses. They found examples of failure to assist with completing the difficult forms, delays, lost forms, unsuitable appointments offered and payments stopped incorrectly.¹⁷

It is worth noting at this point that the CAB, which is reliant on local authority funding, will be another victim of public sector spending cuts at a time when they are seeing a rise of 18% in enquiries.¹⁸ Birmingham CAB is closing 5 offices after the council removed its funding.¹⁹

Those disabled people who are put on Job Seekers Allowance will be expected to travel to the Jobcentre Plus office fortnightly to sign on. Demos points out in its report 'Destination Unknown' that meeting this requirement may be more difficult for disabled people due to a lack of accessible transport.²⁰

Those in the Work Support Activity Group can only remain on ESA for a year, after which, they will move to the means tested income support.

There is an alternative way of cutting the number of people on ESA. A study by Glasgow University suggested that GPs could spot patients who might go on ESA for mental health issues three years before they stopped working by identifying frequent consulters with emotional distress. Supporting individuals to stay in work could be more effective than the current policy of getting people who are dependent on long term benefits back into work.²¹

The research team also found that variations in rates of benefit claims were down to differences in the population rather than to certain GPs issuing sickness certificates inappropriately. So, why is there any need for a further medical test by the DWP?

1.2. Disability Living Allowance (DLA)

DLA is payable to people under 65 years, who are disabled and who have personal care needs, mobility needs, or both. It was originally introduced to enable people to afford the support they would need to live independently rather than in expensive care homes.

¹⁶ 'Unfit for Purpose' CAB Scotland May 2010

¹⁷ 'Unfit for Purpose' CAB Scotland May 2010

¹⁸ Citizens Advice Bureau annual advice statistics 2009/10, 17 May 2010

¹⁹ Plea to government on Birmingham Citizens' Advice cuts BBC news 1 February 2011

²⁰ 'Destination Unknown' DEMOS October 2010

²¹ The Scotsman, 17th August 2010

It is not easy to qualify for DLA. Claimants need a statement from both their GP and someone who knows them well (often a social worker or community nurse). Fewer than half of all claims are successful.

The government is seeking to bring in its own assessors with the stated aim of reducing the bill. The experience of ESA claimants suggests that this will result in much injustice, particularly for people whose impairments fluctuate.

The Disability Alliance questions how an assessor can measure the impact of impairments without having regular contact with the individual and says that the Chancellor's reference to replacing a long referral form makes no sense, as there will still be a need to obtain information from a variety of health care professionals.²²

The new assessments are expected to save £1.4 billion by 2015. This equates to 1 in 5 claimants losing their benefits. Disabled people's day to day living costs – for basics such as mobility aids, care and transport – are 25% higher than those of non-disabled people. Far from 'incentivising work', losing DLA may mean many disabled people can no longer afford to remain in employment.

The spending review announcement included the removal of the mobility component of DLA from people in residential care from 2012/13, indicating people in care should stay there.

The cut will save £135 million but cost many care residents their independence. Jaspal Dhani of the UK Disabled People's Council sums it up well, "our concerns are that as a result of losing independent mobility, disabled people will lose the spontaneity to travel and organise their lives and will become dependent on group based travel organised by residential care homes. This echoes the institutional practices of the 1980s."²³

Strangely, the DWP consultation on the details was run over a 6 week period

including Christmas, despite government guidance that 12 weeks is more appropriate and that the accessibility requirements of many DLA recipients should also be factored in when timetabling a consultation.²⁴

DLA is also the gateway benefit for a number of other entitlements as the fact of its receipt is seen as an easy way to decide who is 'disabled' rather than using other benefit/entitlement specific criteria.

One such benefit is Carer's Allowance, which is available to those caring for someone on the medium or high rate of DLA only. Chief executive of Carers UK, Imelda Redmond, said a "poor medical assessment could spell financial disaster for carers and their families."²⁵

²² 'Budget 2010 – protecting the most vulnerable?', Disability Alliance July 2010
²³ "UKDPC Response to the Comprehensive Spending Review 2010" UKDPC 21 October 2010

²⁴ 'Government consultation on DLA' Mobilise 10 December 2010
²⁵ "DLA cuts set to hit learning disabled and mentally ill' Community Care, 23 June 2010

2 Threat to Article 9 Accessibility

2.1. Access to transport

Disabled people are twice as likely as non-disabled people to depend on public transport. While 27% of non-disabled people have no car in the household, this statistic rockets to 60% when looking at disabled households.²⁶ Increased fares will put a strain on personal budgets while cuts to services may leave people completely cut off.

A survey conducted for Leonard Cheshire Disability in 2003 found a direct link between accessible transport and employment opportunities. Inaccessible transport meant that 23% of disabled jobseekers had to refuse a job offer, and a further 23% could not even make the job interview. Nearly half of disabled jobseekers reported restricting their choice of jobs because of transport.²⁷ Clearly, any attempts to get more disabled people into work will need to take this into account.

Inaccessible transport also affected health with 20% of disabled people finding it 'difficult or impossible' to travel to get healthcare and 43% missing a hospital appointment.²⁸

Even before the 2010 general election, the Department for Transport (DfT) had already cut its spending by £683 million for the next financial year. Among the casualties was the Access for All scheme that improves access to railway stations and between platforms. The funding has been cut across Britain by just over 50% to £3.9 million. Across the network as a whole, just 58% of stations have level access between the station entrance and platforms (but not between all platforms).²⁹

Disabled passengers may need assistance from station staff with some reasonable adjustments, for example when boarding ramps. At present, many rural stations are staffed on a part-time basis or not at all; Wales has 176 unstaffed stations. Disabled

passengers who require assistance have to book 24 hours in advance which removes the opportunity for the spontaneity that non-disabled people take for granted.

Transport for London is planning to cut up to 800 jobs on the London underground, mainly in ticket offices, to cut costs. Transport for All has expressed concern that some disabled people are not able to use automatic ticket machines and require assistance with barriers or when there are service disruptions.

The DfT is also subject to Comprehensive Spending Review cuts. The capital budget will decrease by 11% and the resource budget by 21%. The government has agreed a rise in rail fares of up to 3% above inflation from 2012. For local bus services – the most commonly used form of public transport – the subsidies for bus companies will be reduced by 20%. This will mean fare increases and a cut to services. Meanwhile, local authority subsidies are to be cut by 28% which is likely to result in cuts to non-commercial routes. The Campaign for Better Transport estimated that a cut of just 25% could mean that as many as 94 million miles of route will be lost.³⁰

The charity Guide Dogs warned that the spending cuts would lead to the loss of important research into accessible transport. Sue Sharp, head of policy and campaigns, said "We were laughed off the streets when we suggested that lower floor buses would be a good thing to do until we demonstrated that it got people on and off buses much more quickly, regardless of whether or not they have a disability. Therefore the bus industry got into it long before the Disability Discrimination Act introduced requirements."³¹

The Disabled Persons Transport Advisory Committee (DPTAC) was an excellent example of empowering disabled people to influence change. Its initial success as an advisory group led to statutory status in

²⁶ 'Railways for All strategy', Department for Transport 2006

²⁷ "Mind the Gap" Leonard Cheshire Disability, 2003

²⁸ "Mind the Gap" Leonard Cheshire Disability, 2003

²⁹ Inquiry into Accessibility of Railway Stations – response from ATOC, March 2010 for the National Assembly for Wales.

³⁰ 'Smarter Cuts' The Campaign for Better Transport June 2010

³¹ Disability Now 5 October 2010

1985. However, its abolition was announced in the review of non departmental public bodies and the DfT will have to make alternative arrangements to get advice on disability issues.

2.2 Access to goods and services

The charity Guide Dogs has noticed an increase in complaints about access to hotels, restaurants, pubs and transport from guide dog users. Tom Pey, director of public policy and development at Guide Dogs, blames the recession for making service providers increasingly concerned about what they perceive to be the needs of their other customers. He said, “In times of recession, people tend to think less about the needs of their neighbours and more about their own survival. You’d normally expect at a time like this some sort of rise, but this is quite a significant one and it’s worrying”.³²

A survey conducted for Leonard Cheshire Disability found that 23% of disabled people believed they had experienced discrimination in accessing goods and services in the last year and 40% reported difficulties.³³

Alarming, of the people experiencing difficulties, 62% did not complain and Leonard Cheshire Disability found that 71% of disabled people knew little or nothing about the Disability Discrimination Act.

The Equality and Human Rights Commission (EHRC) – that would assist those who report problems of accessibility – is taking a major hit under the Comprehensive Spending Review with a 60% cut to its budget.³⁴ The resulting changes to its operations would limit, and potentially end, its ability to improve awareness and take up cases.

Threat to Article 13

Access to justice

The Ministry of Justice plans to close 103 magistrates’ courts and 54 county courts – 40% of the 530 currently open. The savings are small at just £15.3m a year and a one-off maintenance backlog of £21.5m.

While it is true that many of the courts are not fully accessible, this could be remedied and the decision to make users travel further will only increase the issue of inaccessibility for disabled people.

3 Threat to Article 16

Freedom from exploitation, violence and abuse

3.1. Hate Crime

According to a recent report by the EHRC, disabled people are four times more likely to be victims of crime than non-disabled people.³⁵ Such crimes that are defined by the deliberate targeting of disabled people include assault, robbery, false imprisonment, torture, rape and murder.

There is considerable concern among many working in, and concerned with, issues of equality and human rights, about what functions and capacity the EHRC will have to do its good work following further cuts. In addition to this, detection rates of disability hate crime are likely to fall as the police federation is warning that cuts to police budgets will mean 20,000 fewer officers. No improvement in reporting hate crime could mitigate the effect of the cuts.

Where the perpetrators are caught, the Crown Prosecution Service has warned that budget cuts of 25% will “delay and possibly deny justice”.³⁶

³² ‘Religion may not be the cause of guide dog discrimination’ Disability Now 21 October 2010

³³ ‘Rights and Reality: Disabled people’s experience of accessing goods and services’ Leonard Cheshire Disability, 2010

³⁴ ‘Cuts will clobber Equality and Human Rights Commission claim staff’ The Guardian 8 February 2011

³⁵ ‘Promoting the safety and security of disabled people’, EHRC April 2009

³⁶ ‘How the Coalitions cuts are affecting public services’ The Guardian, 8 September 2010

4 Threat to Article 19

Living independently and being included in the community

4.1. Lack of suitable housing

The UN convention on the rights of disabled people states that disabled people should have the right to choose where and with whom they live and should not be obliged to live in a particular arrangement, for example, in residential care or with their parents. This assumes there will be suitable housing options to choose from.

Cuts to local authority budgets will threaten the building or adaptation of housing to meet accessibility requirements.

Meanwhile, demand for supported accommodation is increasing. Advances in medicine mean that disabled people with conditions that would once have meant death in their teens, are now living far longer. Edinburgh council estimates that the population of Edinburgh's learning-disabled community will grow by around 4% every year, while accommodation needs will swell by 11%. The supported accommodation waiting list has already more than doubled since 2001.

The NHF, Chartered Institute of Housing and National Federation of ALMOs, have offered a financially attractive proposal to produce 150,000 new affordable homes in their joint submission to the Comprehensive Spending Review. The Federation offered to match an investment of £9.5 billion by the government with £12.6 billion.³⁷ The National Federation of ALMOs estimates the 5 year building programme would safeguard 178,000 jobs, add 0.4% to GDP by the fifth year and, through the economic multiplier principle, for every £1 spent on house building £1.40 would be generated as gross output across the economy as a whole.³⁸

The government has, however, cut the housing budget by 63% and plans to fund future social housing by increasing rents

to new tenants by up to 80% of the local market rate – effectively doubling them from the average of 40%.³⁹ The NHF called it a 'disincentive to work' because it would make tenants more reliant on Housing Benefit.⁴⁰

4.2. Housing Benefit cap

Housing Benefit was capped at £400 a week in the June 2010 budget. Local Housing Allowance (LHA) will be calculated at 30% of the local rent rather than 50% as before. From 2013, rates will be uplifted by the consumer price index (CPI) rather than by inflation in local rents. The Chartered Institute of Housing estimates that the change to CPI will result in there being no accommodation available within the LHA in some areas by 2015.⁴¹

Around 178,000 disabled people are claiming housing benefit and many will already be restricted in their choice of properties due to accessibility issues. Update (Scotland's National Disability Information Service), points out that some disabled people may be priced out of the larger cities like London, having moved to such centres originally to access special services and treatments.

The root cause of the strain on housing benefit budgets is a huge rise in house prices and rents because of the buy-to-let market. Rent-capping, or reviewing the tax position on property rental to make it less attractive, would help combat this, as would funding more social housing. The NHF estimates that if the increase in Housing Benefit claimants who are in the private rented sector were accommodated in social housing, it would save the government £625.6 million a year.⁴²

4.3. Support for Mortgage Interest

The NHF criticised the government for not making an adequate equality impact assessment of its plans to cut the Support for Mortgage Interest scheme from the current rate of 6.08%, to the Bank of England

³⁷ 'Responsible choices for a fairer future', The National Housing Federation, Chartered Institute of Housing and National Federation of ALMOs, July 2010

³⁸ Oxford Economics, Economic Impact of Social Housing Cuts - Report for the National Housing Federation, July 2010

³⁹ 'Ministers misjudge opposition to housing cuts' Public Finance, 29 October 2010

⁴⁰ 'Government housing plans disincentive to work' National Housing Federation 29 October 2010

⁴¹ CIH Housing Benefit Briefing July 2010

⁴² 'Responsible choices for a fairer future', The National Housing Federation, Chartered Institute of Housing and National Federation of ALMOs, July 2010

average mortgage rate (3.57% in June 2010). They say that 64,000 disabled people will risk losing their homes as they struggle to meet mortgage payments fixed at a higher rate of interest. In particular, 5,000 disabled people have niche mortgage products to pay for shared ownership homes through housing associations. The NHF would like shared ownership opportunities to increase but are concerned that mortgage providers will withdraw niche products as they are not financially viable with the reduced support.

4.4. Independent Living Fund (ILF)

The UN convention states that disabled people will have access to a range of in-home, residential and other community support services, including the personal assistance necessary to support living and inclusion in the community, and to prevent isolation or segregation from the community.

The ILF provides discretionary grants to enable disabled people to live in the community rather than residential care. It had a budget in 2010 of £11.2 million for Northern Ireland and £348 million for the rest of the UK. In June 2010, The Guardian⁴³ reported that the ILF had to close to new applications as it had run out of money for new grants. This is despite the rules having been tightened to restrict applications to 16-64 year olds who are self employed or work more than 16 hours a day.

The ILF was widely tipped for closure in the 'bonfire of quangos'. After protests from disability campaigners, it was spared in the initial review and marked for further consultation. However, the government have now announced the fund will close in 2015. Minister for Disabled people, Maria Miller MP, said the government had concluded that the fund was "financially unsustainable".⁴⁴ What price human rights? Under £359 million apparently.

4.5. The Supporting People programme

The Supporting People programme that funds specialist housing services via local authorities, will have its funding cut by approximately 12% in real terms over the next four years.⁴⁵ The programme funds home-based and outreach support to a number of client groups including pensioners, mental health service-users and people with learning difficulties. The cuts will actually increase Treasury spending overall as the £1.6 billion spent on the programme has been shown to save more than £3.4 billion in costs such as residential care, health services, homelessness and crime.^{46 47}

Some of the schemes could be saved if local authorities fund them from somewhere else in their already stretched budgets but as the Supporting People money is not ring fenced, the reverse may well happen. The NHF has already seen evidence of local authorities intending to make large cuts to their Supporting People budgets

4.6. Social care eligibility

The Local Government Association (LGA) estimated that 81% of local authorities would only fund social care for those assessed with 'critical' or 'substantial needs' in 2009-2010.⁴⁸ This is likely to increase further as the public sector spending cuts bite. The Leonard Cheshire Disability report 'Your Money or Your Life' found that the majority of participants were unable to privately fund the care which they had lost. Most disturbingly, 52% of people said that the loss of social care services had led to more accidents, illness, visits to the doctor or hospital, and even suicide attempts.

The Comprehensive Spending Review announced £2 billion additional funding for social care but commentators have been cautious. The NHS will contribute £1 billion, and according to the NHS Confederation, it 'would probably have been spent on this anyway' albeit in a less strategic way.⁴⁹

⁴³ Guardian 23 June 2010

⁴⁴ 'Independent Living Fund to close' Disability Now 14 December 2010

⁴⁵ 'The spending review 2010' SITRA website

^{46, 47} CapGemini, Research into the financial benefits of the Supporting People programme, Communities and Local Government (CLG), 2009

⁴⁸ 'Report on Adults' Social Services Expenditure 2008-2009', Local Government Association, 2009

⁴⁹ 'Doubts cast on 'extra cash for care' claims', Public Finance, 21 October 2010

The other £1 billion is not ring fenced so could be diverted elsewhere by the local authority, and at best, it is replacing money cut from the overall budget. Local authorities face cuts to their grants from the Department for Communities and Local Government of 7% a year over the next four years. The LGA gave evidence to the Health Select Committee that there would be a shortfall.⁵⁰

4.7. Carers Allowance

Many disabled people rely on unpaid care from family or friends. The yearly value of this care is estimated by the National Audit Office at around £23 billion.⁵¹ Carers UK estimated in 2007 that carers lost an average of £11,000 a year in earnings through giving up work, reducing their hours or changing jobs.⁵²

Carers Allowance (for those who are eligible) is not set high enough to mitigate the financial effects on the household finances. As previously stated, the new assessments of eligibility for DLA may lead to many disabled people having the benefit removed, or reduced, to the lowest level. This would mean their carer would no longer be eligible for Carers Allowance.

5 Threat to Article 24

Right to education

Disabled people are twice as likely as non disabled people to have no recognised qualifications. Over 70% of disabled people do not have a qualification higher than level 2, compared to 17.8% of non disabled people at the same educational attainment. It is predicted by 2020 that 42% of jobs will require a degree level qualification (level 6).⁵³

in 2009, the Lamb enquiry made a raft of recommendations to improve the assessment of Special Educational Needs

(SEN), all of which will cost money. In 2010, the children's minister ordered a green paper to look at SEN and whether the diagnosis was being over-used.

The proposed 7% annual cuts to local authority budgets will inevitably threaten existing work to improve access to good quality and inclusive education for disabled people. For example, Lambeth council have cut their SEN team as part of their budget reduction. Unison says the SEN team has been scrapped because it made £40,000 less than it needed in order to pay for itself and a decision was made that schools should purchase SEN services from outside providers.⁵⁴

5.1. Building Schools for the Future

More than £160 million of local authority money spent on planning for new school buildings was lost when the government scrapped the £55 billion Building Schools for the Future programme. Some of the plans included improving access and greater integration for children with special educational needs.

An example is Bridgewater in Somerset, where the plans to upgrade two overcrowded schools – Haygrove Secondary School and Penrose Special School – onto one shared site have been cancelled.⁵⁵ Penrose is not just over-crowded, its facilities are not fit for purpose. Their toilets are so small that pupils who need to be hoisted out of their chairs to use them have the indignity of being lifted outside the cubicle with mobile equipment.

5.2. Closure of Becta

Becta was the non departmental public body responsible for Information and Communication Technologies in schools. The government announced the closure of Becta in May 2010 but has not identified how it will cover its vital inclusion planning work for disabled pupils. In particular,

⁵⁰ "Cuts to council budgets threaten care for elderly and disabled" Guardian, 30 October 2010.

⁵¹ "Destination Unknown" DEMOS October 2010

⁵² "Out of Pocket" Carers UK, 7 December 2007

⁵³ Papworth Trust – Disability Statistics November 2008

⁵⁴ Community Care 26 July 2010

⁵⁵ "How school buildings cuts will affect Tory rebel's Somerset constituency" Guardian 9 July 2010

closing Becta ends the £1.5 million grant programme for alternative and augmentative communication (AAC).

5.3. Further education

Disabled people aged 16-24 are twice as likely as their peers not to be in education, employment or training (NEET).⁵⁶ Research by the National Union of Students indicated that among the barriers to disabled students' participation in further education, were the inaccessibility of the college, living expenses and lack of transport. We have already seen that transport will become more expensive. The effect of the public spending review on the budget for additional learning support remains to be seen, but any reduction will undoubtedly have a negative impact on disabled students.

6 Threat to Article 27 Work and employment

Of working-age disabled people, 45% are not in employment compared to 21.4% of non disabled people. Employment rates vary across impairments and are particularly poor for people with learning difficulties (less than 1 in 5) and mental health impairments (just over 1 in 10).⁵⁷

As well as social justice, there are economic benefits to raising employment levels for disabled people. The Social Market Foundation reported that if the employment rate of disabled people was the same as that of non-disabled people, the GDP in the UK would be boosted by at least £13 billion.⁵⁸

At age 26, disabled people were almost 4 times as likely to be unemployed as non-disabled people. For those who were employed, earnings were, on average, 11% lower than for their non-disabled peers with the same level of educational qualifications.⁵⁹

It is highly dubious to suggest that the

number of disabled people in employment can be raised simply by 'incentivising' individuals and providing job-seeking programmes when there is a wide spread reduction in jobs available, and employers continue to have a marked preference for non-disabled applicants.

According to the Office for National Statistics 1.3 million disabled people say they are available for and want to work.⁶⁰ Even assuming a fair recruitment process, barriers like inaccessible transport restrict opportunities.

Despite the legal protections and the availability of Access to Work, 1 in 6 of those who become disabled while in work lose their employment during the first year after becoming disabled.⁶¹ In addition to this, 52% of respondents to the 'Disability Review 2009' had experienced discrimination in the workplace in the last year and 43% reported they had been turned down for a job because of their impairment.⁶²

The government has committed to a review of employment law but campaigners fear that this may result in a watering down of employers' obligations to make reasonable adjustments. As discussed, cuts to the EHRC, which amongst other things, enforces equalities legislation, will inevitably affect the number of cases they can bring and their research and awareness-raising work. This work is still vital with only 8% of employers ever seeking advice on the DDA and 45% of small firms believing it would be 'quite or very difficult' to employ a disabled person.⁶³

Disabled workers are more likely to be employed in the public sector because of its more enlightened recruitment and retention policies. Of the disabled working population, 32% are employed in the public sector, compared to 28% of the non-disabled population.⁶⁴ Public sector job cuts will therefore have a big impact on the employment rates of disabled people.

⁵⁶ 'Disabled students participation in Further Education', NUS

⁵⁷ Papworth Trust – Employment statistics

⁵⁸ 'Disability, Skills and Work: raising our ambitions', S Evans, Social Market Foundation 2007

⁵⁹ Papworth Trust – Employment Statistics

⁶⁰ 'Labour Force Survey Jan-Mar 2009' Office for National statistics

⁶¹ Papworth Trust – Employment Statistics November 2008

⁶² 'Disability Review 2009' Leonard Cheshire Disability's annual survey.

⁶³ 'Disability, Skills and Work: Raising our ambitions', Social Market Foundation, 2007

⁶⁴ 'Disability and the Downturn' Leonard Cheshire Disability, 4 January 2010

7 Threats to Article 28 Adequate standard of living and social protection

The UN convention recognises the right of disabled people to an adequate standard of living for themselves and their families, including adequate food, clothing and housing, and to the continuous improvement of living conditions.

Currently, disabled people are more likely to be living in relative poverty as they are more likely to be out of work or earning less. In 2007/08, 34% of disabled people lived in a low income household in comparison to 17% of non disabled people.⁶⁵ Official poverty figures do not take into account the additional costs that many disabled people face. Leonard Cheshire Disability suggests that, if those are also factored in, then well over half of disabled people in the UK live below the poverty line.⁶⁶

7.1. Fuel poverty

Fuel poverty is defined as the need to spend more than 10% of household income on fuel.

Between 2005 and 2007, the percentage of households living in fuel poverty that included a disabled person increased from 9.8% to 16.6 %, compared to an increase from 6.2% to 11.7% in households with no disabled person.⁶⁷

Over 30% of respondents to the 'Disability Review 2009' said they had been unable to afford to heat their home in the last year.⁶⁸ The cold can aggravate some impairments, so going without heating can seriously affect some disabled people's health.

The government argues that the DLA is intended to cover the additional fuel costs for disabled people under 60 years old. However, pensioners in receipt of Attendance Allowance still receive the Winter Fuel Allowance (although, the government wants to trim this as well).

PCS supports the calls on the government to extend the £200 winter fuel allowance to disabled adults aged below 60 who receive the middle or higher rate care component or higher rate mobility component of Disability Living Allowance. The government has estimated the annual cost of this initiative to be £235 million.⁶⁹

7.2. Debt

Worryingly, 55% of respondents to the 'Disability Review 2009' had no savings, as compared to only 12% of the general population in such a situation. This means they have nothing to fall back on if they lose their job or face unexpected costs. Leonard Cheshire Disability researched the links between disability and debt in 2005.⁷⁰ It found that the impact of managing an impairment over time, combined with a reliance on benefits and the erosion of personal savings, led almost inevitably to problem debt. In many cases, an unexpected 'one off' expense, such as needing to replace a cooker or bed, had contributed to the financial difficulty. Over 80% of people reported that their general health and well-being had suffered due to the stress of debt and 12% had considered suicide.

Mental health impairments can contribute to difficulty with handling debt problems and in some cases could be one of the root causes.

Necessary and essential costs had proved an issue with 15% of respondents to the 'Disability Review 2009' saying they had not been able to pay a utility bill in the last 12 months and 38% of people reporting that they had been unable to afford as much professional care as they needed.

One of the key issues that Leonard Cheshire Disability identified in 2005 was that welfare benefits were not set high enough to allow a decent standard of living. From the evidence, it would seem the future prospects are even more bleak.

⁶⁵ Joseph Rowntree Foundation and New Policy Institute website www.poverty.org.uk

⁶⁶ Disability Poverty in the UK, Leonard Cheshire Disability, 2008.

⁶⁷ Office For Disability Issues Roadmap 2025 disability indicators.

⁶⁸ 'Disability Review 2009' Leonard Cheshire Disability

⁶⁹ House of Commons Debate, 11 November 2004, vol 426, c779W

⁷⁰ 'In the balance: disabled people's experiences of debt' Leonard Cheshire Disability, 2005

7.3. Child poverty

Families with disabled children are more likely to be living in poverty because of the additional costs and the difficulty of balancing employment with caring responsibilities. Research by Contact a Family found that a quarter of families were going without heating, one in seven parents were going without food and nearly three quarters were going without leisure time/activities or days out.⁷¹

Leisure and days out cost more for families with disabled children. Even the most basic leisure activities that other families take for granted, such as swimming or going to the park, can be unaffordable. A family may require a care worker for support or may need to drive everywhere to transport their child's equipment.

With benefits failing to provide an acceptable standard of living, it is difficult to see how the government can meet its target to eradicate child poverty by 2020.

The proposed cut in tax credits to families earning more than £40,000 will impact more heavily on families with disabled children. A family with two non-disabled children will lose £10.48 a week. A family with two children, one of whom is disabled, will lose £39.98 a week.⁷² Disability Action suggests that this could be sufficient to force a parent to give up work.⁷³

7.4. VAT rise

VAT is a regressive tax because lower income groups will pay a higher percentage of their income on goods and services than higher income groups.

7.5. The Consumer Price Index (CPI) and Retail Price Index (RPI)

The Chancellor will move benefits and pensions from the RPI to CPI. At present, the current CPI does not include owner-occupier housing costs or council tax, both of which can rise sharply in relation to other costs.

The Consumer Prices Advisory Committee (CPAC) is considering whether owner-occupier housing costs should be included in the CPI. However at present, the RPI inflation rate has been consistently higher than the CPI rate so that someone whose income is specifically linked to the RPI will be noticeably better off after a few years than someone whose income is linked to the CPI.⁷⁴

8 Threat to Article 30

Right to participate in cultural life, recreation, leisure and sport

The arts may seem like an easy option for cuts compared to housing and social care. However, cultural events and installations are effective ways to challenge prevailing social attitudes and bring about the changes in thinking that are necessary to end inequality. If what disables us is the social environment, then positive arts projects are vital to equality. The Arts Council has provided a partial safety net this year for the frontline organisations it supports including the DaDa Disability and Arts Festival. By raiding their reserves, they have only passed on a cut of 0.5%, but this cannot continue. The Arts Council had its funding cut by 30% in the spending review. According to the chief executive of the Arts Council, the government's instruction to restrict cuts to 'front line' recipients to 15% will mean around 100 organisations will lose funding altogether.⁷⁵ With the local government funding cuts there will be fewer resources for the smaller players.

Sports and leisure services such as libraries are particularly vulnerable to local authority spending cuts. Reducing these services will increase social isolation.

⁷¹ 'Counting the Costs 2010', Contact a family, July 2010

⁷² 'Statement on June 2010 budget' Disability Action, 23 June 2010

⁷³ 'Budget 2010 – protecting the most vulnerable?' Disability Action, July 2010.

⁷⁴ The Statistical Society open letter to UK Statistics Authority, 25 August 2010

⁷⁵ "Spending Review: relief for museums but Arts Council faces 'dismaying' 30% cut" Guardian, 20 October 2010

9 Conclusion

Closing the £120 billion tax gap could bring the budget deficit down to acceptable levels and enable investment in jobs and quality public services. Instead, the coalition government has opted for public sector spending cuts that will impact on poor people to a far greater extent than their rich peers. As the majority of disabled people are poor, the effects of the cuts will hit them disproportionately. So much so, that the EHRC is asking for evidence of an equality impact assessment, and could take legal action.

Tackling the underlying causes of poverty and exclusion would save money in the long run. Investment now in more social housing and health interventions to keep people at work could save millions in Housing Benefit and Employment Support Allowance. Meanwhile, cuts to initiatives like the Supporting People programme will result in greater costs down the line to the NHS and social care.

The focus on benefit fraud and 'incentivising work' serves to increase prejudice and divert attention from the real causes of the economic crisis. Whatever progress was being made towards meeting the standards of the UN convention will be severely undermined unless swift remedial action is taken.

