Disability Rights UK (DR UK) submission to the Work and Pensions Committee's Get Britain Working: Pathways to Work inquiry

Disability Rights UK is the UK's leading Disabled People's Organisation (DPO), meaning we are led by, run by, and working for Disabled people.

We work alongside other DPOs, as well as campaigning policy makers and Government across the UK to influence regional and national change for better rights, benefits, quality of life and economic opportunities for Disabled people.

In this submission we seek to address the concerns of the Committee's terms of reference for its Pathways to Work Green Paper inquiry.

The Government's Green Paper consultation is a "sham"

We welcome the Committee holding an inquiry on Pathways to Work with no bar on issues that can be raised by written submissions.

However, the Government's own consultation is entirely bogus in relation to changes to personal independence payment (PIP) and universal credit (UC) by failing to consult on almost everything that matters most to claimants.

The list of things that the Government are refusing to consult on, meaning there are no questions about them in the online consultation, includes:

- Scrapping the WCA
- Creating a single assessment for PIP and the UC health element
- Freezing the health element of UC until 2029/30
- Only awarding PIP daily living if you get at least one descriptor scoring 4 or more points
- Restarting WCA reassessments until the WCA is scrapped

(A full list of the 11 issues the out of 22 that are not being consulted on is at Annex A of the Green Paper).

Among the effects of these reforms would be that -

 Most Disabled claimants will be subject to all work conditionality enforced by a punitive benefit sanctions regime

- Freezing UC health meaning a £1,100 average reduction in overall annual UC awards for the 3.0 million individuals by 2029
- The freeze and reduction together amounting to <u>a £1.5 billion cut to</u> <u>Universal Credit health spending by 2030</u>.
- 800,000 losing the PIP daily living component this amounts to a minimum of £4,200 per year.

So, there are serious concerns with the human rights implications of consultation. In short, it is essentially a sham – it removes our rights as Disabled people to take part in civic society.

Other Green Paper human rights failings include -

- A failure to quickly publish easy read and other accessible version of the proposals in the green paper (contrary to <u>Article 9 (Accessibility)</u> of the Convention on the Rights of Persons with Disabilities)
- A failure to publish adequate impact assessments alongside its proposals (notably their effects on Disabled People's employment).

This failure to consult, particularly with Disabled people and the organisations that represent them, is outside the established practice of consultation and shows a complete disregard for the government's commitment to 'putting the views and voices of disabled people and people with health conditions at the heart of everything we do".

We would ask that the Committee recommend the reissue the Green Paper and opening up all proposals for a full consultation, and for the Government to commit to genuinely taking the views of disabled people into account before progressing and legislating on any benefit reforms.

Benefits spending is not "out of control"

The Government's key justification for its proposed social security reforms is that the benefits system is out of control, with far too many Disabled people wrongly receiving benefits.

This is not the true picture.

Welfare spending overall is not significantly increasing.

In 2023/4 the UK spent 4.88% of GDP on non-pensioner social security payments, which is lower than it was in 2009 (5.75%), the comparison year the Office for Budget Responsibility used in its <u>2024 Welfare Trends Report on incapacity benefits</u>.

The long-term trend is steady back to the 1990s.

The Government has argued that that increasing numbers of Disabled people and people with long-term health conditions are out of work and claiming incapacity benefits.

However, this is not really what the data shows,

The way the DWP counts how many people receive out of work disability payments has fundamentally changed with the introduction of Universal Credit (UC). UC counts the partners of claimants differently to earlier programmes like ESA because it is a household-level benefit rather than individual. UC determines whether the claim is a 'health-related' claim at household level, and each adult in the household is registered as a claimant under that claim.

This means the partners of some UC health claimants are counted as claimants in the UC health caseload, where they would not have been under ESA. This increases the claimant count, even when no additional health-related claim has been made, and no additional money is being spent on the household.

In addition, the state pension age has been increasing across the period that the statistics discuss. This has brought thousands of older people, who would previously not have been expected to be in work and who are more likely to have health problems, into the workforce statistics.

The OBR shows that between 2008/9 and 2022/3 the incapacity benefits caseload increased by 330,000 people, and that the rising pension age accounts for all these claims: 280,000 women and 50,000 men who are newly over pension age claimed incapacity benefits in this period. Again, this makes the statistics from before and after the pension age increases incomparable

The increases in incapacity benefit claims are not a "worklessness problem" but are largely to do with how claims are being counted. The figures before and after changes to the methodology and to the pension age just aren't comparable.

The OBR predicts continued steep increases in the next 5 years and <u>explicitly states that this prediction is primarily based on projected cost-of-living pressures.</u>

PIP is designed to contribute to the extra costs Disabled face because of living with disability. Increases in PIP claims begin to rise particularly steeply just after the cost-of-living crisis hit in 2020/1. The real problem is that Disabled people increasingly cannot afford to live, because of the combination of the cost-of-living pressures (which affect everyone) and increases in the additional disability related costs we face.

Scope reports that <u>on average</u>, <u>disabled households need an additional</u> £1,010 a month to have the same standard of living as non-disabled households.

We would ask that the Committee investigate the misleading use of benefit statistics by the DWP within the Green Paper.

The following sections of our submission consider the Green Paper's reforms relating to UC and PIP.

Scrapping the Work Capability Assessment (WCA)

The Green Paper proposes the scrapping of the WCA and instead a Health Element be paid linked to PIP receipt.

The Government argues that the proposed changes to out of work disability benefits are necessary because the current system contains 'perverse incentives' that encourage Disabled people and people with long-term health conditions to take the Work Capability Assessment and to try to get into the highest possible category of need, the 'Limited Capacity for Work Related Activity' (LCWRA) or 'Support' group, where they receive an additional payment on top of the standard UC amount, even if they could potentially do some part-time work.

However, the increased payments for people in the LCWRA group are not the main incentive for claiming.

Research conducted by the <u>Joseph Rowntree Foundation</u> (JRF) and <u>Scope</u> in 2024 found that only 20% of people who claimed health-related UC knew how much extra they would receive if they were placed in the LCWRA group before they applied, and almost 50% did not know they would be eligible for any extra money at all.

Instead, many of those claiming did so to avoid the stringent conditionality and potential sanctions they would be subject to if they were not put in the LCWRA, which they feared would force them into work that they could not do and that would harm their health.

Reducing benefits is also not necessary to get Disabled people to engage with employment support. People in the LCWRA group are already eligible for some government-funded voluntary employment support programmes, and these could be expanded without cutting payments.

The most impactful way that government could encourage LCWRA group members to engage with these services would be to remove the threat of losing benefits if they tried a job and it didn't work out, by providing a guarantee that people in this group could return to the benefits system on the same payments and without a reassessment for two years if they had started a job but found they were unable to do it.

Disabled people already highly incentivised to get jobs. Surviving on benefits is hard, because levels are clearly insufficient. The Trussell Trust recently released figures showing that <u>77% of people who receive health-related Universal Credit and PIP are nevertheless going without essentials such as heating or sufficient food, and one in five are regularly using food banks.</u>

We do not need more 'incentivisation' to work, we need work to be made accessible to us.

The WCA itself is fundamentally flawed and has long needed reform. A reformed WCA should be designed to ensure it properly reflects the world of work and should be based around the social model of disability, which recognises that people can be disabled by the lack of adaptations from the world around them.

This should be based on a full consultation in genuine coproduction with Disabled people.

Yet what is proposed is to scrap the WCA and so completely remove the protection of claimants into seeking and applying for jobs.

This conditionality would be enforced by a benefit sanctions regime.

It would be left to individual jobcentre work coaches to decide what should be required of a claimant and the extent to which sanctions would be imposed.

It's a move from a system based on rights, to one based on discretion.

Will unqualifiedly work coaches be better at making decisions on whether someone is fit for work rather even than Health Care Professionals undertaking WCAs?

In 2018, the Work and Pensions Committee issued a report that concluded that: "conditionality and sanctions for people with a disability is at best ineffective, and worse, inappropriate and counterproductive."

As a result, it recommended that disabled claimants be exempt from sanctions.

In 2022, a Public Law Project report warned that the system for challenging benefit sanctions "poses significant harm to the health, finances, and well-being of claimants".

In 2023, a delayed 2019 DWP report was published that concluded that:

- while sanctions reduce the duration of a claimant's spell on universal credit, this is driven by increased exit rates into non-PAYE employment or economic inactivity
- exit rates into PAYE employment decrease as a result of sanctions

 sanctions do not lead to large shifts in job-finding rates, and tend to shift people towards lower-paying work that changes their universal credit work group without ending their benefit claim.

Disabled people who can't work must be given full support.

A decent and secure benefits system would be one where Disabled people have rights and where we are not subjected to sanctions.

We ask that the Committee recommend that the Government make work related activity voluntary and not impose work conditionality backed by sanctions and that an additional health element is paid not linked to PIP receipt.

Freezing the health element rate of UC

The Green Paper also proposes to freeze the 'health element' of UC for people who have already been placed in the LCWRA. From 2026 until 2030, this group will continue to receive the current level, £97, of the 'health element' per week, rather than seeing the amount increase with inflation. This is therefore a real terms cut. New applicants who are put in the LCWRA group in the future will receive a lower rate of £50 per week, which will also then be frozen until 2030. The changes will be very slightly offset by a £7 per week increase in the basic rate of UC, which will apply to all UC recipients. However, new applicants will still be at least £40 worse off per week.

These changes will <u>cut £3 billion of spending</u>, and lead to 3 million Disabled households – including all current UC Health recipients – receiving lower payments from UC, with an average financial loss of £1,100 per year. New applicants will receive around £2,500 less per year, compared to what they would have received if the policy changes were not made. According to <u>the DWP impact analysis</u>, this change will force an additional 50,000 Disabled people into relative poverty. However, <u>Joseph Rowntree Trust research</u> found that two thirds of people receiving UC Health in 2024 were already experiencing deprivation (which was defined as going without one or more essential, such as sufficient food, heating, or being able to replace broken furniture and worn-out clothes), so the 50,000 figure does not represent the number of UC Health recipients in poverty, just the <u>additional impact of the Green Paper</u>.

We would ask that the Committee recommend that the health element of UC is not frozen.

PIP being used as a gateway to UC

The Green Paper proposes eligibility for the UC health element will be determined by whether the applicant qualifies for the PIP daily living element. This means that the stricter eligibility rules, requiring PIP applicants to score 4 points in a single descriptor, will also apply to the UC health element. This change was not included in the policy costings produced by the OBR and released with the Spring Statement, nor was it included in the DWP impact assessment of the Green Paper measures. This is because the change will be complex, as a consultation into changing the PIP assessment was also announced in the Green Paper, and hence the impacts are currently difficult to assess.

However, using PIP to qualify for both extra costs and out of work disability benefits means that people losing eligibility will lose both payments at the same time. Someone losing the lower rate of PIP daily living and the UC health element would lose approximately £162.65 per week (£678.60 per month; £8,821.80 per year, calculated based on 2025 rates). For someone whose only income comes from UC and PIP, this would be 60% of their income. Although we cannot predict how many people will face this catastrophic situation because of insufficient information from the government,

We support replacing the WCA, as in its current form it causes extreme distress to Disabled people forced to undergo it. However, replacing it with the PIP assessment does not make sense. The PIP assessment is also flawed and frequently a traumatic experience for Disabled claimants. It is unclear how a single assessment could cover both the extra costs of disability and capacity to work, as these two factors of a disabled person's life do not necessarily converge. Replacing the WCA with the PIP assessment would also wipe out hard-won protections for people most at risk from the trauma of DWP assessments, including the "substantial risk regulations".

We ask the Committee to recommend that PIP is not used as a gateway to the UC health element but that a alternative new WCA is co-produced with Disabled people and their organisations.

Restriction to PIP eligibility

The mobility component of PIP will not be affected.

However, the Green Paper proposes that from November 2026, claimants will need to score at least 4 points from a single daily living activity to qualify for the daily living component of PIP, as well as scoring a total of at least 8 points.

So, if you are assessed as meeting 4 descriptors scoring two points each, that will be 8 points, but it will not qualify for an award of the standard rate of the daily living component of PIP.

But if you select one descriptor scoring 4 points and two descriptors scoring 2 points each, that will be 8 points, and you will qualify for an award.

In the same way, six two-point descriptors will currently qualify for the enhanced rate of PIP daily living, but under the new scoring system it will not qualify for any award of the daily living component

The changes will apply both to new claimants and to existing claimants when their award is reviewed from November 2026 onwards.

The Government has produced no evidence that those PIP claimants who would fail the 4-point rule have less disability related costs than those that would.

Shockingly, an DWP equality analysis published in relation the Green Paper shows that 250,000 working-age people will be drawn into absolute poverty due to the PIP cuts, and it is certain that almost all of these will be disabled people.

In addition, by 2029-30, 370,000 current PIP recipients losing their daily living entitlement when their award is reviewed, and 430,000 future recipients not receiving the PIP they would otherwise have received, at an average loss of £4,500 a year.

A <u>Freedom of Information request</u> to the DWP has revealed the proportion of current claimants who would lose out under the PIP "4 point rule this rule, as of January 2025:

• Out of 1,608,000 **enhanced** daily living awards, 13% (209,000) get fewer than 4 points in all activities.

 Out of 1,283,000 standard daily living awards, 87% (1,116,000) get fewer than 4 points in all activities

A <u>separate FOI request</u> has obtained details of the conditions which have the highest number of awards with no 4-point or higher descriptors.

Almost half (46%) of all working age PIP claimants are at risk of losing their award on review from November 2026

Nearly eight out of ten awards where back pain is the primary disabling condition are at risk under the proposed 4-point or higher rule

This is closely followed by arthritis, where more than three quarters of awards are threatened.

The conditions least likely to lose out are learning disabilities, where only 3% are at risk and autistic spectrum disorders at 6%.

However, only 52% of those with anxiety and depression and 74% with 'other' psychiatric disorders scored 4 points or more.

So, the (PIP) 4-point rule will lead to almost nine out of ten current standard daily living awards failing on renewal.

In effect, it will lead to the virtual abolition of the standard PIP rate.

The standard PIP daily living component rate award of £73.90 per week would therefore be lost to many thousands of Disabled People.

With <u>seven-in-ten PIP claimants living in families in the poorest half of the income distribution</u>, these losses will be heavily concentrated among lower income households.

Increases in PIP claims begin to rise particularly steeply just after the costof-living crisis hit in 2020/1. The fundamental issue is that we increasingly cannot afford to live because of the ever-rising cost of living pressures and the increasing additional costs of disability, resulting from our unequal society.

Seven million Disabled people live in poverty, on benefits and or low incomes, and are half of all those in poverty. We even have to make an increasing financial contribution from our benefits towards vital social care.

Disabled people on benefits and or low incomes can't afford food, energy, rents or transport; we are statistically more likely to rely on food banks

Disabled people face additional costs of an average of £1,000 per month due to our disabilities, making the proposed PIP and benefit cuts callous and brutal.

PIP is also a passport to other support, allowing claimants and carers to qualify for other benefits, cash support and services, including carer's allowance and council tax reductions.

A household where a cared-for person loses PIP will also see the linked carer's allowance payment of £4,250 a year removed from the carer, potentially depriving the family of £10,000 a year in support.

We would ask that the Committee recommend that the 4-point PIP rule not be implemented.

Disabled young people under 22

The Green Paper proposal to bar young Disabled people from the health component of UC until they are 22 is unjustified, discriminatory and cruel. This will put many young Disabled people into a position where they cannot afford further education, cannot afford to live independently as their peers might, with many losing access to housing benefit support.

Around 66,000 Disabled people under 22 are set to lose around £45 a week in support, with some hit with a "double whammy" no longer qualifying for PIP or UC health component, losing at least £9,600 per year.

We ask that the Committee recommend that the benefit entitlement of disabled young people under 22 is not reduced

Limiting the Access to Work (ATW) scheme

The Minister for Work and Pensions has said - "The problem is that there has been an enormous surge in applications for Access to Work". "There's been an enormous surge in applications for Access to Work and the department has done its level best to keep up ... I think we're going to need to make some fairly significant reforms to Access to Work, look again

at the whole approach we're taking, look at whether actually employers could do more."

So, instead of celebrating the greater number of Disabled people using ATW, the Government is viewing an increase in applications to the Scheme as a problem.

It is reducing packages of support, insisting on enforcing out-of- date and unfair eligibility rules, presiding over unacceptable delays and exhorting employers to do more.

We fear that the Government only wants some Disabled people to work, rather than all Disabled people.

For those of us who need expensive access technology and or a support worker, job aid or BSL interpreter, ATW is our only option. If we can't rely on Access to Work, we will find ourselves excluded from the workforce, as our support needs go beyond the reasonable adjustments required by the Equality Act.

Limiting or refusing us ATW, will exclude us from work and open us up to increasing levels of employer discrimination.

There is no logic to saying that more Disabled people should be in work and rolling out a new employment programme "Connect to Work" with the aim of getting 100,000 Disabled people into work, at the same time as cutting Access to Work support. If the Government wants more of us to work, it needs to align its policies and increase the ATW budget.

Under the Equality Act, employers have a responsibility to make 'reasonable adjustments' so that work practices are accessible for Disabled employers.

However, research from trade unions continues to show huge problems in this process, with Unison's 2023 research showing that '74% of disabled workers reported being refused some or all of the adjustments they need to do their job. The TUC's equality audit 2024 showed that the proportion of

local branch discrimination cases that are about disability has more than doubled since 2016 and now stands at over 50% of all cases.

Restricting ATW and relying instead on employers will not work.

DR UK supports the <u>Disability employment Charter</u> that proposes that the government should:

- remove the Access to Work support cap;
- ensure application/renewal processes are efficient, personalised, and flexible;
- entitle disabled jobseekers to 'in principle' indicative awards;
- facilitate passporting of awards between
- organisations and from Disabled Student's Allowance to AtW; and
- increase awareness of AtW support.

We ask that the Committee recommend that there is no loss of funding for Access To Work and that an improved funded scheme is co-produced with Disabled people.

Conclusion

Barriers to Disabled people's employment are systemic – beginning with <u>no support in school</u> leading to <u>poorer outcomes</u>, a higher rate of <u>social</u> <u>exclusion and abuse</u>, and a <u>punitive social security system</u> which sanctions and demonises Disabled people rather than supports them into work.

We are <u>hit hardest by the Cost of Living Crisis</u>, and substantially <u>more likely to live in poverty</u> – whether we are Disabled ourselves or live with somebody who is. Barriers to adequate housing, social care and healthcare also lead to us falling out of work and not being able to re-join the workforce.

Benefits do not cause the disability employment gap.

The Government needs to change course before creating a catastrophic situation for Disabled people in the UK. Investing positively in tackling the barriers to work for Disabled people will lead to long-term savings and

improved outcomes. Cutting benefits will just push Disabled people further from work, and into even more dire poverty.

We thank the Committee for its consideration of this submission.

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