

Time to think again

Disability benefits and support
after COVID-19

Executive summary

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SMF

**Social Market
Foundation**

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SCOPE = Equality for
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EXECUTIVE SUMMARY

The benefits system for disabled people, and the support that accompanies it, are broken.

Through a combination of quantitative analysis, focus groups and semi-structured interviews with disabled people, this report shows that across a range of metrics, the system is failing disabled people and their families and communities.

These failures also contribute to the UK economy missing out on all that disabled people can bring and the UK taxpayer seeing money wasted on ongoing reforms of a failing system.

This is not through lack of effort on the behalf of governments over the last few decades. The Department for Work and Pensions and its predecessors have been providing some form of employment support to disabled people for over 50 years. Employment and Support Allowance (ESA), and an accompanying package of reforms were introduced over a decade ago by the New Labour Government, with the aspiration to break “a lifetime of dependency” and “reduce the number of incapacity benefits claimants by one million over the course of a decade”. Reforms of “extra cost” benefits, further reforms to employment support and a range of targets, ambitions, programmes and approaches have followed in the last decade.

Each of these policy efforts has been delivered with the intention of improving outcomes and accompanied by a similar set of ambitions. **These have ultimately failed, as summarised as below.**

Providing adequate support that helps give disabled people financial security

- Nearly half of all people in poverty in the UK are either disabled themselves or live with someone who is disabled.
- More than four in ten people (42%) living in families that rely on disability benefits are in poverty.
- There are 1.8 million more people in poverty who live in a family that includes a disabled person than there were fifteen years ago.

A system that supports those that can, to stay in or return to work

- Real-terms costs of disability benefits rose by £16 billion (48%) between 2000/01 and 2018/19, and are forecasted to rise by another £4 billion up to 2024/25.
- The number of people on a range of disability benefits is broadly the same or higher (depending on the benefit) than it was two decades ago, despite consistent attempts to reduce caseloads.

Reducing numbers on benefits and reducing costs	<ul style="list-style-type: none">• The promised revolution in employment amongst disabled people has failed to materialise.• Disabled people are still more than two and a half times more likely to be out of work than those who are not disabled.• The disability employment gap remains above 40 percentage points for many disabled people, including those with a primary mental health condition and those with a learning disability.
A system that builds public trust and is supported by disabled people	<ul style="list-style-type: none">• The process of developing and delivering these reforms has cost hundreds of millions of pounds, and years of DWP capacity and focus.
A system that supports wider economic and social goals	<ul style="list-style-type: none">• The ongoing assessments, reassessments, delays, appeals and subsequent results have caused trauma and upheaval to millions of people, and created an environment of fear and distrust towards the DWP among ill and disabled people, and the organisations representing them.

Disability benefits after COVID-19: designing a better, fairer system

As we begin to adjust to life living with, or after, COVID-19 tackling these issues is essential. We have already seen that disabled people have been hit particularly hard by the pandemic. **Now is the time to think again.**

42%

of people living in families that rely on disability benefits are in poverty

A failure to place improving support for disabled people at the centre of the post-COVID-19 policy agenda risks:

- A continuation of poverty;
- Poor labour market outcomes; and
- A lack of dignity and increasing costs and claims that have become a central part of the existing failing system.

The Department for Work and Pension's long-awaited Green Paper and the Government's equally anticipated cross-Government disability strategy provide key opportunities to lay the foundations to deliver the improvements needed.

In many respects, the Government could achieve much by using the opportunity to make some of the changes that disabled people, and those who work with them, have been calling for over many years. Some of these changes may be straightforward.

For example, many of the disabled people we spoke to highlighted that a simple change in attitude and approach would significantly improve the system:

"Given the [DWP] has had programmes in place to support disabled people for over half a century, it is disappointing that it is not further ahead in knowing what works [to increase disability employment]"

National Audit Office

"One way [to improve the system] would be kindness - not always assuming that everyone is trying to do the system over...to be dealt with a sense of kindness and humanity"

"The one thing they need to change more than anything is to make [the system] more person-centred and find out what the person in front of them needs"

Here, the Government could follow the lead of Scotland, where "Dignity, Fairness and Respect" are the key principles through which the Social Security system is viewed, policy formed, and benefits delivered.

However, following these principles and adopting much-needed reforms within the current system can only go so far. And doing so would miss a vital opportunity to think again about what, as a society, we want the benefits system and associated support to achieve, and how that could be delivered.

To grasp this challenge, the Green Paper should acknowledge the failings identified in this report – and many others – and commit to engaging on a significant programme of work with disabled people to develop a system for the future that works better.

1.8 million

more people in poverty who live in a family that includes a disabled person than there were fifteen years ago.

This report puts forward a suggested process through which this work could be taken forward by Government, in partnership with disabled people and a wide range of stakeholders.

Through this process, it is conceivable that a comprehensive plan for a benefits system and wider approaches to support that work for disabled people could be delivered within this Parliament. This may seem like a long time to wait, but it is essential that enough time is taken to get it right.

In this respect, we believe the Green Paper should clearly set out:

1. The process of policy development, including setting reasonable expectations of when each of the steps will be completed.
2. How it will develop a clear articulation of the outcomes that we want the system to achieve and from there, how policy will be developed.
3. How to ensure the process is led by and includes the views and experiences of disabled people.

Given the failings of the past, the importance of getting reform right is clear, and could advance the Government's policy priorities and, most importantly, improve the livelihoods of disabled people and their families.

Advantages of a reformed system for government



- Advance the levelling-up agenda
- Deliver a stronger economy in the recovery from COVID-19 by boosting UK output (GVA) by around £50 billion a year
- Lead to Exchequer benefits of around £17 billion a year (£5.5 billion reduction in social security payments and an increase of £11.5 billion in tax receipts).

Advantages of a reformed system for disabled people



- Boost disability employment and reduce the disability employment gap
- Provide a huge boost to the incomes of disabled people and their families, helping them to escape poverty.
- Ensure that disabled people that need to rely on the benefits system do so within an approach which delivers dignity, fairness and respect.

“The whole system can make you feel very suicidal. It’s all about what you can’t do, and your bad days”.

“Every now and then, the brown envelope arrives...MS is not curable – it’s insulting [to have to have to go through the process and prove myself again]”

“People who don’t know the system, you tell them this stuff, and they think you’re crazy.”

“The thing with Jobcentre is that they tend to send people for unsuitable jobs. I keep telling them I can’t do them because of my disability...they don’t seem to understand”

“Am I able to meet my basic needs? Yes. Am I loving the life I’m living? No.”

Extracts from SMF semi-structured interviews