

Briefing on Clause 10: Disability additions for children

Clause 10, Page 4, line 36, at end insert—

"() The amount of support for disabled children should be no less than the additional amount that was provided under the benefits and tax credits system prior to the introduction of the universal credit."

Overview of Clause 10

The proposed regulations to accompany Clause 10 create 'disability addition' payments to families with disabled children within the Universal Credit. However the proposed amounts will mean a £1400 per year cut for up to 63% of future low income and out of work families with disabled children. EDCM opposes this cut as we believe it will have a 'devastating' impact on many families, will increase child poverty and have been told that the changes to disability additions within the Universal Credit will not bring down the overall benefit bill.

Background

Currently, low income and out of work families who claim Disability Living Allowance (DLA) on behalf of their child are entitled to a 'disability addition' worth £53.62 per week. Families with a child in receipt of the high rate care component of DLA also receive a 'top up addition' worth an additional £21 per week. Proposals under the Universal Credit will see lower benefit 'additions' drop by over 50% - the financial impact can be seen in the below table:

| | Current benefit per week | Proposed benefit per week | Monetary difference per week | Monetary difference per year |
|----------------------------|--------------------------|---------------------------|------------------------------|------------------------------|
| Lower disability addition | £53.62 | £26.75 | - £26.87 | - £1397.24 |
| Higher disability addition | £75.25 | £77 | + £1.75 | + £91 |

Key issues

- **The Government has stated that this policy will not result in an overall reduction of the benefits bill.**
- These changes will cost families with disabled children up to nearly **£1400 per year**.
- This loss could amount to substantially **more than £22,000** over the childhood of a disabled child, (for a family with two disabled children this loss could be more than £44,000¹.)
- Approximately **170,000** families will have this benefit frozen in 2013 as a result of this policy

¹ Family Action (2011) Welfare Reform Bill – Committee Briefing note 7: Child Disability additions in the Universal Credit

- Every Disabled Child Matters (EDCM) estimates approximately **63 per cent** of all future disabled children will lose out as a result of this policy

Comments from families that currently receive this benefit on the impact of this cut say:
"(This) would restrict the quality of life for the whole family"

"This would be devastating for us as I can barely afford to pay the bills etc on what we get now. If it is reduced, I don't know what I would be able to do. It is extremely worrying and my son, like many other disabled children, would be the one to suffer"

The Government's response to concern's so far

The Government has given the following rationale for this policy:

1. The Government is lowering the child 'disability addition' to bring it in line with support for disabled adults. The Government believes that this would help the transition to adulthood for disabled young people who go onto claim benefits in as adults.

We do not agree that this policy aligns benefits for disabled children and adults. This is because adults will also qualify for an earnings disregard worth an additional £27 a week to their income.

Additionally the eligibility for the higher disability addition will be different for adults and children. Only children with a severe visual impairment or a need for care at both day and night will qualify for higher disability addition. Many disabled children who will only be eligible for the lower addition as a child will become eligible for the higher rate when they reach the adulthood.

2. The Government will be using the savings made from this policy to increase payments for those in greatest need.

EDCM welcomes the increase in the higher disability addition of £1.75 per week for 'severely' disabled children. However we are concerned that the many children who will not qualify for the higher addition will still have significant needs and costs related to these needs, such as children who are profoundly deaf, children with Down Syndrome, children with dual sensory impairment but who are not registered blind, and children with cerebral palsy. We are very worried about the impact of a reduction in financial support of over £26 per week on the ability of these families to financially cope.

Amendment we are supporting

Whilst we support Government aims to target financial support at those with the highest needs, and to support transition for disabled young people we do not think that this policy will achieve these aims. As this policy will not take down the overall benefits Bill but will cause significant harm to families with disabled children we think it is vital that this policy does not go ahead. We believe this policy will inevitably result in many more families with

disabled children living in poverty. This amendment would ensure these negative consequences did not happen and that current levels of financial support were retained for families with disabled children.