



ENABLE Scotland

Leading the way in learning disability

The Universal Credit (surpluses and self – employed losses) Regulations 2014 - ENABLE Scotland Response – November 2014

About ENABLE:

ENABLE Scotland is the largest voluntary organisation in Scotland of and for children and adults who have learning disabilities and their families. We have a strong voluntary network with around 5000 members in 44 local branches and via individual membership. Around a third of our members have a learning disability. ENABLE Scotland campaigns to improve the lives of people who have learning disabilities and their families and carers. ENABLE Scotland provides social care services to more than 2,000 people across Scotland who have learning disabilities or mental health problems.

The proposed regulation amendment

ENABLE Scotland is opposed to the proposed amendment of the regulations. We disagree with the reasoning behind the suggested amendment and feel that it is likely to have substantial negative impacts for Universal Credit claimants with a learning disability.

We call on the UK Government to postpone the implementation of the suggested amendment until sufficient evidence is available to show that the proposed change is both required and proportionate.

Principle

The explanatory memorandum for the proposed amendment states that the change is required as employers and employees may seek to exploit the system in its current format (section 1.2 of the explanatory memorandum).

ENABLE Scotland believe that the starting point for welfare reforms is all too often that claimants must be stopped from exploiting the system when the focus should be on ensuring that claimants receive the entitlement that they require.

As a means tested benefit, it is the nature of Universal Credit that many of those who will be entitled will come from the lowest income groups in Scotland. People with a learning disability are more likely than the average population to rely on Universal Credit due to higher levels of both unemployment and part time work.

Whilst there may well be small examples where claimants or employers will seek to manipulate the system, ENABLE Scotland are clear that the systems in place to stop this should not be done at the expense of those who desperately need the financial support that Universal Credit will provide.

ENABLE Scotland are also concerned that the introduction of the proposed amendment would run contrary to two of the major principles behind the introduction of Universal Credit; the simplification of the benefit system and a system better able to respond to fluctuations in income and working hours.

Even with good quality advice, it is our opinion that people with a learning disability will be unable to understand the proposed income assessment process for people returning to the benefit within six months. We are concerned that people with a learning disability may feel that the risk of a reduced or nil Universal Credit award should they need to return to the benefit will mean that taking on or increasing employment is a financial risk that they are unable to take.

Practice

ENABLE Scotland members are concerned about the introduction of Universal Credit and the impact that this and wider welfare reforms will have on their incomes.

Our concern is that the proposed amendment will make it less likely that people with a learning disability will be able to undertake or increase their hours of work due to the uncertainty of what will happen if their job either does not last or they find that the job they have taken is not suitable.

People with a learning disability often face multiple barriers when entering employment and this can create understandable levels of anxiety over what will happen not only if they start a job, but what will happen if the job ends or they are unable to continue working.

It is already the case that people with a learning disability are significantly under represented in the employment market with both our own advice service and the 2013 ESAY statistics confirming a significant difference in the rates of unemployment of those with a learning disability compared to the general population.

Only 9% of our advice service clients with a learning disability are in some form of employment with the 2013 ESAY statistics showing an employment rate of 7.3%ⁱ.

Under the proposed amendment people with a learning disability who try to move into work could find that they are substantially financially penalised if the job were to stop and we are concerned that this will lead to people with a learning disability not taking opportunities available or facing financial hardship if employment fails.

Under current Employment and Support Allowance rules claimants have a clear 12 week linking rule period where it is possible to return to the same rate of benefit should employment fail and a return to benefit be required.

Whilst the 12 week linking rule is not the perfect solution to the anxieties that people with a learning disability often face when moving into employment, we feel that this provision allows claimants a far greater level of security than the proposed amendment as claimants can (in most cases) be given clear and concise advice on the impact of employment on their benefit entitlement now and in the future.

We would also suggest that a greater level of certainty around benefit entitlement is required in an economic climate where many of the jobs available are temporary or zero hours contracts.

For more details on any element of this response, please contact:

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ⁱ http://www.sclcd.org.uk/sites/default/files/statistics_release_learning_disability_statistics_scotland_2013_0.pdf