

Z2K's response to Welsh Affairs Select Committee's Inquiry into the Benefits System in Wales

- Zacchaeus 2000 Trust (Z2K) is an anti-poverty charity that uses advice and casework to prevent homelessness and support people to access the Social Security benefits they are entitled to. We use evidence from this work to campaign for change.
- While our advice services are only delivered in London, our policy and campaigning work calls for national change, and we are increasingly engaging with people with lived experience of the Social Security system from across the nations. Most recently, [we conducted a survey](#) with over 1,400 disabled people from across the UK who have experience of the disability benefits assessment process. Their responses have driven our [#PeopleBeforeProcess campaign](#) which is calling for fundamental reform of disability benefit assessments.
- The majority of our clients are disabled, and a key focus of our work is the inadequacy of the Social Security system in supporting disabled people, which means many disabled people who depend on Social Security are living in poverty.

What are the key challenges for the benefits system in Wales and how do they differ from the other nations and regions of the UK?

Wales has a poverty rate of 22.8% - the highest of all the four nations.¹ Of particular concern, and a key challenge for the Social Security system in Wales, is how to address the high level of disabled people living in poverty. 39% of people in Wales have a disabled person in their family, and over a quarter of those (27.2%) are living in poverty. 46.6% of people in poverty in Wales have a disabled person in their family.²

When Disability Living Allowance (DLA) started to replace Personal Independence Payment (PIP) in 2013, many disabled people either saw their benefits reduced, or withdrawn. 44% of disabled people in Wales in receipt of DLA who were reassessed for PIP between 2013 and October 2020 either saw their award level reduced or disallowed completely.³

The Department for Work and Pension's (DWP) disability assessments often result in people being refused the benefits that they are entitled to. Of the 381,632 PIP assessments that have taken place in total in Wales, 53% have resulted in an award of PIP, and 45% have resulted in an award not being made, with the remaining applications withdrawn. In 2019, 2,200 of the 8,275 (27%) Employment and Support Allowance (ESA) Work Capability Assessments (WCA) resulted in a 'Fit for Work' decision in Wales.⁴ Assessments have been impacted by the Covid 19 pandemic in 2020, with disabled people enduring even longer delays than usual. In 2020, less than half the number of ESA WCA took place compared to 2010. Of the 4,000 ESA WCA's, 452 (11%) resulted in a 'Fit for Work' decision in Wales. We are concerned that as DWP assessments return to 'business as usual' the negative decisions will return to pre-pandemic levels.

Despite these high refusal rates at assessment, the success rate at appeals demonstrates how flawed these initial assessment decisions are. The latest figures for 2020/21 show that the success rates for ESA and PIP appeals are 75% respectively.⁵

¹ JRF, *UK Poverty 2020/21: The Leading Independent Report*

² JRF, *Briefing: Poverty in Wales 2020*

³ Included in House of Commons Library Wales Constituency PIP briefings

⁴ Stat Xplore

⁵ Ministry of Justice, *Tribunal Statistics Quarterly: January to March 2021*

Pre-pandemic, how effectively did the UK benefits system tackle poverty and socio-economic inequalities in Wales as compared to England and Scotland?

N/A

How has the COVID-19 pandemic changed the type and amount of support needed by people in Wales?

First and foremost, the Covid-19 pandemic has dramatically increased the number of people depending on the Social Security system in Wales. In January 2020, there were 142,823 people receiving Universal Credit (UC) in Wales.⁶ By May 2020, there was a 63% increase in the number of households in Wales in receipt of UC from the start of the year.⁷ By August 2020, the number of UC claimants in Wales had almost doubled from the start of the year to an estimated 270,000, around one in ten of the adult population.⁸ And as of May 2021, there were 282,357 people on UC in Wales.

For many, social security is not providing the financial support needed to prevent them being locked in poverty. Poverty rates amongst those in receipt of income-related benefits within Wales stands at 45%, thirty percentage points above those not in receipt of income-related benefits.⁹ With the £20 a week increase to UC, it is important to remember that this simply unwinds the Government's own five-year freeze on working-age benefits, and still fails to provide people with enough to live on. As our client Carl says, this increase has meant going from "not having enough to barely having enough" on UC.¹⁰

People in receipt of legacy benefits have had to go without any additional support throughout the entirety of the pandemic. In November 2020, there were 15,865 people receiving Income Support (IS), 12,193 receiving Job Seekers Allowance (JSA), and 129,509 – many of whom are disabled - receiving ESA in Wales.¹¹ Heading into the pandemic, disabled people were already more likely to be facing financial difficulty, with the pandemic bringing further financial difficulties for disabled people due to new costs and the removal of previous support and services:¹²

- 82% of disabled claimants have had to spend more money than they normally would during the pandemic.
- This is most commonly due to greater food shopping and utility bills, as over half (54% and 53%) of disabled claimants said these costs had increased significantly.
- As a result of these increased costs, two thirds (67%) of disabled claimants have had to go without essential items at some point during the pandemic.
- Almost half (44%) of disabled claimants are reporting being unable to meet financial commitments such as rent and household bills.

Finally, the pandemic has further highlighted the inadequacy of the disability benefit assessment process. A key change has been that people have had to endure even longer delays than usual, or are still waiting, to receive their disability benefits. The median end-to-end clearance time for the ESA assessment process for initial claims in Wales rose from a median of 12 weeks in January 2020, to 22 weeks in October 2020, and was 18 weeks in December 2020 when the latest data is available

⁶ Stat Xplore

⁷ JRF, *Briefing: Poverty in Wales 2020*

⁸ JRF, *Briefing: Poverty in Wales 2020*

⁹ JRF, *Briefing: Poverty in Wales 2020*

¹⁰ <https://www.bbc.co.uk/news/av/uk-politics-55711591>

¹¹ Stat Xplore

¹² Disability Benefits Consortium, [Pandemic Poverty: stark choices facing disabled people on legacy benefits](#)

for.¹³ To then challenge an assessment decision can take over a year. The first step being requesting a Mandatory Reconsideration (MR), and if that doesn't see the original decision overturned, the decision can then be appealed at a Tribunal. Due to the time and stress involved in appealing a decision, many people do not challenge their assessment outcome. As one respondent to our #PeopleBeforeProcess survey told us, "[I] didn't have the strength or energy to face appeal. The whole application and assessment is stressful making my symptoms worse and me more unwell. I couldn't put my body through any further stress."¹⁴ Only 9% of people who received an initial PIP decision lodging an appeal at a tribunal between the introduction of PIP in 2013 and September 2020.¹⁵ This is concerningly low given the high rate of inaccuracy of these assessments, and the fact that the success rate for people appealing an ESA and PIP assessment decision at tribunal was 75% respectively for 2020/21.¹⁶

For people who do appeal, it's often not long after someone's successfully challenged an original decision, that they're called for a reassessment, therein starting the whole process again. One of the respondents to our #PeopleBeforeProcess survey, Jan, lives in North Wales. She has Complex Regional Pain Syndrome, an incurable condition that meant when she was receiving Disability Living Allowance (DLA) she had a life-time award. However, when she was moved onto PIP in 2017, she was told that her award would only last five years. As she says, "it's very stressful knowing that you have to be reassessed, when you know you're never going to get better." And the assessment itself causes Jan a great deal of anxiety.

Another issue that we have raised with the Work and Pensions Select Committee, is that of some people not meeting the suitability criteria for undertaking a WCA telephone assessment,¹⁷ meaning that if a decision could not be made on paper, they have had to be waiting indefinitely for face-to-face assessments to resume. While the Government has stated that these people are being prioritised with the resuming of face-to-face assessments, given the 15,000 back log of assessments,¹⁸ we are very concerned at the number of people who are struggling to get by without the support they need to help them manage their health condition or disability.

How effectively has the UK benefits system responded to these needs, and what else should the UK Government do to deliver the right support in Wales?

The above evidence makes it clear that the UK benefits system has not effectively responded to the type and amount of support needed by people in Wales. There are key reforms needed to the Social Security system outlined in our answer below, that would be instrumental in providing the right support to people in Wales, and across the UK, both in response to the Covid-19 pandemic and beyond.

How effectively do the Welsh Government's allowances and grants meet the particular needs of people in Wales?

N/A

¹³ Stat Xplore

¹⁴ Z2K, '[#PeopleBeforeProcess: the state of disability benefit assessments and the urgent need for reform](#)'

¹⁵ <https://www.gov.uk/government/statistics/personal-independence-payment-statistics-to-january-2021>

¹⁶ <https://www.gov.uk/government/statistics/tribunal-statistics-quarterly-january-to-march-2021>

¹⁷ <https://committees.parliament.uk/publications/4938/documents/49395/default/>

¹⁸ <https://www.parliamentlive.tv/Event/Index/7eabbbf11-8486-484c-a107-1b4ee8945f96>

What reforms are needed to the benefits system and should there be further devolution of powers?

Z2K are calling for the following key reforms to the benefits system:

- As well as being applied to all benefits, the UC £20 a week increase needs to be maintained, and brought further into line with the cost of living. As many of the people claiming UC for the first time because of Covid-19 have had to learn, even with an extra £20 a week the UC allowance is not enough to provide people with a decent standard of living. This is why the UK Government must restore all UC and legacy benefit rates to their true pre-2015 value, and in future years increase them by whichever is the higher of average earnings or inflation as has been done with the “triple lock” for pensions.
- The pandemic has only generated further delays and barriers for people trying to access the support they require to help them manage their health condition or disability, and further highlighted the inadequacy of the disability benefit assessment process. Ultimately, we believe that the assessment processes for disability benefits must be fundamentally reformed if it is to be fit for purpose and able to correctly assess people’s ability to access work or receive support for their disability. We are calling for an alternative system that is co-produced with disabled people themselves, so that it works for those with direct experience of this system and those that went before it.
- This will clearly take time. And yet change is needed urgently. That is why we support a series of more immediate changes to the assessment process that have been recommended by people with experience of the assessment process:¹⁹
 - Reinstate indefinite awards for people whose condition will sadly not improve
 - If someone’s condition might improve, reassess them less frequently than currently
 - All assessors to receive training to ensure they do not discriminate against individuals, and treat everyone they are assessing with dignity and respect
 - If an assessor does not have specialist knowledge of the condition they are assessing, they must consult with experts and use up-to-date evidence when making their assessment
 - Medical evidence, people’s own testimony, evidence from parents, support workers, social workers, mental health workers etc. should not be undermined, misconstrued or ignored by assessors
 - Audio record all assessments as default (with an ‘opt out’ option), and provide a copy to both DWP and individual
 - Remove private assessment companies, and bring assessments back in house or have them conducted by NHS like in Scotland
 - From forms to the assessments – make the process more accessible
 - Make the questions in the form and assessment more personalised and suitable to the individual, so they don’t inflict physical or emotional harm
 - Understand conditions are variable and stop taking snapshots of days
 - There should be greater choice and flexibility about how an individual’s assessment is conducted (face-to-face, at home, paper, phone, video etc.)
 - Faster decision making on DWP side, and more notice and flexibility concerning deadlines for the individual
 - Assessors to move away from the medical model of Disability and adopt the social model of Disability

¹⁹ Z2K, [‘#PeopleBeforeProcess: the state of disability benefit assessments and the urgent need for reform’](#)

- Regular input/consultations with disabled led organisations and disabled people on how to improve the assessments in the future

How effectively do the UK and Welsh Governments work together in the delivery of benefits in Wales?

N/A

What are the implications of the UBI pilot in Wales?

N/A