



DBC Disability
Benefits
Consortium

Pandemic Poverty

**Stark choices facing disabled
people on legacy benefits**

1. Introduction

In March 2020, in response to the unfolding Covid-19 pandemic, the Government acted swiftly and decisively to announce an emergency increase of £20 a week for both Universal Credit and Working Tax Credit. However this increase was not provided for 'legacy' benefits such as Employment and Support Allowance, Income Support and Jobseekers' Allowance. The uplift will expire in April and to date no announcement has been made on its extension past April or extension to 'legacy' benefits.

As of May 2020, when the most recent figures are available, there were over 2.5 million people claiming legacy benefits, the majority of whom are disabled people on Employment and Support Allowance¹. Heading into the pandemic, disabled people were already more likely to be facing financial difficulty, with nearly half of people in poverty being disabled or living with a disabled person². The past 10 months have brought further financial difficulties for disabled people due to new costs and the removal of previous support and services.

This report provides new evidence and lived experience from a survey of 1384 people claiming Universal Credit or legacy benefits on what these difficulties and increased financial costs look like, and the importance of extending the £20 per week uplift to both Universal Credit and legacy benefits.

In our initial survey carried out during April 2020, 95% of respondents said their costs had increased as a result of the Covid-19 pandemic³. By far the most common additional cost faced was greater spending on food shopping, which 87% of respondents highlighted. Carried out nine months later and almost a year into the pandemic, the findings from our most recent survey paint a similar picture, increased spending becoming a consistent feature of the pandemic for disabled people.

¹ Source: DWP, Stat Xplore, ESA Data from May 2018; Income Support; Jobseekers Allowance

² Disability Rights UK (2020). Nearly half of everyone in poverty is either a disabled person or lives with a disabled person. Available at: <https://www.disabilityrightsuk.org/news/2020/february/nearly-half-everyone-poverty-either-disabled-person-or-lives-disabled-person>

³ DBC (2020). "It would mean not having to skip meals" – the emergency need to #IncreaseDisabilityBenefits. Available at: <https://disabilitybenefitsconsortium.com/dbc-reports/>

2. Summary

This report lays out the financial situation faced by disabled people on legacy benefits facing rising costs for essential items and new costs people as a result of changes brought on by the pandemic and the withdrawal of services and support.

- **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

Recommendations

To immediately address these increased financial costs disabled people are facing during the pandemic, and invest in the wellbeing and social and economic participation of disabled people and those with long-term health conditions we are calling for:

- The £20 per week increase to be extended to legacy and similar benefits (and backdated to April 2020)
- The £20 uplift to be also renewed in 2021-2, above the normal inflation uprating

3. Increased cost of essentials

Food

Greater spending on food shopping remains the most common increased cost faced by respondents, with **54% citing a range of issues driving this**. Whereas previously disabled people who relied on food deliveries had been able to access these easily, since Covid-19 many found themselves unable to book delivery slots and were paying friends or volunteers extra to carry out food shopping for them. Others found that they could book slots, but in order to reach the minimum delivery charge they were forced to spend far more than they would normally budget for. For others, being unable to visit supermarkets due to shielding meant missing out on cheaper goods, and disabled people who are more likely to have medically restricted diets, also reported having to pay extra in order to buy some of the food required for these, as prices had risen over the past 10 months.

“I have anorexia and because of this I have 'safe' foods. Everything has to be very specific, and they are all fresh foods. Because they won't last longer than a week I have had to have a supermarket delivery every week since the start of the pandemic and there has been a large weekly charge.”

Utilities

A third of disabled people say that their impairment or condition has a significant effect on their energy consumption and related costs, with over a quarter of households with a disabled person spending £250 more than the UK average⁴. More time spent at home over the course of the pandemic has been a key factor in driving up spending for disabled claimants during the past 10 months, as **53% of respondents** included the cost of heating bills as part of their increased costs.

“Due to the extreme cold weather recently having to have the heating on all the time because of severe mobility joint problems.”

Transport

To reduce risks associated with travelling by public transport, either for themselves or friends and family members who previously provided lifts, **12% of respondents** mentioned the increased cost of having to rely on taxis to attend essential appointments. In addition to this, specialist healthcare services and necessary routine appointments like flu jabs and blood tests that were previously provided at local clinics have, in several cases, been moved to locations more difficult to access for disabled people, which has only driven transport costs up further.

“I have had to pay taxi fares to specialist appointments, which are no longer held at local clinics, they are almost 40 miles away and cost me over £80 a day.”

⁴ Scope (2018). Out in the cold.

Healthcare

In September a **half of all disabled people (50%)** who had been receiving healthcare treatment for one or more of their conditions before the pandemic reported that they were only receiving treatment for some of their conditions, with treatments being cancelled and not started since March⁵. The findings from our survey indicate that this reduction in access to treatment has resulted in many increasing health related spending in order to make up for the reduced level or absence of treatment, and in some cases address their worsening health as a result.

“I had to spend more on health equipment to try and manage my health more at home as I was unable to see GP and had to do physio at home so had to buy equipment needed”

“NHS mental health support cutbacks mean I am trying to afford private therapy and over the counter medication supplements”

Living remotely

Before Covid-19, disabled people were more likely to be digitally excluded or non-regular internet users⁶. As almost all aspects of daily life moved online this presented an additional cost to be borne by many disabled people or else they had to go without access. Virtually attending medical appointments and talking therapies required purchasing or upgrading more expensive broadband packages to use video calling software.

“Additional Internet costs because I'm not using free Wi-Fi while out and about due to lock-down. My Internet is pay-as-you-go. I can't afford contracts with "free" data”

Public areas where Wi-Fi was often freely available like libraries, GP surgeries, and shopping centres becoming inaccessible has meant that even messaging friends or keeping up with the news has become more costly for some. Similarly having to field all inquiries via telephone or online instead of being able to visit in person has meant basic administrative tasks now have a greater price tag attached.

For many disabled people who have been shielding, without pause, since March, communication via the internet or phone has been the sole means of social interaction over the past 10 months. Being able to remain close to friends and loved ones, while remaining socially distant has been a great comfort and helped with the loneliness that many said they have experienced at points. But for some, having these conversations can sometimes mean going without other essentials instead.

“I eat my dinner by candle light, if I use the internet, my only window to the outside world”

⁵ ONS (2020). Coronavirus and the social impacts on disabled people in Great Britain: September 2020

⁶ ONS (2019). Exploring the UK's digital divide

Funding increased costs

For claimants on Universal Credit, the £20 uplift has provided a vital lifeline and will have gone some way to meet these rising costs. However, the majority of the respondents on legacy benefits have had to look elsewhere to try to find similar financial support.

Relying on credit

In order to keep up with increased day to day costs, many respondents have had to rely more heavily on funding this spending with credit, using existing credit cards more than they normally would or opting to extend credit lines and take out new loans. Though in doing so most are aware this is only a temporary solution and may create further costs later down the line.

“Having to use credit cards to extreme and only can pay the minimum payments monthly”

Using foodbanks

Research conducted in 2017 of food insecurity among referrals to food banks found that people claiming ESA were overrepresented among food bank users compared to claimants in the general population⁷. Food banks have been a much needed resource for disabled claimants when dealing with benefit delays, sanctions or simply too low rates of payment relative to outgoings, and their use has only continued during Covid-19 based on responses to our survey. Figures from the Trussell Trust also found that a significant minority (32%) of benefit claimants they saw during the summer months were not claiming Universal Credit⁸.

“We’re relying on food banks at times and as we don’t smoke, drink or go out to pubs, there is nothing else we can cut back on.”

Going without

Even with the help of friends and family, the support of charities and taking out loans or extending credit lines, a common experience for all benefit claimants was that at some point they were forced to make cutbacks. **Two thirds of all respondents (67%)** indicated that at some point they had gone without essential items over the last 10 months such as food, heating, and medication.

This is particularly concerning for disabled people, as many were struggling to make ends meet prior to Covid-19. Almost a million disabled people live in households experiencing

⁷ Trussell Trust (2018). Disability, health, and hunger

⁸ Trussell Trust (2020). Lockdown, lifelines and the long haul ahead: The impact of Covid-19 on food banks in the Trussell Trust network

fuel poverty and were already twice as likely to be living in food poverty compared to the general population⁹¹⁰. Extra cutbacks to meet further increases in expenditure will only worsen this situation.

“Due to the extra costs of everything I have to choose one essential over another. I can keep warm or have food but not both. I have to decide which essential is more of a luxury than the other”

Heating or eating

Choosing between heating your home or putting food on the table is an extremely distressing decision to be faced with, and one that is a lose-lose situation for disabled people due to the ongoing negative impacts either decision can have on their health and wellbeing.

A number of those who reduced spending on food were left unable to afford the good quality food that was often necessary for medically restricted diets, having a knock-on effect on these health conditions. Others reported that they were simply resorting to skipping meals, and were losing weight, experiencing low blood sugar and anaemia, all of which were dangerous for their health.

“Because every joint in my body is swollen and painful I don’t do well in the cold, but I am terrified of how high my next energy bill will be.”

Going without heating led to increased muscle and joint pain for many respondents, while others felt the ongoing cold inside their homes had left them more run-down. For those not on prepayment meters, the fear of future heating bills prevented them from keeping their homes warm despite the negative impact this choice had on their immediate health. This can create a vicious cycle of worsening health and finances, where trying to stay afloat and on top of bills can have a negative impact on health which brings with it increased costs.

“My health conditions have spiralled so far out of control that my meds can’t do anything. I have a restricted diet that I wasn’t able to keep to since March. I now have more health conditions because I couldn’t eat properly and the knock on effects of no energy, not being able to take my meds and the vicious cycle that’s brought on.”

Creating future problems

Many respondents were clear that not only were these decisions harmful for them in the present, they were storing up problems for the future and slowly worsening their physical and mental health. Our initial survey from April on the early impacts of Covid-19 on disabled claimants showed the vast majority were facing increased costs, meaning there

⁹ Scope (2018). Out in the cold

¹⁰ EHRC (2017). Being disabled in Britain: A journey less equal

have been over 10 months for the problems created by these financial difficulties to be compounded.

Disabled people in general are also much more likely to have a pessimistic outlook when it comes to future finances. When surveyed in September by the ONS, 35.6% of disabled people believed their financial position would worsen over the next 12 months compared with 28.8% of non-disabled people¹¹.

Missing financial commitments

Worryingly, these fears appear to be borne out as **almost half (44%)** of respondents indicated that they were struggling to meet financial commitments as a result of the increased costs they were facing during the pandemic. The most common commitments mentioned that respondents were unable to meet included council tax, utility bills such as water, electricity and gas and credit card debts. Findings from Citizens Advice indicate that 14% of people are now in arrears on essential household bills, an extra 600,000 have fallen behind on energy bills since Covid-19¹²¹³. The figures from our survey suggests that a not insignificant number of that figure may include disabled people on legacy benefits.

Although payment holidays of up to six months can be offered by lenders on certain loans and credit cards (the period for which has now been extended to March 2021) only 2% of respondents who mentioned that they were struggling to meet their financial commitments indicated that they had availed of this support. Of those that had, some said that this period had now come to an end but they were still not able to meet their payments as usual and were worried about impacting their credit rating.

“My credit rating is ruined and I dread the day the debt collection agencies go back to work.”

Falling behind on payments for furniture and household goods bought on hire purchase was a concern for some respondents as, just at a time when they are spending all their time at home, some of it could be taken away if they could not catch up with payments required for these items. Even more concerning was the experience of respondents who had gone into rent arrears since the start of Covid-19, and were worried about the potential of being evicted from their home at some point, even with the current ban on evictions being recently extended to 21 February in England.

“I’m behind on rent constantly, threatened with Section 21 [eviction notice] constantly.”

¹¹ ONS (2020) Coronavirus and the social impact on disabled people in Great Britain, September 2020

¹² Citizens Advice (2020). One in seven fall behind on essential household bills. Available at: <https://www.citizensadvice.org.uk/about-us/how-citizens-advice-works/media/press-releases/citizens-advice-one-in-seven-fall-behind-on-essential-household-bills/>

¹³ Citizens Advice (2020). Covid drives over half a million people into the red on energy bills. Available at: <https://www.citizensadvice.org.uk/about-us/how-citizens-advice-works/media/press-releases/covid-drives-over-half-a-million-people-into-the-red-on-energy-bills/>

The experience of debt

The experience of debt is strongly associated with poorer mental health, with almost half of those in problem debt also having a mental health problem¹⁴. Respondents made clear that having to deal with these debts was creating anxiety, and worsening existing mental health problems.

“Heating is off, night time I use candles, I can honestly say I have never been so unhappy. None of this is helping my mental health and severe PTSD.”

Rather than looking forward to a time when lockdown restrictions have eased and services begin to re-open, being plunged into debt as a result of Covid-19 has left disabled people anxious and worried about a return to any sort of ‘new normal’ and what it may bring thanks to their arrears. Not only are disabled claimants stressed about dealing with increased costs and the day-to-day difficulties that living with Covid-19 brings, this is compounded by anxiety about financial problems that are being built up for the future.

“I am extremely worried about how I am going to pay the bills this year. My finances are on a knife edge as it is.”

The impact of extending the uplift

Responses to our survey highlighted such a wide range of difficulties being faced by disabled people as a result of Covid-19, but among all those that completed it there was one commonality; that for those on Universal Credit who received the extra £20 a week this had been an immense help, and for legacy benefit claimants receiving it would be providing them with a vital financial lifeline.

“It will make a huge difference as at the moment we don’t have to worry but the loss of that much over a month, every month, would mean we have to start worrying even more than we do already, which would increase the stress and therefore the disabilities would worsen.”

For many respondents the impact of receiving this uplift would be immediate; they could afford to keep their home warm during cold evenings, afford medication they had been forced to go without since the start of Covid-19, or no longer have to skip meals. It was also felt that this would go a significant way to helping with the anxiety and stress many respondents were having to manage while struggling with day-to-day expenses.

“A massive difference as an extra £80 a month to anyone on benefits is like winning the lottery as it helps to reduce the stress and anxiety that ANY one on legacy benefits is currently going through, this would help with things like bills, and food and medications”

“It would allow me to pay more rent off so I don’t become homeless”

¹⁴ Money and Mental Health (2019). Debt and mental health: a statistical update

4. Recommendations

The £20 per week uplift has clearly helped claimants who received it cope with the financial shock of Covid-19. This increase should be extended to legacy and similar benefits (and backdated to April 2020) on the grounds that anything else would be discriminatory; that disabled people already face additional costs and reduced benefits; and that disabled people are facing increased costs as a result of the Covid-19 emergency.

Moreover, this was announced as a 1-year temporary measure, and its potential conclusion is bringing uncertainty and worry for many who receive it. Given that the financial impact of the pandemic on family budgets is far from over, the DBC is among those who are calling for the uplift to be renewed in 2021-2, above the normal inflation uprating.

The Joseph Rowntree Foundation has made broadly similar recommendations, calling for the continuation of the uplift and its extension to the legacy benefits that are being replaced by Universal Credit, which they have estimated to cost about £9 billion a year to implement¹⁵.

Our proposal is wider, in that it includes the contributory versions of Employment and Support Allowance and Jobseeker's Allowance, as well as Carer's Allowance, which – although not means-tested – are disproportionately received by households on low incomes. This would see the uplift provided to: Universal Credit; Working Tax Credit; Income Support; the contributory and income-related versions of Employment and Support Allowance and Jobseeker's Allowance; Carer's Allowance; and the Housing Benefit personal allowance.

Moving to Universal Credit

In respect of legacy benefits, Ministers have argued that claimants can, if they wish, discontinue their claim and switch to UC. This is a flawed argument, for several reasons:

- Some will still be worse off on UC – and may not realise this (the Department for Work and Pensions has said it is unable to advise individual claimants);
- Some who are better off on UC because of the £20 uplift will be worse off if it is removed in April;
- Many vulnerable claimants find the online UC claim and subsequent claim management intimidating and a real obstacle – precisely the issues that were being explored by the “managed migration” (also known as Move to UC) pilot before it was suspended.

¹⁵ JRF (2021). Keep the lifeline: why the Government should keep the £20 uplift to Universal Credit. Available at: <https://www.jrf.org.uk/report/keep-lifeline-why-government-should-keep-20-uplift-universal-credit>

Further and future measures

In addition, action must be urgently taken to reverse the damaging impact of recent policies that have contributed to cutting the amount many people receive by:

- Ending the benefit cap and two-child limit,
- Re-introducing the Work-Related Activity component of ESA (and Universal Credit equivalent)
- Adding a disability element to Universal Credit
- Restoring the losses sustained during the four-year benefit rate freeze by uprating benefits by the Consumer Prices Index + 2% for four years
- Permanently restoring the “Local Housing Allowance” to at least the 30th percentile of local private sector rents

5. Conclusion

We consider that the above recommendations constitute not only a much-needed mechanism for financial protection, but also a constructive investment in the wellbeing and social and economic participation of disabled people and those with long-term health conditions.

They would enable disabled people better to live independently in the community, reducing pressure on public services, notably social care and the NHS. They would better support carers, again reducing pressure on social care and the NHS. In these respects, we believe that they also reflect the priorities of the Government's Comprehensive Spending Review and hope that this will be recognised in upcoming decisions.

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February 2021