



HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

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Dear Dr Baker

COMPREHENSIVE SPENDING REVIEW

Thank you for your submission sent to our website on the 28 February. I appreciate the time you have taken to share the view of the Disability Rights Commission in respect of the 2007 Comprehensive Spending Review (CSR) priorities. I would like to reassure you of the Government's commitment to building a society in which disabled people participate fully and in response to your submission, set out some examples of where we are working to enhance opportunities for disabled people.

You raised the issue of poverty among people with disabilities. As you know, the Government is committed to tackling poverty, and to eradicating child poverty by 2020. The Government has introduced a wide range of measures to provide financial support for those with health or learning disabilities. The Attendance Allowance (AA) and Disability Living Allowance (DLA) do make a substantial contribution towards the extra costs faced by disabled people - but were never intended to meet all the additional costs associated with the very highest levels of care and/or mobility needs. The benefits are tax free, not income-related and do not require the payment of National Insurance contributions. On top of this, they are flexible – meaning recipients are free to spend them in a way that suits their circumstances.

The Government is focusing extra help on people who need it most through the income-related benefits - Income Support, income-based Jobseeker's Allowance, Housing Benefit and Council Tax Benefit - and Working Tax Credit and Child Tax Credit. Since April 2001, the Government has increased the disabled child premium in the income-related benefits and equivalent tax credit elements by far more than the increase in the cost of living. For example, from this month, the disabled child element of the Child Tax Credit is worth £2440 a year and the severely disabled child element is worth £980 a year. These elements are paid in addition to the child element, worth £1845 a year from this month

Similarly in April 2001, the Government introduced the Disability Income Guarantee, to help the most severely disabled children and people under 60. In addition, a severe disability premium or element is also payable in these benefits and credits to many severely disabled people who do not have a carer, and an equivalent addition can also be paid with Pension Credit.



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Your submission highlights the issue of benefits take-up. The Government is working hard to improve the accessibility and quality of information on benefits, and improve the take-up of both DLA/AA. Benefit information is available from a wide range of sources, including doctors surgeries, Citizens Advice Bureau, the Benefit Enquiry Line, and via the internet on the DWP and Directgov websites. Alongside this, DWP are increasingly working with partners such as Local Authority Social Services and Welfare Rights organisations, who are able to advise people about disability benefits in a far more targeted and personal way, to increase awareness of DLA and AA.

The Disability and Carers Service (DCS) is taking the lead in discussing changes to the delivery of benefit advice. DCS has met with the Department of Health (DH) to explore practical ways of delivering benefit advice closer to the point of diagnosis. They have agreed with the DH Patient Advisory Liaison Service (PALS) that relevant information should appear on the PALS website with links to the DWP and DCS web pages to help signpost patients to relevant services. Some hospitals are also now working in partnership with Citizens Advice Bureau (CAB) to improve the benefit information given to patients.

As you highlight in your submission, DCS is also working with the Department of Health to give all people with long-term health issues information on their health and social care needs using the 'information prescription'. By 2008, we would expect everyone with a long-term condition and/or long-term need for support – and their carers – to routinely receive information about their condition, and this will include signposting people to information and advice about benefits.

The Government believes that work represents the best route out of poverty but also recognises, as set out in your submission, the barriers to work faced by many disabled people. The proposals set out in the Welfare Reform Green Paper, being taken forward through the Welfare Reform Bill currently before Parliament will enhance the opportunities for disabled people to participate fully in society by putting in place extensive support to help them re-engage with the labour market and gain employment, while also providing adequate support to those who are not able to work.

The Access to Work programme is one of the primary ways that the DWP supports disabled people remaining in work, providing advice and funding for practical support for individuals to remove obstacles to employment that arise from a disability. DWP is now focusing Access to Work funding on private sector employers to maximise the positive impact on disabled people's employment.



The new integrated simplified Employment and Support Allowance (ESA) will be introduced in 2008 and it will have a clearer balance of rights and responsibilities than the current system. The introduction of ESA will be supported by the national roll-out of the successful Pathways to Work pilot programmes by 2008, delivered primarily by the private and third sectors. Pathways provides additional support to help incapacity benefit claimants return to work by testing a new framework that combines ongoing mandatory contact with highly skilled Personal Advisers at Job Centre Plus, and high quality employment, health and financial support.

You set out concerns about the recycling of welfare savings. The Government has set itself tough employment targets, which were set out in the Welfare Reform Green Paper which can be accessed via the DWP website. These targets are to:

- reduce the number of people on incapacity benefits by 1m by 2015/16
- help 300,000 lone parents into work by 2010, and
- increase by 1 million the number of older workers,

This all contributes to meeting the 80% employment target set out in the DWP's 5 year strategy and this makes hypothecation of welfare savings in the way you suggest unnecessary.

You suggest a number of Public Service Agreements for DWP. I should highlight the developments being made to the Performance Management Framework in the CSR. Further details are set out in the 2006 Pre – Budget Report and the 2007 Budget which can be accessed via the Treasury website, but in short, the Performance Management Framework in the CSR will:

- agree a refreshed and significantly smaller set of 'corporate' PSAs that will articulate the Government's top priority outcomes for the spending period;
- drive more effective coordinated action across departments by setting PSAs across government according to the key challenges we face in the long-term, rather than on a department-by department basis;
- drive the totality of government's business through Departmental Strategic Objectives. These will be defined in the CSR07 and, building on the emerging findings from Capability Reviews, the CSR will ensure they are effectively linked to the focused set of PSAs;
- publish a single, coherent, cross-departmental Delivery Agreement for each PSA, informed by consultation with the delivery chain. Delivery Agreements will clearly set out the level of ambition, strategy for delivery, and role of each organisation involved.



All Public Service Agreements (PSAs), as well as Departmental Strategic Objectives (DSOs) and any associated national level targets, will be negotiated and agreed in the CSR process and published at the CSR. Proposals are still at an early stage of development and the Government is keen to engage key stakeholders in developing PSA delivery agreements at the appropriate stage of the process. I understand you are in consultation with DWP and I have asked my officials to keep me informed of progress, and abreast of developments and work with disability organisations on the issues set out in your submission. Please do contact us at the Treasury with further views or questions to feed into the CSR process. I would like to re-iterate the Government's commitment to building a society in which disabled people participate fully and thank you for taking the trouble to make us aware of your concerns.

*Yours sincerely,
Stephen Timms*

STEPHEN TIMMS