

UK 2014-15 Budget: Where does the social security spending cap leave disabled women and their carers?



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On 19th March 2014, George Osborne, the UK Chancellor of the Exchequer delivered the annual **speech** to Parliament outlining spending and taxation plans. A limit was imposed on UK annual social security spending. This limit is set at £119 billion for year 2014-15. The limit was announced in relation to managing ‘out of control’ welfare spending, reigning in alleged ‘incentives’ which ‘pay not to work’ and resisting temptation to ‘squander the gains’ of continued economic growth. The limit excludes spending on Jobseekers Allowance and State Pensions, which in 2012/13 amounted to £5.1 billion and £79.9 billion respectively (**Outturn and forecast: Budget 2013 xls**). Out of 26 benefits within the scope of the limit, over a third are directly related to disabled people and their carers. The cap for example includes ‘Attendance Allowance’, an allowance paid for personal care to those with physical or mental disabilities over the age of 65. Also included is ‘Carers’ Allowance’, which pays £59.75 a week to those who spend more than 35 hours per week caring for someone with a disability (unless the carer is studying for 21+hours a week or earning more than £100/week).

Putting this cap into practice will mean cuts to the income and wellbeing of all disabled people and their carers. Yet women are more likely to bear the brunt of disability-related funding cuts for two main reasons:

Firstly, women are more likely than men to be providers of care to disabled people. A 2011 **study** commissioned by the Department for Work and Pensions revealed that 73% of Carer Allowance claimants are female. Although it must be welcomed that the earnings’ limit for receipt of the Carers’ Allowance has been increased in line with inflation (by 2% to £102/week), the current remuneration of Carers’ Allowance means the carer receives £1.70 per hour of care-giving work. In addition, the stipulation that Carers’ Allowance recipients must not be in education for over 21 hours a week makes it difficult for recipients to combine their care-giving activity with other economic and educational activity. Moreover, the overall cap on disability-related social security spending means that carers’ and disabled women’s incomes and living standards are likely to further decrease.

Secondly, women are more likely than men to be disabled. According to the Department for Work and Pensions, 6.4million women and 5.5million men were **registered disabled** in 2011/12 in the United Kingdom. These figures amount to 21% and 18% of the female and male populations respectively. In addition, men are more likely to spend a greater portion of their life without disability. Current **life expectancy** at birth in the United Kingdom is 82.1 years for women and 78.1 years for men. **At birth**, women can expect to spend 79.2% of their life expectancy without disability or illness; men, 81.9%. At age 65, women can expect to spend 54.6% of their remaining lives non-disabled, whereas men can expect to spend 58.3% of their remaining lives without chronic disability or illness. Thus, women are additionally more likely than men to be in need of age-related disability support. Therefore, women are more likely to be detrimentally affected by limits on disability-related social investment.

The Chancellor’s aim to reward “**makers, doers and savers**” ignores the reality of disabled women and their (predominantly female) carers’ dignity and humanity, as their life and work patterns do not fit neatly into conventional patterns of economic activity. Even on the Chancellor’s own terms, the welfare cap deprives disabled people and their carers from the support necessary to **take part**

in the community and economy. To support carers as doers, makers and savers, the Budget could have adjusted the level of financial support accorded by the Carers' Allowance, and raised the earnings limit to afford carers the opportunity to earn a **living wage** income (currently £7.65/hour) for full-time hours. Furthermore, removing the eligibility criteria which restrict carers from taking part in 21+ hours of education per week would in practice mean that women caring for disabled people have the potential to combine their care-giving activities with participation in the education system. As the current system stands, the women caring for disabled people find that financial recognition of their care-giving activities is incompatible with financial recognition of any other economic activities they may take part in, such as paid work or education.

Instead of seeking to curtail disability-related social security spending in order to save money, there needs to be recognition that social security spending is an investment that generates returns for the Exchequer. For instance, an accountancy firm carried out **case-studies** of service provision to individuals deemed to have 'moderate care needs' (defined as the 'inability to carry out several personal care or domestic routines' and inability to sustain 'several aspects of work, education or learning'). Returns on investment were estimated to range from 18% to 53%. For example, in relation to individuals with autism, the cost of a day-centre care was calculated. Services provided included communication training, emotional and behaviour support, leisure-time activities. Direct benefits were calculated in terms of: users' higher incomes, increased scope for users' carers to engage in paid work; higher tax receipts for the Exchequer. Avoided costs were calculated in terms of: costs of mental health needs arising from social isolation, personal costs of mental health issues, costs of needs progressing from moderate to substantial/critical, carers' increased stress and mental health problems arising from lack of support. These costs were also computed for domiciliary care for individuals with learning difficulties, personal help for deafblind people and day centre care for adults with learning, physical and sensory disabilities. In relation to mental health issues, the study cites research from the Personal Social Services Research Unit – a collaboration between University of Kent, LSE and University of Manchester. This **research** tracked outcomes when people experiencing mental health issues were provided access to 'community navigators' – support staff to coordinate provision of services required to meet the users' needs. While the cost per person of support via the 'community navigator' was £480, this investment resulted in employed people losing less time off from work, unemployed people moving into work, fewer GP visits. The research also notes that this support brought benefits to the mental health of individuals. Based on the service demand across England, the overall economic benefits come to a blended return of **33%**. Thus, for every £1 of expenditure on services, £1.3 is generated. Allocating disability and care funding based on individual need would assure dignity and living standards as well as bringing fiscal benefits.

Women are more likely than men to be detrimentally affected by the social security spending cap imposed by the budget. Disabled women's incomes are likely to be squeezed during the practical application of this cap. As primary carers of disabled people, women are currently limited by benefit conditionality in opportunities to combine their care-giving activities with participation in education paid work. The UK Budget does not recognise that disabled women and their carers' life patterns do not map onto conventional notions of economic participation. A certain level of investment is needed to enable disabled women and their carers to further participate in economic activity such as education and paid work. This investment in turn brings economic benefits in terms of increased revenue from earnings and tax receipts and avoided costs due to decreased mental health issues arising from stress and isolation. Of course, some of the benefits are specific to particular, moderate levels of need and would apply differently in relation to individuals with substantial care needs. It is crucial to conceptualise adequate disability-related social support as a worthwhile goal in its own right rather than wholly as a means to economic benefits. In addition, it is crucial that social spending levels are adequate to ensure that paid care workers – also predominantly **women** – can earn a Living Wage. Social spending on disability-related services not only supports disabled women's and their carers' dignity and assures adequate living standards but also brings monetary benefits for the state and society. The UK Budget's focus on allocating social spending on the basis of a budgetary limit rather than individual need is a missed opportunity to support disabled women and their carers while reaping fiscal benefits of that support.



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