

## Spending Review 2010 – what it means for disabled children

This document provides an overview on the Spending Review announcements that are likely to have an impact on disabled children and their families. The Spending Review sets out the Government's spending plans for the next four years. The Government will still have a Budget every year to make smaller adjustments to spending.

EDCM will be campaigning on issues of concern for disabled children and their families. If you would like let us know your thoughts on the Spending Review and how it will affect you and your family then please fill out our **case study form** to enable us to tell your story. Hearing from the people that will be affected by policy changes makes our campaigning stronger.

If you would like to campaign on any of the announced changes please see [EDCM's Campaigning Toolkit](#) for ideas. This toolkit has information on contacting your MP and many other ways that you can campaign.

**Please Note!** Many of the things that were included in the Spending Review we have very little information about. Where this happens EDCM will be asking questions to gain further clarity and will inform supporters about what it means when we find out.

### Disabled Children's Services

The Spending Review announced that there will be a

- 12 per cent reduction in the Department for Education's non-schools budget (this covers all children's services funded by the Government)
- 28 per cent decrease in local council allocations over the next four years (this includes funding for disabled children's services locally).

This means that there will be less money available for disabled children's services.

It was also announced that money for local areas will no longer be ringfencing from April 2011. This includes funding for the Aiming High for Disabled Children programme.

This means that the Government will no longer tell local authorities what they must spend on disabled children's services. However, EDCM will be writing to the Government to ask that they provide local authorities and PCTs with information as to what funding the Treasury has included within the non-ringfenced health and social care settlements to ensure they are able to continue to meet the needs of disabled children.

**Please note!** Until April 2011 local authorities should still be spending ringfenced money on services for disabled children.

Whilst ringfenced funding has been removed, the Government has indicated that they do not envisage their cuts resulting in fewer services for disabled children. The Spending Review stated that the £2 billion that has been placed into social care will mean:

“Combined with a programme of reform and efficiency savings, such as greater use of personal budgets, this will mean **local authorities will be able to improve outcomes and will not need to reduce eligibility for services.**”

“The Spending Review therefore makes available sufficient resources for local authorities so that they **do not need to reduce access to services**, and can fund new approaches that improve outcomes for those receiving social care”

In addition the Government has stated that they will be providing an **“increase in funding” for short breaks**. EDCM is writing to the Government to gain details on this additional funding.

The Government also announced that communities should be given notice when services are shutting down and in some cases there will be the opportunity and some funds for communities to take over these services so that they can continue. EDCM will try to gain further detail on how this will work in practice.

## **Personal Budgets**

The Spending Review stated that the Government will be extending the use of personal budgets for disabled children. EDCM is trying to gain more detail on this announcement. It is likely that it refers to the extension of personalised approaches, which many families already receive through direct payments or individual budgets. We know that these approaches can be popular, as it gives families more control over the kind of support they will get. However, although we believe it is vital that where families choose to use personal budgets they are supported to do so, we are also clear that where families identify that personal budgets are not the best route for them, they are allowed to access services through alternative routes.

## **Early Intervention Grant**

The Spending Review also announced the introduction of an Early Intervention Grant worth around £2 billion by 2014-15. Again we await details on exactly what this money will go towards. Announcements have confirmed that some of this money will fund Sure Start centres.

# Welfare

## Universal Credit

The Government confirmed in the Spending Review that they will be replacing all existing benefits with a new Universal Credit. This means that all benefits you are entitled to will be paid in one payment. It also means that if you are in work HMRC will track your wage in real time, meaning you will not have to tell them any changes in your income.

## Benefit Cap

The Government announced in the lead up to the spending review that there will be a cap on the level of benefits a household can receive from 2013, around £500 a week for couple and lone parent households. However households with Disability Living Allowance claimants and working families claiming the working tax credit will be exempt from the cap.

If you think your child may be entitled to Disability Living Allowance but you have not yet applied for this benefit find out more information [here](#).

## Child Benefit

The Government has announced that by 2013 Child Benefit will be withdrawn from families where one earner is a higher rate taxpayer.

This change will be a particular problem for families who have high unavoidable outgoings related to the care of their disabled child(ren).

## Child Tax Credit

The Child Element of the Child Tax Credit will increase above inflation by £30 in 2011-12 and £50 in 2012-13. This announcement builds on the additional £150 and £60 increases provided at the June Budget. These figures will be spread out over the year.

Are you entitled to the Child Element of the Child Tax Credit? Find out more information on what tax credits you are entitled to [here](#).

## Working Tax Credits (WTC)

The Government announced that they will be changing the eligibility rules for working tax credits so that from April 2012 couples with children must work 24 hours a week between them, with one partner working at least 16 hours a week in order to qualify. Currently couples with children qualify so long as either partner is working 16 hours.

This change will be problematic for some families with disabled children as their caring responsibilities may mean they cannot increase their working hours to 24. It appears that this change will only apply to couples and not to lone parents who will still be eligible for WTC so long as they work 16 hours.

Additionally the Government announced that from April 2011 the Government will freeze the basic and 30 hour elements of the WTC for three years from 2011-12. This means Working Tax Credits will not rise with inflation.

### **Childcare**

The percentage of childcare costs that parents can claim through the childcare element of the Working Tax Credit will be reduced from 80 per cent to its previous 70 per cent level in April 2011.

This will put families with disabled children at a disadvantage, as childcare costs for disabled children can be considerably higher than those for non-disabled children.

There will be an extension from 2012-13 to 15 hours per week of free early education and care to all disadvantaged two year old children. EDCM is seeking clarity on which children will be entitled to free childcare.

### **Mobility element of DLA**

From 2012/2013, payment of the mobility component of DLA will stop where a claimant is in residential care. Currently the care component of DLA stops after 84 days (for children) but payment the mobility component is unaffected.

EDCM is concerned that this may lead to children in residential care and residential schools losing the mobility element of their DLA as current regulations include these children under the general heading of 'a person in a care home'.

EDCM will be raising our concerns with the Department for Work and Pensions. We will let supporters know when we gain clarity on this issue.

### **Council tax benefit**

Spending on council tax benefit will be reduced by 10% from 2013/2014. Council tax benefit is currently a means tested source of help with paying council tax, based on nationally applied means testing rules. However the help available to 'vulnerable' people on council tax benefit will now vary from area to area.

### **Cold Weather Payments**

The temporary increases to Cold Weather Payments provided in the past two winters will be made permanent, so that eligible households receive £25 for each seven day

period where average temperatures of 0 degrees or below are recorded or forecast where they live.

## **Housing**

Funding for services that support the most vulnerable in society will be relatively protected, with provision for Disabled Facilities Grants rising with inflation and over £6 billion funding for the Supporting People programme over the next four years.

EDCM welcomes continued investment in the Disabled Facilities Grant and the Supporting People Programme. We would like the Government to direct the Supporting People Programme to be more targeted at families with disabled children and move away from its current focus on adults.

### **Social Housing Terms**

The terms for existing social tenants and their rent levels will remain unchanged, and new tenants will be offered intermediate rents at around 80% of the market rent. New tenants may be handed fixed term contracts e.g. for 5 years for their housing under the Government's proposals.

### **Limits on Housing Benefit**

As announced in the Emergency Budget in June, from April 2011, Local Housing Allowance Rates will be capped at £250 per week for a one bedroom property, £290 per week for a two bedroom property, £340 per week for a three bedroom property and £400 per week for four bedrooms or more.

The Department of Communities and Local Government is to grant £10m from its homelessness budget to local councils' funds, to ease the consequences of the change. The money will go to councils' "discretionary funds" - a pot of money they can use for special cases. David Cameron stated that this could be used "for example, if a family's rent was more than £400 but one of their children attended a local special school, the council could - at their discretion - allow the family to stay in that accommodation and keep paying a higher rate."

## **Health**

There will be increases in overall NHS funding in each year to meet the Government's commitment on health spending, with total spending growing by 0.4 per cent over the Spending Review period.

## **Public Health Service**

The Government will ringfence funding for a Public Health Service to improve the health of the whole population and particularly pockets of ill health and health inequalities. EDCM awaits further detail on what services this funding will support.

## **Psychological therapies**

The Government announced that it will expand access to psychological therapies for the young, and those with mental illness.