

Welfare reforms 'punish the most vulnerable'

The Equality and Human Rights Commission (EHRC) recently published its findings on the potential cumulative impact of proposed and implemented UK Government tax and welfare reforms on people sharing different protected characteristics.

The report analyses policy changes made between May 2010 and January 2018, which will have been implemented by the financial year 2021-22. It finds nearly half of all households in Wales will lose out from the reforms, and that the largest impact will be felt by people on the lowest incomes.

There is also a disproportionately negative impact on the incomes of several protected groups, including disabled people, certain ethnic groups, and women.

Specifically, the report finds that across Great Britain:

- households with at least one disabled adult and a disabled child will lose over £6,500 a year, over 13% of their annual income;
- lone parents will lose an average of £5,250 a year, almost one-fifth of their annual income;
- women will lose approximately £400 per year on average, while men will only lose £30.

In a joint letter to the Secretary of State for Work and Pensions, with the Minister for Children and Social Care, Huw Irranca-Davies, Rebecca Evans and Julie James, who has Cabinet responsibility for Equalities, have called on the UK Government to reconsider its tax and welfare reform policies, because of the negative financial impacts they will have on the most disadvantaged.

Julie James said:

“It cannot be right for the incomes of protected groups to be impacted in such a disproportionate way.

“We have demanded urgent action in relation to these harmful changes. It is essential that considerable work is now carried out to ensure that equality considerations are fully incorporated into all decision-making by HM Treasury, and more broadly across the UK Government. It is completely unacceptable for the UK Government to continue to ignore the impacts of these reforms on equality of opportunity.”

Rebecca Evans said:

“I have been pressing these issues with my UK counterparts for many months now and have made it perfectly clear on a number of occasions that these reforms will result in profound hardship for many of our most vulnerable citizens. I echo the concerns of the EHRC who are calling on the UK Government to reconsider their policies and review the level of welfare benefits to ensure they provide an adequate standard of living for those in receipt.”

These negative impacts are for the most part a result of changes to the benefit system, in particular the freeze in working-age benefit rates, changes to disability benefits and reductions in Universal Credit rates.