

Personal Independence Payment: A Case for Change

Introduction

In 2010 George Osborne announced that from 2013/14 that new and existing working age Disability Living Allowance claimants would be subjected to a new medical assessment in order to claim a new benefit called Personal Independence Payment.

The purpose of this briefing paper is to highlight the ongoing impacts of the introduction of Personal Independence Payment and considers the background, timetable, assessment, and outcomes.

This change was expected to reduce the Disability Living Allowance caseload by 20% and save over a billion by 2014/15. Only around half of new claims for Personal Independence Payment are receiving an award and 23% of people that did not have a terminal illness who were on Disability Living Allowance and have been reassessed for Personal Independence Payment have received no award.

Furthermore, many claimants are finding that they are waiting several months for an assessment and some have to travel a considerable distance to be assessed. Some claimants have also reported that they find the assessors unhelpful.

The consequences of the introduction of Personal Independence Payment have led to significant financial difficulties due to delays and people receiving no award. Thousands of people have also lost their motability car which they received when they were entitled to the higher rate of mobility through Disability Living Allowance and were not found to be eligible when they were reassessed for Personal Independence Payment.

Background

The Welfare Act 2012 included legislation for Disability Living Allowance (DLA) to be replaced with a new benefit called Personal Independence Payment (PIP) for people aged 16-64.

DLA was introduced in 1992 as a non-contributory, non-means-tested benefit. The benefit is tax free and could be claimed by a UK resident aged under 65 with personal and/or mobility needs as a result of a physical or mental disability.

DLA has its origins in the disability benefits which were introduced in the 1970s, namely Attendance Allowance (AA) and Mobility Allowance (MobA).

In May 2010, around 3.2 million people were receiving DLA, of whom 2.7 million were receiving a mobility component and 2.7 million were receiving a care component; whilst 2.3 million received both a mobility and care component. The DWP estimated that in 2010/11, the total cost of DLA was more than £12 billion.

The coalition government's June 2010 budget announced that from 2013/14 new and existing working age DLA claims would be subjected to a new 'objective medical assessment' which would reduce the DLA caseload by 20% and save over a £1 billion by 2014/15.

In December 2010, the coalition government published a consultation paper, *Disability Living Allowance reform*, which set out the introduction of the new benefit - the Personal Independence Payment, to replace DLA starting from 2013/14.ⁱ

Respondents to the consultationⁱⁱ were particularly concerned about the three rates of care under DLA, being reduced to two under PIP, thus implying that DLA claimants who receive lower rate care under DLA would receive nothing under PIP.

There was also concern regarding the proposal to withdraw the DLA mobility component from people in residential care, which was then dropped.

PIP, similar to DLA is a non-means-tested, tax free benefit designed to assist in meeting the additional costs of disability. PIP can be claimed on the basis of individual's capabilities for daily living and for getting about. Like DLA, claimants can be awarded either or both of the mobility and daily living components respectively. However, PIP only has two rates in relation to daily living, whilst DLA had three.ⁱⁱⁱ

Table 1: PIP Weekly Rates 2015/16

Standard Daily Living Component	£55.10
Enhanced Daily Living Component	£82.30
Standard Mobility Component	£21.80
Enhanced Mobility Component	£57.45

Source: directgov

Table 2: DLA Weekly Rates 2015/16

Higher Rate Care	£82.30
Middle Rate Care	£55.10
Lower Rate Care	£21.80
Higher Rate Mobility	£57.45
Lower Rate Mobility	£21.80

Source: directgov

Timetable

The initial new claims for PIP were started in the North West of England and parts of the North East of England in April 2013.

These new claims for PIP were extended to the rest of Great Britain and the DWP no longer accepted new claims for DLA from June 2013.

In October 2013, reassessment began of existing DLA claimants in Wales, East Midlands, West Midlands and East Anglia, who had either turned 16, had a fixed period of DLA awards ending up to or after 17 March 2014, where there was a report of a change of the DLA's claimant's disability or health condition, and

existing DLA claimants aged 16-64 who wished to apply for PIP.

In January 2014, the reassessment areas were extended to postcodes beginning: DG, EH, TD, and ML in southern Scotland and parts of the borders, who had either turned 16, had a fixed period of DLA awards ending up to or after 2 June 2014, where there was a report of a change of the DLA's claimant's disability or health condition, and existing DLA claimants aged 16-64 who wished to apply for PIP.

Other postcode areas were included in a rolling basis to be reassessed. From October 2015, all the remaining DLA claimants are to be invited to make a claim for PIP. The DWP will randomly select DLA claimants in receipt of a fixed term award or an indefinite award. By late 2017, all existing DLA claimants will have been invited to claim PIP.^{iv}

Assessment

Following an initial telephone conversation with a DWP agent, which will ascertain whether the claimant meets the basic qualifying conditions (such as age and country of residence), and whether they have a condition which needs additional support through the claiming process, the claimants will be sent a form to fill in.

The claim form includes twelve questions about the claimants' ability to carry out an everyday activity. The aim is to see if these can be carried out **reliably**, which means **safely**, to an **acceptable standard**, **repeatedly** and within a **reasonable time period**.

Table 3: Daily Living Activities

1.	Preparing food
2.	Taking nutrition
3.	Managing therapy or monitoring a health condition
4.	Washing and bathing
5.	Managing toilet needs or incontinence
6.	Dressing and undressing
7.	Communicating verbally
8.	Reading and understanding signs, symbols and words
9.	Engaging with other people face to face
10.	Making budgeting decisions

Source: Disability Rights UK

Table 4: Mobility Activities

1.	Planning and following journeys
2.	Moving around

Source: Disability Rights UK

Within each activity, there are a series of descriptors with scores ranging from 0 to 12. Claimants score points when they are not able to complete a task **reliably**.

The descriptors relate to tasks of differing degrees of difficulty. The highest descriptor score from each activity is added together to work out the points for each component.

The DWP work out points by accessing the claimant against the descriptors by way of; the claim form, any evidence the claimant submits, and the report from a face-to-face consultation if a claimant is invited to one.

A claimant must score at least eight points from the ten daily living activities to receive the standard rate and at least twelve points to receive the enhanced rate.

Similarly, a claimant must score at least eight points from the two mobility activities to receive the standard rate and at least twelve points to receive the enhanced rate.^v

Under DLA, if a person can't walk more than 50 meters, they would be entitled to claim higher rate mobility. Under PIP, this has been reduced to 20 meters. In 2014, campaigners were unsuccessful in their attempts to rule this change unlawful given the perceived lack of government consultation.

Passport Benefits

DLA and PIP claimants are also able to access a number of passport benefits, such as; Additional Benefit Payment, Blue Badge, Carers Allowance, Eligibility for Motability Car, Exemption from Benefits Cap, Free Road Tax, Help with Council Tax.^{vi}

There are real concerns that DLA claimants will lose some of their passport benefits when they are required to claim PIP, such as losing their motability car.

Medical Assessments

The DWP expected 75% of PIP applicants to attend a face-to-face medical assessment. In reality, in March 2014, around 98% of applicants were asked to attend a face-to-face medical assessment.

This is likely due to the fact that neither of the organisations carrying out the medical assessments is receiving enough medical evidence from applicants' health professionals to be able to make a decision.^{vii}

The PIP assessment process is managed by two assessment providers – Atos Healthcare and Capita Health and Wellbeing.^{viii}

The main provider in Scotland is Atos Healthcare; some assessments have been subcontracted to other providers, notably, Salus.^{ix}

Many PIP claimants are reporting having to travel a considerable distance for their assessment. Some claimants had got lost on

the way, which caused considerable distress. Many claimants had not been informed that they could claim back travel expenses either.

Claimants have reported mixed experiences with the medical assessment – some positive, some negative. Understandably, the claimants who were awarded PIP viewed the assessment more favourably than those who claim was unsuccessful.

Many claimants' attitudes towards the assessments were based upon their perceived attitude of the assessor, whether *warm* and *friendly* or *cold* and *unfriendly*. Some claimants also expressed dissatisfaction and/or surprise at being assessed by someone who was not medically-trained.

Several claimants have reported being asked to carry out a number of physical activities. Some claimants reported this as painful.^x

Research carried out by Citizens Advice Scotland of their CAB advisers indicated that 45% of those surveyed who had seen enough cases to comment, considered the face to face consultation of the medical assessment generally or always poor; with many CAB clients reporting unsympathetic assessors, long delays and long journeys to assessment centres.

Another theme emerging from the Citizens Advice Scotland research is that the descriptors used in the PIP assessment are perceived to be far too narrow to provide an overall assessment of a claimant's daily living and mobility needs.^{xi}

Indeed, it is questionable that a GP would be in a position to accurately judge whether one of their patients could fulfil the descriptors.

Outcomes

Between April 2013 and the end of April 2015, 950,700 PIP new claims had been registered and 136,700 DLA reassessments had been registered for PIP.

As of the end of April 2015, 810,500 new claims for PIP had been cleared, of which 41,200 were made under Special Rules for Terminally Ill people.

Excluding withdrawn claims, 50% of all new-claims normal rules lead to a PIP award, for new claims made under Special Rules for Terminally Ill people, the proportion was 99%.

Excluding withdrawn claims, 77% of normal rules reassessment decisions lead to a PIP award, for claims made under Special Rules for Terminally Ill people, the proportion was 99%.

On April 30th 2015, there were 460,000 PIP claims in payment:

Table 5: PIP Awards Normal Rules

262,200 (57%)	Received an award at the enhanced rate
92,000 (20%)	Received both enhanced daily living and enhanced mobility
248,400 (54%)	Received both daily living and mobility components
170,200 (37%)	Received daily living only
41,400 (9%)	Received mobility only

Source: DWP (2015) Personal Independence Payment: Official Statistics to April 2015

Table 6: Primary Disability Condition

144,527 (34%)	Psychiatric Disorders
83,892 (20%)	Musculoskeletal Disease (General)
60,764 (13%)	Musculoskeletal Disease (Regional)
51,951 (11%)	Malignant Disease
43,844 (10%)	Neurological Disease
23,777 (5%)	Respiratory Disease
15,046 (3%)	Cardiovascular Disease

Source: DWP (2015) Personal Independence Payment: Official Statistics to April 2015

Table 7: PIP New Claims - Clearance numbers and Award Rates (Including Withdrawn claims)

Great Britain	701,800	51%
Scotland	74,050	52%
Aberdeen	2,220	57%
Aberdeenshire	1,800	60%
Angus	1,300	56%
Argyle and Bute	890	57%
Borders	1,020	49%
Clackmannanshire	790	55%
Dumfries & Galloway	1,750	63%
Dundee	2,920	45%
East Ayrshire	2,000	56%
East Dunbartonshire	890	53%
East Lothian	1,040	54%
Edinburgh	5,030	54%
Eilean Siar	230	66%
Falkirk	2,260	57%
Fife	4,900	54%
Glasgow	13,020	48%
Highland	2,380	60%
Inverclyde	1,580	51%
Midlothian	1,210	56%
Moray	900	59%
North Ayrshire	2,490	49%
North Lanarkshire	6,190	51%
Orkney	170	64%
Perth and Kinross	1,770	46%
Renfrewshire	3,060	48%
Shetland	140	65%
South Ayrshire	1,430	50%
South Lanarkshire	4,850	51%
Stirling	960	58%
W. Dunbartonshire	1,540	51%
West Lothian	2,520	56%

Source: DWP (2015) Personal Independence Payment: official statistics, GB

Table 8: PIP New Claims Awards – Clearance numbers & Award Rates (Excluding Withdrawn Claims)

Great Britain	701,800	53%
Scotland	74,050	54%
Aberdeen	2,220	59%
Aberdeenshire	1,800	62%
Angus	1,300	58%
Argyle and Bute	890	60%
Borders	1,020	50%
Clackmannanshire	790	56%
Dumfries & Galloway	1,750	65%
Dundee	2,920	47%
East Ayrshire	2,000	58%
East Dunbartonshire	890	55%
East Lothian	1,040	56%
Edinburgh	5,030	56%
Eilean Siar	230	69%
Falkirk	2,260	59%
Fife	4,900	55%
Glasgow	13,020	49%
Highland	2,380	62%
Inverclyde	1,580	53%
Midlothian	1,210	58%
Moray	900	61%
North Ayrshire	2,490	51%
North Lanarkshire	6,190	53%
Orkney	170	67%
Perth and Kinross	1,770	48%
Renfrewshire	3,060	49%
Shetland	140	66%
South Ayrshire	1,430	52%
South Lanarkshire	4,850	53%
Stirling	960	60%
West Dunbartonshire	1,540	52%
West Lothian	2,520	58%

Source: DWP (2015) Personal Independence Payment: official statistics, GB

There is a wide variation of award rates between different local authorities. The award

rate for example in Aberdeen is 59%, yet in Dundee it is only 47%. More investigation is required into why there is such variation and the reasons why individuals withdraw their claims.

Financial Impact

The fact that 23% of claimants (excluding withdrawn claims) who were previously on DLA have been unsuccessful in claiming PIP will likely have a significant financial impact.

Ten of thousands of claimants who were on DLA have not been successful in claiming PIP, therefore losing at least £21.80 a week.

Similarly, hundreds of thousands of people who have made an unsuccessfully claim for PIP, may well have received DLA.

Mandatory Reconsiderations

Claimants who wish to dispute a decision on their PIP claim are required to ask the DWP to consider the decision before lodging an appeal with Her Majesty's Courts and Tribunals Service. This is called a 'mandatory reconsideration' (MR). The purpose of an MR is to consider the grounds for the dispute and complete a full review of the initial decision.

By the end of April 2015, there had been 103,900 MRs for normal rules cleared (88,200 new claims and 15,700 reassessed DLA claims). Of the new claim MRs cleared, 14,400 led to a change in award (16%) and 6,800 (43%) reassessed DLA MRs led to a change in award^{xii}.

Impact of Delays

One of the features of PIP is the introduction of a face-to-face assessment with an independent healthcare professional.

The DWP set a target of 16 weeks for the clearance of new PIP claims. However, the average clearance time in June and July 2014 peaked at 30 weeks.

The average clearance time reduced to 14 weeks in January 2015. However, the DWP statistics take the median as an average, so some clients may wait considerably longer for an assessment.

A survey carried out by Citizens Advice Scotland of their bureau advisers in 2014 found that over half of the advisers considered that the delays are causing clients difficulties in paying for living essentials and in severe hardship.^{xiii}

Indeed, one Citizens Advice Bureau reported one client with serious health issues waiting over ten months for an assessment and had built up Council Tax and rent arrears of almost £2,600.^{xiv}

A high court judge ruled that the delays in providing PIP to two vulnerable people took “an unlawful and unacceptable long time”. The judge heard that people had been forced to turn to food banks and loan sharks due to the delays.^{xv}

Motability Cars

One of the consequences of existing DLA clients who receive the higher rate mobility risk losing their entitlement to motability cars unless they qualify for the enhanced mobility component of PIP when reassessed.

Figures obtained by ITV news revealed that around 100 DLA claimants are losing their entitlement to motability cars every week.

Motability report that of the 8,000 who have so far been reassessed, 3,000 have lost their entitlement to the motability scheme and had to give up their vehicles.

This figure could rise to more than 100,000. Many of these people are completely reliant on their car to get around. Thus, losing their car has a significant consequence for travelling to work, education, shopping and socialising.

Motability have arranged that nearly everyone who has to give up their vehicle will be entitled to a one-off payment of £2,000^{xvi}. However, the costs of buying and running a car will likely leave those who have given up their vehicle worse off.

Conclusions and Recommendations

The introduction of PIP has caused widespread anxiety and alarm for existing DLA claimants. PIP claimants have reported long waits and having to travel long distances to be assessed. This has led to considerable financial hardship.

It is widely recognised that people with disabilities face additional living expenses. They are also less likely to be in employment and therefore living in poverty. The introduction of PIP has had a significant negative effect for people with disabilities. Many do not find it easy to use public transport and have had their motability car taken away from them.

A fairer system would take a more holistic approach in assessing the financial and mobility needs of people with disabilities.

Short of scrapping PIP and returning to DLA, there are a number of recommendations which could be considered:

- Decisions over DLA/PIP to be devolved to the Scottish Parliament as soon as possible.
- DWP to explore the reasons why claimants withdrawn their applications.
- DWP to explore why there are such differences in the award rates between different local authorities.
- More resources invested so claimants don't wait several months to be assessed.
- Claimants to be offered home visits for assessments in order that they don't need to travel considerable distance to assessment centres.
- DWP to take full account of GP and other supporting evidence and not simply judging decisions on points.
- Reinstate higher rate mobility to 50 meters.

Briefing researched and written by Stephen McMurray, Independence Researcher

References

ⁱ Kennedy, S. (2011) Disability Living Allowance reform, House of Commons Library, Social Policy Section.

www.parliament.uk/briefing-papers/SN05869.pdf

ⁱⁱ Department for Work and Pensions (2011) Government's response to the consultation on Disability Living Allowance Reform
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/181637/dla-reform-response.pdf

ⁱⁱⁱ Sainsbury, R. and Cordon, A. (2014) Early process evaluation of new claims for Personal Independence Payment, Department for Work and Pensions, Research Report No 867.
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/332622/rr_867-early-process-evaluation-of-new-claims-for-pip.pdf

^{iv} Department for Work and Pensions (2015) Timetable for PIP replacing DLA.

^v Disability Rights UK (2015) Personal Independence Payment, A guide to making a claim.

^{vi} Disability Benefits Consortium (2014) PIP legal case unsuccessful
<https://disabilitybenefitsconsortium.wordpress.com/tag/20-metre-rule/>

^{vii} Benefits and Work (2015) PIP medical assessments
<http://www.benefitsandwork.co.uk/personal-independence-payment-pip/pip-medical-assessments>

^{viii} Department for Work and Pensions (2014) Personal Independence Payment (PIP) quick guide.

^{ix} Citizens Advice Scotland (2014) Personal Independence Payment Assessment – Independent Review, Response from Citizens Advice Scotland.

^x Sainsbury, R. and Cordon, A. (2014) Early process evaluation of new claims for Personal Independence Payment, Department for Work and Pensions, Research Report No 867.
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/332622/rr_867-early-process-evaluation-of-new-claims-for-pip.pdf

^{xi} Citizens Advice Scotland (2014) Personal Independence Payment Assessment – Independent Review, Response from Citizens Advice Scotland.

^{xii} Department for Work and Pensions (2015) Personal Independence Payment: Official Statistics to April 2015

^{xiii} Citizens Advice Scotland (2015) VOICES FROM THE FRONTLINE, Halt the roll-out of PIP in Scotland, March.

^{xiv} Citizens Advice Scotland (2014) VOICES FROM THE FRONTLINE, Personal Independence Payment: The impact of delays, October.

^{xv} The Guardian (2015) Disabled Payment delay unlawful, judge rules,
<http://www.theguardian.com/politics/2015/jun/05/disabled-payment-delay-unlawful-judge-rules-ian-duncan-smith> 5 June.

^{xvi} ITV News (2015) Thousands of disability claimants lose cars in cuts
<http://www.itv.com/news/2015-03-13/disability-cuts-start-to-bite-those-who-need-it-most/>