

Personal Independence Payment – Policy briefing note

Introduction

The proposals described in this note will require Parliamentary approval before they are introduced.

Listening and designing

1. The Government has published its policy intentions for the introduction of a new benefit for disabled people, Personal Independence Payment, through the Consultation paper *Disability Living Allowance reform* in December 2010 and the Welfare Reform Bill, introduced in February 2011. We plan to introduce Personal Independence Payment for working-age disabled people from 2013/14.
2. The *Government's response to the consultation on Disability Living Allowance reform* published in April 2011 set out our intentions on important aspects of the design and administration of the new benefit, and responses to the contributions we received to the consultation.
3. In the consultation response we also explained that some elements of the detailed design, assessment and administration of Personal Independence Payment were still under consideration and that the Government is committed to continuing to involve disabled people and their organisations as we develop our proposals.

Policy briefing notes – keeping you informed and involved

4. The Welfare Reform Bill is now under detailed scrutiny in Parliament. As the Bill progresses through Parliament we will publish policy briefing notes in order to set out key elements of our policy proposals relating to the reform of Disability Living Allowance (DLA) and the design and administration of Personal Independence Payment.
5. We hope that these notes will enable Parliamentarians, disabled people, carers and representative organisations to better understand Personal Independence Payment. We will also set out the factors influencing our approach and the core principles guiding the Government's decisions, which include the need for a more personalised approach and a sustainable benefit system.
6. We are initially providing notes on the following matters within Personal Independence Payment:
 - The objective assessment criteria – this is a technical note which will support the draft regulations and is provided as a separate document
 - Delivery – the operational approach, including administration of claims and the assessment
 - The required period condition – this will support the draft regulations

- Award durations and exceptions to fixed-term awards
 - Children
 - People aged over 65
 - Passporting from Personal Independence Payment
7. In parallel we are today making available draft regulations for informal consultation on two of the main elements of the reforms – the assessment criteria and the required period condition.

The case for reform – introducing a more personalised benefit

8. The Coalition Government is committed to supporting disabled people to lead independent lives and exercise choice and control. While DLA helps to deliver on this commitment there has been a growing consensus that this benefit is no longer in step with the needs of disabled people, that it is not personalised and that it is not sustainable.
9. We want to bring disability benefits into the 21st Century to improve the support for disabled people, to make the benefit more responsive to their needs and enable them to lead full, active and independent lives. It is not acceptable that so many disabled people – around 130,000 people since DLA was introduced in 1992¹ – have never had their claims looked at since getting the benefit. This means that some people whose needs may have changed might not be getting the support they need – while others could be receiving an overpayment, in some cases for a significant period of time. Our reforms are designed to deliver a more sustainable benefit and ensure support continues to be focused on those who face the greatest challenges to taking part in everyday life.
10. DLA has not been fundamentally looked at and reformed since its introduction 19 years ago, and in its current form lacks some of the basic checks and reviews that are integral to most other state benefits. We have to ensure that this critical support reflects the needs of disabled people today and in the future, rather than those of the 1990s, and the reforms we propose are designed to restore the integrity of the benefit.
11. The Government recognises the important role that cash benefits play in supporting disabled people to overcome the inequalities they face and remain independent. Personal Independence Payment will continue to provide valuable cash help to support disabled people who face the greatest challenges to leading full and active independent lives. It will remain a non-means tested, non-taxable cash benefit payable to people in and out of work. But it will be delivered in a fairer, more consistent and sustainable manner.
12. One of the main elements of the benefit will be an objective assessment of individual need, which we are developing in collaboration with a group of independent specialists in health, social care and disability, including disabled people. The new assessment will make greater use of evidence, enabling us

¹ Analysis of Disability Living Allowance: DLA Awards – March 2011

to more accurately and consistently assess individuals to determine who will benefit most from additional support.

13. The Government has confirmed that the mobility component will not be removed from care home residents in 2012, and instead we are reviewing the mobility component as part of our wider reforms of DLA.
14. We need a system that restores confidence both for those who need the support and for the taxpayer. Our approach, which is to fundamentally re-design DLA by working with disabled people and their representatives to create a new system, will deliver on that commitment. The provisions in the Welfare Reform Bill provide the framework for support which will provide the flexibility to make Personal Independence Payment a more dynamic and personalised benefit.
15. Our hope is that these briefing notes will help Parliament and other interested parties with their understanding and consideration of Personal Independence Payment.

European Aspects

16. Personal Independence Payment will be a residence based benefit wholly funded by the taxpayer. It does not depend on national insurance contributions. Our intention is that Personal Independence Payment will only be available to people who are resident in Great Britain.
17. In the case of people leaving Great Britain to settle in another European Economic Area (EEA) state or Switzerland we will discuss the status of Personal Independence Payment within the EU social security coordination system with other Member States and the European Commission, and take action to have that decision properly reflected in the European legislation.

Impacts and costs

18. In developing the design of Personal Independence Payment we have been mindful of the fiscal position now, and the need for a sustainable benefit going forward. We need to ensure that disability benefit reform complements Government spending plans and does not produce undue pressures in other areas. The announced reduction in projected working-age spend by 2015/16 will simply bring working-age expenditure back to 2009/10 levels. It is important to bear in mind that in just eight years, the number of people claiming Disability Living Allowance has risen from 2.5 million to 3.2 million – an increase of around 30 per cent.
19. Where we have made policy decisions, in finalising the design, we will give details of these changes in the updated versions of the Impact Assessment, where it is possible to isolate them from the overall changes.

Links to the consultation and response and the draft regulations

The consultation document and response is available at –

<http://www.dwp.gov.uk/consultations/2010/dla-reform.shtml>

The draft regulations are available at – <http://www.dwp.gov.uk/policy/welfare-reform/legislation-and-key-documents/welfare-reform-bill-2011/personal-independence-payment-briefing>

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