

Personal Independence Payment

Reassessment and Impacts

This technical note sets out the timetable for introducing Personal Independence Payment (PIP) for 16-64 year olds and the latest estimates of the projected PIP and DLA caseloads. The updated impacts reflect 4 key decisions since the preliminary caseload estimate was published in January 2012:

- an extended timetable for reassessing the existing working age DLA caseload;
- the final assessment criteria,
- decisions on the rates at which the standard and enhanced rate of the daily living and mobility component of PIP will be paid; and
- the use of an OBR-approved more accurate forecasting model containing updated policy assumptions.

The Government has made it clear that we would take the time to get the delivery of PIP right by allowing time for processes to bed in and to learn from the delivery of a limited number of new claims before both increasing new claim volumes and beginning to invite existing DLA claimants to claim PIP. This was reiterated by the Minister for Welfare Reform during the passage of the Welfare Reform Act.¹

In our most recent consultation (published March 2012) we asked for views on our approach and asked respondents to consider our proposals for assessing existing DLA claimants for entitlement to PIP. We have listened carefully to feedback and in light of this we have now finalised our approach to managing how and when existing DLA claimants are invited to claim PIP.

Compared to the high level assessment strategy published in March 2012², and on which we consulted earlier this year³, we will be undertaking a significantly slower migration profile. This means that we can take the time to learn from the early introduction of PIP – for example, we will be able to consider the findings of our first independent review to Parliament on the operation of the PIP assessment, which we intend to complete by the end of 2014. The peak period of reassessments will now not start until October 2015 - around two years later - which means we have more time to ensure that the assessment is working as intended and that it is meeting individual needs.

We remain committed to ensuring DLA remains in payment for all claimants until a decision on their PIP entitlement has been made, where the individual meets the requirements of the claim process.

We have published the responses to the consultations on the detailed design of PIP and on the PIP assessment today. These documents contain more

¹ Hansard, 17 January 2012 – Column 526-527:

<http://www.publications.parliament.uk/pa/ld201212/ldhansrd/text/120117-0002.htm#12011753000695>

² Policy briefing Note: "High level assessment strategy" published on DWP website 14.03.12

³ DLA reform and Personal Independence Payment-completing the detailed design March 2012

detail on our final proposals for the benefit. The final assessment criteria and draft regulations on the assessment and entitlement have also been published today.

Personal Independence Payment assessment timeline

From 8 April 2013

From 8 April 2013 new claims to PIP will be taken in the controlled start area in the North West and part of the North East of England. Postcodes affected are:

BL, CA, CH (except CH5, CH6, CH7 and CH8), CW, DH, DL (except DL6, DL7, DL8, DL9, DL10 and DL11), FY, L, LA (except LA2 7, LA2 8, LA6 2 and LA6 3), M, NE, PR, SR, TS (except TS9), WA and WN.

During this time we will not invite any existing DLA claimants to claim PIP. Nor will we allow claims from DLA recipients who are seeking to make an early application to PIP ("self-selectors").

From June 2013

In addition to the area covered by the controlled start new claims to PIP will be taken in all remaining areas of GB.

We will no longer accept new claims for DLA from anyone aged 16-64, unless they are making a renewal claim from a fixed term DLA award which is due to expire before the end of February 2014. These claimants will re-claim DLA, and where entitlement continues will be invited to claim PIP at a later stage.

From October 2013

The following DLA recipients will begin to be invited to claim PIP:

- Children turning 16 (with the exception of those awarded DLA under the rules for people who are terminally ill) will be invited to claim PIP when their existing fixed term award is coming to an end;
- People reporting changes of circumstances which would affect their rate of payment (this does not include payability decisions as a result of going into a care home, hospital or prison or other changes of circumstances e.g. change of address). The rate of DLA will not be adjusted;
- Fixed-term DLA award recipients whose award expires from the end of February 2014 (reassessment activity starts approximately 20 weeks before existing DLA awards end); and
- Self-selectors (includes those with indefinite or fixed-term awards).

From October 2015

All the remaining claimants in receipt of a DLA award will be invited to make a claim for PIP. We will randomly select those recipients of DLA in receipt of an indefinite award or a fixed term award, and notify them about what they need to do to claim PIP. We will invite claims as early as possible from recipients who have turned 65 after 8 April 2013, when PIP was first introduced.

The revised reassessment strategy results in the following assessment volumes.

Figure 1: Revised reassessment volumes on a quarterly basis:

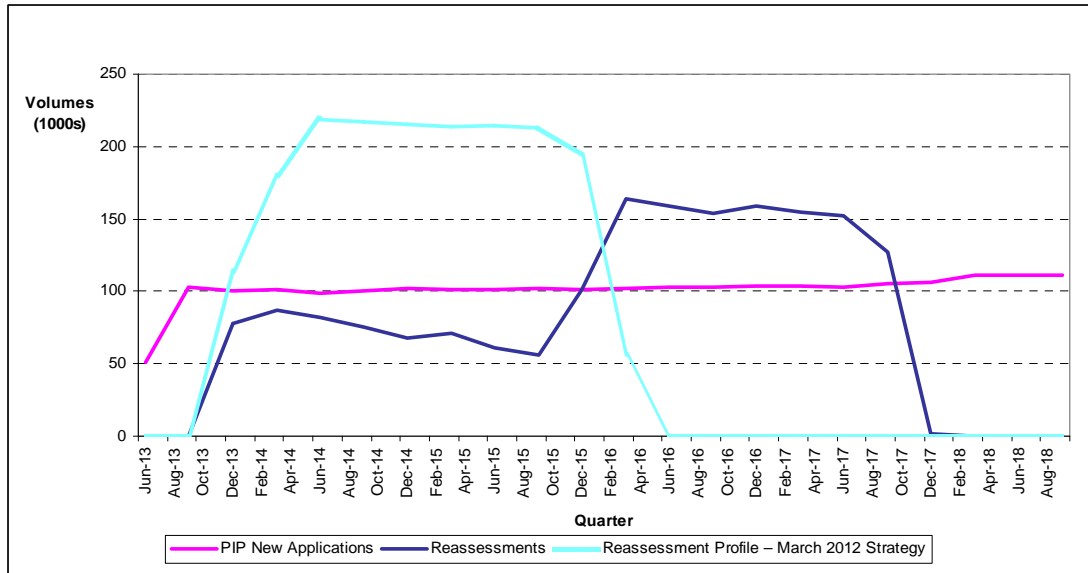


Table 1: Revised reassessment volumes on a quarterly basis

Quarter	PIP New Applications	Reassessments	Reassessment Profile – March 2012 Strategy⁴
Jun-13	51,000	0	0
Sep-13	103,000	0	0
Dec-13	100,000	78,000	114,000
Mar-14	101,000	87,000	180,000
Jun-14	99,000	82,000	219,000
Sep-14	100,000	75,000	217,000
Dec-14	102,000	68,000	216,000
Mar-15	101,000	71,000	214,000
Jun-15	101,000	61,000	215,000
Sep-15	102,000	56,000	213,000
Dec-15	101,000	101,000	194,000
Mar-16	102,000	164,000	56,000
Jun-16	103,000	159,000	0
Sep-16	103,000	154,000	0
Dec-16	104,000	159,000	0
Mar-17	104,000	155,000	0
Jun-17	103,000	152,000	0
Sep-17	105,000	127,000	0
Dec-17	106,000	2,000	0
Mar-18	111,000	0	0
Jun-18	111,000	0	0
Sep-18	111,000	0	0

Note: figures have been rounded to the nearest 1,000. All figures are the source of modelling unless stated otherwise.

By October 2015, prior to the commencement of ‘managed reassessment’ we will have invited approximately 560,000 existing Disability Living Allowance (DLA) claimants to be reassessed for PIP.

By October 2017, this number will have risen to approximately 1.75 million.

⁴ Policy briefing Note: "High level assessment strategy" published on DWP website 14.03.12

Table 2: Reassessed DLA cases by likely outcome of award under PIP by October 2015 (prior to start of managed reassessment)

Likely outcome under PIP	Number of reassessed DLA recipients
Award increased	150,000
Award unchanged	80,000
Award decreased	160,000
No award	170,000
Total	560,000

Note: figures have been rounded to the nearest 1,000.

Caseload Impacts

Table 3: Breakdown of eligible PIP caseload (16-64) in October 2015 by Daily Living (DL) and Mobility (Mob) component combination

PIP Rate Combination	Caseload	Proportion
Enhanced DL, Enhanced Mob	147,000	22%
Enhanced DL, Standard Mob	80,000	12%
Enhanced DL, No Mob	53,000	8%
Standard DL, Enhanced Mob	51,000	7%
Standard DL, Standard Mob	84,000	12%
Standard DL, No Mob	103,000	15%
No DL, Enhanced Mob	56,000	8%
No DL, Standard Mob	109,000	16%
Total	682,000	100%

Note: figures have been rounded to the nearest 1,000, percentages to the nearest 1%.

Table 4: Breakdown of eligible DLA caseload (16-64) in October 2015, by rate combination, with the introduction of PIP

DLA rate combination	Caseload	Proportion
Highest Care, Higher Mob	190,000	16%
Highest Care, Lower Mob	88,000	8%
Highest Care, No Mob	3,000	0%
Middle Care, Higher Mob	158,000	14%
Middle Care, Lower Mob	256,000	22%
Middle Care, No Mob	18,000	2%
Lowest Care, Higher Mob	148,000	13%
Lowest Care, Lower Mob	124,000	11%
Lowest Care, No Mob	85,000	7%
No Care, Higher Mob	67,000	6%
No Care, Lower Mob	23,000	2%
Total	1,160,000	100%

Note: figures have been rounded to the nearest 1,000, percentages to the nearest 1%.

Table 5: Breakdown of eligible DLA caseload (16-64) in October 2015, by rate combination, without the introduction of PIP

DLA rate combination	Caseload	Proportion
Highest Care, Higher Mob	344,000	16%
Highest Care, Lower Mob	166,000	8%
Highest Care, No Mob	9,000	0%
Middle Care, Higher Mob	289,000	14%
Middle Care, Lower Mob	439,000	21%
Middle Care, No Mob	38,000	2%
Lowest Care, Higher Mob	269,000	13%
Lowest Care, Lower Mob	226,000	11%
Lowest Care, No Mob	182,000	9%
No Care, Higher Mob	127,000	6%
No Care, Lower Mob	48,000	2%
Total	2,139,000	100%

Note: figures have been rounded to the nearest 1,000, percentages to the nearest 1%.

Table 3 and table 4 demonstrate that a higher proportion of people will receive a combination of the highest rates under PIP than they under DLA.

We are continuing to analyse the impact on certain passported benefits and schemes, including Carer's Allowance.

Annex – Caseload forecast assumptions

(based on current policy and assessment criteria.)

The following tables use the same modelling techniques to demonstrate the potential outcomes of reassessment, once managed reassessment is complete in October 2018. This modelling is based on the final assessment criteria and reassessment strategy.

The figures below are forecasts which could be subject to change as a result of operational experience, including the findings of the first independent review of the PIP assessment which will report by the end of 2014.

Managed reassessment will not commence until after the review has presented its conclusions. It is standard practice for policies and delivery plans to be refined in the light of experience. Any future reassessment strategy, and the resulting outcomes for claimants, may be subject to refinement based on the evidence available to the Government at that time.

Table 6: Reassessed DLA cases by likely outcome of award under PIP

Likely outcome under PIP	Number of reassessed DLA recipients
Award increased	510,000
Award unchanged	270,000
Award decreased	510,000
No award	450,000
Total	1.75 million

Note: figures have been rounded to the nearest 1,000.

Table 7: Breakdown of eligible PIP caseload (16-64) in May 2018 by Daily Living and Mobility component combination

PIP Rate Combination	Caseload	Proportion
Enhanced DL, Enhanced Mob	357,000	23%
Enhanced DL, Standard Mob	198,000	13%
Enhanced DL, No Mob	119,000	8%
Standard DL, Enhanced Mob	117,000	7%
Standard DL, Standard Mob	198,000	13%
Standard DL, No Mob	221,000	14%
No DL, Enhanced Mob	128,000	8%
No DL, Standard Mob	238,000	15%
Total	1,575,000	100%

Note: figures have been rounded to the nearest 1,000, percentages to the nearest 1%.

Table 8: Breakdown of eligible DLA caseload (16-64) in May 2018 without the introduction of PIP by rate combination

DLA rate combination	Caseload	Proportion
Highest Care, Higher Mob	354,000	16%
Highest Care, Lower Mob	175,000	8%
Highest Care, No Mob	10,000	0%
Middle Care, Higher Mob	293,000	13%
Middle Care, Lower Mob	476,000	22%
Middle Care, No Mob	34,000	2%
Lowest Care, Higher Mob	270,000	12%
Lowest Care, Lower Mob	235,000	11%
Lowest Care, No Mob	179,000	8%
No Care, Higher Mob	113,000	5%
No Care, Lower Mob	43,000	2%
Total	2,182,000	100%

Note: figures have been rounded to the nearest 1,000, percentages to the nearest 1%.

By May 2018 the whole DLA caseload, including children, 16-64 and the over 65s, would be around 3.6 million without reform and 3 million with the introduction of PIP.