

Disability Living Allowance Reform

Equality impact assessment

October 2011

Reform of Disability Living Allowance

Brief outline of the policy

Current Policy

1. Disability Living Allowance is a benefit that provides a cash contribution towards the extra costs of needs arising from an impairment or health condition. It is a tax free, non-means-tested and non-contributory benefit, and it is payable regardless of employment status. Although Disability Living Allowance is intended to contribute towards extra costs, measuring each individual's expenditure would be administratively complex and expensive. Entitlement and award levels are, therefore, based on proxies – care and mobility – as research at the time of Disability Living Allowance's introduction showed that they were the greatest sources of extra costs¹. The decision about whether to award benefit is made on the basis of the severity of an individual's care and mobility needs as a proxy for their extra costs.
2. To apply for Disability Living Allowance, individuals currently complete a lengthy claim form which requests detailed information about the impact that their impairment or health condition has on their ability to manage their care themselves and/or get around. Disability Living Allowance awards can be decided on the basis of self-reporting of need, and although medical evidence is sought for certain awards, it is not mandatory or routinely provided. At present around half of all award decisions are made without any additional medical evidence. The Decision Maker either awards or turns down the claim. Awards are currently payable at two mobility and three care rates leading to a possible eleven different combinations of payable rates of benefit. Awards can be made for any duration, but two thirds of people currently on Disability Living Allowance have an indefinite award. Awards are reviewed if an individual reports a change, but there is currently no process to systematically review all awards to ensure that they remain appropriate and accurate.
3. The current Disability Living Allowance legislation provides automatic entitlements to certain rates on the basis of specific conditions and impairments, or the treatment an individual is receiving. As a result, eligibility for Disability Living Allowance is sometimes based on medical condition rather than the impact of that condition, meaning that support is not always appropriately targeted.

¹ Review of the existing research on the extra costs of disability, 2005, DWP Working Paper 21.
Review of the international evidence on the cost of disability, 2008, DWP Research Report 542.

Rationale for intervention

4. There are now 3.2 million people receiving Disability Living Allowance and forecast expenditure on the benefit for 2011/12 is £12.6 billion. In just eight years the numbers claiming Disability Living Allowance has risen from 2.5 million to 3.2 million – an increase of around 30%.²
5. Despite the fact that an individual can receive Disability Living Allowance both in and out of work, it is widely perceived to be an out of work benefit and receiving Disability Living Allowance in itself appears to reduce the likelihood of being in employment, even after allowing for the impact of health conditions or impairments³.
6. A public consultation on Disability Living Allowance reform ran from 6 December 2010 to 18 February 2011. It proposed replacing Disability Living Allowance with a new benefit (Personal Independence Payment) to support disabled people who face the greatest barriers, and are therefore likely to experience higher costs, to leading full and independent lives. The new benefit is planned to be introduced for new claimants aged 16-64 from 2013/14. Existing working age (16-64) recipients will also begin to be reassessed from 2013. Personal Independence Payment will not be extended to new or existing claims for children from 2013. Individuals already in receipt of Personal Independence Payment will continue to receive the benefit past the upper age limit of 65, provided they continue to meet the eligibility criteria. We will use the experience of reassessing the working-age caseload to inform any future decisions on the treatment of children and those over 65. There were over 5,500 replies received and the Government published its response to the consultation on 4 April 2011, and has published policy briefing notes on the Department's website aimed at providing further information and clarity on its proposals. The proposed elements of the new benefit are:
 - A more objective assessment to deliver more consistent outcomes and greater transparency for individuals.
 - Two components, linked to the activities considered in the assessment. Eligibility for one will be based on the individual's ability to get around, the other on their ability to carry out key activities necessary to be able to participate in daily life.
 - Two rates for each component (four in total).
 - Eligibility based on a qualifying period of 6 months, with the expectation that the entitlement conditions will continue to be satisfied for a further 6 months.
 - Moving away from automatic entitlement based on certain conditions to assessments based on the impact of an impairment.

² For more information on DLA growth see Whiting, L (2011), "Disability Living Allowance: Growth in the number of claimants 2002/03 to 2010/11" available http://statistics.dwp.gov.uk/asd/asd1/adhoc_analysis/2011/dla_growth_in_caseload.pdf

³ Thomas, A. and Griffiths, R. (2010) Disability Living Allowance and Work: Exploratory research and evidence review, Department for Work and Pensions Research Report No. 648

- The facility to regularly review all awards.
 - Maintenance of existing special rules to fast track claims for people who are terminally ill.
7. The Disability Living Allowance mobility component for those in care homes will be retained until March 2013, and any subsequent changes will be rolled into the design of the new Personal Independence Payment. The policy objective in respect of this measure is to identify and remove any overlaps in the way in which the mobility needs of people in residential care homes are met. The Department will consider the support given by DLA against the responsibilities of care homes, and reflect the outcomes from this in the Personal Independence Payment eligibility criteria for people in residential care homes.
 8. The Government's intention is that the daily living component of Personal Independence Payment will be part of a gateway for receipt of Carer's Allowance, as Disability Living Allowance is now. Carers make a valuable contribution and the Government's intention is that those with the most intensive caring responsibilities will continue to receive the support they need. However, it is only when the new assessment has been fully developed and the results from testing are known that decisions can be made on the appropriate rate(s) to be used.
 9. The Government will take into account the role Disability Living Allowance has as a passport to a range of additional help and support (both cash and in kind) administered across central, local government and where appropriate the Devolved Administrations as Personal Independence Payment is designed. As more detailed design is completed estimates of the impact of the new benefit on people receiving passported benefits through Disability Living Allowance, including Carer's Allowance, will be made, and the Government will publish this information in a subsequent equality impact assessment.

Policy Objective

10. The new benefit will help to ensure that expenditure on Disability Living Allowance is sustainable in the long term and focused on those most in need of additional support. A more objective assessment will improve consistency in decisions and through regular reviews ensure that awards remain correct. Replacing Disability Living Allowance with a new benefit that supports disabled people to overcome the barriers they face to leading full and independent lives will provide an opportunity to improve understanding of the benefit and communicate that support is available both in and out of work.

Consultation and involvement

11. Since the close of the formal consultation, the Department is continuing to work with disability charities and user led organisations as we develop this policy. They are helping the Department to understand the impact of proposals on disabled

people. The impacts on disabled people will be considered further, once information on who will be affected by the policy is available.

Impact of Disability Living Allowance reform

12. The detailed criteria that will be used in the assessment to determine eligibility for the rates of the new benefit will be specified in regulations. The proposed approach has been subject to consultation and was developed in collaboration with a group of independent specialists in health social care and disability, including disabled people. An initial draft of the criteria was published on 9 May along with a briefing note explaining the development of the criteria. Disabled people and their organisations were invited to submit comments on this draft throughout the summer. In parallel to the consultation, the Department tested the draft criteria on around 900 existing Disability Living Allowance claimants in order to understand the criteria's reliability, validity and impact.
13. The Department will refine the initial proposals, taking into consideration the responses received throughout the consultation and the outcomes of the testing and publish a second, revised draft of criteria in the autumn. This work will inform subsequent equality impact assessments. A detailed equality impact assessment will be published with the final draft of regulations in 2012.

Gender

Background and Statistics

14. Overall the number of men and women receiving Disability Living Allowance is almost equal. There are currently 1.58 million men and nearly 1.58 million women in receipt of the benefit.

Table 1: Disability Living Allowance recipients by gender

| Benefit | Men | Women | Proportion men | Proportion women |
|-----------------------------|-----------|-----------|----------------|------------------|
| Disability Living Allowance | 1,581,000 | 1,576,000 | 50.1% | 49.9% |
| Total | 3,157,000 | | 100% | |

Source: Work and Pensions Longitudinal Study May 2010. Note: Percentages may not add due to rounding. Numbers have been rounded to the nearest 1000

15. The proportion of men and women receiving each rate combination is also broadly similar, although there are some differences. For example, 18% of men receive middle rate care and lower rate mobility compared to just over 12% of women.

Table 2: Disability Living Allowance rate combinations by gender

| Rate combination | Men | Women | Total |
|---|-------------------|-------------------|-------------------|
| Highest rate Care and Higher rate Mobility | 226,000 14.3% | 283,000 18.0% | 509,000 16.1% |
| Highest rate Care and Lower rate Mobility | 106,000 6.7% | 72,000 4.6% | 178,000 5.7% |
| Highest rate Care and Nil Mobility | 25,000 1.6% | 20,000 1.3% | 45,000 1.4% |
| Lowest rate Care and Higher rate Mobility | 185,000 11.7% | 234,000 14.9% | 420,000 13.3% |
| Lowest rate Care and Lower rate Mobility | 106,000 6.7% | 102,000 6.5% | 208,000 6.6% |
| Lowest rate Care and Nil Mobility | 115,000 7.3% | 138,000 8.8% | 253,000 8.0% |
| Middle rate Care and Higher rate Mobility | 211,000 13.4% | 250,000 15.9% | 461,000 14.6% |
| Middle rate Care and Lower rate Mobility | 284,000 18.0% | 192,000 12.2% | 476,000 15.1% |
| Middle rate Care and Nil Mobility | 67,000 4.2% | 49,000 3.1% | 116,000 3.7% |
| Nil Care and Higher rate Mobility | 208,000 13.2% | 181,000 11.5% | 389,000 12.3% |
| Nil Care and Lower rate Mobility | 47,000 3.0% | 54,000 3.5% | 102,000 3.2% |
| Total | 1,581,000 100% | 1,576,000 100% | 3,157,000 100% |

Source: Work and Pensions Longitudinal Study, May2010. Note: Figures have been rounded to the nearest 10. Percentages have been rounded to one decimal place.

Risk of negative impact

16. At this stage, no potential adverse impacts on either gender have been identified.

As the numbers of men and women in receipt of Disability Living Allowance is almost equal there is no reason to suggest that either men or women are more likely to be affected by the new benefit – either directly or indirectly.

Gender reassignment

17. No data is collected on the gender reassignment of Disability Living Allowance recipients. However, we believe that there are no grounds to suggest this policy will adversely affect Disability Living Allowance recipients based on gender reassignment.

Conclusion

18. As the proportion of men and women receiving Disability Living Allowance is almost equal, there is no reason to suggest that either group are more likely to be affected.

Disability

Background and statistics

19. The definition of disability for the purposes of equality impact assessment is now that contained in the Equality Act 2010, and was previously that defined by the Disability Discrimination Act (DDA). The vast majority of people receiving Disability Living Allowance are likely to be covered by the Equality Act (and previously the DDA) definition. The Family Resources Survey suggests that over 90% of adult Disability Living Allowance recipients are DDA disabled⁴. However, this is likely to be an underestimate as it only includes those with a current disability, and is subject to measurement error. Considering all recipients of Disability Living Allowance is therefore likely to provide a better proxy of those defined as disabled under the Equality Act definition.

20. In general Disability Living Allowance is not paid on the basis of a particular disability or health condition, but according to the impact of a disability. The table below shows the main medical condition of Disability Living Allowance recipients, with arthritis and mental health conditions being the two most common. Information on secondary conditions is not recorded for all recipients but will form part of the assessment.

Table 3: Disability Living Allowance recipients by medical condition

| Main Disabling Condition | All DLA |
|---------------------------|---------|
| AIDS | 0% |
| Arthritis | 18% |
| Back Ailments | 8% |
| Blindness | 2% |
| Chest Disease | 3% |
| Deafness | 1% |
| Diabetes Mellitus | 2% |
| Epilepsy | 2% |
| Frailty | 0% |
| Heart Disease | 4% |
| Learning Difficulty | 11% |
| Malignant Disease | 3% |
| Mental Health Causes | 17% |
| Multiple Sclerosis | 2% |
| Muscle/Joint/Bone Disease | 7% |
| Parkinson's Disease | 1% |
| Renal Disorders | 1% |
| Skin Disease | 1% |
| Stroke Related | 3% |
| Other/Transfer from AA | 16% |

Source: Work and Pensions Longitudinal Study May 2010 Notes: All figures rounded to the nearest percent. Some recipients of DLA who transferred from the AA system may not have been allocated a specific disabling condition code.

⁴ Source: Family Resources Survey 2008-2009. Note: adults are those aged over 19 plus those aged 16-19 not defined as a dependent child

Risk of negative impact

21. Replacing Disability Living Allowance with a new benefit that is focussed on supporting those individuals with the greatest barriers to participation provides an opportunity to promote equality of opportunity for disabled people least likely to live full and active lives. However, as the benefit becomes better targeted on those with the greatest needs it is likely that some disabled people, who may have self-assessed as needing support, but who have lesser barriers to participation, will receive reduced support. This is in line with the policy aim to focus support on those with greatest barriers to leading full and active lives. As the assessment is developed further work will be undertaken to assess its likely impact, which will inform subsequent equality impact assessments.

Opportunity to promote equality

22. Disabled people are best able to help identify the support they most likely need, therefore disabled people are being involved throughout the policy development process. The proposed approach to the assessment criteria has been developed in collaboration with a group of independent health and disability specialists and representatives of disabled people. An initial draft of the criteria was published on 9 May. Disabled people and their organisations were invited to submit comments on this draft throughout the summer and we received around 170 responses. The Department will refine the initial proposals, taking into consideration the responses received throughout the consultation and the outcomes of the testing and publish a second, revised draft of criteria in the autumn for further consideration.

23. Equality 2025, organisations of disabled people and other groups, including grass roots user-led organisations, are being consulted on the wider reforms and the design of the assessment operational processes. A formal public consultation was held from 6 December 2010 and to 18 February 2011 and received 5,500 replies. The Government response to the consultation was published on 4 April 2011. Responses from the consultation will be used to inform secondary legislation on the detailed design of the policy, including the assessment criteria and process.

24. Replacing Disability Living Allowance with a new benefit provides an opportunity to improve understanding of the benefit and communicate that support is available both in and out of work. This may remove a barrier to working for some disabled people, promoting equality of opportunity.

Conclusion

25. The new benefit will be fairer, and may help to improve understanding that support is available both in and out of work. More regular reassessment and a more objective, rather than self, assessment may mean reduced support for some people who have lesser or reduced barriers to participation. This is entirely consistent with the policy but it is possible that this group are more likely to be adversely affected.

Ethnicity

Background and statistics

26. Administrative data on the ethnic background of Disability Living Allowance recipients is not held for a sufficient number of people to be reliable. This is because information on the ethnicity of recipients is not collected when they submit a claim for Disability Living Allowance. However, data from the Family Resources Survey suggests that people from ethnic minority backgrounds are slightly less likely to receive Disability Living Allowance than people from white backgrounds.

Table 4: Proportion of DLA recipients by ethnicity

| Ethnicity | Adult DLA Recipients | All UK Adults |
|--|----------------------|---------------|
| White | 94% | 91% |
| Mixed | 1% | 1% |
| Indian | 1% | 2% |
| Pakistani and Bangladeshi | 1% | 2% |
| Black or Black British | 2% | 2% |
| Other Ethnic Groups (inc. Chinese and Other Asian) | 1% | 2% |

Source: Family Resources Survey 2006-2007, 2007 – 2008 and 2008 -2009. Note: Percentages have been rounded to nearest percentage point. A three year average has been used due to small sample sizes.

Risk of negative impact

27. There is no evidence to suggest that the policy would be more likely to affect any particular ethnic minority group.

Conclusion

28. A slightly higher proportion of people from a white background receive Disability Living Allowance, which suggests this group may be more likely to be affected.

Age

Background and statistics

29. Initially, reform of Disability Living Allowance and the introduction of Personal Independence Payment will apply to working-age recipients. People receiving Personal Independence Payment before the age of 65 will be able to continue receiving it once they reach 65. We want to use the experience of this stage of reform to inform our decision on how to address the specific needs of children and individuals already aged 65 and older. Over half of Disability Living Allowance recipients are aged 16-64 and around a quarter are 65 or over. This reflects the fact that applications for Disability Living Allowance can be made up to and including a person's 65th birthday. People are able to continue receiving Disability Living Allowance after they reach 65, so long as their application was made before they reach this age. This means that the proportion of recipients aged 65 or over has been growing over time.

Table 5: Disability Living Allowance recipients by age

| Age | Number of recipients | Percentage of recipients |
|---------------------------------|----------------------|--------------------------|
| Children (under 16) | 328,390 | 10.4% |
| Working Age (16-64) | 2,001,670 | 63.4% |
| Pension Age (65 or over) | 827,160 | 26.2% |
| Total | 3,157,310 | 100% |

Source: Work and Pensions Longitudinal Study, May 2010 Note: Percentages may not sum due to rounding.

30. There are some differences between the different age groups in the benefit rate combinations received. For example, children are more likely to receive lower and nil rates of mobility and less likely to receive higher rate mobility, This reflects current rules which permits payment of the higher rate mobility component from three years of age and the lower rate mobility component from five years of age.

Table 6: Disability Living Allowance recipients by age and benefit rate combination

| Rate combination | Children | Working age | Pensioners | Total |
|--|------------------|-------------------|------------------|---------------------|
| Highest rate Care and Higher Mobility | 42,000 12.7% | 317,000 15.8% | 170,000 20.6% | 509,000 16.1% |
| Highest rate Care and Lower Mobility | 50,000 15.1% | 124,000 6.2% | 13,000 1.6% | 178,000 5.7% |
| Highest rate Care and Nil Mobility | 28,000 8.6% | 7,000 0.4% | 9,000 1.1% | 45,000 1.4% |
| Lowest rate Care and Higher Mobility | 16,000 0.5% | 277,000 13.8% | 175,000 21.2% | 461,000 14.6% |
| Lowest rate Care and Lower Mobility | 108,000 32.9% | 187,000 9.3% | 32,000 3.8% | 476,000 15.1% |
| Lowest rate Care and Nil Mobility | 58,000 17.7% | 190,000 9.5% | 14,000 1.7% | 116,000 3.7% |
| Middle rate Care and Higher Mobility | 1,000 0.4% | 275,000 13.7% | 142,000 17.1% | 420,000 13.3% |
| Middle rate Care and Lower Mobility | 4,000 1.4% | 356,000 17.8% | 20,000 2.4% | 208,000 6.6% |
| Middle rate Care and Nil Mobility | 14,000 4.3% | 43,000 2.2% | 49,000 5.9% | 253,000 8.0% |
| Nil Care and Higher Mobility | 2,000 0.6% | 176,000 8.8% | 187,000 22.6% | 389,000 12.3% |
| Nil Care and Lower Mobility | 4,000 1.2% | 49,000 2.5% | 16,000 2.0% | 102,000 3.2% |
| Total | 328,000 100% | 2,001,000 100% | 827,000 100% | 3,157,000 100.0% |

Source: Work and Pensions Longitudinal Study May 2010. Figures have been rounded to the nearest 1000. Percentages may not sum due to rounding.

Risk of negative impact

31. The proposed policy change initially focuses on working age recipients (16-64) and so they are more likely to be affected. We will assess the impacts of the policy on different age groups once more information on the policy is available.

Conclusion

32. As the policy change initially focuses on working age recipients (16-64) this group may be more likely to be affected. Future consideration of children and pensioners may offset this impact.

Additional Equality Assessments

Sexual orientation

33. The Department does not hold information on its administrative systems on the sexual orientation of claimants. Based on our knowledge of the policy design and of the customer group, the Government does not envisage an adverse impact on these grounds.

Religion / Belief

34. The Department does not hold information on its administrative systems on the religion or beliefs of claimants. Based on our knowledge of the policy design and of the customer group, the Government does not envisage an adverse impact on these grounds.

Marriage and civil partnerships

35. The Department does not hold information on its administrative systems for DLA on the civil partnership status of claimants. Based on our knowledge of the policy design and of the customer group, the Government does not envisage an adverse impact on these grounds.

Pregnancy and maternity

36. The Department only holds information on pregnancy and maternity on its administrative systems where it is the primary reason for incapacity . It cannot therefore be used to accurately assess the equality impacts; Based on our knowledge of the policy design and of the customer group, the Government does not envisage an adverse impact on these grounds.

Gender Reassignment

37. The Department does not hold information on its administrative systems for DLA on transgender persons. The Government does not envisage an adverse impact on these grounds.

Monitoring and evaluation

38. The material in this Equality Impact Assessment covers the equality groups currently covered by the equality legislation, i.e. age, disability, gender, transgender, ethnicity, religion, sexual orientation, pregnancy/maternity, marriage and civil partnerships. The Department for Work and Pensions is committed to monitoring the impacts of its policies and we will use evidence from a number of sources on the experiences and outcomes of the protected groups.

- a. We will use administrative datasets, including the Department for Work and Pension's Work and Pensions Longitudinal Study (WPLS), to monitor trends in the benefit caseloads for the protected groups and in the level and distribution of benefit entitlements. The administrative data will provide robust material for age and gender although not, as a rule, for the other protected groups. Where it is practical we will endeavour to incorporate information for the other protected groups.
- b. We will use survey data, such as the Family Resources Survey (FRS), to assess trends in the incomes of the protected groups and in their employment outcomes. The FRS will collect information on age, disability, gender, ethnicity, sexual orientation, religion, marriage and civil partnerships.
- c. We will use qualitative research and feedback from stakeholder groups to assess whether there are unintended consequences for the protected groups, and whether the policy is likely to result in adverse consequences for particular groups.
- d. We will utilise feedback from Departmental employee networks and internal management information. For example we will monitor the level of complaints in order to assess the broader impact of the policy.
- e. We will draw on broader DWP research where appropriate, as well as any research commissioned specifically as part of the evaluation of the measure.

39. As part of our actions in the context of the data requirements under the Equality Act, we are looking across DWP activities to identify and address further gaps in data provision wherever reasonable.

Next steps

40. We will review this equality impact assessment as the policy develops. Where possible we will update data and information to support the assessment.

Contact details

41. For more information about Disability Living Allowance reform 2011 equality impact assessment please contact: dla.reform@dwp.gsi.gov.uk