

Disability Living Allowance Reform

Equality impact assessment

March 2011

Reform of Disability Living Allowance

Brief outline of the policy

Current Policy

1. Disability Living Allowance (DLA) is a benefit that provides a cash contribution towards the extra costs of needs arising from an impairment or health condition. Disability Living Allowance is a tax free, non-means-tested and non-contributory benefit payable regardless of employment status. Although it 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 DLA claim form which requests detailed information about the impact that their disability or health condition has on their ability to manage their care themselves and/or get around. The claim form is considered by a Decision Maker, sometimes alongside other evidence such as reports from the claimant's General Practitioner (GP) or consultant. Currently, additional medical evidence is gathered in around half of all cases. 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 DLA 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.
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 3.16 million people receiving Disability Living Allowance and forecast expenditure on the benefit for 2010/11 is £12 billion. In just eight years the numbers claiming Disability Living Allowance has risen from 2.4 million to 3.2 million – an increase of 30%.
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 impairments².
6. The public consultation on Disability Living Allowance reform proposes 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 2013/14. The proposed elements of the new benefit are:
 - A new 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 other 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.
 - The facility to regularly review all awards.
 - Maintenance of existing special rules to fast track claims for people who are terminally ill.
7. The DLA 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. Therefore the Department will consider the support given by DLA against the responsibilities of care homes, and reflect the outcomes from this in the PIP eligibility criteria for people in residential care homes.

² 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

Policy Objective

8. 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 new 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

9. As well as a formal public consultation, the Department is working 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

10. The detailed criteria that will be used in the new assessment to determine eligibility for the rates of the benefit will be specified in regulations. The proposed approach has been subject to consultation and is being developed in collaboration with a group of independent specialists in health social care and disability, including disabled people. A detailed equality impact assessment will be published with the regulations at which point full comments from the consultation will have been considered. As the assessment is developed further work will be undertaken to assess its likely impact, which will inform subsequent equality impact assessments. This will include testing a sample of Disability Living Allowance claims against the new assessment criteria.

Gender

Background and Statistics

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

Table 1: Disability Living Allowance recipients by gender

Benefit	Men	Women	Proportion men	Proportion women
Disability Living Allowance	1,580,780	1,576,530	50.1%	49.9%
Total	3,157,310		100%	

Source: Work and Pensions Longitudinal Study May 2010 Note: Percentages may not add due to rounding. Numbers have been rounded to the nearest 10

12. The proportion of men and women receiving each rate combination is also broadly similar, although there are some differences. For example, 19% of men receive middle rate care and lower rate mobility compared to nearly 13% of women.

Table 2: Disability Living Allowance rate combinations by gender

Rate combination	Men	Women	Total
Highest rate Care and Higher rate Mobility	243,400 15.2%	298,150 18.8%	541,560 17.0%
Highest rate Care and Lower rate Mobility	117,280 7.3%	78,790 5.0%	196,070 6.2%
Highest rate Care and Nil Mobility	24,280 1.5%	20,310 1.3%	45,130 1.4%
Lowest rate Care and Higher rate Mobility	186,680 11.7%	235,320 14.8%	421,990 13.3%
Lowest rate Care and Lower rate Mobility	109,560 6.9%	104,000 6.6%	213,560 6.7%
Lowest rate Care and Nil Mobility	115,940 7.3%	139,080 8.8%	255,030 8.0%
Middle rate Care and Higher rate Mobility	217,140 13.6%	256,130 16.1%	473,260 14.9%
Middle rate Care and Lower rate Mobility	303,740 19.0%	204,370 12.9%	508,110 16.0%
Middle rate Care and Nil Mobility	67,880 4.2%	49,170 3.1%	117,050 3.7%
Nil Care and Higher rate Mobility	189,370 11.9%	163,960 10.3%	353,320 11.0%
Nil Care and Lower rate Mobility	22,060 1.4%	37,570 2.4%	59,640 1.9%
Total	1,597,680	1,586,850	3,184,710

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

13. 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

14. 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

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

Disability

Background and statistics

16. 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 disabled³. 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.

17. 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%

³ Source: Family Resources Survey 2008-2009. Note: adults are those aged over 19 plus those aged 16-19 not defined as a dependent child

Main Disabling Condition	All DLA
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

Risk of negative impact

18. Proposals to replace Disability Living Allowance with a new benefit better focussed on supporting people to overcome barriers to participation provide 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

19. Disabled people are best able to help identify with the Department the support most likely to be needed, therefore disabled people are being involved throughout the policy development process. The new assessment is being developed in collaboration with a group of independent health and disability specialists and representatives of disabled people. Equality 2025, organisations of disabled people and other groups are being consulted on the wider reforms. A formal public consultation was launched from 6th December 2010 and closed on 18th February 2011. Responses from the consultation will be used to inform secondary legislation on the detailed design of the policy including the new assessment criteria process.

20. Replacing DLA 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

21. 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 an 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

22. 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

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

Conclusion

24. 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

25. 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 claiming 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.

26. 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	42,650 13.0%	319,980 15.8%	178,920 21.4%	541,560 17.0%
Highest rate Care and Lower Mobility	50,130 15.3%	128,950 6.4%	16,990 2.0%	196,070 6.2%
Highest rate Care and Nil Mobility	28,370 8.6%	7,430 0.4%	9,330 1.1%	45,130 1.4%
Lowest rate Care and Higher Mobility	1,280 0.4%	277,600 13.7%	143,100 17.2%	421,990 13.3%
Lowest rate Care and Lower Mobility	4,500 1.4%	188,020 9.3%	21,030 2.5%	213,560 6.7%
Lowest rate Care and Nil Mobility	14,210 4.3%	191,260 9.5%	49,550 5.9%	255,030 8.0%
Middle rate Care and Higher Mobility	16,450 5.0%	275,920 13.6%	180,860 21.7%	473,260 14.9%
Middle rate Care and Lower Mobility	108,830 33.1%	362,000 17.9%	37,260 4.5%	508,110 16.0%
Middle rate	58,310	44,040	14,710	117,050

Rate combination	Children	Working age	Pensioners	Total
Care and Nil Mobility	17.7%	2.2%	1.8%	3.7%
Nil Care and Higher Mobility	1,240 0.4%	176,750 9.0%	175,320 21.0%	353,320 11%
Nil Care and Lower Mobility	2,560 0.8%	49,760 2.5%	7,320 0.9%	59,640 1.9%
Total	328,510	2,021,720	834,370	3,184,710

Risk of negative impact

27. The proposed policy change initially focuses on working age recipients and so it is possible 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

28. As the policy change initially focuses on working age recipients this group may be more likely to be affected. Future consideration of children and pensioners may offset this impact.

Additional Equality Assessments

Sexual orientation

29. No data is collected on sexual orientation of Disability Living Allowance recipients. However, we believe that there are no grounds to suggest this policy will be more likely to have an impact on Disability Living Allowance recipients based on their sexual orientation.

Religion / Belief

30. No data is collected on the religion/belief of Disability Living Allowance recipients. However, we believe that there are no grounds to suggest this policy is more likely to have an impact on any faith group.

Pregnancy and maternity

31. No data is collected to identify if Disability Living Allowance recipients are or have recently been pregnant. However, we believe that there are no grounds to suggest this policy is more likely to have an impact on Disability Living Allowance recipients on this basis.

Monitoring and evaluation

32. DWP 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.
33. We will use administrative datasets 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.
34. We will use survey data (for example the Family Resources Survey and Labour Force Survey) to assess trends in the incomes of the protected groups and in the employment outcomes.
35. We will use qualitative research and feedback from stakeholder groups to assess unintended consequences for the protected groups, and the policy consequences for particular groups.
36. We will utilise feedback from Departmental employee networks and internal management information. For example we will monitor the level of appeals and complaints in order to assess the broader impact of the policy.
37. We will draw on broader DWP research where appropriate, as well as any research commissioned specifically as part of the evaluation of the measure.
38. The material in this Equality Impact Assessment covers the equality groups currently covered by the equality legislation, i.e. age, disability, gender (transgender), and ethnicity. For the disability, age and gender strands we have good quality information from both the administrative and survey data, while for ethnicity we have reasonable information from the survey data. From 2011 sexual orientation, religion and belief, and pregnancy/maternity will also be covered by the equality legislation; with the exception of maternity, these groups will not be captured in the Departmental administrative information. We have requested for information on religion and belief and sexual orientation to be included in the main survey used for low income and poverty analysis from April 2011. Also, 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

39. 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

40. For more information about Disability Living Allowance reform 2010 equality impact assessment please contact:

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