



**BRIEFING PAPER**

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# Personal Independence Payment and the March 2016 Budget

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## Summary

Personal Independence Payment (PIP) is replacing Disability Living Allowance (DLA) for people of working age. Like DLA, PIP is non-means-tested and is intended to help with the extra costs arising from ill health or disability. It has two components: a mobility component, based on an individual's ability to get around; and a "daily living" component, based on ability to carry out other key activities necessary to be able to participate in daily life. Each component has two rates.

PIP was introduced for new claims from April 2013, and DWP expects that all existing working age DLA claimants will have been reassessed for PIP by 2019-20. PIP is intended to target support more closely on those most in need, and significantly fewer people will qualify for PIP than would have qualified for DLA.

The PIP assessment is intended to provide "a more holistic assessment of the impact of a health condition on an individual's ability to participate in everyday life." It covers sensory impairments, developmental needs, cognitive impairments and mental conditions, as well as physical disabilities. It looks at the extent to which the individual is capable of undertaking various activities. For some of the activities, a person can score points to help meet the threshold for PIP if they can only undertake that activity by using an "aid or appliance." This could include things such as artificial limbs, colostomy bags, walking sticks; and non-specialist aids such as electric tin openers and long-handled sponges.

In December 2015 the Government launched a consultation on possible further changes to PIP. It highlighted that a significant proportion of PIP awards were on the basis of use of aids and appliances, many of which people might be expected to have already, or which could be obtained free of charge or at a one-off cost. It also argued that case law had expanded the scope of aids and appliances to include items which might not be reliable indicators of extra costs. The Government believed these developments were inconsistent with the original policy intent of focusing support on claimants with the greatest needs. It suggested a number of options for limiting payments to reflect actual costs incurred and for tightening the PIP eligibility criteria.

Disability organisations were strongly against the proposals, which they believed would reduce disabled people's financial resilience and ability to live independently. They also questioned the evidence base for the changes and the Government's reasoning concerning the role of the PIP assessment and consideration of the use of aids and appliances. They also criticised the short timescale for consultation responses.

On 11 March the Government announced that, in the light of the consultation, the number points awarded in the PIP assessment would be halved for aids and appliances in relation to the "dressing and undressing" and "managing toilet needs" activities. As a result, 290,000 claimants would no longer receive the daily living component, and a further 80,000 would receive the standard rather than enhanced daily living component. Budget 2016 estimated additional savings of £1.3 billion a year by 2019-20.

Following the resignation of Iain Duncan Smith as Secretary of State for Social Security on 18 March and the appointment of Stephen Crabb as his successor, the Government announced that it would not be proceeding with the PIP changes, would not be seeking alternative offsetting savings, and was not seeking further savings from the welfare budget.

# 1. What is PIP?

Personal Independence Payment (PIP) is replacing Disability Living Allowance (DLA) for people of working age. PIP was introduced for new claims from April 2013, and it is expected that by late 2017 remaining working age DLA claimants will have been “invited” to claim PIP.<sup>1</sup> At the end of April 2016 805,500 PIP claims were in payment in Great Britain,<sup>2</sup> but by 2020-21 this is expected to rise to 2.5 million.<sup>3</sup>

## Box 1: Personal Independence Payment key features

- non-means-tested, non-taxable benefit payable whether in or out of work, to help with the extra costs arising from ill health or disability
- It replaces Disability Living Allowance (DLA) for people of working age (16-64). People aged 65 or over on 8 April 2013 can continue to get DLA
- consists of two components – a mobility component, based on an individual’s ability to get around; and a “daily living” component, based on their ability to carry out other key activities necessary to be able to participate in daily life – each paid at two rates (“standard” or “enhanced”)
- weekly rates from April 2016: standard mobility £21.80, enhanced mobility £57.45; standard daily living £55.10, enhanced daily living £82.30
- no automatic entitlement for people with particular conditions (although the existing DLA rules for people with a terminal illness are carried over to the new benefit)
- entitlement determined by a “new, fairer, objective assessment of individual need” to ensure support is “targeted on those individuals whose health condition or impairment has the greatest impact on their day-to-day lives”
- Advice from an “independent healthcare professional” integral to the assessment process. In most cases, this will involve a face-to-face meeting with the claimant
- all PIP awards to be subject to periodic review

The *Welfare Reform Act 2012* provides the legislative framework for Personal Independence Payment (PIP). The 2010 Government believed that Personal Independence Payment would have certain advantages over Disability Living Allowance:

- It would target support more closely on those most in need of support
- It would be more responsive as claimants’ circumstances change
- It would be based on a fairer, more transparent and consistent assessment of need
- It would be easier for claimants, DWP staff and disability organisations to understand<sup>4</sup>

From the outset the 2010 Government also made it clear that a key aim for the new benefit was the need to make savings and reduce the

<sup>1</sup> DWP, [Timetable for PIP replacing DLA](#), updated 26 August 2015

<sup>2</sup> Starting from June 2016, PIP is also being introduced in Northern Ireland – see NI Department for Social Development, [Welfare Changes - Personal Independence Payment Information](#), 21 March 2016

<sup>3</sup> DWP, [Personal Independence Payment: Official Statistics to January 2016](#), March 2016; DWP, [Benefit expenditure and caseload tables 2016](#), 18 May 2016

<sup>4</sup> National Audit Office, [Personal Independence Payment: early progress](#), HC 1070 2013-14, 27 February 2014, para1.5. See also Commons Library briefing SN05869, [Disability Living Allowance reform](#)

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working age caseload for disability benefits. PIP was originally expected to reduce working-age DLA caseloads and expenditure by 20 per cent, giving savings of around £1.5 billion a year by 2016-17. Revised estimates published by DWP in December 2012 suggested that, by 2018, around 607,000 fewer people would receive PIP than would have got DLA – a 28% reduction in the caseload. However, in its March 2016 *Economic and fiscal outlook* report, the Office for Budget Responsibility estimates that savings from PIP will be considerably lower than originally expected. In December 2012, the OBR estimated savings from the introduction of PIP of £3.0 billion by 2017-18, but based on the latest data on reassessment outcomes it now estimates that savings will be almost **90% lower at £0.4 billion**. This implies savings of around 5% rather than the original 20% savings sought by the Government.<sup>5</sup>

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<sup>5</sup> OBR, [Economic and fiscal outlook](#), Cm 9212, March 2016, para 4.116

## 2. PIP assessment

The 2010 Government said that the assessment for Personal Independence Payment was designed to provide “a more holistic assessment of the impact of a health condition on an individual’s ability to participate in everyday life.” It covers sensory impairments, developmental needs, cognitive impairments and mental conditions, as well as physical disabilities.

The Department for Work and Pensions is responsible for handling claims for PIP and making decisions on entitlement to benefit. Contracted assessment providers are however a key element in the claims process. Atos Healthcare holds the contracts for undertaking assessments in Northern England and Scotland; and in London and Southern England. Capita Business Services Ltd holds the contracts covering Wales and Central England; and Northern Ireland. These are separate from the DWP Medical Services contract, now held by Maximus.

The completed PIP questionnaire and any accompanying evidence submitted by the claimant are forwarded to the assessment provider, who decides whether a face to face consultation is necessary. The Government’s initial expectation was that around a quarter of PIP claims could be decided on the basis of the completed form and evidence submitted, without the person having to attend a face to face assessment.<sup>6</sup>

The assessment provider’s report is then forwarded to DWP, where a Decision Maker (now referred to as “Case Managers”) will review the report, along with all other evidence in the case, before making a decision about benefit entitlement.

### 2.1 Assessment criteria

The PIP regulations set out twelve different “activities” to be considered in determining entitlement to the benefit; ten relate to the “daily living” component and two relate to the mobility component:

#### **Daily Living** (10 activities):

- preparing food
- taking nutrition
- managing therapy or monitoring a health condition
- washing and bathing
- managing toilet needs or incontinence
- dressing and undressing
- communicating verbally
- reading and understanding signs, symbols and words
- engaging with other people face to face
- making budgeting decisions

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<sup>6</sup> HC 916 2012-13, Q14

**Mobility** (2 activities):

- planning and following journeys
- moving around

For each activity there is a series of “descriptors” which define increasing levels of difficulty carrying out the activity. A score is allocated to each descriptor. Claimants will be allocated a descriptor (and score) for each activity in the assessment.

The total scores for all of the activities related to each component are then added together to determine entitlement for that component. The entitlement threshold for each component is 8 points for the “standard” rate and 12 points for the “enhanced rate.”

Some of the activities take into account the fact that, although the person may be able to undertake that activity, they can only do so by using aids or appliances – see for example the “preparing food” activity below.

**Box 2: Activity 1: Preparing food**

<b>Descriptor</b>	<b>Points</b>
Can prepare and cook a simple meal unaided.	0
Needs to use an aid or appliance to be able to either prepare or cook a simple meal.	2
Cannot cook a simple meal using a conventional cooker but is able to do so using a microwave.	2
Needs prompting to be able to either prepare or cook a simple meal.	2
Needs supervision or assistance to either prepare or cook a simple meal.	4
Cannot prepare and cook food.	8

In this activity, aids and appliances could include, for example, prostheses, a perching stool, lightweight pots and pans, easy grip handles on utensils, single lever arm taps and spiked chopping boards.

Further information on the PIP assessment and on how the use of aids and appliances should be taken into account is given in the DWP’s [PIP assessment guide](#) (updated June 2016).

### 3. Aids and appliances consultation

On 10 December 2015 the Department for Work and Pensions announced – unexpectedly – that it was launching a consultation on how the use of aids and appliances is accounted for during assessments for PIP. Options for change included paying claimants a lump sum instead of benefit, introducing a new lower payment rate, and removing entitlement for those who “score all their points from aids and appliances.”

Launching the consultation, DWP Minister Justin Tomlinson said:

The introduction of Personal Independence Payments to replace the outdated Disability Living Allowance for working age claimants has been a hugely positive reform.

However, concerns have been raised that the assessment criteria might not be working as planned. The criteria for aids and appliances has expanded to, in some cases, include items we would expect people to have in their homes already, have only a one-off cost associated with them, or are already available free of charge on the NHS.

With 35% of claimants for daily living allowance doing so solely on the basis of their use of aids and appliances, we think it is important to consult widely on this issue to ensure we’re getting it right, and we look forward to hearing the responses.<sup>7</sup>

The consultation paper<sup>8</sup> explained:

7. Unlike DLA, PIP takes into account claimants’ need to use aids and appliances to complete the activities assessed. This includes specialised items as well as everyday items that are in common use, such as food processors, where they are essential to the completion of an activity because of a health condition or disability. This decision was taken in order to recognise the potential barriers and costs individuals who use aids and appliances may face.

8. For most activities, the use of an aid or appliance scores two points. This is the lowest level. This reflects the fact that many aids and appliances are: widely available, relatively low cost and easy to use. Individuals who rely on them are likely to encounter lower barriers and costs than individuals unable to complete activities at all, or who require help from other people to do so.

9. As highlighted by the first independent review of the PIP assessment by Paul Gray, this policy does not appear to be working as intended. DWP doctors therefore reviewed a sample of 105 cases where claimants scored all, or the majority, of their points due to aids and appliances, to assess the extent to which the award may reflect extra costs.

10. The results of this review suggest that significant numbers of people who are likely to have low or minimal additional costs are being awarded the daily living component of the benefit solely

<sup>7</sup> [“Public consultation launched on Personal Independence Payments,”](#) DWP press release, 10 December 2015

<sup>8</sup> DWP, [Consultation on aids and appliances and the daily living component of Personal Independence Payment \(PIP\)](#), 10 December 2015

because they may benefit from aids and appliances across a number of the activities, despite the relatively low point score awarded for them.

11. In addition to this, recent judicial decisions, based on the current legislation, have broadened the scope of aids and appliances to include articles, such as beds and chairs, which are unlikely to be a reliable indicator of extra costs.

12. These developments are inconsistent with the original policy intent of awarding the benefit to claimants with the greatest need. We have therefore decided to consult on how aids and appliances are taken into account when determining entitlement to the daily living component.

13. Going forward, the Government will regularly assess PIP to ensure that it is delivering the policy intent of a modern, objective, and financially sustainable benefit that is focused on those with the greatest needs. If this indicates that PIP is not delivering the original policy intent, DWP will consider the case for change.

The paper mentioned comments by Paul Gray in his first [Independent Review of the Personal Independence Payment assessment](#), published in December 2014.<sup>9</sup> Aids and appliances were however touched upon only briefly in the review, which ran to over 70 pages and which made 14 recommendations in total on improving the claimant experience, clarifying and improving the collection of further evidence, and improving the overall effectiveness of the assessment. The review stated:

12. On aids and appliances, where scores of two points from four out of seven daily living activities are sufficient to generate an award, there are indications that points may be being awarded on the basis of claimants choosing to have acquired the items (some of which may cost as little as £1) rather than needing them. Anecdotally, the Review heard from some case managers who felt they saw a higher than expected number of assessment reports where aids and appliances were used in justifications. Due to limitations in available published data, the Review has not been able to test this. The Department updated guidance on aids and appliances in October 2014, but it is too early to establish any impact.

**Recommendation: In the short-term, the Department should review how aids and appliances are taken into account in PIP assessments against original policy intent, and make any necessary adjustments to guidance and training.**

The Government's December 2015 consultation document outlined five broad options for change:<sup>10</sup>

- A lump sum payment instead of an ongoing award of the daily living component for claimants scoring all their points from aids and appliances. This would not act as a "passport" to any other benefit or benefit premium.
- Continuing to pay the daily living component as an ongoing award, but at a reduced rate for claimants scoring all their points

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<sup>9</sup> For further background to the review see Library briefing CBP-7084, [Independent Review of the Personal Independence Payment assessment](#)

<sup>10</sup> Ibid.

from aids and appliances. Again, this wouldn't act as a passport to any other benefit or premium.

- A new condition requiring claimants of the daily living component to have scored at least some points from a descriptor that does not relate to aids and appliances.
- Changing the definition of aids and appliances in relation to the daily living component to exclude items "that are a poor indicator of additional cost and need." These items could be distinguished "by reference to whether they are available at low or no cost and/or whether they are commonly used by non-disabled people for the same purpose."
- Halving the number of points awarded from 2 to 1 for the use of aids and appliances in relation to some or all daily living activities.

The deadline for responding to the consultation was 29 January 2016.

### 3.1 Responses

Responses to the consultation were overwhelmingly against the options for change put forward. The DWP summarised the main thrust of the responses it received as follows:

3.1 There were broadly four main themes arising out of the responses we received and the discussions at our consultation events.

- Respondents felt that reliance on aids and appliances is a good indicator of additional costs.
- Respondents questioned the effectiveness and accuracy of the PIP assessment, both in terms of the policy underpinning it and the application of the policy.
- Respondents were concerned that any of the options for change would have a negative impact on the individuals affected.
- Respondents felt that any of the options for change would increase individuals' needs for support from other public services and could lead to increased PIP expenditure.

3.2 The vast majority of respondents who provided a view on the substantive issue of the policy on aids and appliances therefore thought that the current policy was preferable to any of the options for change. Many also pointed to the fact that PIP is still a relatively new benefit, arguing that making changes now would be hasty and would create unnecessary uncertainty for claimants.

3.3 Of the 281 written responses received, 11 indicated that they thought change was required.

All of these were from individuals. On the question of which of the options was preferable if a change were to be made, respondents' views were mixed.<sup>11</sup>

In its response, the Disability Benefits Consortium - a national coalition of over 60 different charities – said:

The DBC does not support the five options for reform of Personal Independence Payment (PIP) as set out in this consultation. These

<sup>11</sup> DWP, [Government response to the consultation on aids and appliances and the daily living component of Personal Independence Payment](#), Cm 9194, March 2016

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changes could have a significant impact on the ability of disabled people and people with long-term conditions to cover costs for aids and appliances, as well as other areas of extra cost. This could lead to a reduction in individuals' financial resilience, making it harder to access opportunities to work, save and participate in society.

We therefore recommend that the Department does not undertake any further reform of the PIP descriptors along the lines proposed under the consultation.

Our key concerns are as follows:

- We do not regard the DWP's finding that 35% of claimants qualify for the Daily Living component on the basis of meeting at least four, two point 'aids and appliances' descriptor thresholds as anomalous. This is a legitimate method of qualifying for PIP and part of the design of the assessment
- The proposals contradict the fundamental design of the PIP assessment as being based on a system of proxies of additional cost, rather than a literal application of costs
- The proposals also contradict DWP's previous acceptance that disabled people may rely on low-cost, non-specialist items to maintain their independence
- We do not believe that the evidence set out in the consultation document is of sufficient quality to justify the proposals
- The proposals, if implemented, could ultimately affect around 630,000 disabled people. This could have devastating consequences for their health and independence, and significant cost implications for NHS and local authority social care services<sup>12</sup>

Following the announcement of the consultation, the Spartacus Network<sup>13</sup> conducted a survey of how disabled people felt about the inclusion of aids and appliances in the PIP assessment. The results are set out in a report, [Crippling Choices](#), which also includes a critique of the consultation process and its underlying rationale. The executive summary from the report – which was submitted to the DWP as a consultation response – is below:

We reject all of the options put forward by the government.

We reject this consultation as inappropriate on the grounds that

- The DWP does not provide adequate or robust evidence for its claims.
- In particular, the DWP cites a review without permitting respondents to see the methods or results of this review.
- The consultation period was too short and insufficiently promoted.

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<sup>12</sup> [DWP Consultation on aids and appliances and the daily living component of Personal Independence Payment \(PIP\) – Disability Benefits Consortium response](#), January 2016

<sup>13</sup> [Its website states](#) that "The Spartacus network is a group of disabled and chronically ill people across the country who come together from time to time to research issues relating to disability and social security."

- The questions and options promoted are complex, repetitive and confusing.

Needing to use an aid or appliance in at least four out of ten selective activities of daily living demonstrates an overall functional limitation that causes significant costs. The DWP should not be seeking to reduce the pay-out to people who qualify in this manner.

PIP has been deliberately designed to rely on ten specific activities as a proxy for all areas of disability-related cost (except for getting around outside the home). Some people with significant costs in areas not assessed by PIP may only qualify for PIP on the aids and appliances rules; it is vital to keep these in in order to ensure that they continue to act as a proxy measure for these other areas.

The DWP conflates tests on specific activities of daily living with tests on functional movements. For example, it attempts to test for bending in the washing and bathing activity (and therefore excludes it from cooking), and now is arguing for the removal of consideration for aids to assist with bathing the lower half, without acknowledging that this would remove the assessment of 'bending' and therefore the proxy assessment for cooking.

The DWP has not provided any adequate or robust evidence that people receiving PIP on the basis of aids and appliances do not have any further costs. The DWP cites a review, but does not provide copies of this review. This is a major failing as respondents cannot comment on the adequacy of the methods used and the interpretation of the results. Without providing a report from this review, the DWP should not be relying upon it as evidence. To the contrary, disabled people are able to identify numerous extra costs that the DWP appears to have overlooked.

The consultation itself is complex. Respondents have been given only seven weeks to respond, over the Christmas and New Year period. We are concerned that this consultation has been so poorly run.<sup>14</sup>

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<sup>14</sup> [Crippling Choices: A Spartacus Network response to the 2015 DWP consultation on the use of aids and appliances in PIP](#), January 2016

## 4. Government proposals

On 11 March 2016 – four days before the Budget – the Government announced that in light of the available evidence and the consultation, it intended to amend the PIP assessment criteria to reduce the number of points awarded from two to one for the use of aids and appliances in relation to the fifth and sixth daily living activities (“Managing toilet needs or continence” and six “Dressing and undressing”, respectively). In a Written Ministerial Statement, the Minister for Disabled People, Justin Tomlinson, said:

The considered view of the Department is that the need for an aid or appliance when completing activities five and six is a less reliable indicator of extra costs than for other activities, and that halving the points for these activities will allow us to continue to deliver PIP in line with our initial policy intent. Points will continue to be awarded for the use of aids and appliances, including on activities 5 and 6, and the points awarded for all other descriptors remain unchanged.<sup>15</sup>

The change would take effect from 1 January 2017. The Minister’s statement also indicated that more thoroughgoing reform of disability benefits was being considered. He added:

In addition to delivering these changes, I remain committed to ensuring that we offer the most appropriate and effective support and best possible claimant experience for disabled people. In my meetings with disabled people and stakeholder organisations I am often told about the need for better co-ordination across health and disability support services and the potential to improve outcomes for those with a long term disability or health condition through closer working between services. That is why I am announcing that the Government will be considering the case for long-term reform of disability benefits and services that is fair for the taxpayer and for those with disabilities or health conditions. Work will be taken forward over the coming months across Government and in consultation with those who provide relevant health and disability services. The findings will be reported to the Prime Minister later in this Parliament.<sup>16</sup>

More detailed information on the proposed changes to the PIP criteria and the rationale for them was given in the Government’s full response to the aids and appliances consultation.<sup>17</sup>

Budget 2016 estimated savings from the aids and appliances changes at £15 million in 2016-17, rising to around £1.3 billion a year by 2020-21; or just under £4.4 billion cumulatively over the period 2016-17 to 2020-21.<sup>18</sup> This included knock-on reductions in spending on “passporting” benefits, including Carer’s Allowance and Employment and Support Allowance. DWP estimated that in 2020-21 a total of 640,000 people

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<sup>15</sup> [HCWS611 \[on Personal Independence Payment\]](#), 11 March 2016. See also DWP press release, [Personal Independence Payment consultation response announced](#), 11 March 2016

<sup>16</sup> Ibid.

<sup>17</sup> DWP, [The Government response to the consultation on aids and appliances and the daily living component of Personal Independence Payment](#), Cm 9194, March 2016

<sup>18</sup> Budget 2016 Red Book, HC 901 2015-16, Table 2.1

would be affected “in some way” by the changes.<sup>19</sup> Around 290,000 claimants would no longer receive the PIP daily living component by 2020-21 (accounting for £1.2 billion of the total savings), and a further 80,000 would receive the standard rather than the enhanced daily living component (accounting for the remaining £0.1 billion).<sup>20</sup>

## 4.1 Reactions

Coming only days after the Commons overturned Lords amendments to controversial provisions in the *Welfare Reform and Work Bill 2015-16* on the abolition of the Employment and Support Allowance Work-Related Activity Component for new ESA claims from April 2017<sup>21</sup>, the response of disability and welfare rights groups to the announcement of the proposed PIP changes was strongly negative.<sup>22</sup>

Phil Reynolds, Policy and Campaigns Advisor at Parkinson’s UK and Co-Chair of the Disability Benefits Consortium, said that disabled people would be “deeply disappointed and worried by the Chancellor’s decision to weaken the support provided by Personal Independence Payment, making it even more difficult to claim.” He added:

People who rely on aids and appliances to help them achieve daily activities like dressing themselves, or to avoid an episode of incontinence clearly need financial support to help them maintain their independence and participate in society.

These changes could have harmful consequences for the health and independence of the 640,000 affected disabled people, and significant cost implications for the NHS and local authority social care services as a result.

The prospect of further reform will add to the concerns of disabled people about the support they will be able to receive. Any future changes must do much more to improve access to support for disabled people, rather than chiselling it away.<sup>23</sup>

The Chief Executive of Disability Rights UK, Liz Sayce, said that it was a “false economy to make cuts in the very areas that enable people to get their lives on track”, adding-

We profoundly believe that disabled people have got so much to contribute to British society. But with the cuts to benefits, social care cuts and now the tighter regulation to PIP, we are really concerned it will jeopardise independent living for disabled people, leaving them socially isolated.<sup>24</sup>

Further information on Disability Rights UK’s concerns about the proposals, about its wider concerns regarding the PIP assessment criteria and about what it thinks should be done to address the “fundamental

<sup>19</sup> Cm 9194, March 2016, para 4.21

<sup>20</sup> Office for Budget Responsibility, [Economic and Fiscal Outlook](#), March 2016, para 4.112

<sup>21</sup> For details see Commons Library briefing CBP-7649, [Abolition of the ESA Work-Related Activity Component](#)

<sup>22</sup> For an overview of responses see “[Budget 2016: Charities Respond To Osborne’s Austerity Addiction](#)”, Welfare Weekly, 16 March 2016

<sup>23</sup> [Disability Benefits Consortium responds to Budget 2016](#), 16 March 2016

<sup>24</sup> Disability Rights UK, Disabled people fear budget announcements threaten independent living, 16 March 2016; “[Benefit cuts threaten independent living for thousands of disabled people](#)”, *Guardian*, 15 March 2016

problems” with the benefit, is given in a briefing issued on 18 March, [DR UK PIP reform briefing: PIP has always been about cutting disability benefit expenditure](#).

Gillian Guy, Chief Executive of Citizens Advice, commented in relation to the proposed PIP changes:

Disabled people who rely on PIP for help to get dressed or use the toilet will be worried about the impact this Budget has on their ability to live an independent life.

People sought our help with 287,000 PIP issues in 2015 - making it the most common issue we give advice on. Many of the problems relate to how PIP is being implemented - included wrong decisions and double booking of medical assessments. It's premature for the Government to make such a fundamental change to PIP before it's implemented properly.<sup>25</sup>

Mark Atkinson, Chief Executive of Scope, said that the PIP changes would “make many disabled people’s lives harder”, adding-

We know disabled people are very worried and our helpline has received many calls from anxious disabled people.

Life costs more if you are disabled – Scope research shows that they add up to on average £550 per month.

Half of disabled people say that they have struggled to pay the bills because of the extra costs of disability that they face.

We urge the Chancellor to think again and consider the impact these moves have on the lives of disabled people.<sup>26</sup>

Speaking to BBC Radio 4’s Today programme, Dame Anne Begg, former Chair of the Work and Pensions Committee, felt that the changes were part of an overall tactic to reduce overall the number of disability benefit claimants. BBC News online reported:

She [Dame Anne] told the BBC Radio 4's Today programme: "They've started at the wrong end - rather than looking at what people needed and the money they should get to cover the extra costs of disability, they've decided they wanted half a million less claimants.

"They've obviously drawn up the original criteria and discovered they're not cutting out as many people as they anticipated.

She acknowledged cutting a weekly benefit to cover a sometimes one-off payment "sounded sensible" but added: "These things, like needing a seat to sit down in the shower, act as a proxy because that probably also means you're unable to do some household chores... none of which are measureable under the present system.

"They're tightening these descriptors to make sure fewer people get the benefit."<sup>27</sup>

In the face of mounting political pressure, Government sources signalled a possible retreat on the PIP proposals.<sup>28</sup> Speaking on BBC TV’s

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<sup>25</sup> [Citizens Advice response to Budget 2016](#), 16 March 2016

<sup>26</sup> [Budget will make life harder for disabled people](#), Scope press release, 16 March 2016

<sup>27</sup> ["Disability benefit change to affect half a million"](#), BBC News, 12 March 2016

<sup>28</sup> See for example ["Disability benefit cut: Tory backbenchers call for rethink"](#), *Guardian*, 16 March 2015; ["Wheelchair-bound Tory disability campaigner sabotages](#)

Question Time on 17 March, the Education Secretary, Nicky Morgan, said that the PIP proposals were a “suggestion” and that they were still subject to consultation.<sup>29</sup>

On 18 March Iain Duncan Smith announced his resignation as Secretary of State for Work and Pensions.<sup>30</sup>

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[party's own website as he accuses George Osborne of 'destroying lives' with his Budget](#)”, *Mail Online*, 16 March 2016; [“Budget 2016: George Osborne faces mass Tory rebellion over disability cuts”](#), *Telegraph*, 17 March 2016

<sup>29</sup> [“Disability benefit cuts included in the Budget were just 'a suggestion', cabinet minister Nicky Morgan says”](#), *Independent*, 18 March 2016

<sup>30</sup> See Laura Kuenssberg, [“IDS resignation 'undermines everything'”](#), *BBC News*, 18 March 2016; [“How the Iain Duncan Smith resignation crisis unfolded”](#), *Guardian*, 20 March 2016

## 5. Resignation of Iain Duncan Smith

In his [letter of resignation to the Prime Minister](#), Mr Duncan Smith said that he was “incredibly proud” of the welfare reforms that the Government had achieved since 2010 which, he believed, had “made changes that will greatly improve the life chances of the most disadvantaged people in this country and increase their opportunities to thrive.” Mr Duncan Smith noted the state of the public finances the previous Government had inherited, saying that while he had found some of the cuts the Government had made “easier to justify than other” he had accepted their necessity and had “attempted to work within the constraints that [the Prime Minister] and the chancellor set.” The letter continues:

I have for some time and rather reluctantly come to believe that the latest changes to benefits to the disabled and the context in which they've been made are a compromise too far. While they are defensible in narrow terms, given the continuing deficit, they are not defensible in the way they were placed within a Budget that benefits higher earning taxpayers. They should have instead been part of a wider process to engage others in finding the best way to better focus resources on those most in need.

I am unable to watch passively whilst certain policies are enacted in order to meet the fiscal self imposed restraints that I believe are more and more perceived as distinctly political rather than in the national economic interest.

Too often my team and I have been pressured in the immediate run up to a budget or fiscal event to deliver yet more reductions to the working age benefit bill. There has been too much emphasis on money saving exercises and not enough awareness from the Treasury, in particular, that the government's vision of a new welfare-to-work system could not be repeatedly salami-sliced.

It is therefore with enormous regret that I have decided to resign. You should be very proud of what this government has done on deficit reduction, corporate competitiveness, education reforms and devolution of power. I hope as the government goes forward you can look again, however, at the balance of the cuts you have insisted upon and wonder if enough has been done to ensure “we are all in this together”.

Mr Duncan Smith expanded on his reasons for resigning in an interview for the BBC's Andrew Marr Show on 20 March. A [full transcript of the interview](#) is available at the BBC website.

Mr Duncan Smith explained that he was not against the PIP changes, but had wanted to present them as part of a much wider review of PIP and its relationship to health and social care provision. He expressed frustration with the Government's “arbitrary” welfare spending cap and at pressure from the Treasury to make yet further savings from working-age benefits while leaving pensioner benefits untouched. Mr Duncan Smith said that he had “realised the full state of what was actually happening” with regard to the “juxtaposition” of benefit cuts alongside

tax cuts on the morning of the Budget presentation. Asked whether he thought that “cutting taxes for the better off at the same time as you’re cutting benefits for disabled people” was unfair, Mr Duncan Smith replied:

Juxtaposed as it is – as it came through in the budget, that is deeply unfair and was perceived to be unfair. And that unfairness is damaging to the government, it’s damaging to the party, and it’s actually damaging to the public.

Commenting on the Government’s approach to welfare reform more broadly, Mr Duncan Smith said:

As a team that I came to join believing that social justice was right at the heart of what they did. We can debate how that’s delivered but we shouldn’t debate the fact that what we should be trying to do is not keep bearing down on the same group of people, widen that and talk about sharing that burden a bit more and making sure therefore that the reform process can take place without being hamstrung through demands for short term savings all the time when things don’t go right according to the forecast.

## 6. Statement following appointment of the new Secretary of State

On 19 March it was announced that Stephen Crabb, the Secretary of State for Wales, would replace Mr Duncan Smith as Secretary of State for Work and Pensions. The Government also announced that it would not be proceeding with the PIP changes and had no further plans to make welfare savings beyond the savings already legislated for by Parliament two weeks previously (i.e. in the *Welfare Reform and Work Act 2016*), which it would now focus on implementing.<sup>31</sup>

In a statement on welfare to the House of Commons on 21 March<sup>32</sup>, Mr Crabb said:

The commitment that I am making today, based on some very long conversations with the Chancellor of the Exchequer and the Prime Minister over the weekend, is that we will not go ahead with the proposed PIP cuts, that we will not be seeking alternative offsetting savings, and that as a Government we are not seeking further savings from the welfare budget.<sup>33</sup>

Mr Crabb added however that, against the backdrop of the need to control the public finances and welfare expenditure, he wanted to “build on the progress we have made in supporting disabled people.” He continued:

We made a manifesto commitment to halve the gap between the proportion of disabled people in work compared with the rest of the labour market. As I have outlined, we have made good progress in supporting disabled people into work, but to go further will require us to work in a way we have not done before and to think beyond the artificial boundaries of organisations, sectors and Government Departments to an approach that is truly collaborative. That is why today I want to start a new conversation with disabled people, their representatives, healthcare professionals and employers. I want the welfare system to work better with the health and social care systems. Together we can do so much better for disabled people.

This is a hugely complex but hugely important area of policy to get right. Disabled people themselves can provide the best insight into how support works best for them. I am determined, therefore, that all views will be listened to in the right way in the weeks and months ahead, and I will be personally involved in these discussions. The events of recent days demonstrate that we need to take time to reflect on how best we support and help transform people’s lives. That is the welfare system I believe in, and I commend this statement to the House.<sup>34</sup>

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<sup>31</sup> [Secretary of State for Work and Pensions statement on not going ahead with changes to Personal Independence Payment \(PIP\)](#), GOV.UK, 21 March 2016

<sup>32</sup> [HC Deb 21 March 2016 cc1268-86](#)

<sup>33</sup> HC Deb 21 March 2016 c1279

<sup>34</sup> HC Deb 21 March c1269

## 6.1 Reactions

Disability organisations welcomed the Government's announcement. The Chief Executive of Disability Rights UK, Liz Sayce, commented:

Scrapping any changes which make it harder to qualify for PIP are really welcome. The clue is in the name – the benefit should be available to those who need help to live independently. We also welcome the statement that there are no plans to introduce further welfare cuts; we hope that the £4 billion in savings that the chancellor has identified does not come from disabled people.

It's time now to have a wider conversation about how to support disabled people to have the same opportunities as others. The cumulative effects of a range of cuts have done the opposite for many disabled people.

We need practical, sensible and effective policies which help disabled people to be able to work if they can, enjoy family life and be part of the communities they live in - the same kinds of things that most people aspire to, disabled or not.<sup>35</sup>

Laura Wetherly, Co-Chair of the Disability Benefits Consortium, said:

We are very pleased the Government has chosen not to proceed with damaging changes to Personal Independence Payment (PIP). This will be reassuring news for the thousands of disabled people who will hopefully now continue to receive the vital support they need to live independently and participate in society.

The DBC hopes the Secretary of State, Stephen Crabb's 'new conversation' will mean engagement with our members and disabled people as a priority. We urge the Government to use this as an opportunity to ensure all their policies work for disabled people and carers to provide them with the support they need.

It is welcome that the Government currently has no plans to make further savings from welfare. We hope this commitment will be honoured and that access to support for disabled people will be protected.<sup>36</sup>

## 6.2 Subsequent statements

Mr Crabb touched upon the commitments made in his statement of 21 March when giving evidence to the Work and Pensions Committee on 11 May.<sup>37</sup> Questioned about the circumstances surrounding his appointment as Secretary of State and the relations between his Department and the Treasury, Mr Crabb said:

In terms of the specific decisions that led up to the events of that weekend, I think we made the right decision in reversing the proposed PIP changes. I think we also made the right decision—this is the substance of what I announced in my first statement to the Commons—not to look for equivalent offsetting savings from within the welfare budget to meet the gap in the OBR scorings that resulted from not going ahead with the PIP changes. You might well come on to this in further questions, but when we get

<sup>35</sup> [DR UK responds to Govt announcement about the PIP u-turn](#), 21 March 2016. See also the blog by Liz Sayce on 20 March, [Now let's have the debate: Finally disability benefits are high on the political agenda – so where next?](#)

<sup>36</sup> [Disability Benefits Consortium \(DBC\) responds to Government withdrawal of changes to PIP](#), 21 March 2016

<sup>37</sup> See [HC 997-i 2015-16](#)

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to the autumn statement there is a gap of £4 billion in our funding, and as a Government we will have to think about what that means. However, the agreement I secured with the Prime Minister and the Chancellor is that, in terms of the PIP money we had planned to save, we will not now be looking at other parts of my welfare spending to offset that specific decision.<sup>38</sup>

The changed fiscal climate following the referendum on membership of European Union may lead to questions on whether the Government can still commit to the undertakings given previously on welfare spending.

The Secretary of State, together with the Minister for Disabled People, Justin Tomlinson, attended the annual general meeting of the [All Party Parliamentary Group on Disability](#) on 28 June and gave an address. According to Disability Rights UK – which provides the secretariat to the APPG – Mr Crabb reaffirmed the commitment given previously. It reports:

Over seventy observers, MPs and peers heard the Secretary of State at DWP Stephen Crabb repeat his commitment that the planned saving in personal independence payment would not be sought from cuts in welfare payments elsewhere affecting more disabled people.<sup>39</sup>

A more detailed set of minutes and/or a transcript of the meeting is to be posted on the Disability Rights UK website in due course.

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<sup>38</sup> Ibid. Q5

<sup>39</sup> DR UK, [Stephen Crabb reaffirms no PIP cuts](#), 29 June 2016

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