

PLYMOUTH CITY COUNCIL

Subject: Incapacity Benefit
Committee: Cabinet
Date: 23 August 2011
Cabinet Member: Councillor Grant Monahan
CMT Member: Director for Community Services
Author: Jo Hambly, Financial and Social Inclusion Officer
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Ref:

Key Decision: No

Part: I

Executive Summary:

Full Council on 20 June 2011 carried a motion calling for a report to Cabinet on the effects of Incapacity Benefit changes on claimants in Plymouth, especially those with mental health incapacity.

Incapacity Benefit will be phased out nationally by 2014 and claimants are being assessed on their availability to work and for entitlement to other benefits. This will effect over 10,000 people in the Plymouth area and reassessment letters are beginning to be sent out.

At present there is little local evidence to suggest that the impact of Incapacity Benefit changes is a significant issue for claimants. However, given the potential impact of changes on claimants (eg anxiety and demand for support and advice services), this is likely to be due to the process being at an early stage.

A variety of national and local work is underway to support claimants through the Incapacity Benefit change process.

The Council commissions services from a number of voluntary sector organisations which includes advice and support for those going through the process. The Council is also undertaking a needs assessment to inform commissioning of advice and support services from 2012/13 and this will take into account needs associated with Incapacity Benefit changes.

Corporate Plan 2011 – 2014:

The report is particularly relevant to our priority of reducing inequalities.

Implications for Medium Term Financial Plan and Resource Implications: Including finance, human, IT and land

None

Other Implications: e.g. Community Safety, Health and Safety, Risk Management and Equality, Diversity and Community Cohesion:

The Council and its partners in the LSP have responsibility under the Child Poverty Act 2010 to reduce child poverty and Members will need to monitor the impact of the changes for incapacity benefit to vulnerable families.

Recommendations & Reasons for recommended action:

Cabinet notes the current position with regard to the migration of claimants from Incapacity Benefit, together with support services available, and asks officers to keep the situation under review and take this into account in service planning.

This is because the report is for noting and appropriate responses and in hand.

Alternative options considered and reasons for recommended action:

The alternative would be to agree further actions. This is unnecessary because responses are in hand, and the motion did not ask for this.

Background papers:

DWP Work Capability Assessment Independent Review, accessed at:

www.dwp.gov.uk/policy/welfare-reform/employment-and-support/wca-independent-review

Professor Harrington's IB Review Recommendations; accessed at:

www.dwp.gov.uk/docs/wca-review-interim-report-may-2011-letter.pdf

Parliament Publication – Migration to ESA; accessed at:

www.publications.parliament.uk/pa/cm201012/cmselect/cmworpen/writew/1015/esa62.htm

Sign off:

Fin	SRA/6/ 7/2011/ CoSF SC1112 001	Leg	LT 12202	HR		Corp Prop		IT		Strat Proc	
Originating SMT Member: Peter Aley											

1.0 Introduction

1.1 This report provides information about the effect of changes in Incapacity Benefit on claimants in Plymouth.

2. Background

2.1 Full Council on 20th June 2011 carried the following motion:-

“Casework has revealed that Incapacity Benefit claimants are having benefit withdrawn, with immediate effect, by letter, which then invites them for an interview to review their eligibility, often three or four weeks later.

Council is concerned about the effect on claimants and especially on claimants with mental health incapacity. Anecdotal evidence suggests that when these interviews occur, claimants with mental health issues are being asked inappropriate questions.

Council asks the portfolio holder to conduct an immediate study of the scope and nature of this issue, to assess its implications on claimants, the Council and other provider partners and report to Cabinet within the month.”

2.2 Following this, agreement was reached between the Portfolio holder and Shadow Portfolio holder for Adult Health & Social Care, that the report should go to Cabinet on 9th August 2011, subject to an interim report being produced for the Portfolio holder and Shadow Portfolio holder within a month of the Full Council meeting. This interim report was provided in early July.

2.3 Incapacity Benefit is being phased out nationally. Between October 2010 and Spring 2014 customers who receive Incapacity Benefit are being assessed for Employment and Support Allowance (ESA).

2.4 People migrating from Incapacity Benefit fit in to one of four groups:-

- capable of work – these people move onto Jobseeker’s Allowance;
- in need of more support while they prepare for work – these people move on to ESA;
- people who are most disabled or terminally ill – they will not be expected to look for work and will get the extra support from ESA; and
- people who are not entitled to any benefit on re-assessment.

2.5 In the Department for Work & Pensions’ (DWP) Plymouth Zone (wider than the city) 10,070 people are due to be migrated from Incapacity Benefit by 2014.

3. Assessments

3.1 Claimants are assessed by ATOS Healthcare on their capability to work. This independent company uses a Work Capability Assessment (WCA) to give medical advice to the DWP to help make decisions on entitlement to benefit.

3.2 The DWP states that, by March 2014, outcomes for re-assessed claimants will be:-

Outcome	National %	Local Number Estimate	Related Assessments	Notes...
Fit for work – ESA not awarded	15%	1,511	Limited capability for work assessment	50% onto JSA 20% onto e.g. Carers Allowance 30% off benefits
ESA awarded - work related activity group	65%	6,546	1) Limited capability for work related activity assessment 2) Work-focused health-related assessment	
ESA awarded - support group	20%	2,014	Limited capability for work related activity assessment	

Doubts have however, been expressed about whether these assessments will be completed on time.

3.3 People who migrate from Incapacity Benefit to ESA will automatically receive ESA for an initial 13 week period (as long as they provide medical evidence of their sickness or disability). During this time a WCA determines whether a claimant is sufficiently sick or disabled to continue to qualify for ESA. The WCA consists of up to three assessments:-

- the 'limited capability for work assessment'. This determines whether or not a person remains entitled to ESA after the assessment or has to claim another benefit, for example, Jobseeker's Allowance
- the 'limited capability for work-related activity assessment'. This determines whether a person gets the support component or the work-related activity component of ESA.
- a work-focused health-related assessment. This helps identify work which a claimant who receives the work-related activity component, can do and identifies ways of improving their capacity for work.

3.4 During April and May 2011 DWP sent seven re-assessment letters per week to people in the Plymouth Zone. Since 23rd May 2011 this has increased to 84 letters a week. Given the scale of the task, however, this clearly represents just the start of the process.

4. Issues identified in the motion

4.1 Issues identified in the motion are: Incapacity Benefit claimants are having benefit withdrawn, with immediate effect, by letter; effect on claimants and especially on claimants with mental health incapacity; and claimants with mental health issues being asked inappropriate questions.

4.2 Relevant letter templates from DWP to claimants do not refer to any immediate withdrawal of benefits. A factsheet that goes out with every letter states: "You will continue to receive your current benefit, as long as you meet the conditions of entitlement, until we (DWP) have completed the reassessment of your benefit".

4.3 There are points at which benefit can be affected, for example if the claimant does not: complete and return a medical questionnaire; attend a face-to-face Work Capability Assessment; or attend a work focussed interview (if ESA is awarded). This does not necessarily mean benefits will be withdrawn and letters about consequences are sent separately to those informing claimants of the migration process.

4.4 Anecdotal evidence provided by a city councillor suggests that this recent increase in assessments has led to an increase in the number of GP appeals letters, due to patient anxiety, where the surgery specialises in mental health and chemical addiction. An ESA application that is turned down is likely to initiate reviews of other benefits (eg Housing Benefit) that may be affected whilst the claimant is making an application for Job Seeker's Allowance.

4.5 However, advice and advocacy services across Plymouth who are prepared for increased requests for support, say at this time there is little evidence of claimants seeking these services. Similarly, the Council's Revenues and Benefits service has not yet, received any notifications from DWP about claimants migrating from Incapacity Benefit (a system is in place to highlight this).

4.6 No clear evidence was found of inappropriate questions being asked as part of the assessment process.

5. Support for claimants

5.1 A variety of national and local work is underway to support claimants through the Incapacity Benefit migration process.

5.2 Letters from DWP to claimants refer to different types of support any claimant can have: "You can take a friend, relative or representative to this assessment if you want." and "You will get support to help you to prepare for suitable work". Job Centre Plus (JCP) is following up all letters with telephone calls to offer information and advice about how to complete the necessary stages and who might help the claimant in doing this. JCP has six specially trained workers in Plymouth to specifically support claimants migrating from Incapacity Benefit.

5.3 The Council commissions services from a number of voluntary sector organisations which includes advice and support for those going through the migration process from Incapacity Benefit. This includes services provided by the Citizens Advice Bureau, Routeways, MIND and Disability & Information Advice Centre. All these providers are aware of the changes and geared up to responding. In addition the council has contacted the NHS to highlight the potential impact on health services

5.4 Since April 2011, JCP has been offering bespoke sessions about Incapacity Benefit migration to Local Medical Committees and other interested parties.

5.5 The Council is undertaking a needs assessment to inform commissioning of advice and support services from 2012/13 and this will take into account needs associated with Incapacity Benefit migration. This is particularly relevant because the majority of re-assessments and associated issues are yet to arise in Plymouth.

5.6 The Council's Revenues and Benefits service 'flags' claimants who we know are claiming Incapacity Benefit so that we can anticipate changes. DWP has agreed to notify us about any transfer of benefits so that a Housing Benefit reassessment can happen straight away.

5.7 At a national level, Professor Harrington is undertaking a two-year evaluation of Incapacity Benefit migration and its impact on claimants. This will feed into the Government's review of the process. Evidence can be submitted to DWP for inclusion in this national evaluation.

6. Conclusion

6.1 At present there is little local evidence to suggest that the impact of Incapacity Benefit migration is a significant issue for claimants. However given the potential impact of changes on claimants (eg

anxiety and demand for support and advice services), this is likely to be due to the early stage in the migration process.

6.2 Local and national work is underway to support claimants in the process and the Council is anticipating future demand in service planning