

Scottish Government Position Paper

**Mobility Component for
Disability Assistance
for Older People (DAOP)**

February 2020



Scottish Government
Riaghaltas na h-Alba
gov.scot

SCOTTISH GOVERNMENT POSITION PAPER

MOBILITY COMPONENT FOR DISABILITY ASSISTANCE FOR OLDER PEOPLE (DAOP)

Introduction

This paper is one of a series of papers providing an outline on our position on various matters relating to the development of Disability Assistance and devolved social security benefits.

The purpose of this paper is to set out the Scottish Government's position in relation to the introduction of Disability Assistance for Older People (DAOP) that will replace Attendance Allowance (AA) in Scotland in 2021.

Background

AA is a benefit currently administered by the Department for Work and Pensions (DWP). The UK Government introduced AA Allowance in the 1970s to help older disabled people meet the extra costs associated with a need for care resulting from a long-term health condition or disability.

There is a higher and a lower rate of payment dependent on a client's level of need. The benefit does not include a mobility component like that currently provided in both Disability Living Allowance (DLA) and Personal Independence Payment (PIP), with both of these benefits including a care and a mobility component.

Disability Assistance for Older People in Scotland

Child Disability Payment (CDP) and Disability Assistance for Working Age People (DAWAP), the two Scottish forms of assistance that will replace DLA and PIP, will contain mobility components in line with the DWP benefits that they are replacing. When the Scottish Government introduces DAOP in Scotland, it will not contain a mobility component. A number of individual and organisational respondents to the Consultation on Disability Assistance (2019) stated that there was a need for the introduction of a mobility component for DAOP when it opens for new claims in 2021.

Policy Development

Following user research and stakeholder feedback that suggested there was a demand for the introduction of a mobility component as part of DAOP, the Scottish Government undertook analysis of the potential costs of such a measure.

As part of our development of the new disability benefits, we have carefully considered whether to introduce a mobility component for DAOP. We have concluded that it is not practical to include a mobility component for the following reasons:

Financial Impact

Our analysis suggests that the impact of introducing a mobility component for DAOP that was similar to the mobility components currently provided for DLA and for PIP could be around **£580 million annually**, in addition to the current projected expenditure.

The projected caseload and annual expenditure on AA (and its replacement benefit DAOP) is forecast to increase over the next five years.

Figure 1: **Projected client numbers (thousands) for Disability Assistance for Older People (2020/21 – 2024/25)¹**

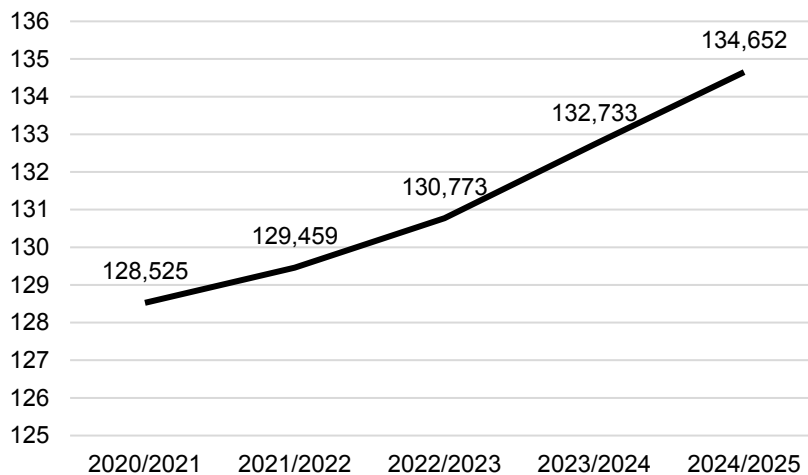
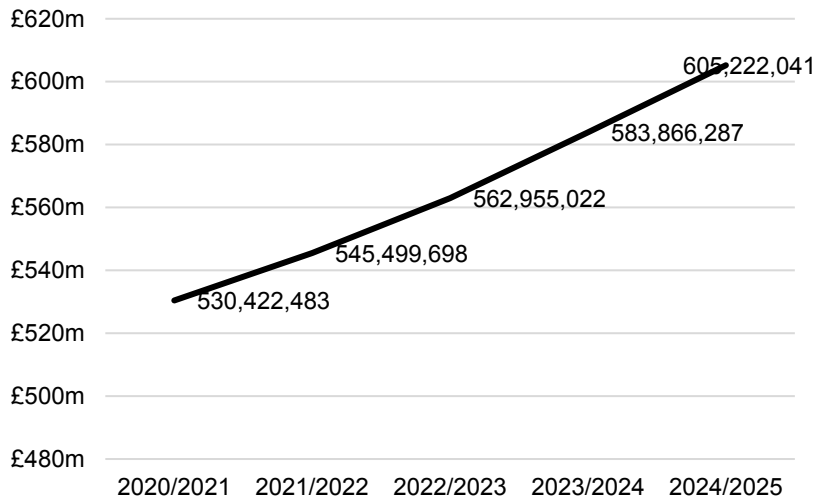


Figure 2: **Projected expenditure (millions) for Disability Assistance for Older People excluding possible mobility component (2020/21 – 2024/25)²**



There is significant uncertainty associated with this cost estimate, particularly around estimating the likelihood of individuals being eligible for and applying to receive a mobility component of DAOP. The DLA 65+ client group is our best comparison to

¹ [Scotland's Economic and Fiscal Forecasts May 2019](#), Scottish Fiscal Commission

² As above.

DAOP and we have used it to generate client numbers and costs for a DAOP mobility component as if it followed the same patterns as DLA. However, there may be some fundamental differences between the people receiving the two benefits, for example, the typical ages of clients of these two benefits are very different.

It is difficult to say whether DAOP clients are likely to have more mobility needs because of their older age, which could increase the cost estimate, or whether the DLA clients have more mobility needs as they have experienced ill health from a younger age, which would suggest the cost estimate could be lower.

We can also consider the main disabling conditions noted for AA and DLA and in this regard the DLA and AA client groups are more similar. Comparing these shows that the conditions noted for AA and DLA somewhat follow the same pattern, with a few exceptions, such as dementia being much more common for AA than DLA and Psychoneurosis, Spondylosis and Psychosis being more prevalent for DLA. However, it should be noted that people may have multiple conditions and a condition not related to the main disabling one might be the reason they are eligible for a mobility component.

These differences between the AA and DLA 65+ client groups mean any estimates using the DLA 65+ client group as a comparison to DAOP will provide an illustration of the potential scale of the financial impact only.

The potential behavioural effects of introducing a new element to this benefit also makes any estimates around caseload or cost uncertain. For example, widening the criteria for a particular benefit, such as the addition of a new component or element, may mean that more people are likely to apply for a particular benefit. This is very difficult to quantify and we have not made any adjustment for behavioural effects in these estimates but they could have a significant impact.

Against this background, our estimate of the impact on caseload and the associated costs are set out in the tables below.

Table 1: **Estimated caseload – new and existing DAOP clients eligible for mobility component (2020/21)**

Total number of existing clients who would receive a mobility award	120,000
Total number of new clients who would receive a mobility award	70,000
Total number of all clients who would receive a mobility award	190,000

Table 2: **Estimated annual expenditure – new and existing DAOP clients eligible for mobility component (2020/21)**

Cost of mobility payments to existing clients per year	£370m
Cost of mobility payments to new clients per year	£210m
Total cost of mobility payments per year	£580m

These forecasts are based on the forecasted DAOP client group in 2020/21. The DAOP caseload is expected to rise after this date (primarily due to demographic changes – with an ageing population, it is likely that the caseload will rise accordingly), so future costs could be higher.

It should be noted that these costs include new clients who would not receive DAOP under the existing rules but would receive the mobility component if it became available.

Any change in policy that increases entitlement may incur additional costs and impact on access to 'passport' benefits delivered by DWP.

Under current DWP administration, clients in receipt of disability benefits may be entitled to additional 'passport' benefits and DWP premiums where the disability benefit acts as a 'passport' to automatic entitlement of additional benefits or premiums. If we were to introduce a mobility component to Disability Assistance for Older People, DWP may not pay these reserved premiums or benefits.

There is also a risk that, should eligibility rules diverge significantly from current DWP rules, Disability Assistance may not continue to be recognised as 'like for like' for passporting purposes. This would put all reserved passported benefits at risk for clients eligible for Disability Assistance. We know that these passported benefits are very important to many people receiving Disability Assistance.

Funding provided by the UK Government to Scotland in relation to devolved powers is linked to the UK expenditure on those policy areas and because there is not currently a mobility component in the rules of the UK AA benefit, the costs outlined above would need to be found from the current Scottish block grant. At an estimate of over half a billion pounds a year, this is not a feasible approach for the implementation of social security in Scotland.

Changes to the eligibility criteria for devolved benefits risk creating a two-tier social security system

In the medium term, introducing a mobility component would mean that some disabled people in Scotland already in receipt of AA would not be eligible for the mobility component until their case transfers from DWP to Social Security Scotland, whilst other people in Scotland claiming DAOP may be eligible. This would cause unfairness, confusion and disruption for clients by creating a two-tier benefits system, with two different sets of eligibility criteria and rules, whilst undertaking a significantly complicated transfer process.

Conclusion

The Scottish Government's priority is for a safe and secure transition of disability benefits from DWP to ensure that Scottish clients continue to receive their Disability Assistance payments with no disruption.

As outlined in this paper, there are three risks we have identified in introducing a mobility component to DAOP. The clear and significant financial implications; the risk to reserved passported benefits if any significant policy changes to the eligibility criteria for DAOP are made; and the further risk of creating a two-tier social security

system in the medium term. We therefore do not intend to make changes to the current eligibility criteria for this form of Disability Assistance at this time.

Scottish Government
Social Security Directorate
February 2020

All enquiries in relation to this paper should be sent to:

David George
david.george@gov.scot
2C-South Victoria Quay



Scottish Government
Riaghaltas na h-Alba
gov.scot

© Crown copyright 2020

OGL

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit nationalarchives.gov.uk/doc/open-government-licence/version/3 or write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or email: psi@nationalarchives.gsi.gov.uk.

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

This publication is available at www.gov.scot

Any enquiries regarding this publication should be sent to us at

The Scottish Government
St Andrew's House
Edinburgh
EH1 3DG

ISBN: 978-1-83960-501-7 (web only)

Published by The Scottish Government, February 2020

Produced for The Scottish Government by APS Group Scotland, 21 Tennant Street, Edinburgh EH6 5NA
PPDAS683554 (02/20)

W W W . g o v . s c o t