

# Disability benefits and social care for older people

## IMPACT CASE STUDY

### Summary

**Our research informed the government's decision to abandon a policy proposal to reduce disability benefits for over 2.44 million older people. The research highlighted a flaw in income analysis used by the government, which suggested that disability benefits often go to older people without substantial financial needs.**

In 2008, the UK government proposed a reform of disability benefits. This reform would see non-means tested benefits, like Attendance Allowance (AA), integrated with means-tested forms of social care support. This assumed that disability benefits are less well targeted than subsidised social care. Such a change would potentially affect the income of millions of older people.

Our research was essential in demonstrating that such a reform could have serious implications for many claiming these benefits.

We examined the extent to which these benefits are received by those in most financial and disability-related need. We highlighted the need to exclude AA and the care component of the Disability Living Allowance (DLAc) (or the costs they are intended to meet) from the definition of income when considering where recipients are in the distribution of income and, by implication, of living standards. Our conclusion was that AA and DLAc are well-targeted in terms of both financial and care needs.

### Policy changes

In early 2006 the King's Fund commissioned a review [Securing Good Care for Older People](#) led by Sir Derek Wanless. Recommendations in the report included moving the AA into the social care system. We collaborated with The Smith Institute, who published a series of essays [Advancing Opportunity: Older People](#)

and [Social Care](#) critiquing the proposed options. Our essay (Chapter 8: Disability benefits and paying for care p.92) suggested that more evidence was needed before such a policy change was implemented. This led to a meeting (6th February 2008) with the [Minister for Care Services, Ivan Lewis](#), and reports in national newspapers, including [The Guardian](#). Subsequently, the Work and Pensions Committee started an inquiry into Pensioner Poverty, where we submitted [written evidence](#).

In May 2009 at the House of Commons Public Accounts Committee, the Department for Work and Pensions committed itself to exploring the take-up of Carer's Allowance. We were commissioned to write a paper to inform the inquiry. This culminated in a [working paper](#) by Richard Berthoud and a feasibility study: [The take-up of Carer's Allowance: DWP Working Paper No 84](#). The latter is cited in a number of important papers, including [The Care Act 2014](#) and more recently the [2020 House of Commons Library Briefing Paper - Carer's Allowance](#).

[Our evidence](#) to the 2009 House of Commons Health Committee inquiry into social care was the only rigorous academic evidence on the distributional pattern of disability benefits. It directly challenged the basis of the government's proposal. [The Committee's report](#), citing our work (recommendation 35), called for a better evidential basis for policy towards disability benefits and the subsequent White Paper backtracked on that proposal.

The Head of Public Policy at Age UK stated: "We believe that their report, and your submission to them, influenced the then government's decision not to reform Attendance Allowance or integrate it with means-tested care support. It is our impression that the research has had an influence on the way the Department for Work and Pensions views the financial position of disabled older people in receipt of Attendance Allowance (AA) or Disability Living Allowance (DLA)."

In 2010, following election of the Coalition Government, the Commission on Funding of Care and Support (the Dilnot Commission) was set-up to review social care funding. We were invited to the academic panel of the 2010-11 Commission. This enabled us to have a direct line into influencing recommendations and decisions.

The Dilnot Commission published its recommendations on 4 July 2011. **It recommended retaining non means-tested disability benefits for older people.** In October 2012 we shared our research on social care and disability benefits with the No 10 Policy Unit. The 2012 Welfare Reform Act replaced DLA with a Personal Independence Payment for new claimants, which differs from DLA in detail **but remains a non means-tested benefit for disabled people.** Attendance Allowance remained in place. For the foreseeable future older people in the UK therefore retained access to non means-tested cash disability benefits to help them meet the additional costs that disability brings. As of 2012, these benefits reach some 2.44 million people aged 65+ in Great Britain. These people are the immediate beneficiaries of the decision to retain these benefits. Some of them would have lost as much as £77.45 per week (April 2012 rates) had AA and DLA been withdrawn completely. Perhaps more importantly, a public policy change based on an incorrect premise has been avoided.

In December 2015, in the latest proposal for more integration of the disability benefits and social care systems, the Government announced it was considering giving more responsibility to local authorities, to support older people with care needs. This included those supported through the AA. In response to yet another proposed change, our research was used to evaluate the pros and cons of transferring the AA system to local authorities. This culminated in a report Attendance Allowance and Local Government by the Strategic Society Centre, which was then launched at a seminar at the House of Lords in June 2016. The report urged caution over the government's proposal. Lord Lipsey, who chaired the event, declared: "This was an occasion on which the presentation of research on a much-neglected subject was hugely influential. The evidence presented which suggested that, contrary to my assumptions, Attendance Allowance was quite progressive changed my perspective on the issue." In July 2016, the Department for Communities and Local Government consulted on plans to allow local authorities to retain 100% of business rates and sought views on what responsibilities could be funded locally from this new revenue stream: this included AA. In August 2016, the Joseph Rowntree Foundation (JRF) published a report on poverty and the elderly and the design of the social security system. Many of the responses to the consultation quoted this report or an earlier report with the Strategic Society Centre, which drew on our previous research, and both were quoted extensively in a House of Commons Library publication in January 2017.

In January 2017 the Communities and Local Government Secretary Sajid Javid announced that

the Government had **decided against the proposed devolution of Attendance Allowance to local authorities.**

In 2018 we submitted written evidence to the House of Commons Health and Social Care and Housing, Communities and Local Government Committees inquiry into Long-term funding of adult social care.

The work continues to be cited, most recently (2020/21) by House of Commons Library in a briefing paper on Carer's Allowance and another on informal carers in June 2021.

## Funding

This research has only been possible with additional funding from collaborations with the Nuffield Foundation, Age UK and an ESRC Impact Acceleration grant. Our work has been informed by views from the third sector and has, in turn, influenced the thinking behind recent policy views expressed by several third sector organizations, such as Age UK, Carers UK, the Associated Retirement Community Operators, the King's Fund, Independent Age, the National Association of Welfare Rights Advisers and smaller specialist organisations such as the Motor Neurone Disease Association.

## Multi-disciplinary team

This research was carried over more than a decade by a collaborative partnership between: David Berthoud, Stephen Pudney, University of Essex, Ruth Hancock and Marcello Morciano, University of East Anglia, Francesca Zantomio, University of Essex and Monica Hernandez, University of Sheffield.

## Some key publications

Hancock RM, Morciano M and Pudney SE (2012) 'Attendance Allowance and Disability Living Allowance claimants in the older population: is there a difference in their economic circumstances?' *Journal of Poverty and Social Justice* 20 (2), 191-206

Hancock RM and Pudney SE (2013). 'Assessing the distributional impact of reforms to disability benefits for older people in the UK: implications of alternative measures of income and disability costs'. *Ageing and Society* 34 (2), 232-257

Pudney SE. (2009). *Participation in disability benefit programmes. partial identification analysis of the British attendance Allowance system. ISER Working Paper no. 2009-19.* Colchester: ISER, University of Essex <https://www.iser.essex.ac.uk/research/publications/working-papers/iser/2009-19>

Berthoud R and Hancock R (2008). 'Disability benefits and the costs of care.' In N. Churchill (ed.), *Advancing Opportunity: Older People and Social Care*, Smith Institute. Previously published in 2008 as University of Essex: ISER Working Paper 2008-40: [https://www.iser.essex.ac.uk/files/iser\\_working\\_papers/2008-40.pdf](https://www.iser.essex.ac.uk/files/iser_working_papers/2008-40.pdf)