

Joyce, Robert; Ray-Chaudhuri, Sam; Waters, Tom

Research Report

The number of new disability benefit claimants has doubled in a year

IFS Report, No. R233

Provided in Cooperation with:

Institute for Fiscal Studies (IFS), London

Suggested Citation: Joyce, Robert; Ray-Chaudhuri, Sam; Waters, Tom (2022) : The number of new disability benefit claimants has doubled in a year, IFS Report, No. R233, ISBN 978-1-80103-112-7, Institute for Fiscal Studies (IFS), London, <https://doi.org/10.1920/re.ifs.2022.0233>

This Version is available at:

<https://hdl.handle.net/10419/282910>

Standard-Nutzungsbedingungen:

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

Terms of use:

Documents in EconStor may be saved and copied for your personal and scholarly purposes.

You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.

If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.



Institute for Fiscal Studies

IFS Report R233

**Robert Joyce
Sam Ray-Chaudhuri
Tom Waters**

The number of new disability benefit claimants has doubled in a year

The number of new disability benefit claimants has doubled in a year

Robert Joyce
Sam Ray-Chaudhuri
Tom Waters

Published by **The Institute for Fiscal Studies**

© The Institute for Fiscal Studies, December 2022

ISBN 978-1-80103-112-7

The authors gratefully acknowledge the support of the ESRC Centre for the Microeconomic Analysis of Public Policy (ES/T014334/1).

Executive summary

Personal Independence Payment (PIP) is a disability benefit that aims to support individuals facing higher living costs due to difficulties in mobility or carrying out everyday tasks. In summer 2021, each month 15,000 or so working-age people started a PIP claim. That monthly figure had remained little changed for years. It then steadily increased, such that by July 2022 (the latest data) it had doubled to 30,000. This report investigates the increase.

Key findings

1. The increase in claims has been seen across ages and conditions. Essentially all ages have seen their claim rate roughly double, although for teenagers it has tripled. Claims for most major conditions also increased by a similar amount.
2. Around a third of the new claims are for mental or behavioural conditions, although among claimants under 25 that figure rises to 70%. The *share* of claims for mental illnesses, has – like other conditions – changed remarkably little during the rapid rise.
3. Rising applications to disability benefits has led to a backlog of around 250,000 people waiting for their claim to be assessed. So far this does not appear to have affected waiting times, though they remain long at 18 weeks on average.
4. The success rate (the proportion of applications that are awarded PIP) has stayed roughly the same since 2016 at around 40%. This is consistent with the assessment system remaining roughly the same in terms of its “strictness”, and the ill health of applicants remaining at similar severity, with the spike in new PIP awards simply driven by more people in ill health and making claims.
5. Consistent with that interpretation, survey data on the working-age population as a whole show that health has been getting worse, with 9.6% (4.0 million) now reporting that their health limits their daily activities “a lot”, up from 8.5% (3.5 million) at the start of 2021. Here too we see an increase across all major types of condition. There has also been a significant rise in the number of (non-COVID) working-age deaths from late 2021 through 2022, compared to pre-pandemic years.

1. Background

Personal Independence Payment (PIP) is a disability benefit that aims to support individuals facing higher living costs due to difficulties in mobility or carrying out everyday tasks. As of May 2022, there were more than 2.8 million people receiving it (7% of the working-age population).¹ In order to make a claim, individuals provide information about how their disability affects them, and may have an assessment with a health professional to judge the severity of their condition. Entitlement to PIP is unrelated to income and claimants may be employed – distinguishing it from (largely income related) ‘incapacity benefits’ which are targeted at those whose condition prevents them from working. Claimants receive between £1,270 and £8,160 per year, depending on the severity of their disability. Spending on working-age disability benefits (PIP and its predecessor, which is still being gradually phased out) is currently around £15 billion per year – up from £8 billion back in 2010–11 (here and throughout we use 2022–23 prices), and considerably more than had been expected around the start of the decade.² Back in the Spring, the Office for Budget Responsibility (OBR) expected spending to rise to £20 billion by 2026–27.

Recent data show a sharply rising number of people being awarded PIP. This has led to the OBR [substantially revising up their predictions](#) for disability benefit spending over the next few years, adding an *additional* £2.2 billion by 2026–27, on top of the £5 billion rise already assumed (they also substantially increased their forecast for incapacity benefit spending).

In this comment, we investigate recent trends in PIP claims and the health of the wider population.

¹ This 2.8 million also includes working-age recipients of Disability Living Allowance, the predecessor to PIP. This statistics are based on DWP Stat-Xplore data. For reasons that are unclear, the DWP “[Benefit expenditure and caseload tables](#)” gives a lower number than Stat-Xplore for years since 2020–21.

² See [Cribb et al. \(2022\)](#). Part of this rise is due to the increasing state pension age meaning that more people are defined as ‘working-age’, though, as shown in Cribb et al., sharp increases in spending remain even once this factor is adjusted for.

2. Trends in PIP applications and awards

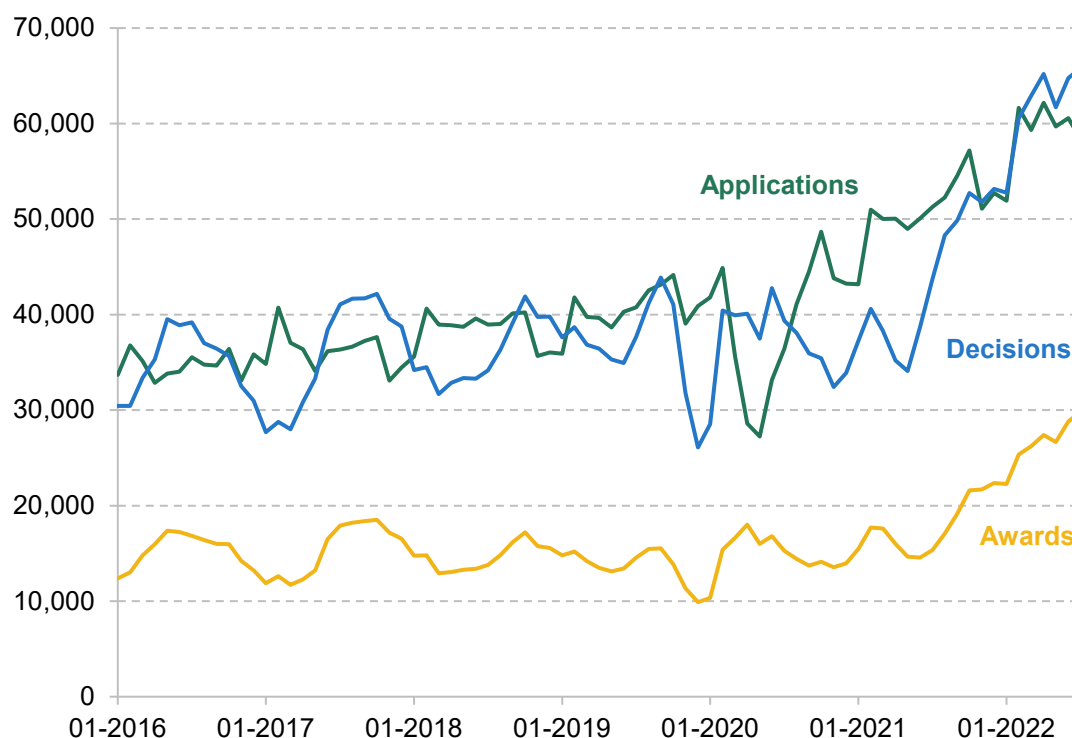
We begin by studying the number of applications to PIP and what happens to those applications. An important factor here is that there is a sizable wait between application and when a decision is made (i.e. when the claimant is told whether their application has been successful) – a point we return to shortly. Figure 1 shows how applications, decisions and awards have changed over time. In broad terms all three stayed relatively stable up until early 2021. New applications then started to rise sharply, and decisions and awards followed about six months after. In the latest month of data (July 2022) the number of people newly awarded PIP was, remarkably, more than double what it had been in the same month just one year earlier, at around 30,000.

The increase in the number of individuals being awarded PIP per month is very similar to the rise in decisions, meaning that the success rate (the proportion of decisions resulting in an award) has stayed roughly the same since 2016 at around 40%.³ This is consistent with the assessment system remaining roughly the same in terms of its “strictness”, and the ill health of applicants remaining at similar severity, with the spike in new PIP awards simply driven by more people in ill health and making claims.

³ Some claimants appeal their PIP decision if they are unsuccessful via a ‘mandatory reconsideration’. Incorporating those who are awarded PIP at the appeal stage does not change the trend in the success rate.

5 The number of new disability benefit claimants has doubled in a year

Figure 1. Personal independence payment applications, decisions, and awards in England and Wales



Note: 3 month moving average. Does not include DLA reassessments. Excludes Scotland, because from 2022 PIP is being replaced by Adult Disability Payment in Scotland, artificially reducing the number of new PIP claimants.

Source: Authors' calculations using data from DWP Stat-Xplore.

PIP claimants are usually awarded the benefit for a fixed period, after which their condition is reviewed and they can lose their entitlement if it is deemed to have improved sufficiently. The number of PIP reviews resulting in an individual losing their award has stayed roughly the same for several years, at around 5,000 per month.⁴ So, while inflows have risen considerably, there has thus far been no material change to outflows – meaning that, if these trends continue, the total caseload of claimants will continue to rise.⁵ It is indeed the dramatic increases in recent rates of monthly inflow that the OBR cite as driving their large upwards revisions to caseload and spending forecasts.

⁴ This is less than the total number of people who stop claiming PIP each month, as those who die while on the benefit are not counted in the review statistics.

⁵ Net monthly inflows – total inflows minus total outflows, including those that do not happen at a review – have increased by around 15,000, consistent with the increase in gross inflows shown in Figure 1 and little change to total outflows.

6 The number of new disability benefit claimants has doubled in a year

The large and sudden increase in applications for PIP is likely to put pressure on the administration of the system. Figure 2 shows the backlog of claims that still need to be processed. By July, around a quarter of a million people were waiting for an initial decision – more than two and a half times as many as at the beginning of 2016, with much of that increase having come since the second half of 2020. This large backlog indicates that the number of awards will likely continue to rise in the short-term even if applications were to subside. So far, it does not appear that the heightened burden has led to rising wait times: the median wait time for applications decided in July 2022 was 18 weeks, which was in fact shorter than a year earlier. Whether that performance can be maintained for more recent applicants is yet to be seen. And it is worth noting that 18 weeks, or around 4 months, is still a long time for people to wait for support if they are of modest financial means – this is a number that we would ideally not simply keep the same, but reduce.

Figure 2. Personal independence payment backlog (number waiting for initial decision)



Note: Backlog calculated using new PIP applications and decisions (clearances) each month. Does not include DLA reassessments. Excludes Scotland, because from 2022 PIP is being replaced by Adult Disability Payment in Scotland, artificially reducing the number of new PIP claimants.

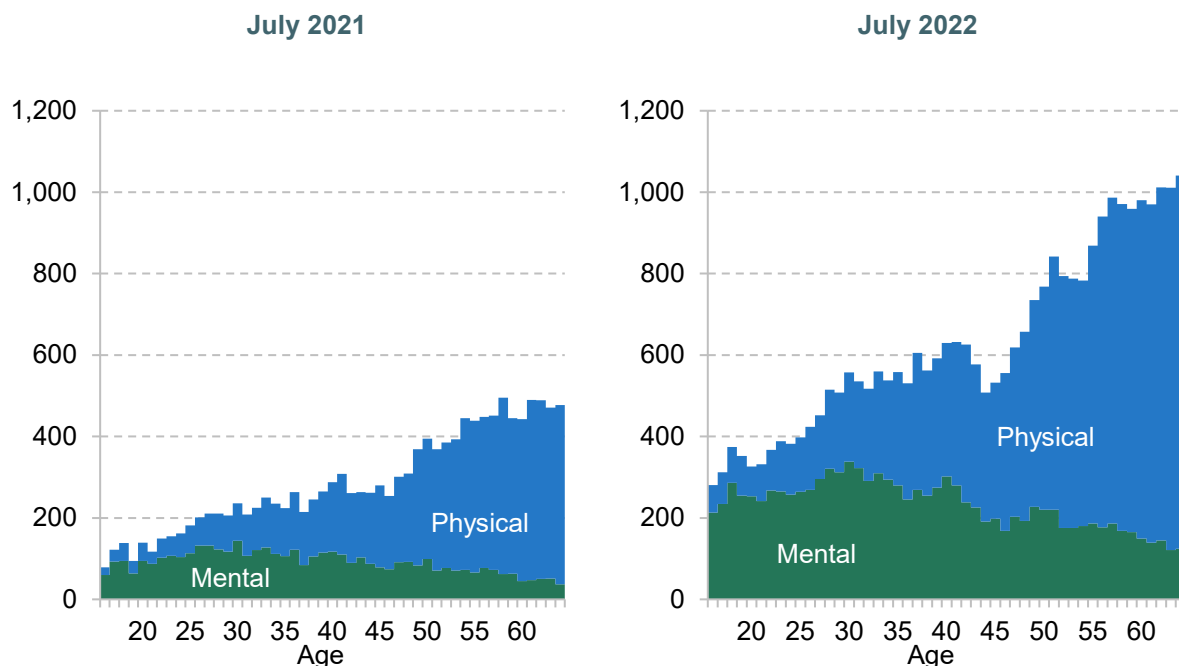
Source: Authors' calculations using data from DWP Stat-Xplore.

3. Who are the new claimants?

We now turn to examining what sorts of claimants and health conditions are driving the increases in PIP claims. Figure 3 shows the number of people beginning a PIP award in July 2021 – immediately before the start of the sharp rise in awards discussed above – and in July 2022, split by single year of age and whether their main disabling condition is mental/behavioural or physical.⁶ Two things are clear from the figure. First, the rise in awards is very widespread, with at least a doubling at almost every age. There are particularly large proportional changes for teenagers, where new claims have tripled in the space of a year. Second, there is a strong relation between age and condition. About 70% of claimants under 25 claim for mental/behavioural disabilities, compared to only 20% of those aged 55 or over (overall around a third claim for mental/behavioural problems). This pattern has changed little over the year, despite the sharp increase in claims.

When we look at health conditions in more detail, beyond a broad mental-physical categorisation, we see again that the rise in claims is widespread: the conditions of the set of claimants that began a claim in July 2022 look quite similar to those that began a claim the year before. Thus, the increase in disability benefit claims is not driven by a sharp rise in one or two illnesses – it rather looks like worsening health that is manifesting itself in a variety of ways.

⁶ July 2019 looks similar to July 2021, suggesting that there was little immediate effect of COVID on these patterns.

Figure 3. Monthly Personal Independence Payment awards by type of disability and single year of age

Note: Mental health awards relates to all PIP awards where the main disability is psychiatric disorders. Physical health awards include awards for all other reasons. Does not include DLA reassessments. Excludes Scotland, because from 2022 PIP is being replaced by Adult Disability Payment in Scotland, artificially reducing the number of new PIP claimants.

Source: Authors' calculations using data from DWP Stat-Xplore.

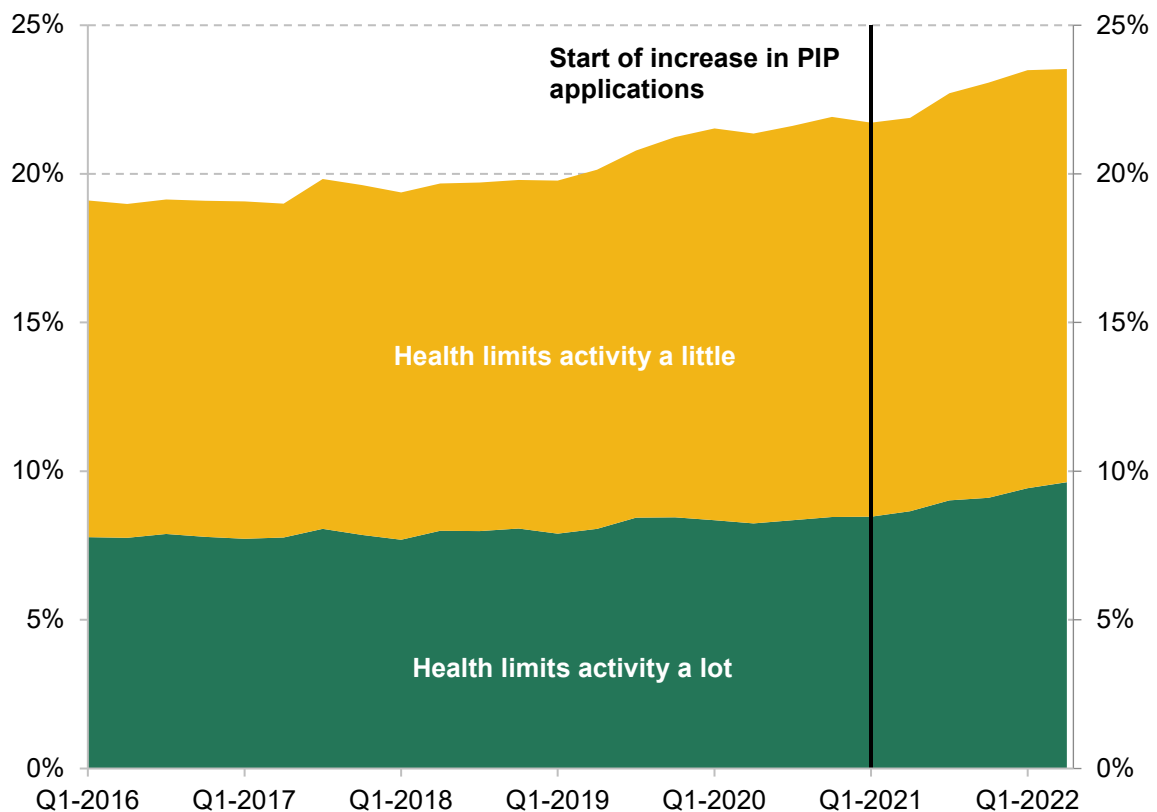
Given the turbulence in the labour market over the last few years, one might expect the new claimants to be disproportionately likely to have just lost their job, and perhaps claiming to replace lost income; or alternatively, we might expect to see deteriorating health causing both labour force exit and new claims to PIP. We investigate this using Labour Force Survey data, examining the labour market status of disability benefit recipients over time (here, for reasons of sample size, we focus on all working-age disability benefit recipients, rather than new claimants). We find no evidence of any change here: in mid-2022, about two-thirds of claimants had been out of work for at least five years, with the remainder evenly split between those out of work for less than five years and those in work – a composition that has remained very steady before, during, and since the pandemic. This is consistent with the recent rise in health-related inactivity, which [research shows](#) is also driven primarily by people already out-of-work becoming unwell, rather than those in work leaving the labour market because of deteriorating health. In other words, ill health does not appear, yet, to be a dominant factor causing exit from the labour force. But worsening health in the UK does appear to be a real and worrying phenomenon, creating multiple challenges, including this further pressure on the benefits system.

4. Worsening health across the population

Just how sure can we be that we are seeing the consequences of a real recent deterioration in health in the UK, rather than something specific to the operation of our disability benefits system, or increased awareness or diagnosis of certain conditions over time and/or as a result of the pandemic?

Figure 4 examines reported health not merely of those claiming disability benefits but the whole working-age population, based on questions in the Labour Force Survey. It shows the fraction of working-age individuals reporting that they have a health condition which limits their day-to-day activity “a little” or “a lot”. The share of people reporting that they have a condition which limits their activities to at least some extent has risen from around 20% at the start of 2019 to 23.5% in mid-2022. The rise seemed to start before the pandemic, making it hard to attribute all of it to pandemic-related factors (this chimes with what is seen when looking at the timing of increases in [health-related economic inactivity](#)). However, the growth in the “a lot” category significantly sped up from early 2021 (from 3.5 million to 4.0 million),⁷ right around when we saw the number of PIP applications start to rise. This is consistent with worsening health across the population leading to more people putting in claims for PIP.

⁷ Between 2018Q4 and 2021Q1 the share of the population reporting that their health condition limited their daily activities “a lot” increased by 0.4ppts; between 2021Q1 and 2022Q2, a shorter time period, it increased by 1.2ppts.

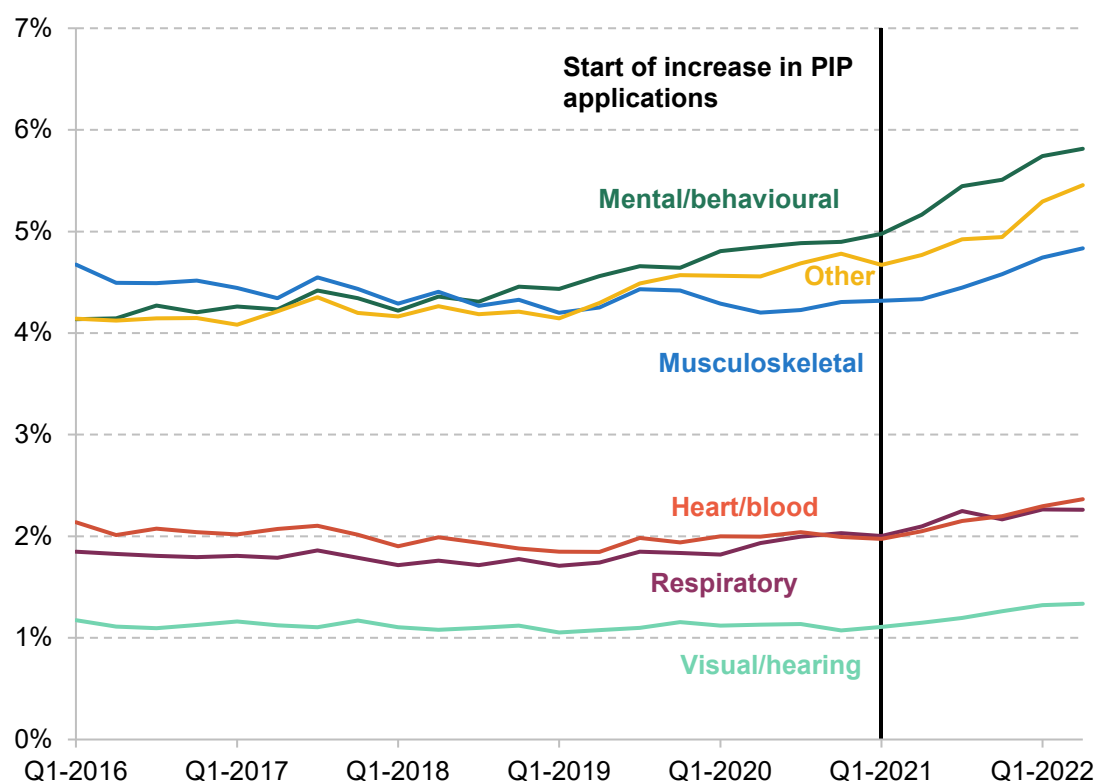
Figure 4. Share of working-age individuals reporting a health condition which limits their activity

Note: Share of all individuals aged 16-64.

Source: Authors' calculations using Quarterly Labour Force Survey 2016Q1-2022Q2.

We now examine what kinds of conditions account for this rise in self-reported health problems. Figure 5 shows the fraction of the population who report having a particular condition and that their health limits their activities “a lot”. The frequency of most conditions is fairly stable prior to the pandemic (except for mental/behavioural, which has been on a long-term rise), and the same was largely true in the first year of the pandemic. But since the start of 2021 – when we see PIP applications begin to increase – all conditions have increased in frequency. They have also all increased proportionally by roughly similar amounts (around a sixth on average). This is consistent with what we see among new PIP claimants, who have a similar composition of conditions to those who began a claim prior to the recent rise. In other words, it looks like a broad-based worsening of health feeding through to greater numbers of PIP applications.

Figure 5. Share of working-age individuals reporting different types of ill health and who describe their health as limiting their daily activities “a lot”



Note: Share of individuals aged 16-64. Illness only counted if individual also reports that their health limits their daily activities “a lot”. Respondents to the Labour Force Survey can report multiple conditions but are not asked to specify which is the “main” one, nor which are responsible for limiting their daily activities; we show all conditions an individual reports. As a result, the series add up to more than the fraction of individuals whose health conditions limit their activities “a lot”.

Source: Authors’ calculations using Quarterly Labour Force Survey 2016Q1-2022Q2.

It is always possible to question whether increases in self-reports of health conditions, or of people coming forward with a condition in order to make a disability benefit claim, could be affected by changes in the degree of awareness or diagnosis of certain conditions. Over long periods of time this is plausible, particularly perhaps for certain conditions, such as mental health conditions. However, we end this section by noting that UK health appears to be deteriorating according to the least subjective of all measures: the number of people dying. In the Appendix (Figure 6) we show the number of deaths that do not involve COVID among people aged 15-64 for various years. Outside of the winter months (which are significantly affected by the severity of the flu season that year and thus there is much more volatility), there have been significantly more non-COVID deaths in 2021 and 2022 than in pre-pandemic years.

12 The number of new disability benefit claimants has doubled in a year

Overall, with indications from various sources and measures that something concerning is happening to health in the UK, and a broadly constant success rate among those applying to disability benefits, it seems clear that rapid increases in flows on to disability benefits are driven (at least primarily) by worsening population health.

5. Conclusions

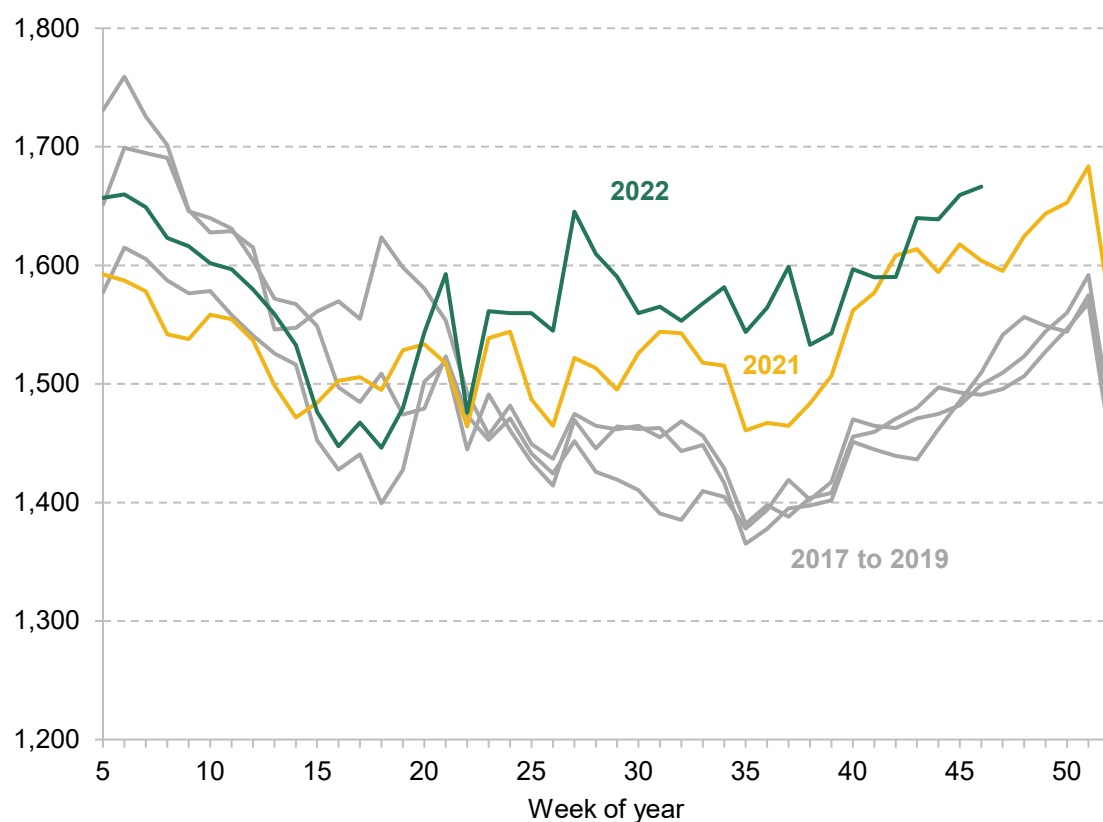
From mid-2021 to mid-2022, we have seen a rapid increase in the number of people beginning a PIP claim. This does not seem to be driven by a change in the operation of the PIP system, and nor does it appear closely related to labour market factors. Instead, the evidence is consistent with the rise being driven by a general worsening of health across the population. The number of people with health conditions that significantly affect their day-to-day activities – crudely the requirement for PIP eligibility – started to significantly rise at the same time as when PIP applications increased. Both among the unwell population at large, and among new PIP claimants specifically, we see deteriorations in health that are broad-based across conditions rather than driven by just one or two major culprits.

Precisely why health is getting worse is well beyond the scope of this report, and research and debate will continue as to how – if at all – this relates to direct or indirect effect of the pandemic and the performance of the NHS.

Whatever the cause, significantly greater disability benefit spending looks like it will be one of many consequences of this concerning societal trend.

Appendix

Figure 6. Number of non-COVID deaths among individuals aged 15-64 for different years, 5 week rolling average



Note: Five week rolling average ending at the week shown.

Source: Authors' calculations using ONS "Deaths registered" statistics.