Dear David,

I gave a commitment at the Regret Motion debate on 24 June that I would respond in writing on those issues I was unable address at that time or which have subsequently been brought to my attention.

I would like to point out that many of these issues did not directly relate to the change we introduced to ensure that all hospital in-patients were subject to the same Disability Living Allowance (DLA) payment rules regardless of whether they had a Motability vehicle or not. I should also remind those who raised concerns about the new Personal Independence Payment (PIP) assessment that this matter has already been subject to comprehensive debate in both Houses and the detailed rules have been approved by Parliament.

Due to the range of issues that I intend to address in this letter, I have included sub-headings for ease of reference.

Atos Healthcare

I would like to begin with the issues that you and other Noble Lords raised concerning Atos Healthcare, and in particular the case that you sent me regarding accessibility to their centres.

All Atos PIP assessment centres meet accessibility standards. Where access to assessment rooms is via a lift there are health and safety implications in the event of a fire if claimants cannot use stairs. However, I can assure you that the majority of permanent assessment centres used by Atos Healthcare have a ground floor assessment room.

In respect of non ground floor assessment centres, Atos Healthcare makes efforts to identify those claimants who may have problems in evacuating the building, via the stairs, during an emergency. This is undertaken by the agent at the Atos Healthcare call centre when booking appointments and for those cases where the call agent is unable to make telephone contact with the claimant, information is provided, along with the appointment letter, which makes it clear
which floor the centre is located on. Those that feel this would cause them difficulties are invited to contact Atos Healthcare in advance of their appointment to discuss their individual circumstances.

Where an individual’s decreased mobility makes attendance at a non ground floor assessment centre unsatisfactory, the claimant is either offered an assessment at the nearest ground floor centre, with full reimbursement of travel expenses, or a home visit.

There were also concerns regarding how long a claimant is expected to travel when attending assessment by Atos Healthcare. The Department’s requirement is that claimants do not have to travel for more than 90 minutes by public transport (single journey) for a consultation. However, this limit is an absolute maximum and we expect that only a small minority of claimants will have to make a journey of this duration. Atos Healthcare has agreed to this contractual requirement.

Finally, I can confirm that, across their two lots, the combined value of which is £391m, Atos Healthcare will be working with 14 supply chain partners. A full list of the supply chain partners is available on the Atos website at:

http://uk.atos.net/en-uk/newsroom/press_releases/2013/2013_02_18_05.htm

You asked why the Department did not contract directly with the NHS. It was open to NHS organisations to bid for a place on the Health and Disability Assessment framework but none did so. By working with local NHS services, Atos will be able to offer PIP claimants familiar surroundings and experienced health professionals. Atos’ partner organisations in the NHS and private healthcare sector will be carrying out the majority of the face-to-face consultations in Lots 1 and 3. Atos will use its own staff for all other aspects of the service. The partnership proposed here demonstrated best value for money for the Department and its customers.

**PIP consultation: Moving Around Activity**

Which brings me to the points raised regarding the consultation on the PIP assessment Moving Around activity; as I explained during the debate, we received feedback from some disabled people and their organisations saying they were unhappy with the changes that were made to the assessment criteria for the Moving around activity as a result of the previous consultation and they wanted a further opportunity to have their views considered. We have listened to these concerns and have decided to carry out an additional consultation, seeking further views on the Moving around activity.

We are carrying out the consultation with an open mind and we are keen to receive and are committed to considering all responses. We will not make a decision on whether any changes are necessary until we have fully considered the responses to this new consultation.

In reaching our decision we will consider how any potential changes might affect individuals and the numbers of people likely to receive the benefit. We will also consider the potential impact of any changes on PIP and overall welfare
expenditure and whether this is affordable and sustainable. We will publish a report summarising the responses received and how we reached our conclusions, once we have completed the consultation. In the interests of transparency, we will publish the responses from organisations.

In response to your question about whether we will apply any changes to those claimants already receiving PIP, I am unable to pre-empt the outcome of the consultation and give a definite response at present. Once we have considered all the responses, if we decide changes are needed, we will consider the implications for existing PIP claimants.

Change to ensure all hospital in-patients are subject to the same DLA payment rules

There appears to be a fair amount of confusion surrounding the change that was introduced to ensure that all hospital in-patients are subject to the normal Disability Living Allowance (DLA) payment rules, as part of the amendment regulations that came into force on 8 April, which I would like to clarify.

As I stated at the debate, we clearly signalled our intention to implement this change in the DLA Reform and Personal Independence Payment consultation: ‘Completing the Detailed Design’ (March 2012) and announced our decision to provide transitional protection for those claimants in hospital when the new rules came in, in the Government response. I can also assure you that Motability communicated this change to their customers before it was implemented on 8 April 2013.

I also outlined at the debate that we estimate that there were around 1500 in-patients with Motability vehicles in hospital when the new rules came. We have ensured that these people will be able to keep their cars until their lease agreement runs out with a long stop date of 8 April 2016. We also estimate that there may be around 800 new in-patients a year who will be subject to the new rules. All of these individuals will be able to keep their car for up to 56 days - 112 days in the case of a child under the age of 16 years. Beyond this Motability have stated they will consider the return of the vehicle on a case by case basis. This will be an independent decision made by the Motability scheme.

Some of you have said that allowing families to use the Motability car to, for example, visit the in-patient in hospital represents a direct benefit to the disabled person. I stand by what I said at the debate, although I do appreciate that where a Motability vehicle is recovered this may have an impact on the user’s family.

Introduction of Personal Independence Payment

Which brings me to my final points regarding Personal Independence Payment (PIP); the Department has engaged and consulted extensively with disabled people on the design of PIP, and have taken over two years on the development of the assessment criteria with three formal consultations.

We wrote to every existing Disability Living Allowance (DLA) claimant earlier this year as part of the annual letter that confirmed their new rate of DLA. The letter explained how and when individuals might be affected by the introduction of PIP.
The Personal Independence Payment (PIP) pages at gov.uk include a PIP checker tool that can offer tailored advice for individuals, and a new PIP leaflet has also been published. We recognise that many claimants seek advice from a range of sources and our online toolkit for support organisations helps ensure they provide the best advice.

Regarding how PIP awards are to be made, decision makers will assess the merits of each case individually against objective assessment criteria designed to consider an individual's personal circumstance and the impact that their impairment has on their life.

Motability and appeals

I would also like to add clarity to the points made regarding the numbers of Motability vehicles that have adaptations. Motability advise that most of their scheme users requirements can be met by standard production cars, especially those with the right features for them such as automatic transmissions. These features are becoming more standard in new cars as manufacturers focus on the needs of an increasingly old and disabled customer base. Only 2% of Motability's current fleet are funded through the Specialised Vehicle Fund which Motability administers on behalf of the Department. Around 4% are heavily adapted and another 7% of the fleet have very minor adaptations such as hand controls to aid steering.

I have answered the point many times before regarding allowing Motability customers to keep their vehicle during an appeal; as an independent charity, Motability are wholly responsible for the administration of the Motability Scheme including setting policy on the recovery of vehicles.

In so far as estimating the numbers of those Motability users who may lose entitlement to the Scheme as a result of PIP reassessment, we cannot provide a reliable estimate because PIP has different eligibility conditions to DLA. We have information on the numbers of DLA claimants in receipt of the higher rate mobility component who choose to use the Motability Scheme but we do not have a read across from how many people will be on the enhanced mobility allowance to those who will have a Motability contract under PIP.

In addition there will be a first independent review of PIP by the end of 2014; this may also have an impact on PIP entitlement and as a consequence may have implications regarding the numbers who can qualify for the Motability Scheme.

We are continuing to work closely with Motability to understand what impact Personal Independence Payment (PIP) might have on their customer numbers and to ensure they are well placed to manage the introduction of the new benefit.

There continues to be concern regarding what support will be available to those disabled people in employment who may not qualify for PIP and who may lose their Motability car as a result. We are examining the evidence on disability employment to determine the effectiveness of our support package for disabled people and interventions from other Government departments that would support the goals of our disability employment strategy.
Finally, regarding the point on the ability of the Motability customer to purchase their vehicle at the end of the lease, this is actually part of Motability's package of support so I think you will agree that they are best placed to answer this.

I hope this helps clarify matters. I have copied this to all those who spoke at the debate and will place a copy of this letter in the House libraries.

Yours sincerely,

David

Lord Freud
Minister for Welfare Reform