

11 January 2024

## Supplementary forecast information release

### Further information on the work capability assessment reforms at the Autumn Statement 2023

- 1.1 The OBR is releasing the information below following requests for further detail on the forecasts presented in our November 2023 *Economic and fiscal outlook (EFO)*. We will, as far as possible, meet any requests to release supplementary forecast information where this will improve the quality of public debate on the public finances. Our full release policy is available on our website.
- 1.2 We have received a request for our estimates of the number of individuals whose conditionality group will be different as a result of the work capability assessment<sup>1</sup> (WCA) reforms, broken down by each reform. Three changes were made to WCA descriptors at Autumn Statement 2023: the removal of the 'limited capability for work and work-related activity' (LCWRA) mobilising descriptor, a change to the LCWRA substantial risk descriptor, and a change to the 'limited capability for work' (LCW) getting about descriptor. The impacts that each of these descriptor changes are estimated to have on work capability assessment outcomes, and resultantly on the conditionality group caseloads, are presented in Table 1 below.
- 1.3 The key uncertainty in these estimates is the behavioural response of claimants. Given the financial gain from being assigned as LCWRA, as well as the lower level of conditionality, we expect some individuals will change their behaviour in the WCA to increase their chances of being found eligible for LCWRA against the remaining descriptors. We also expect the policy to increase the volume of mandatory reconsiderations and appeals from those claimants that are moved out of the LCWRA caseload, and that some of these appeals will reverse that initial assessment. There is limited evidence to inform both judgements so the exact level could be higher or lower than we expect. For more detail see paragraph 3.24 of the November 2023 EFO.
- 1.4 An Excel version of this table is available on the website alongside this supplementary release.

---

<sup>1</sup> The Work Capability Assessment tests an individual's capability to work and to determine if they meet the eligibility requirements for certain health-related benefits. Claimants are assessed against a set of criteria, referred to as 'descriptors', which cover various functional activities such as mobility, communication and daily living tasks. Based on their assessment against these descriptors, a claimant can be considered as having: i) 'capability to work' (CTW), ii) 'limited capability for work' (LCW), or iii) 'limited capability for work and work-related activity' (LCWRA).

Table 1: Estimated changes to universal credit conditionality group caseloads due to each WCA reform at Autumn Statement 2023

	Benefit units, thousands			
	2025-26	2026-27	2027-28	2028-29
<b>Moved from LCWRA to LCW</b>	<b>72</b>	<b>188</b>	<b>274</b>	<b>371</b>
<i>of which, due to:</i>				
Removing the LCWRA 'mobilising' descriptor	50	125	175	230
Amending the LCWRA 'risk' descriptor	22	63	99	141
<b>Moved from LCW to IWS</b>	<b>6</b>	<b>16</b>	<b>22</b>	<b>29</b>
<i>of which, due to:</i>				
Amending the LCW 'getting about' descriptor	6	16	22	29
<small>LCWRA, LCW and CtW are three groups within universal credit with different levels of labour market conditionality. LCWRA refers to the 'limited capability for work and work-related activity' group, LCW refers to the 'limited capability for work' group, and IWS refers to the 'intensive work search' group.</small>				