

Cutting Support, Deepening Inequality: An Analysis of the UC Bill's Disability Cuts



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Introduction:

While significant concessions have been made since the initial publication of the UK Government's proposed changes to disability benefits in their Pathways to Work green paper,¹ the final Universal Credit Bill² as it has left the House of Commons will create a two tier system which will result in considerable hardship for newer claimants whose health prevents them from working. From April of 2026, new Universal Credit (UC) claimants who are categorised as having Limited Capability for Work and Work Related Activity (LCWRA) and so receive the additional 'health element' of UC will receive only half of what the current pre cut-off claimants get. Both the pre and post April 2026 rates will also be frozen at their current levels until 2029/30.

In real terms, this means that the 'health element' for those receiving it before April 2026 will remain at £97 per week until 2029/30 and new claimants categorised as having LCWRA after that date will receive £50 per week. Despite the UK Government's stated objective of 'disincentivising a life on benefits' and encouraging claimants back into work, we believe the cut will serve only to deepen poverty for a vulnerable group of claimants, with those claiming after some arbitrary date experiencing the worst of the ramifications.

The following section examines the potential impact of the changes laid out in the UC Bill and how widely we anticipate this might be felt locally. Following this, we look ahead to the forthcoming review of PIP in light of the UK Government's last minute decision to withdraw the most harmful proposed changes.

Why this matters:

It's estimated that the 'Disability Price Tag', that is the additional costs incurred by disabled households associated with having a disability such as additional heating, was £1,010 per month in 2024.³ This additional cost is the rationale behind the provision of additional disability benefit income, such as LCWRA and PIP, as it is an indisputable fact that to live the same quality of life as their non

¹ Department for Work and Pensions - 'Pathways to Work: Reforming Benefits and Support to Get Britain Working Green Paper' - March 2025 - https://www.citizensadvice.org.uk/policy/publications/pathways-to-poverty-how-planned-cuts-to-disability-benefits-will-impact-the/?mc_cid=7662b742ed&mc_eid=755d88d0a1

² 'Universal Credit Bill (HL Bill 123 (as brought from the commons)) - 10th of July 2025 - <https://bills.parliament.uk/publications/62123/documents/6891>

³ Scope, 'Disability Price Tag 2024' (September 2024) - <https://www.scope.org.uk/campaigns/disability-price-tag-2024>

disabled counterparts, disabled households must spend more. Despite this, the current disability benefits for working age people aren't typically enough to fully cover these additional costs. For example, if you receive both the LCWRA element of UC and both elements (daily living and mobility) of Personal Independence Payment (PIP) at the standard rate, this is a monthly income of £862.45, which leaves a shortfall of £147.55 to the average additional costs incurred. For those claimants in receipt of the reduced LCWRA rate, this shortfall increases to £354.15 per month.⁴ This reduction is inherently flawed and unjust simply based on the fact that the additional cost of disability will not be any less if you happen to either become disabled or develop a health condition after April 2026, or just happen to only be in a position where you need to claim UC / LCWRA after that date.

This loss of income will likely not encourage disabled people into employment. In fact, research and claimant accounts have shown that the loss of this income may actually make it more difficult to find and maintain work. These cuts serve only to deepen the poverty experienced by disabled people and make buying the essentials and heating homes more difficult for thousands.

In Swansea and Neath Port Talbot, 22.4%⁵ of Swansea residents and 24.7% of Neath Port Talbot residents are reported as being disabled, both of which are higher than the Wales wide statistic of 21.1%. In 2024, 71% of our clients at Citizens Advice Swansea Neath Port Talbot regarded themselves as being disabled or having a long-term health condition. Of those clients, 23% noted having a mental health condition, and many more will be part of the 60% recorded as having 'multiple impairments' or 'other'. It is clear to us that disabled people, and those with mental health conditions, are a more vulnerable demographic, disproportionately represented in our client statistics already. Freezing and reducing the income of this vulnerable population will only serve to exacerbate this issue and mean more disabled households require additional support just to get by.

⁴ NB that if claimants receive LCWRA and both PIP components at the enhanced rate then the additional income is sufficient to meet the 'disability price tag' figure (£1222 and £1015 pre and post April 2026 respectively) although only around a third of PIP claimants are awarded this.

⁵ Swansea Council - '2021 Census: population characteristics' (Section: Health, disability and unpaid care) <https://www.swansea.gov.uk/article/22503/2021-Census-population-characteristics>

We fully support the increase to the standard rate for Universal Credit; this is something that organisations such as ourselves at Citizens Advice Swansea Neath Port Talbot and countless others have been advocating for for some time. We feel strongly however that this increase should not be accompanied by a cut to disability benefits to 'rebalance' any scale. This rhetoric pushes the narrative that people who receive disability benefits, in particular those with mental health conditions, are somehow gaming the system out of more money than they are entitled to at the expense of the 'healthy' claimant. Such a narrative will serve only to cause an unnecessary divide between different claimant groups and leans on historic stereotypes that oversimplify both the reasons to and process of claiming disability benefits.

We also anticipate that the UK Government's exceptions for claimants meeting the 'Severe Conditions Criteria' are designed too rigidly to have their purported intended effect of ensuring the most severely disabled and vulnerable individuals do not lose out under this cut.

The UC Bill includes provisions for those deemed to meet the 'Severe Conditions Criteria' to receive the higher, pre April 2026 rate of the UC health element, even if they have claimed after the cut off. To meet this criteria you must show that one of a number of LCWRA group descriptors applies to you, for example you cannot raise either hand to your chest or pick up and move a 0.5 litre carton of liquid.⁶ The problem arises from the UK Government's provision that you must satisfy this requirement constantly.⁷

This rigidity doesn't allow for any claimant with any form of fluctuating condition to satisfy the Severe Conditions Criteria, despite the fact that individuals with many degenerative and life long conditions may still experience better days or periods. These individuals will not be able to satisfy the 'constantly' requirement and thus will only be entitled to the reduced post April 2026 rate, despite being one of the most vulnerable groups that the UK Government has assured us will not lose out through the cuts.

⁶ A full list of the LCWRA group descriptors can be found in Schedule 7 to the Universal Credit Regulations 2013 (SI.No.376/2013)

⁷ Universal Credit Bill (HL Bill 123 (as brought from the commons)), Regulation 40A(2) - 10th of July 2025 - <https://bills.parliament.uk/publications/62123/documents/6891>

In Swansea and Neath Port Talbot there are an estimated 49,500 Universal Credit claimants, with around 57% of those claimants categorised as having 'no work requirements', most of whom can be assumed to be LCWRA.⁸ This means that around 13% of the combined local authorities' populations receive UC and 7% of the total population, or 28,400 are categorised as having LCWRA. Similarly around 11% of Swansea Neath Port Talbot are in receipt of the daily living component of PIP.⁹

This is not an insignificant number of individuals or proportion of our population and highlights how we might anticipate a significant number of individuals to struggle on the lower UC health rate in future. While it is difficult to estimate how many people in Swansea and Neath Port Talbot will become disabled in their working age lifetime, this number will not be insignificant, and it is inexcusable that the UK Government are seeking to raise money by taking it away from this vulnerable group. We call on the UK Government to withdraw its plans to cut the LCWRA rate after April 2026 and allow the current rate to rise alongside the standard rate moving forward. We also call on the UK Government to ensure that disabled voices are listened to in respect to any proposed changes and thorough impact assessments are undertaken to understand the true impact such changes will have on the lives of so many disabled people.

A look ahead at Personal Independence Payment changes:

We welcomed the UK Government's decision not to force through the harmful proposed changes to PIP eligibility criteria and a commitment to delay any future changes until a review can take place. We're also pleased with their commitment to undertake this review alongside disabled people and people with lived experience of the system to truly understand how proposed changes are likely to affect people in real life.

We hope and anticipate that should the input of disabled people be taken into account when drafting plans for reform in future, there will be no suggestion

⁸ Data from Stat X-plore statistics for Swansea and Neath Port Talbot from July 2013 - April 2025. NB that 'no work requirements due to being in work' was a distinct category in the data and as such is not represented in the 57% figure.

⁹ Based on claimant figures from the DWP response to Freedom of Information request (ref FOI2025/25982) - 17 April 2025 - https://www.whatdotheyknow.com/request/numbers_of_claimants_of_pip_who/response/2991716/attach/3/Response%20FOI2025%2025982.pdf?cookie_passthrough=1

that claimants should have to score a minimum of four points for a single daily living descriptor in order to qualify for the daily living component of PIP. Of the proposed changes, this, along with the fact that the UK Government also proposed to link UC health entitlement to this same test, was the most concerning to us due to its widespread and significant impact for thousands of people nationally and Swansea and Neath Port Talbot more specifically.

Analysis undertaken and published by Policy in Practice¹⁰ highlights that of the 10 Local Authorities predicted to be the worst affected by the proposed PIP changes, 4 are Welsh Local Authorities.¹¹ Given that Wales houses only 6.5% of all Local Authorities in England and Wales, the 40% occupation of the predicted top 10 worst impacted local authorities is a stark representation of how disproportionately the proposed changes would hit Wales. Alarming, Neath Port Talbot is predicted as the 6th worst most affected Local Authority across England and Wales.

While Neath Port Talbot's position on that list is concerning for us, it is unfortunately not wholly surprising. Neath Port Talbot has the second highest proportion of its population receiving disability benefits nationally, with an estimated 18.7%¹² of residents receiving some type of disability benefit.¹³ Based on DWP figures, we estimate that around 11.9% of Neath Port Talbot's population are in receipt of PIP, and with 48%¹⁴ of those recipients predicted to lose entitlement had the new eligibility criteria been introduced, a full 5.7% or 8,100 people would have lost a significant portion of their income if these changes had been enacted. Swansea trails closely behind Neath Port Talbot with an estimated 9.6% of residents in receipt of PIP and 46% of those, or 10,100 people likely to have been hit by the cuts should they have gone ahead as planned.

¹⁰ Policy in Practice - 'New analysis: How disability benefits changes will affect your local area' - 24th of April 2025 - <https://policyinpractice.co.uk/blog/new-analysis-how-disability-benefits-changes-will-affect-your-local-area/>

¹¹ Blaenau Gwent (No. 1), Merthyr Tydfil (No. 4), Neath Port Talbot (No. 6) and Caerphilly (No. 8)

¹² House of Commons Research Briefing - 'UK disability statistics: Prevalence and life experiences' (Section 4.2: Variations in caseload by local authority) - 2 October 2024 - <https://researchbriefings.files.parliament.uk/documents/CBP-9602/CBP-9602.pdf>

¹³ Including Personal Independence Payment, Daily Living Allowance and Attendance Allowance

¹⁴ Department for Work & Pensions FOI Response - FOI2025/25982 - 17th April 2025 - https://www.whatdotheyknow.com/request/numbers_of_claimants_of_pip_who/response/2991716/attachment/3/Response%20FOI2025%2025982.pdf?cookie_passthrough=1

These figures demonstrate the real and significant impact that introducing such changes will have on Swansea and Neath Port Talbot residents and why we oppose them so strongly. We hope that such changes will be dropped by the UK Government through the input of disabled people and charities and we will ensure we do our part to voice our concerns and the real-world impact any proposed PIP changes would have in future. While we strongly believe these changes should not be made to the PIP system, we do believe that real and meaningful reform is needed moving forward to address the current, broken system.

It is well understood that the current PIP system is unfit for purpose. From long and difficult forms to inaccurate assessments by underqualified assessors, the system seems designed to fail claimants at every stage. Clients often report a lack of trust in the system to come to the right conclusions and a subsequent need to 'perform' their health conditions or disabilities when assessed to communicate their severity in a system that seems incapable of understanding variability or nuance. On top of this, inaccurate and 'copy and paste health assessment reports'¹⁵ confirm a lack of meaningful engagement from assessors and DWP decision makers, leading to claimants who go unheard and incorrect decisions, on which the DWP often double down when asked to reconsider. This is not a new development, and to understand more surrounding some of the issues currently present within the PIP system and how this manifests itself locally we would encourage you to read our 2023 report '[PIP: The system and its impact on our clients](#)'.

This is to say that we believe a comprehensive review of the PIP system with the input of disabled people and charities could be a welcome catalyst to positive reform in future. We understand that in entering this review the UK Government's primary objective is to cut costs and hope this does not prevent them from recognising the need for and implementing changes which will support disabled people; not take from them.

¹⁵ As it was put by one of the PIP claimants we spoke to