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Jenny Rathbone MS  
Chair of the Equality and Social Justice Committee  
Welsh Parliament

7 August 2025

Dear Jenny

Thank you very much for writing to me, and for your work on your inquiry into the disability employment gap. I was interested to read your report published in March and I agree with your assessment that too many people face physical, and institutional barriers to the world of work.

I also appreciate your engagement with our recent benefit reforms and associated consultation, which as you know were published in the form of the *Pathways to Work: Reforming Benefits and Support to Get Britain Working* Green Paper in March of this year.

At the heart of our reforms is the principle that those who can work should work. If you need help into work the Government should support you, and those who can never work should be supported to live with dignity.

The Green Paper is an important staging post on a journey of reform which builds on the vision and approach set out in the Get Britain Working White Paper in November 2024. We urgently need reform to give people a better future – to stop people from falling needlessly into inactivity.

You have raised a number of important points.

Firstly, as you say it is right that the UK Government should work with employers to increase accessibility to employment for disabled people. Our Green Paper emphasises this point specifically, and highlights how, as part of our Plan for Change, we have taken action since July 2024 to help people get into work and on in work. We are working in partnership with employers to create more accessible, healthier workplaces and prevent people falling out of work in the first place.

There are a number of resources available to employers to support them in ensuring workplaces are accessible and to meet their duties under Equality Act 2010. There is information available on gov.uk on workplace adjustments and disabled employees, as well as through ACAS and the Equalities and Human Rights Commission.

We are working closely with disabled people and employers, and through insights from Sir Charlie Mayfield's Keep Britain Working Review, to understand and remove the barriers disabled people face to work. Insights from those discussions will inform our final proposals. We are also consulting in the Green Paper on how you provide additional support to employers through Access to Work in the future.

As you mention, DWP also runs the Disability Confident Scheme to support employers to make the most of the talents disabled people can bring to the workplace. The Scheme encourages employers to create disability inclusive workplaces and to support disabled people to get work and get on in work. It provides employers with the knowledge, skills, and confidence they need to attract, recruit, retain and develop disabled people in the workplace. It is a voluntary scheme, developed by disabled people, employers and disability organisations representing disabled people. My officials have been discussing ideas for making the Disability Confident scheme criteria more robust with stakeholders, including significant engagement with Welsh Government officials.

You are right that, despite having deployed additional staff to help process applications for Access to Work, alongside efforts to streamline our procedures, the number of applications waiting to be processed is continuing to grow. The Green Paper consultation will also inform the chosen future direction of Access to Work. Once this is established, we will consider timelines and work closely with stakeholders to ensure an appropriate transition.

Alongside the reform proposals introduced in the Green Paper, we are considering further options to reduce the waiting time for customers. The Access to Work scheme hasn't changed significantly since it was established in 1994. We consulted on the future of the Access to Work scheme so that it better helps people to start and stay in work through reasonable adjustments, such as aids, appliances and making use of assistive technology.

We are considering responses to the consultation and will set out our plans in due course. In the meantime, we are considering if there are changes within the existing policy framework that can be made to our operational delivery to prevent misuse, improve efficiency and ensure value for money for taxpayers.

The reforms we have set out are not a cost saving exercise. They are about creating a more proactive, pro-work system that actually supports individuals. The current system is failing on multiple fronts, producing poor employment outcomes, low living standards and high costs to the taxpayer.

These changes and the others will create a fairer system, that supports the most vulnerable, provides disabled people with dignity and supports those who can work back to work, narrowing the disability employment gap.

We have listened to concerns raised and tabled amendments (now passed) to the Bill. We are adjusting the UC payment rate to ensure all existing recipients of the UC health element – and any new claimant meeting the Severe Conditions Criteria and those who qualify under Special Rules for End of Life – will see their combined

standard allowance and LCWRA rise at least in line with inflation every year from 2026/27 to 2029/30. We've also committed that those with severe, lifelong conditions will not be called for a UC reassessment.

We urgently need to remove perverse benefit incentives which trap people out of work. The Universal Credit Bill has now been passed by both Houses of Parliament. We are rebalancing from the health top up to the standard allowance, removing perverse incentives and opening up access to support from jobcentres.

Additionally, as I set out in the House of Commons on 1 July 2025, this Government has listened to the concerns raised by Members from across the House about proposed changes to Personal Independence Payment (PIP). Clause 5 of the Universal Credit and Personal Independence Payment Bill would have amended the legal framework underpinning PIP assessments, specifically by implementing a new requirement that claimants must score a minimum of four points in at least one daily living activity to be eligible for the daily living component of PIP.

In light of the concerns raised, we removed clause 5 from the Bill in Committee. Any changes to PIP eligibility will come after a comprehensive review of the benefit, which I shall lead, co-produced with disabled people, organisations that represent them, clinicians, experts, MPs and other stakeholders, so a wide range of views and voices are heard. The review's aim is a fair PIP assessment, fit for the future.

In terms of our impact assessment, the purpose of this analysis is to understand the overall impact of the measures where they are the responsibility of the UK Government (Great Britain for Universal Credit and England and Wales for PIP). The Equality Analysis is undertaken to understand the impact on policies of the whole package on people with protected characteristics, which does not include region or country breakdown. It is worth being aware that it does not include the positive impacts that we expect our major investment into employment support to have – and we know that, for many families, good work is the best route out of poverty.

This is the biggest employment support package for disabled people and people with health conditions in more than a generation. Backed by £1 billion a year of new, additional funding by 2030 and a total of £2.2 billion over four years, which will include funding for Wales, we will build towards a guarantee of personalised work, health and skills support to improve returns to work and prevent economic inactivity, as part of rebalancing spending towards work over welfare. With a focus on early intervention and prevention, the 'Pathways to Work' guarantee will improve returns to work and prevent economic inactivity through tailored support that brings together the health and skills systems – and roll out of the new support offer will begin from April 2026. We will respect devolution settlements linked to skills, health and employment support and continue to engage with the Welsh Government on the detail of the employment support package to ensure devolved and reserved provision work effectively together.

On our longer-term commitment to devolve non-Jobcentre Plus employment support funding to the Welsh Government, we continue to work with Welsh Government officials to determine the timings and practical arrangements. We are keen to do this, as per our manifesto commitment – and, at a meeting with the First Minister in June, we agreed we would look to take this forward as soon as is practically possible.

We will continue to work with the Welsh Government to understand the views of people in Wales and were glad to hear their views through the consultation. We encouraged people from Wales to respond to the consultation and hosted dedicated events for Wales, both in-person and online.

Finally, we know that disengaging from employment and learning during early adulthood can have a lasting detrimental impact on your career prospects and be detrimental to someone's health and well-being. There are nearly one million young people (16-24) not in Education Employment and Training, and the number is rising.

The current benefit system is part of the problem. Young people who are categorised as unable to work are usually left with no engagement and no support. This risks them failing to continue learning or failing to stay connected to the labour market at the start of their adult life. We know that less than 1% of people labelled as 'can't work' move into work each month – and many people are stuck on benefits for a long time at an average of over 7 years. There is also strong evidence on the long-term scarring effects of youth unemployment, including lower lifetime earnings and reduced employment prospects.<sup>1</sup>

This is why we want to change the benefit rules to support and underpin the Youth Guarantee, to ensure all young people are learning or earning. As we set out in the Get Britain Working White Paper, the Youth Guarantee involves expecting virtually all young people covered by the guarantee (aged 18-21) to be engaging with work or training related activity in the future. The Welsh Government has developed a similar Young Person's Guarantee, which has been a success and made a tangible impact on youth employment and entrepreneurship across Wales. The Guarantee has supported over 48,500 young people aged 16–24, helping more than 6,000 into employment and enabling over 700 to start their own businesses.

As you mention, we welcomed views on raising the age someone can access the UC Health Element to 22, which would remove any potential disincentive to work during this time. It would also be on the basis that resources may be better spent on improving the quality and range of opportunities available to young people through the guarantee, so they can move towards a life of learning, training or work rather than a life on benefits. We are now carefully considering responses to the

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<sup>1</sup> Gregg, P., & Tominey, E. (2005). The wage scar from male youth unemployment; Raeside, R., V. Egdell and McQuaid, R, (2014) [Wage Scarring – The problem of a bad start](#). (Employment Research Institute, Edinburgh Napier University); David N. F. Bell, David G. Blanchflower (2011). Young people and the Great Recession; Strandh, M., et al., (2014). Unemployment and mental health scarring during the life course; [Youth unemployment produces multiple scarring effects - EUROPP](#)

consultation before we set out our plans. If we proceed with this change, we will consider what special provisions need to be put in place for those young people where engagement with the guarantee is not a realistic prospect.

I'd like to thank you once again for writing - and for all your work and commitment to these important issues. Our reforms are designed to protect the most vulnerable while giving disabled people equal choices and chances to work. We will continue to listen carefully as we develop our reforms and I always appreciate you letting me know your views.

Yours sincerely

A handwritten signature in black ink, reading "Stephen Timms". The signature is written in a cursive style with a horizontal line above the name.

Rt Hon. Sir Stephen Timms MP  
Minister for Social Security and Disability

CC:

Jane Hutt MS CBE, Cabinet Secretary for Social Justice, Trefnydd and Chief Whip,  
Welsh Government Rt Hon

Jo Stevens MP, Secretary of State for Wales

Debbie Abrahams MP, Chair, Work and Pensions Select Committee, House of  
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Collette Stevenson MSP, Convener, Social Justice and Social Security Committee,  
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