

Sir Stephen Timms MP
Minister of State for Social Security and Disability
Department for Work and Pensions
Rt Hon Liz Kendall MP
Secretary of State for Work and Pensions

Dear Ministers,

23 May 2025

Support for employment of disabled people and welfare reform

We thank Sir Stephen for engaging constructively with our inquiry into the disability employment gap. The Department for Work and Pensions' input alongside other contributors culminated in our report: 'Anything's Achievable with the Right Support: tackling the disability employment gap' which was published on 6th March.¹ Since then, the UK government has announced significant changes to the benefits system alongside several proposals for reform in the future.² These announcements have changed the overall context for our report and are likely to have a significant impact on individuals and families in Wales.

Prior to the announcement on March 18th we wrote to you to promote our report and to ask you to consider how the UK Government might respond to our findings. Given the significance of the changes announced subsequently however, we felt that it was important to urge the UK Government to address the specific barriers that disabled people face in accessing employment – identified in our report – *before* changes to eligibility and support for disabled people are implemented.

We have been contacted by individuals and stakeholders expressing deep concern about the proposed changes on disabled people and the impact they will have on our local economies.³ We share these concerns and feel strongly that the Department for Work and Pensions (DWP), alongside employers, and other tiers of government must work much harder to get their houses in order before implementing reform. We urge

¹ Equality and Social Justice Committee, '[Anything's Achievable with the Right Support:](#)', 6 March 2025

² Hansard, Volume 764. [Welfare Reform](#), Tuesday 18 March 2025

³ Equality and Social Justice Committee, Papers to note 5.8 and 5.9, 28 April 2025

the Government to acknowledge these concerns and keep the people affected at the heart of its decision-making.

Our detailed views and reasons are attached in the Annex to this letter and we hope that you will give them due consideration. We appreciate that many of the issues covered are reserved, but the implications are of such potential significance to Wales that we expect the UK Government to heed our voice, and that of others, as it develops policy and as part of its consultation on the Green Paper.⁴

We thank you in advance for considering these issues and look forward to your response.

Yours sincerely,



Jenny Rathbone MS

Chair of the Equality and Social Justice Committee

Welsh Parliament

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
Commons

Collette Stevenson MSP, Convener, Social Justice and Social Security Committee,
Scottish Parliament

Colm Gildernew MLA, Chair of the Committee for Communities, Northern Ireland
Assembly

⁴ Department for Work and Pensions, [Pathways to Work: Reforming Benefits and Support to Get Britain Working Green Paper](#), 18 March 2025

Annex A: detailed views of the Equality and Social Justice Committee, Senedd Cymru

Background

1. We would like to state our views on the reforms set out in the Secretary of State for Work and Pensions' Statement of 18 March 2025 and the Green Paper.⁵ These views are informed by our inquiry and report on the Disability Employment Gap, and other sources which are referenced where relevant.⁶

Supporting disabled people into employment

2. From the outset we think it is important to stress that we share the UK Government's stated aim of supporting people who are able to work, to do so, as emphasised in our report. We feel strongly, however, that the DWP, alongside employers, and other tiers of government must work much harder to get their houses in order before implementing welfare reforms. This means taking urgent action to prioritise and radically improve the support available from government and employers to enable disabled people to gain and retain employment opportunities before removing entitlements to welfare support.

3. Our report lays bare the significant barriers that disabled people face accessing employment. They include:

- **Employer attitudes:** we found widespread misconceptions and negative attitudes towards employing disabled people. The damaging role and impact of these is not sufficiently reflected in the UK Government's reforms and we would welcome more emphasis and a more robust approach to challenging them by the DWP and at all levels of government.
- **Duties under the Equality Act 2010:** our report suggests that employer awareness of, and compliance with, duties under the Equality Act is unacceptably low. This includes the requirement to make reasonable adjustments. Shockingly, a survey on behalf of the Personal Finance Research Centre at Bristol University (PFRC) and RNIB Cymru suggested that over a quarter of disabled people – 26 % – had employers who had failed to make reasonable adjustments for them.⁷ Much more needs to be done to promote

⁵ Hansard, Volume 764. [Welfare Reform](#), Tuesday 18 March 2025; Department for Work and Pensions, [Pathways to Work: Reforming Benefits and Support to Get Britain Working Green Paper](#), 18 March 2025

⁶ Equality and Social Justice Committee, ['Anything's Achievable with the Right Support'](#), 6 March 2025

⁷ Figures provided by PFRC and RNIB Cymru in their written submissions, please refer to these for full details including sources and methodology: [DE03 - University of Bristol](#), [DE24 - RNIB Cymru](#)

and enforce guidance regarding these legal duties and to promote the benefits of flexible and hybrid working.

- **Deficiencies in UK Government support schemes:** our report highlights extensive problems with the Disability Confident scheme. Disability Confident's reputation is poor and it is widely considered to lack robust accreditation especially at lower levels. We reserved judgement on whether the scheme can improve its credibility and deliver tangible benefits but this needs urgent reform in the interim.

4. In Wales, the disability employment gap varies considerably from 11.6% in the Vale of Glamorgan to 42.6% in Neath Port Talbot.⁸ As noted in the Green Paper, research has found that as many as 200,000 people on incapacity benefits across Great Britain could work now with the right support and over a million believe they could work in the future if their health improved.⁹ However, it is vital that employers and employees are aware of their rights and responsibilities vis-à-vis equality legislation before efforts are made to support individuals into employment.

5. We call on the UK Government to work with employers to address the specific barriers that disabled people face in accessing employment identified in our report and which we have highlighted specifically in this submission. The UK Government must set out in more detail how it intends to work with employers to address this before changes to eligibility and the level of support disabled people receive should be considered.

6. Furthermore the DWP's performance in this area is poor. Our report highlighted that the Access to Work scheme is currently experiencing lengthy delays of up to 20 weeks.¹⁰

7. Among the changes to support for disabled people and people with health conditions announced is £1 billion of new funding which will go towards guaranteeing support for anyone who wants help to get into or return to work. Likewise the emphasis on early intervention and introducing an expectation that most people in receipt of the health element of Universal Credit (UC) will need, as a minimum, to periodically discuss needs and goals and the support services available to them are positive. We welcome both of these measures, however, we note that these are likely to take several years to fully implement with timescales suggesting a target of 2029-30 before coming fully on stream.

⁸ Figures taken from Office for National Statistics '[Labour Market Status of Disabled People survey](#)' LMS008

⁹ UK Government, '[Work aspirations and support needs of health and disability customers](#)', 6 Feb 2025

¹⁰ Equality and Social Justice Committee, '[Anything's Achievable with the Right Support](#)', 6 March 2025

8. We welcome the £10 million recently allocated to Wales for the economic inactivity trailblazer, which will provide tailored support aiming to help economically inactive people in Blaenau Gwent, Denbighshire and Neath Port Talbot into employment.¹¹ We note the role the Welsh Government will have in the trailblazer, alongside local leaders, and hope the Senedd will be kept up to date with regards to these developments.

9. We also acknowledge that the UK Government is currently in discussions with the Welsh Government on the devolution of non-Job Centre Plus employment support to Wales. Provided there is sufficient funding attached, this will present opportunities to support disabled people, as well as other unemployed and economically inactive people, into employment in ways that meet the needs of Welsh communities. We would welcome an update on these proposals.

Flexibility and assessment

10. As our report sets out, flexibility is key to supporting disabled people gain and retain employment. We therefore welcome the proposal designed to enable disabled people and people with health conditions to try a job without losing their entitlements and for those rights to be enshrined in law.

11. We note that proposals to merge the Work Capability Assessments and Personal Independence Payments (PIP) assessments could help to reduce complexity and duplication in the system. However, we also note concerns about the potential impact on disabled people from charities such as Scope.¹² We also support the resumption and increase in face-to-face assessments, and the commitment that those with the most severe, life-long health conditions will not face re-assessment at any stage in the future.

Changes to Personal Independence Payments and Universal Credit

12. It is predicted that the proposals to reduce the rate and entitlement to the health element of UC, and changes to eligibility for PIP will have a considerable impact on current and future recipients. According to the Bevan Foundation there are as many as 275,000 people in Wales who receive PIP and 110,000 people who receive Universal Credit and have Limited Capability for Work Related Activity (LCWRA).¹³ The UK Government intends to introduce these changes at speed with changes to PIP and Universal Credit scheduled for August and November 2026 respectively.

¹¹ UK Government, [£10 million boost to employment support in Wales to Get Britain Working again](#), 23 April 2025

¹² Scope, [Changes to disability benefits: what you need to know](#) | Disability charity Scope UK

¹³ Bevan Foundation, [Bevan Foundation responds to Green Paper on benefits](#), March 2025

13. We do not support this timetable until progress is made to tackle barriers which contribute to the disability employment gap, with evidence that comprehensive support is in place. Such an approach risks raising the anchor before checking the sails and we urge the UK Government to look again at the timing and sequencing of these changes. As part of this the UK Government must consider either:

- a. postponing the changes to the health element of UC until proper support is up and running; or,
- b. designing robust transitional arrangements which ensure that no one currently in receipt of these payments faces an abrupt loss of income overnight.

The case for reform

14. We acknowledge that there has been a substantial increase – over 45% since 2018/19 – in the number of people claiming health related benefits in recent years. With 9.3 million people economically inactive, 2.8 million of whom are classed as long-term sick, the UK has some of the highest rates of any of the world’s G7 leading economies.¹⁴

15. The Green Paper argues that the level of spending on disability-related benefits proves that the UK is an “outlier” and that spending must be placed on a more sustainable trajectory. We agree that action is needed in instances where there is evidence of perverse incentives in the current system. However, while the impact of other factors such as NHS waiting times is acknowledged, there is a risk current proposals fail to capture the complexity behind why the number of people claiming continues to grow. Some of the changes, as highlighted by the Resolution Foundation, appear to be primarily designed to save money and to help meet fiscal rules rather than for principled reasons.¹⁵

16. We acknowledge the need to reduce potential flaws in the system that create perverse incentives or have unintended consequences. We note the UK Government’s argument that the imbalance between UC at the standard and the LCWRA rates may be an example of this which needs addressing. However, we also note the claims by some that the changes to UC and PIP eligibility look principally designed to save money. Given the potential impact on Welsh individuals and communities we call on the UK Government to ensure that spending on disability benefits is determined by the level of need and not by a desire to meet fiscal targets.

¹⁴ ONS Labour Market Statistics [LFS: Economically Inactive: UK: All: Aged 16-64](#).

¹⁵ Resolution Foundation, [A dangerous road? Examining the ‘Pathways to Work’ Green Paper](#), 19 March 2025

The impact on Wales

17. Current publicly available assessments of impact published by the UK Government are inadequate and lack detail. We can surmise that cuts to disability-related benefits will be disproportionate in Wales due to a range of factors. And yet the only official, publicly-available, impact assessment is on an England and Wales basis.

18. We know that the population of Wales is generally older, more rural and has more ill-health than other parts of the UK on average. The historic importance of mining and other heavy industries - wealth from which benefitted the whole of the UK - left a legacy of higher deprivation, ill health and reliance on disability-related benefits than other parts of the UK. Fiscal transfers in the form of welfare payments play an important role in alleviating the impact of this legacy and the high rates of inequality that exist within the UK. Overall, we know that the rate of claimants in Wales is higher than in England (calculated to be around 11% of working age adults in Wales compared with 7% in England).¹⁶

19. While the UK Government is yet to publish an impact assessment for Wales, analysis from stakeholders starkly illustrates the potential impacts of the proposed reforms on Wales. Policy in Practice suggests that they will hit Wales and north-east England the hardest. It estimates that nearly 190,000 people in Wales will be affected by the reforms, with a potential financial impact of £470 million. According to their analysis four of the 10 worst affected local authorities in Great Britain are in Wales: Blaenau Gwent, Merthyr Tydfil, Neath Port Talbot and Caerphilly.¹⁷ Constituency analysis by the Joseph Rowntree Foundation chimes with these conclusions, highlighting that nearly 20% of the working age population receives either PIP or the LCWRA in the Blaenau Gwent, Aberafan Maesteg, and Rhondda and Ogmore constituencies.¹⁸

20. Given these findings, it is critical that the UK Government gives clarity on how it anticipates Wales will be impacted. To inform both policymakers and the public debate around these changes, it is vital that you publish a disaggregated impact assessment for Wales. Failure to do so undermines the spirit of the Concordat between the DWP and the Welsh Government.¹⁹ Furthermore, this information will help us to understand the potential knock on effects. One such example could be an increase in demand for services that are currently funded via the Barnett formula. We are concerned by the prospect of cuts to the welfare budget falling disproportionately on Wales which would then result in increasing demands on the services funded

¹⁶ Wales Governance Centre, [Spring Statement 2025 - the implications for Wales](#), 27 March 2025

¹⁷ Policy in Practice, [New analysis: How disability benefits changes will affect your local area](#), 24 April 2025

¹⁸ Joseph Rowntree Foundation, [PIP & LCWRA Constituency Map](#), 16 April 2025

¹⁹ Welsh Government, [Concordat between the Department for Work and Pensions and the Welsh Government](#), 24 February 2025

according to a formula which is widely considered to be flawed. That approach is likely to risk further exacerbating the disparities between the nations and entrenching inequality in its poorest parts.

Impact on children and young people

21. The impact on children, young people, and child poverty have been important considerations in our work in this Senedd. We therefore note with concern the proposals to end health-related UC payments entirely for those under 22 years of age. The Resolution Foundation notes that the risks to living standards of these young people “are acute since people under 25 already receive lower rates of UC than older adults.”²⁰

22. It is vital that young people transitioning from education to the world of work are adequately supported, however, our report found evidence of a postcode lottery. The planned expansion of support provided by the Youth Guarantee (in England) is highlighted as the counterbalance to the proposal to cut UC, however, this will require effective coordination with the Welsh Government to ensure that resources are aligned correctly. We are concerned by the potential implications of this change and expect the UK Government to provide much more detail about the potential implications for Wales before proceeding.

23. If all the cuts announced are implemented, the Office for Budget Responsibility has estimated a reduction of £4.8 billion in welfare spending by 2029-30.²¹ The net impact of these reforms, according to the Impact Assessment will mean a further 250,000 people, including 50,000 children, fall into relative poverty.²² We are also concerned to hear reports that DWP analysis finds a further 700,000 households already living in relative poverty will also be negatively impacted by these reforms.²³

24. *Our concerns about these changes in relation to children and to levels of child poverty are particularly acute. Children have no control over their circumstances and lack any means of redress. More children and young people live in poverty in the UK than any other age group.²⁴ We recognise the need to reduce youth unemployment and economic inactivity and its potential scarring effects. We want to see all children and young people to fulfil their potential. However, we are concerned that these*

²⁰ Resolution Foundation, [A dangerous road? Examining the ‘Pathways to Work’ Green Paper](#), 19 March 2025

²¹ Office for Budget Responsibility, [Economic and fiscal outlook](#), March 2025

²² Department for Work and Pensions, [Spring Statement 2025 health and disability benefit reforms - Impacts](#)

²³ The Guardian, [Disability benefit cuts to hit 700,000 families already in poverty. DWP forecasts show](#), 7 May 2025

²⁴ House of Commons Library, [Poverty in the UK: Statistics](#), April 2025

aims are undermined if rates of child poverty continue to increase as has been suggested as a result of these policy changes. We therefore urge the UK Government to think carefully about the impact of these policy changes on children and young people in particular.

25. In conclusion we note the analysis which suggests Wales (alongside north east England) will be hardest hit by these reforms. In line with the Intergovernmental Concordat, we call on the UK Government to produce and publish a Wales-specific impact assessment of the planned and proposed changes to the welfare and benefits system as a matter of urgency and to share this with the Committee in its response to this letter. We would be grateful if a response could be shared within 30 days of the date this letter was issued.

Equality and Social Justice Committee

Welsh Parliament

May 2025

