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Policy Assessment
Spring Statement 2025 Disability Benefit Reforms

The costs of hunger and hardship

A WPI Economics briefing on behalf of the Trussell Trust

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Context

At the 2025 Spring Statement, HM Government announced significant changes to the United Kingdom's system of extra-cost disability and incapacity benefits. These are as follows:

1. **Changing entitlement rules for Personal Independence Payments (PIP)**. Reforms introduce an additional requirement that claimants score a minimum of 4 points on at least one daily living activity to be eligible for the daily living component of the benefit.

2. **Rebalancing support in Universal Credit (UC)**. The UC health element rate will be frozen at £97 per week until 2029/30 for existing claimants. The rate for new claimants (those claiming in 2026/27 or subsequently) will be reduced to £50 per week, and then frozen until 2029/30. The UC Standard Allowance will be increased above inflation by 2029/30. For single claimants over 25, it is projected to increase to £106 per week by 2029/30, with equivalent increases for other claimants.

These reforms are intended to reduce the costs associated with a projected increase in caseload for both PIP and the health-element of Universal Credit, and to promote increases in employment. The reforms, in combination, are projected to save £4.8 billion by the 2029/30 financial year.[i]

Under the Department for Work and Pensions' modelling, the reforms are expected to have a significant impact on the incomes of households that include a disabled person. Changes to PIP entitlement rules are projected to lead to 800,000 people losing their Daily Living component, with an average loss of £4,500 a year. Around three million claimants are expected to lose out due to changes to UC, with average loss varying by timing of their claim: £500 per year for those with an existing claim by 2025/26, £3,000 per year for those who make a new claim after 2026/27. This results in an increase of 250,000 in the number of people in relative poverty in 2029/30, relative to pre-measures projections.[ii]

But the impact on living standards will go beyond increases in the headline rate of relative poverty. According to Department for Work and Pensions analysis, the reforms will affect 700,000 families who are already in relative-income poverty.[iii] This raises questions about the scale of the impact on groups in deeper forms of poverty.

This research presents modelling to estimate the potential impact these reforms to disability and incapacity benefits may have on the number of people in the UK who are at risk of facing hunger and hardship. We have used the same definition of hunger and hardship as in the report *Cost of Hunger and Hardship*.[iv]

Modelling approach

This section outlines the approach to modelling taken in this report. Each policy was modelled individually, and then a combined scenario was created to estimate the impact of the policies in combination.

The modelling for policies uses the IPPR Tax Benefit Model, alongside bespoke, in-house microsimulation scripts. Across all policies, Family Resources Survey (FRS) and Households Below Average Income (HBAI) data for the financial year 2022/23 is used as the basis of projections.

For all of the reforms considered, rates of hunger and hardship are compared to base data, under pre-measures policy, reweighted to reflect projected increases in benefit caseload (pre-measures). Throughout, comparisons are made in-year, so quoted increases in hunger in hardship for (for example) 2029/30 compare modelled post-measures data for 2029/30 to projected baseline data for 2029/30.

Reweighting of survey data

The survey period for the period 2022/23 has a significantly lower caseload for PIP and for the health element of Universal Credit than is projected to be the case over the projection period. In order to correct this, a bespoke reweighting script was produced to create re-weighted data for the projection period, with caseload for relevant benefits increased over time.

Table 1: Projected caseload for Personal Independence Payment and the UC Health Element, for 2025/26 to 2029/30, pre-measures.

	Projected caseload, number of claimants				
	2025/26	2026/27	2027/28	2028/29	2029/30
PIP/DLA	5,153,000	5,483,000	5,785,000	6,080,000	6,376,000
UC Health Element	2,262,000	2,457,000	2,460,000	2,487,000	2,584,000

Source: Autumn Statement 2024[v]

The figures in table 1 were used as targets for the reweighting. For PIP, for each year percentage increases on the 2022/23 caseload were calculated and then applied to the survey (self-reported) caseload for 2022/23. These numbers were then used to reweight the data.[1] For UC Health Element, the figures in table 1 were used for reweighting directly.[2]

[1] The approach maintains the under-reporting of benefit uptake that is a feature of income surveys, in order to maintain comparability with previous research.

[2] The IPPR Tax and Benefit Model exhibits large overestimates of UC Health Element caseload for the base year. Correcting this was felt to be necessary to avoid significantly inflating the policy impact.

Reweighting was achieved by Iterative Proportional Fitting (IPF) at the level of the household. Additional constraints were added to maintain demographic balance on two dimensions: household type[3] and (NUTS1) region.

During reweighting, claimants are assigned status of "newer" or "existing" corresponding to whether or not they are considered as having been a claimant (of UC Health Element or PIP) in 2025/26, noting that this will affect how they are impacted by the reforms. The proportion of the claimants that are considered to be "newer" (i.e., claimed in 2026/27 or subsequently) is shown in table 2.

As there is an element of random selection in the assignment of claimants to "newer" or "existing" status, the baseline was run three times, with three different random seeds.

Table 2: Percentage of claimants of Personal Independence Payment and the UC Health Element considered to have claimed initially in 2026/27 or subsequently (i.e., "newer"), for 2025/26 to 2029/30, pre-measures.

Projected proportion of claimants with initial claim in 2026/27 or later ("newer")					
	2025/26	2026/27	2027/28	2028/29	2029/30
PIP	0%	14%	25%	33%	39%
UC Health Element	0%	11%	13%	16%	22%

Source: WPI Economics Analysis of Autumn Statement 2024[iv]v and Stat-Xplore data on PIP and DLA claim duration and UC WCA Decision Outcomes[vi]

The proportion of claimants for PIP and UC Health Element who are considered to have claimed initially in 2026/27 or later (i.e., newer claimants) was determined by finding the anticipated increase in the number of claimants for a given year, as well as the anticipated "off-flow" of both older and, where relevant, newer claimants from the previous year who are no longer claiming the benefit (calculated using historical trends), and summing these together to generate an estimate of the number of new claimants for that year. The total sum of newer claimants since 2025/26 is calculated in each by summing the number of new claimants in that year with the number of newer claimants from the previous year, after accounting for off-flows.

Universal Credit rebalancing

Modelling of the rebalancing of Universal Credit takes place in three steps:

1. Using the IPPR Tax Benefit Model, reflect policy changes that will affect both current and new claimants:
    a. Uplift the UC Standard Allowance by CPI + 5% by 2029/30, in increments starting from 2026/37.
    b. Freeze the UC Health Element at current levels (£97 per week) until 2029/30.

2. Reweight the data to account for increased caseload, using the same reweighting process as for the base data.

[3] Household type categorises households as one of the following: couple with children; couple without children; couple pensioner; single with children; single without children; single pensioner; multiple benefit units.

3. For those claimants of UC Health Element who are selected as having claimed initially during or after the financial year 2026/27 (see detail on reweighting above), reduce the UC Health element to the lower level of £50 per week.

Changes to Personal Independence Payment eligibility

The modelling for changes to PIP eligibility criteria was run on reweighted base data, updating this data to reflect the government impact assessment that 370,000 current recipients of PIP and 430,000 potential newer recipients of PIP would not receive daily living component under the reform.[vii] This modelling uses a bespoke script, and takes place in two steps:

1. Randomly select PIP claimants – who receive some payment for daily living (Standard or Enhanced) – from "newer" and "existing" claimant groups, as mapped during the reweighting script (see above for detail). In the final year, select 370,000 "existing" recipients of PIP, and 430,000 "newer" recipients of PIP. Fewer people are selected for intermediate years (see table 3 below)

2. Remove PIP daily living component payments for those selected.

The full impact of the policy, with 800,000 individual claimants losing eligibility to PIP, is modelled for the final year of the projection window: 2029/30. This is expected to develop incrementally, starting in 2026/27. Table 3 shows the number of claimants expected to lose PIP eligibility in each of the years considered.

Table 3: Assumed number of claimants who have lost eligibility of Personal Independence Payment in each year.

	2026/27	2027/28	2028/29	2029/30
Existing claimant (first claimed before or during 2025/26)	92,500	185,000	277,500	370,000
Newer claimant (first claimed during or after 2026/27)	107,500	215,000	322,500	430,000

Source: WPI Economics analysis.

Combined scenario

This scenario is run by combining modelling steps for the two previous, individual policies. The IPPR Tax Benefit Model is used to model the uprating of UC Standard Allowance and the nominal-terms freeze in the UC Health Element, while two bespoke modelling scripts described above are run in sequence. In full:

1. Using the IPPR Tax Benefit Model, reflect policy changes that will affect both current and new claimants:
    a. Uplift the UC Standard Allowance by CPI + 5% by 2029/30, in increments starting from 2026/37.

    b. Freeze the UC Health Element at current levels (£97 per week) until 2029/30.

2. Reweight the data to account for increased caseload, using the same reweighting process as for the base data.

3. For those claimants of UC Health Element who are selected as having claimed initially during or after the financial year 2026/27 (see detail on reweighting above), reduce the UC Health element to the lower level of £50 per week.

4. Randomly select PIP claimants who receive some payment for daily living, as above. Remove PIP daily living payment from those selected.

Results

Summary

In combination, the policies are projected to increase the number of people in hunger and hardship in a family that includes a disabled person by 440,000 in 2029/30, compared to the projected situation in 2029/30 had the changes not been made. The impact on overall levels of hunger and hardship is partially offset by a reduction in the number of people in hunger and hardship among families that do not include a disabled person, with 105,000 fewer such people in hunger and hardship in 2029/30. Overall, the number of people in hunger and hardship increases by 340,000 in 2029/30.

Table 4: Change in the number of people in hunger and hardship under each scenario, in the 2029/30 financial year, relative to the projected baseline (for 2029/30).

Change in the number of people in hunger and hardship (2029/30)	1. UC rebalancing	2. Changes to PIP eligibility	3. Combined impact
In a family that includes a disabled person	185,000	275,000	440,000
In a family that does not include a disabled person	-95,000	-5,000	-105,000
Total	**95,000**	**270,000**	**340,000**

Source: IPPR Tax-Benefit Model, WPI Economics analysis.

Universal Credit rebalancing

A total of 585,000 families are affected by the reductions to UC Health Element for newer claimants by 2029/30. For these families, the average loss of income is £49 per week. The freeze to UC Health Element, for newer and existing claimants, also affects 2,590,000 families by 2029/30.

The impact of these policies is somewhat offset by the increase in the UC Standard Allowance, which benefits nearly 7 million families by 2029/30.

Table 5: Number of families affected by changes to Universal Credit, from 2026/27 to 2029/30.

Number of families affected by:	2026/27	2027/28	2028/29	2029/30
Reductions to UC Health Element for newer claimants	280,000	345,000	435,000	585,000
UC Health Element freeze (newer and existing claimants)	2,460,000	2,465,000	2,490,000	2,590,000
UC Standard Allowance uplift	6,680,000	6,705,000	6,790,000	6,830,000

Source: IPPR Tax-Benefit Model, WPI Economics analysis.

These changes result in a projected increase of 85,000 in the number of people in hunger and hardship in families that include a disabled person, in 2026/27, relative to the baseline (no policy change) projection. This impact increases over the projection window, with a projected increase of 185,000 in 2029/30, compared to the situation where the policy changes did not happen.

This increase in the number of people experiencing hunger and hardship is partially offset by a reduction in the number of people in a family that does not include a disabled person who are in hunger in hardship, of 20,000 in 2026/27, rising to 95,000 in 2029/30.

These changes result in an increase in the number of people in hunger and hardship of 95,000 in 2029/30, relative to the baseline (no policy change) projection for 2029/30.

Table 6: Change in the number of people in hunger and hardship, from 2026/27 to 2029/30, relative to the baseline projection for each year.

Change in the number of people in hunger and hardship (2029/30)	2026/27	2027/28	2028/29	2029/30
In a family that includes a disabled person	85,000	115,000	125,000	185,000
In a family that does not include a disabled person	-20,000	-55,000	-65,000	-95,000
Total	**65,000**	**60,000**	**65,000**	**95,000**

Source: IPPR Tax-Benefit Model, WPI Economics analysis.

Changes to Personal Independence Payment eligibility

By 2029/30, a total of 785,000 families are projected to be affected by the loss of PIP eligibility. On average, families lose £99 a week from their loss of eligibility.

Table 7: Number of families affected by loss of PIP, from 2026/27 to 2029/30.

Number of families affected by:	2026/27	2027/28	2028/29	2029/30
Loss of PIP eligibility	195,000	395,000	585,000	785,000

Source: IPPR Tax-Benefit Model, WPI Economics analysis.

This increases the projection of the number of people in hunger and hardship by 70,000 in 2026/27, rising to 270,000 by 2029/30, compared to the projected numbers had the policy changes not taken place. The entire impact is experienced by families that include a disabled person.

Table 8: Change in the number of people in hunger and hardship, from 2026/27 to 2029/30, relative to the baseline projection for each year.

Change in the number of people in hunger and hardship (2029/30)	2026/27	2027/28	2028/29	2029/30
In a family that includes a disabled person	75,000	150,000	190,000	275,000
In a family that does not include a disabled person	-	-10,000	-5,000	-5,000
Total	**70,000**	**135,000**	**185,000**	**270,000**

Source: IPPR Tax-Benefit Model, WPI Economics analysis.

Combined scenario

In combination, these policies increase the projected number of people in hunger and hardship who live with a disabled person by 160,000 in 2026/27, relative to the 2026/27 baseline projection, rising to 440,000 by 2029/30, relative to the 2029/30 baseline (no policy change) projection.

The overall impact on the number of people in hunger and hardship is partially offset by a reduction in the number of people in hunger and hardship who are in families that do not include a disabled person. The number of people in hunger and hardship in a family that does not include a disabled person falls by 20,000 in 2026/27, rising to 105,000 by 2029/30.

Overall, this results in an increase in hunger and hardship, across all household types, of 140,000 in 2026/27, rising to 340,000 by 2029/30.

Table 9: Change in the number of people in hunger and hardship, from 2026/27 to 2029/30, relative to the baseline projection for each year.

Change in the number of people in hunger and hardship (2029/30)	2026/27	2027/28	2028/29	2029/30
In a family that includes a disabled person	160,000	250,000	330,000	440,000
In a family that does not include a disabled person	-20,000	-65,000	-70,000	-105,000
Total	**140,000**	**185,000**	**260,000**	**340,000**

Source: IPPR Tax-Benefit Model, WPI Economics analysis.

Impacts for devolved nations

Table 10 shows the impact that these policies have on the devolved nations, compared to the overall impact on the UK. All three devolved nations are impacted disproportionately by the rebalancing of Universal Credit. Wales sees a 0.4 percentage point increase in hunger and hardship, Scotland a 0.3 percentage point increase, and Northern Ireland a 0.2 percentage point increase. This compares to an increase of 0.1 percentage points for the UK as a whole.

Scotland is considered not to be impacted by the changes to PIP eligibility, as extra-cost disability costs are not administered separately in Scotland. This report does not model any knock-on implications for the Scottish block grant that result from these benefit savings. Northern Ireland sees a 0.6 percentage point increase in rates of hunger and hardship, and Wales a 0.5 percentage point increase, both of which are greater than that seen in the UK as a whole (0.4 percentage points).

This means that, under the combined package, Wales (0.8 percentage points) and Northern Ireland (0.8 percentage points) both see greater increases in rates of hunger and hardship than the UK as a whole (0.5 percentage points). Scotland sees a lesser increase (0.3 percentage points) owing to its exemption from PIP eligibility changes.

Table 10: Change in the number of people in hunger and hardship under each scenario, in the 2029/30 financial year.

2029/30	*Change in the number of people in hunger and hardship*			*Change in the rate of hunger and hardship (percentage-point)*		
	1. UC rebalancing	2. Changes to PIP eligibility	3. Combined impact	1. UC rebalancing	2. Changes to PIP eligibility	3. Combined impact
Wales	10,000	15,000	25,000	0.4	0.5	0.8
Scotland	15,000	-	15,000	0.3	-	0.3
Northern Ireland	5,000	10,000	15,000	0.2	0.6	0.8
United Kingdom	**95,000**	**270,000**	**340,000**	**0.1**	**0.4**	**0.5**

Source: IPPR Tax-Benefit Model, WPI Economics analysis.

[i] Department for Work and Pensions (2025). Spring Statement 2025 health and disability benefit reforms – Impacts. See: https://www.gov.uk/government/consultations/pathways-to-work-reforming-benefits-and-support-to-get-britain-working-green-paper/spring-statement-2025-health-and-disability-benefit-reforms-impacts#:~:text=The%20UC%20health%20element%20will,inflation%20over%20the%20forecast%20period. Accessed 23/05/2025.

[ii] Ibid.

[iii] Chaminda Jayanetti. The Guardian (2025). Disability benefit cuts to hit 700,000 families already in poverty, DWP forecasts show. See: https://www.theguardian.com/society/2025/may/07/disability-benefit-cuts-to-hit-700000-families-already-in-poverty-dwp-forecasts-show. Accessed 23/05/2025.

[iv] Trussell (2025). Cost of Hunger and Hardship – final report. See: https://www.trussell.org.uk/news-and-research/publications/report/cost-of-hunger-and-hardship-final-report. Accessed 02/06/2025.

[v] Department for Work and Pensions (2024) Autumn Statement 2024, Outturn and Forecast Tables https://www.gov.uk/government/publications/benefit-expenditure-and-caseload-tables-2024

[vi] Stat-Xplore. https://stat-xplore.dwp.gov.uk/webapi/jsf/login.xhtml

[vii] Department for Work and Pensions (2025). Spring Statement 2025 health and disability reforms – Equality Analysis. See: https://www.gov.uk/government/consultations/pathways-to-work-reforming-benefits-and-support-to-get-britain-working-green-paper/spring-statement-2025-health-and-disability-benefit-reforms-equality-analysis. Accessed 23/05/2025.