

Universal Credit and PIP Changes: Advice Services Face New Pressures

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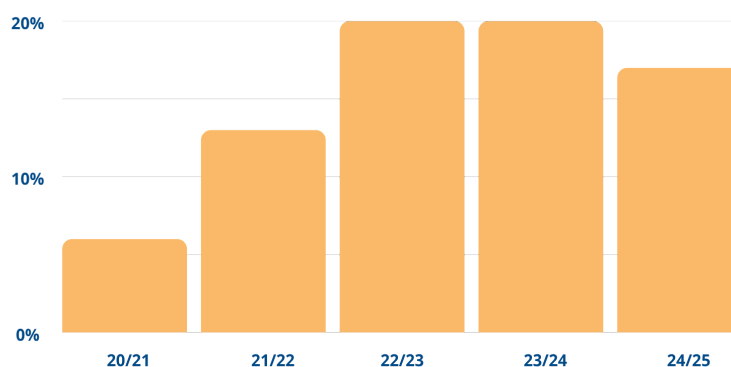
Executive Summary:

- Around 50,000 residents in Barnet are disabled under the Equality Act (2010), many will be affected by the Government’s passing of the Universal Credit Act.
- The Act brings in cuts (almost 50%) for new claimants of the Limited Capability for Work and Work-Related Activity (LCWRA) element of Universal Credit and a review of Personal Independence Payments (PIP).
- The numbers of clients coming to us with PIP or LCWRA queries have risen in recent years and these clients are vulnerable.
- Citizens Advice Barnet is expecting an increase in its already high levels of queries regarding eligibility and appeals (38% of all PIP queries).
- The Severe Conditions Criteria protection aspect of the Act is of particular concern as it does not protect people with severe conditions that fluctuate.
- Over 4 in 10 people receiving disability benefits currently struggle to afford essentials.
- Fear around losing benefits can discourage disabled people further from employment: increasing support in accessing work is likely to be far more successful in increasing employment among those with disabilities.
- Citizens Advice Barnet’s funding for welfare benefits casework came to an end in January 2026. Until further funding is found, we will be unable to provide end-to-end casework. Our volunteers provide support with benefits, but this is limited in complexity.

Introduction

After considerable controversy, the Government has enacted its Universal Credit Act. The Act brings in a number of changes to current and existing claimants of the Limited Capability for Work and Work-Related Activity (LCWRA) element of Universal Credit and leaves the door open for further changes to come, particularly for those who claim Personal Independence Payment (PIP). The Act is concerning because it will affect many of the approximately 50,000 vulnerable Barnet residents who are disabled under the Equality Act (2010).¹ In recent years we have already seen a rise in the proportion of enquiries we receive regarding PIP and LCWRA, yet despite the obvious need for the service, our welfare benefits casework service has had to close.

LCWRA Issues as a % of Total Universal Credit Issues



¹ Open Barnet. [Joint Strategic Needs Assessment 2024 - People - Communities](#)

What Changes Has the Government Made?

The government announced changes to health-related benefits under the Universal Credit Act 2025. The primary welfare cut that remains in the Act after a rebellion by Labour MPs is to the LCWRA element of Universal Credit. This currently provides eligible individuals with a monthly top-up of £423.27 per month.² Under the new legislation, this amount will be cut by almost half for new claimants, with a reduced figure of £217.26 per month in 2026/27.³ Existing claimants will see their LCWRA rate frozen.⁴ In addition, Work Capability Assessment (WCA) for LCWRA claimants is expected to be replaced with a points-based system based on the PIP daily living criteria, though legislation for this will come separately.⁵ In the meantime, the Government announced in its Autumn Budget 2025 that WCA reassessments will occur more frequently for current claimants, potentially creating more stress for disabled people.⁶

The Government's changes regarding PIP remain ambiguous. Earlier plans included tightening the PIP points system, which could have meant 430,000 future applicants losing an average of £4,500 a year.⁷ Yet following strong backlash to initial proposals to overhaul PIP, ministers confirmed that instead of immediate changes to PIP, a long-term review of the assessment process, led by Social Security and Disabilities Minister Stephen Timms, will take place over several years. This review will examine PIP criteria and evidence requirements, with recommendations likely released in autumn 2026.⁸ Changes to eligibility and application processes are likely, which in turn may increase enquiries to Citizens Advice Barnet.

What's the Government's Reasoning for Making These Changes?

The reforms come amid rising health-related benefit claims, especially for mental health and behavioural conditions, which now account for 44% of all disability claimants (1.3 million people).⁹ Public perception may also be influencing the policy direction. A New Statesman poll found many respondents believed the rise in claims was due to people 'cheating the system'.¹⁰

Labour's Liz Kendall, in announcing the initial reforms, described the current system as 'failing' and said it was 'holding our country back'. She framed the changes as a method to encourage disabled people into work and save £5bn by 2029/30.¹¹ However, Cabinet's plans were met with resistance and 108 Labour MPs rebelled against the original Bill. They proposed an amendment that warned the changes could deepen poverty and noted a lack of consultation with those affected. MP Debbie Abrahams argued reform should not be achieved 'by impoverishing disabled people'.¹²

Who Comes to us With Health-Related Benefits Queries:

PIP issues have been the second most common benefits related issue from 2020-2025, making up almost 20% of all benefits issues. In recent years we have seen a rise in the number of queries regarding PIP: the figure has risen from 1,297 issues between 2020-2021 to reach a peak of 1,914 cases between 2021/22, and remained high at 1,448 issues in the last year. The number

² Gov.UK. ['Universal Credit: What You'll Get'](#)

³ Legislation.gov. ['Universal Credit Act 2025'](#)

⁴ Parliament Acts. ['The Universal Credit Act 2025: Explanatory Notes'](#)

⁵ Gov.UK. ['Pathways to Work: Reforming Benefits and Support to Get Britain Working Green Paper'](#)

⁶ Scope. ['What the Autumn Budget 2025 means for disabled people'](#)

⁷ BBC News. ['Welfare cuts: What are the Pip and universal credit changes?'](#)

⁸ UK Parliament, ['Sir Stephen Timms Parliamentary Answer'](#)

⁹ The Institute for Fiscal Studies. ['The role of changing health in rising health-related benefit claims'](#)

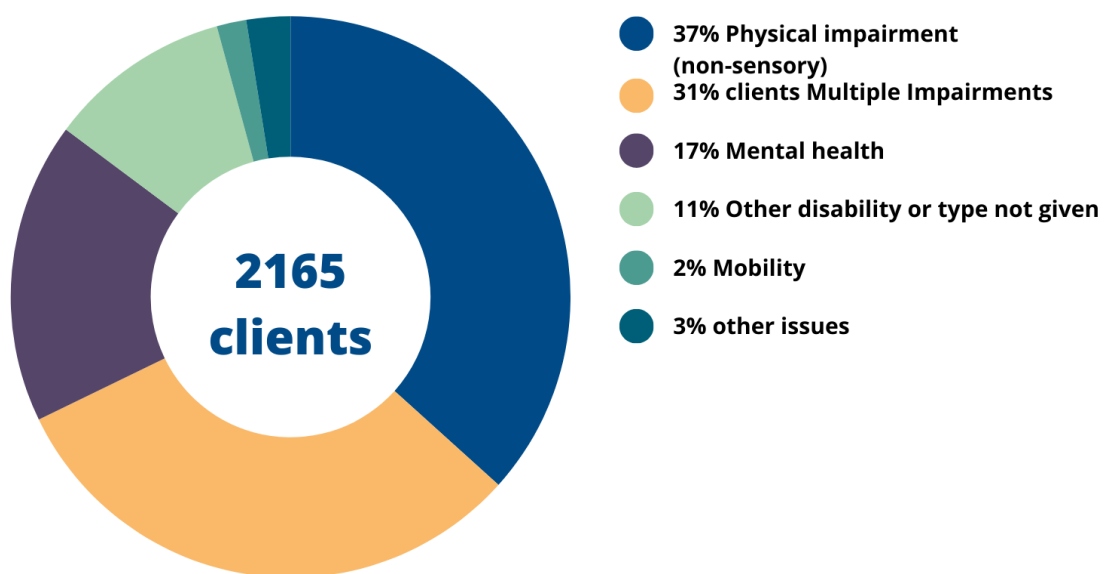
¹⁰ The New Statesman. ['What the public thinks about benefits'](#)

¹¹ The Guardian. ['Liz Kendall unveils UK benefits cuts set to leave many sick and disabled worse off'](#)

¹² Disability Rights UK. ['108 Labour MPs Rebel to Halt Devastating Disability Benefits Cuts'](#)

of cases regarding the LCWRA aspect of Universal Credit also saw a steady rise of 14% between 2020 and 2025. Furthermore, the proportion of LWCRAs out of total UC issues increased from 6% in 2020 to 17% in 2024 with a peak of 20% in 2023. This change likely reflects the pandemic and the cost of living crisis, causing more people to need welfare support.

People who come to us with health-related benefits queries have a variety of disabilities and long-term health conditions. Between 2020 and 2025, the largest proportion of people (37%) who came to us had a physical impairment. The second largest proportion (31%) had multiple impairments. This high proportion shows the overlapping health vulnerabilities that many of our clients face. Additionally, 17% of people who came to us for help applying for PIP or LCWRA stated that they faced mental health problems. Due to stigma, many people don't feel comfortable disclosing the fact that they're facing mental health issues, meaning the actual number of people struggling with mental health problems could be much higher.



Many of the clients we support with health-related benefits have dependents in their household. Between 2020 and 2025, 30% of clients with LCWRA and PIP queries were from households with dependent children. Out of those households, single parents with dependent children made up the largest group, accounting for 58%, with couples making up 39%. This data showcases that the newly proposed changes to these benefits will affect not only the people who are trying to claim these benefits but also children who depend on them.

How the Proposed Changes Might Increase the Numbers we Help

We anticipate an increase in queries related to the LCWRA element of Universal Credit and continued high numbers of queries related to PIP. Last year nearly a quarter (23%) of all PIP queries concerned eligibility for the daily living or mobility components. If the Government introduces changes to the proposed points system, eligibility could become more constrictive, prompting people to seek advice. Rejections of PIP claims may also rise. Currently nearly one in six PIP queries (15%) relate to appeals or challenges. The process can be lengthy and stressful, new applications can take up to 16 weeks and appeals up to 12 months.¹³ Appeals due to incorrect decisions are already a large problem, with most appeals of PIP decisions (70%) being

¹³ Ibid.

upheld, meaning the claims should have been successful initially.¹⁴ The Autumn Budget 2025 provides some respite to some of these issues, as the Government announced that some of those on PIP will be reassessed less often, potentially reducing stress and wait times.¹⁵ However, if the Timms Review proposes reforms similar to those originally put forward by the Government, we anticipate that many people will need help navigating the system.

We expect a rise in appeals and challenges for LCWRA. Though currently only 7% of these cases relate to appeals, we could see these levels rise because the Government plans to replace the current Work Capability Assessment with the PIP daily living points system. This could cause confusion and exclude many from claiming, as 42,000 people currently claim LCWRA but not the daily living component of PIP.¹⁶ Another significant concern regarding LCWRA changes in the Act is the Severe Conditions Criteria, intended to protect those with the most serious health conditions from any changes. Eligibility requires that a condition is permanently constant, which excludes people with severe but fluctuating conditions like Parkinson's. One in five (20%) of LCRWA queries we currently receive are about eligibility. The lack of support for fluctuating conditions could drive up these numbers.

Likely Societal Impact and Alternative Strategies

Many people with disabilities and long-term health conditions are already struggling. On average, disabled households need an additional £1,010 per month to maintain the same standard of living as non-disabled households.¹⁷ This financial need is not being met, as last year the national Citizens Advice charity found that over 4 in 10 people receiving disability benefits were struggling to afford essentials, with half using savings. A quarter were avoiding medical costs and almost a third were skipping meals to pay their bills.¹⁸ Following on from the Autumn Budget 2025, some disabled households will see their costs rise further, as taxes on the vehicles leased through the motability scheme will increase.¹⁹ By the Government's own estimations, the reforms they initially proposed for the Universal Credit Act would have left 3.2 million families worse off by an average of £1,720 in 2029/30 and 250,000 people (including 50,000 children) would have fallen into relative poverty after housing costs.²⁰ While the cuts put forward in the Universal Credit Act are less comprehensive, they are still likely to push many into further hardship. This in turn may place council services and community support organisations, such as foodbanks, under additional strain.

The Government's impact report highlighted that changes to poverty levels may be temporary as more people would find work. However, the New Economics Foundation found that anxiety around losing benefits and the threat of conditionality all 'fundamentally undermine' successful engagement with employment support that leads to people returning to work.²¹ Moreover, greater government investment in efforts to support disabled people into work would be more effective than cutting benefits. The Joseph Rowntree Foundation recommends a 'Work Transition Guarantee' should be put into law which would ensure if someone starts work or takes steps to starting, the DWP cannot ask them to be reassessed for at least 18 months. This provides a

¹⁴ Benefits and Work. ['Seven in ten PIP appeals succeed, latest figures show'](#)

¹⁵ Scope. ['What the Autumn Budget 2025 means for disabled people'](#)

¹⁶ Citizen's Advice UK. ['Pathways to Poverty'](#)

¹⁷ Joseph Rowntree Foundation. ['Unlocking benefits: Tackling barriers for disabled people wanting to work'](#)

¹⁸ Ibid.

¹⁹ Scope. ['What the Autumn Budget 2025 means for disabled people'](#)

²⁰ Department for Work & Pensions. ['Spring statement 2025 Health and Disability Benefit Reforms - Impacts'](#)

²¹ New Economics Foundation. ['Terms of Engagement: Rethinking Conditionality to Support More People into Better Jobs'](#)

safety net for those looking to move off benefits.²² If the Government doesn't take steps such as these, it is unlikely that employment levels will increase. The resultant high levels of poverty are likely to mean that charities, local councils, schools and the NHS will all see a greater demand as the need for crisis support, debt recovery, homelessness and health services increases.

A Lack of Available Support and Funding

Whilst it is likely we will see more clients coming to us regarding disability benefits, our funding in this area is limited. At present we are able to provide free, Advice Quality Standard (AQS) accredited generalist advice on welfare benefits. High-quality generalist advice provides information and options to new or current claimants of PIP and LCWRA, helping them to understand eligibility, create applications and prepare for appeals or reviews. Until recently, this was complemented by end-to-end casework for specific issues requiring in-depth support and advocacy, delivered by paid experts. However, following funding cuts, we had to make the difficult decision to make our two paid Welfare Benefits Caseworkers, one of whom joined us following the closure of the Barnet Law Centre in 2014, redundant.

Our service was the most comprehensive AQS accredited provider of advice and casework pertaining to health-related benefits in Barnet. Should we receive funding to do so, we could reinstate this vital service. In the meantime, clients seeking help will have to find alternative support, causing distress and potential financial burdens. It is vital that a solution be found to the funding situation, so Citizens Advice Barnet can resume its capability to take on very complex cases and help the most vulnerable help people who need intensive end-to-end support before the likely rise in cases.

Conclusion

In recent years, we have seen a rise in the numbers of issues we see regarding PIP and the LCRWA aspect of Universal Credit. Those who come to us are some of the most vulnerable in society, having not only long-term health conditions but other vulnerabilities in terms of socio-economic situation. The Government's proposed changes pose risks to these people, particularly those with fluctuating conditions. Confusion, fear and the ability for the new system to leave people behind will likely bring more people through our doors.

The societal impacts of the changes will also be detrimental. The changes risk forcing people who are already financially vulnerable due to limited capability to work at risk of falling into poverty and placing additional pressure on council services and community support organisations. The changes will likely have a knock-on effect for our services in that we expect to see more clients with financial difficulties.

When our funding came to an end in January 2026, we had to make the difficult decision to end our welfare benefits casework service, which we had provided since the Barnet Law Service closed in 2014. While we continue to provide advice through our volunteers, we can no longer take on complex cases, placing vulnerable residents at considerable risk. It is vital that Citizen's Advice Barnet resumes its ability to provide end-to-end support in navigating the complex, lengthy and stressful process of health-related benefits applications before the expected rise in cases. We ask funders and local authorities to be aware of the detrimental impacts of the Universal Credit Act and support us in reinstating our welfare benefits casework.

Ends

²² Joseph Rowntree Foundation. ['Unlocking Benefits'](#)

Case Studies:

Amara is a refugee and a single mother of two children who is unable to work due to health issues and language barriers. She receives Universal Credit and Child Benefit but her rent absorbs her entire Universal Credit payment. She is in the process of applying for LCWRA and PIP for heart, musculoskeletal and mental health issues. Yet, while she waits she lives off the £170 she received per month in Child Benefit as her only household income to survive and feed her children. Amara is desperately waiting for decisions from the DWP. She has received 3 food vouchers in the last six weeks and is borrowing money from friends and family to survive. Amara's case reveals how flawed the process of applications can be. The process can leave desperate people vulnerable while the outcomes of decisions are made.

Anisa is a single mother who has multiple physical, mobility and mental health issues and is cared for by her mother. She is currently in receipt of PIP and the LCWRA element of Universal Credit. She contacted Citizens Advice Barnet because she was incredibly stressed when the Government announced the Green Paper proposing the changes to these benefits. This stress and uncertainty added to Anisa's existing mental health difficulties. Our advisor referred her to mental health organisations to help with her stress.

Cecilia has multiple long-term health conditions connected to her breast cancer diagnosis and hip replacement. Cecilia risks losing her job in the NHS as she is unable to drive and cannot carry out workplace duties due to balance issues. She contacted us for help when her PIP application was rejected and she wanted to appeal the decision. Our advisor helped Cecilia with advice about her employment situation and the PIP appeal. The DWP eventually approved Cecilia's PIP payments and backdated the payment to when she'd originally applied. Cecilia's appeal process was lengthy, taking almost a year from completing the application to the decision in her favour. This time lag put Cecilia in a place of heightened financial vulnerability due to her inability to work.

Ahmet is unable to work due to his lung cancer and the side effects of his medication causing sleeping problems, weakness in his lower legs and numbness in his toes. He is in receipt of Universal Credit, however his initial applications for both PIP and LCWRA were rejected. Our advisor helped him with his appeal applications and put him in contact with Macmillan to organise a grant. With our help, Ahmet received LCWRA and PIP as well as a back payment of £2,400. Ahmet had been in a difficult situation, with no savings and struggling to meet his rent. It is essential that funding can continue to enable our advisors to support people like Ahmet.