

REPORT TO: Health & Wellbeing Board

DATE: 9th July 2025

REPORTING OFFICER: Director of Public Health

PORTFOLIO: Health and Wellbeing

SUBJECT: Overview of proposed reforms to Personal Independence Payments and Universal Credit

WARD(S) Borough wide

1.0 **PURPOSE OF THE REPORT**

1.1 This summary is an overview of the UK Government's proposals for reform to Personal Independence Payment and Universal Credit. The proposed reforms were outlined in the green paper 'Pathways to Work: Reforming Benefits and Support to Get Britain Working Again', published in March 2025.

2.0 **RECOMMENDATION: That the board**

1) Note the recent policy changes outlined in the green paper on welfare reform and consider its impact in Halton.

3.0 **SUPPORTING INFORMATION**

3.1 Personal Independence Payment (PIP) is a nationally administered benefit to help with the additional costs associated with a long term illness or disability. It is available to all adults below state pension age to support travel and daily activities. The benefit is not means tested meaning an individual can receive support regardless of their employment status, income and the amount of savings they have. As of January 2025, 3.7million in the UK people were claiming PIP.

3.2 PIP is made up of two components, a daily living and a mobility element, that make up the overall benefit. An applicant can be eligible for one component or both together. For each component there is either a standard or enhanced rate of support.

The daily living section covers the effects a physical or mental health condition has on the applicants ability to carry out basic tasks. For each of the 10 questions applicants receive a score based on which description best describes their ability.

Appendix A is the daily living question around washing and bathing and the associated descriptors. A score of 8 points overall is

required to receive the standard rate of the daily living component and 12 points for the enhanced rate. The questions cover the following:

1. Preparing Food
2. Eating and Drinking
3. Managing therapy or monitoring a health condition
4. Washing and Bathing
5. Managing toilet needs or incontinence
6. Dressing and undressing
7. Communicating verbally
8. Reading and understanding signs, symbols and words
9. Engaging with other people face to face
10. Making budgeting decisions

The mobility element focuses on the applicants ability to move around and follow journeys. Again a score of 8 points overall is required to receive the standard rate of the mobility component and 12 points for the enhanced rate. The questions cover the following:

1. Planning and following journeys
2. Moving around

3.3 The current per week value of both components of the award are as follows:

Daily Living Component

- Standard Rate: £73.90 per week
- Enhanced Rate: £110.40 per week

Mobility Component

- Standard Rate: £29.20 per week
- Enhanced Rate: £77.05 per week

3.4 From November 2026 applicants will be required to score at least 4 points in one single activity to be eligible for PIP. This will only affect the daily living component of the benefit as the minimum scoring for each of the mobility questions is 4 points. This higher bar for eligibility will remove those who across the board score at least 8 points but do not achieve a higher score in one particular activity.

3.5 Universal Credit is a working age benefit to support those on low income with living costs. They can be in or out of employment with 7.5 million people currently claim Universal Credit, with 3 million currently having no requirement to find work. The overall once monthly amount consists of a standard allowance and additional payments based on the circumstances of the individual.

3.6 The rate at which debt repayments are deducted from monthly payments will now be capped at a maximum of 15% from the previous rate of 25% as of April 25. This will alleviate some of the

financial pressure on families needing to repay previous debt while continuing to afford daily essentials.

- 3.7 The values of Universal Credit are set to change going forward. The basic amount claimants receive will rise from £92 a week in 2025/26 to £106 a week by 2029/30. The health element that supports those who can't work due to disability or sickness will also change. Those who currently receive this will have the amount frozen at the current rate of £97 a week. For any new claimants the amount will be reduced to £50 a week from next year and will again be frozen until 2029/30.
- 3.8 Other proposed changes include replacing the work capability assessment in 2028 with a new assessment based on the existing Personal Independent Payments system focusing on the impact a condition has on day to day activities, rather than capacity to work. Support for a 'right to try work' guarantee, meaning claimants can try work without worrying it will trigger a reassessment. Those under 22 years of age will be restricted from accessing the health element of Universal Credit and instead invited to take part in training opportunities and support in helping them find work.

4.0 **POLICY IMPLICATIONS**

- 4.1 It's important to note the impact these changes will have on individuals who will no longer be eligible for funding. This includes the effect on their daily lives and the effect on mental health caused by navigating the changes.
- 4.2 Helping vulnerable residents navigate these changes and new rules as they are implemented will require strong local advice provision.

5.0 **FINANCIAL IMPLICATIONS**

- 5.1 A reduction in support for those currently eligible will likely lead to pressure on other parts of the system from these residents.
- 5.2 Reduction in government funding available to local residents will reduce spending power locally.

6.0 **IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

- 6.1 Improving Health, Promoting Wellbeing and Supporting Greater Independence

Reduction in those eligible for Personal Independence Payment and the support it provides to individuals to connect with services in the community.

6.2 Building a Strong, Sustainable Local Economy

Reduction in eligibility for national funding will affect the spending power of local people.

6.3 Supporting Children, Young People and Families

Change to eligibility for parts of Universal Credit for under 22s will affect the level of financial support for young people. Improvements in the offer of training and education should help support this cohort improve their opportunities to work.

6.4 Tackling Inequality and Helping Those Who Are Most In Need

Reduction in the maximum amount that can be deducted from current payments to repay outstanding debt will help those most vulnerable afford essentials in the short term.

6.5 Working Towards a Greener Future

Increase in value of the basic rate of support will help these residents access local services and transport.

6.6 Valuing and Appreciating Halton and Our Community

Increase in pressure and stress on cohorts of our community affected by these changes who will require adequate local support locally to navigate through a transition.

6.7 Resilient and Reliable Organisation

Changes will likely in the short term lead to an increase in the scale of demand for support while changes take effect. This will lead to an increase in pressure on services already facing large demand.

7.0 **RISK ANALYSIS**

7.1 There are ongoing risks to the welfare of local people due to the effects of the wider determinants of health and poverty. Changes to eligibility of national provision will only exacerbate this issue.

8.0 **EQUALITY AND DIVERSITY ISSUES**

8.1 Changes to Personal Independence Payments will affect the level of support those with disabilities receive to complete daily tasks and remain connected to the community.

9.0 **CLIMATE CHANGE IMPLICATIONS**

9.1 Reduction in funding to certain cohorts will likely increase the need for demand for services locally and increase the amount of journeys residents have to make to access them.

10.0 **LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

‘None under the meaning of the Act.’

(Please do not insert ‘embedded’ documents in reports. Members cannot read them on their electronic devices)

4. Washing and bathing

	POINTS	DESCRIPTION
A	0	Can wash and bathe unaided
B	1	Needs to use an aid or appliance to be able to wash or bathe
C	2	Needs supervision or prompting to be able to wash or bathe
D	2	Needs assistance to be able to wash either their hair or body below the waist
E	3	Needs assistance to be able to get in or out of a bath or shower
F	4	Needs assistance to be able to wash their body between the shoulders and waist
G	8	Cannot wash and bathe at all and needs another person to wash their entire body