# Rachel Reeves faces backlash from Labour MPs over disability benefit cuts



Rachel Reeves, the Chancellor of the Exchequer, has asserted the necessity for reform within the UK’s welfare system, but her attempts meet growing dissent among her own party’s members regarding forthcoming cuts to disability benefits. A collective of 42 Labour MPs recently implored Prime Minister Sir Keir Starmer to reconsider these planned reductions, denouncing them as “the biggest attack on the welfare state since George Osborne ushered in the years of austerity.” These cuts to the Personal Independence Payment (PIP), which supports around 800,000 recipients, threaten to exacerbate the socio-economic challenges faced by vulnerable groups, drawing further ire as Labour's commitment to the welfare state seems to falter.

Despite acknowledging her party’s concerns, Reeves insists that the current welfare system, largely a product of past Conservative policies, is inadequate. “I don’t think anybody, including Labour MPs and members, think that the current welfare system created by the Conservative Party is working today,” she stated, but her remarks reveal a troubling narrative. The proposed reforms are framed as essential for stimulating economic growth, yet they risk deepening the existing crisis for those reliant on state support.

Supporters of these cuts claim they are designed to facilitate a return to work, purporting to lessen dependency on state benefits. Reeves declares that focus must remain on those “trapped in benefit dependency” who wish to work. However, critics, including Labour backbenchers, argue that this approach is profoundly misguided. They describe the government's plan as “the wrong medicine,” demanding a comprehensive assessment of its implications on health and social care before any drastic action is taken.

These welfare cuts emerge amid burgeoning critiques of Labour’s broader policies, particularly in light of recent electoral setbacks, including a narrow defeat to an opposition party in the Runcorn and Helsby by-election. Such results underscore mounting dissatisfaction among voters, particularly regarding welfare cuts perceived as threatening crucial support for pensioners and disabled individuals. Labour's failures at the polls have ignited internal disputes about these welfare policies, prompting figures like Diane Abbott and Rachael Maskell to call for urgent reevaluation.

Moreover, Labour's adjustments to the winter fuel allowance—vital aid for nearly 10 million pensioners—further fuel discontent. While Reeves argues these decisions were necessary due to the financial challenges inherited from the previous government, critics contend that these cuts reflect a troubling retreat from Labour’s social safety net commitments. The public outrage suggests a need for the party to reconsider its fiscal strategy; some are even advocating for tax increases to safeguard essential services rather than eroding support.

Research from the Institute for Fiscal Studies (IFS) highlights the critical stakes involved in the welfare reform discourse. Health-related welfare spending has ballooned to £48 billion for 2023-24, with projections indicating an increase to £63 billion by 2028-29—largely driven by demographic shifts, the fallout from COVID-19, and escalating mental health issues among young claimants. These alarming figures raise urgent questions about the viability of current benefit policies and expose the complexities of establishing effective support systems.

As the Labour government struggles to navigate these contentious reforms, the welfare conversation remains fraught with challenges. While the Chancellor champions the notion of systemic change to promote economic stability and growth, an undercurrent of discontent from backbench MPs and the electorate demands a rigorous reconsideration of how these reforms may disproportionately affect the most vulnerable sectors of society.

In the days ahead, the Labour government faces a pivotal moment as it seeks to regain lost momentum in other policy areas, such as immigration and housing; yet, the looming threat of backlash from their agenda on welfare casts a long shadow over their political aspirations.

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

1. <https://m.belfasttelegraph.co.uk/news/uk/rachel-reeves-insists-welfare-system-needs-reform-amid-disquiet-on-benefit-cuts/a258967665.html> - Please view link - unable to able to access data
2. <https://www.reuters.com/en/uk-wont-reverse-winter-fuel-payment-cuts-after-poor-election-results-pms-2025-05-06/> - Despite poor local election results, the UK government, under Prime Minister Keir Starmer, has confirmed it will not reverse recent cuts to winter fuel and welfare payments. Labour Party members attributed the disappointing election results to public dissatisfaction over reductions in support for pensioners and the disabled. The cuts, implemented shortly after Labour came to power in July, eliminated universal winter fuel payments of up to £300 for many pensioners, unless they qualified for government benefits. Finance Minister Rachel Reeves defended the decision, citing the challenging financial situation inherited from the previous Conservative administration. Although The Guardian suggested the government might reconsider the policy, Starmer's spokesperson asserted there would be no changes. The government intends to announce further key policies in coming weeks, focusing on areas such as defense, housing, and immigration.
3. <https://www.ft.com/content/b518a33e-97e1-4bf6-844e-69acf2f5f2b7> - Downing Street has confirmed it will not reverse the Labour government's decision to cut the winter fuel allowance for approximately 10 million pensioners, despite backlash from within the party after poor local election results. Labour MPs and party figures, including Welsh First Minister Baroness Eluned Morgan, have attributed the losses to unpopular welfare policies, particularly the cuts to winter fuel and upcoming changes to disability benefits. The move, introduced by Chancellor Rachel Reeves to address a fiscal deficit inherited from the previous Conservative government, is estimated to save £1.5 billion annually. Critics argue the policy is deeply unpopular and has significantly impacted public opinion. Some, including former MP Mike Amesbury and Labour MP Louise Haigh, have urged the leadership to reconsider the policy and push for tax increases to fund investment. Nevertheless, government officials, including Health Secretary Wes Streeting, defend the cuts as necessary for economic stability and redirecting funds to essential services. Downing Street emphasized the importance of difficult financial decisions to uphold broader policy goals like the pensions triple lock. The government now aims to regain political momentum with immigration controls and NHS reforms.
4. <https://www.ft.com/content/f83d210d-b144-4769-83b3-9f5def82ddba> - The UK's welfare spending on health-related benefits has surged to £48bn in 2023-24 from £36bn in 2019-20, with projections indicating it could rise to £63bn by 2028-29, according to the Institute for Fiscal Studies (IFS). This increase is notably a UK-specific phenomenon, not merely due to Covid-19 or the cost of living crisis. The IFS suggests that strains on the NHS and the UK benefits system design, which offers more generous incapacity support that is less strictly policed than joblessness benefits, contribute to this growth. Similar benefits spending in Australia, Canada, Germany, France, and the US remained stable, with only Denmark seeing a comparable but smaller rise. As the UK's spending could reach 2.1% of GDP by 2028, Chancellor Rachel Reeves faces tough decisions on welfare, tax, and public spending in the upcoming Budget. The Labour government has yet to announce plans concerning measures to narrow incapacity benefits' eligibility, introduced by the previous Conservative government. Tom Waters from the IFS noted a rise in health-related benefit claims across the UK, particularly from younger individuals due to mental health issues. The IFS warned that effective health and employment support would be challenging to implement and require significant financial investment.
5. <https://www.gov.uk/government/consultations/pathways-to-work-reforming-benefits-and-support-to-get-britain-working-green-paper/pathways-to-work-reforming-benefits-and-support-to-get-britain-working-green-paper> - The UK government has introduced the 'Pathways to Work: Reforming Benefits and Support to Get Britain Working' Green Paper, aiming to overhaul the welfare system. The document highlights that one in every ten working-age people in Britain is claiming at least one type of health or disability benefit, and one in every eight young people (aged 16 to 24) isn't currently in work, education, or training. The Green Paper outlines plans to scrap the Work Capability Assessment (WCA) and introduce a single assessment based on the Personal Independence Payment (PIP) assessment, focusing on the impact of disability on daily living rather than capacity to work. The government also plans to increase the Universal Credit standard allowance and provide an additional £1 billion employment, health, and skills support package to make the system more pro-work and reduce perverse incentives. The reforms aim to create a welfare system that is fairer, provides vital support for those who need it most, and ensures that everyone who can realize the benefits of work is expected and supported to do so.
6. <https://www.gov.uk/government/news/biggest-shake-up-to-welfare-system-in-a-generation-to-get-britain-working> - The UK government has announced the largest welfare reforms in a generation, backed by a £1 billion investment, to help sick and disabled people who can and have the potential to work into jobs. The reforms include scrapping the Work Capability Assessment (WCA) and introducing a 'right to try' work guarantee to tear down barriers to work. The changes aim to unlock work, boost employment, and tackle the broken benefits system to unlock growth as part of the government's Plan for Change. The number of people receiving one of the main types of health and disability benefit, Personal Independence Payments (PIP), has risen rapidly and is becoming unsustainable. Since the pandemic, the number of working-age people receiving PIP has more than doubled from 15,300 to 35,100 a month. Over the next five years, if no action is taken, the number of working-age people claiming PIP is expected to increase from 2 million in 2021 to 4.3 million, costing £34.1 billion annually. The reforms aim to restore trust and fairness in the system by fixing the broken assessment process that drives people into dependency on welfare and to ensure those who cannot work get the support they need as part of the government's Plan for Change.