

NATIONAL STATEMENT

Against Further Welfare Cuts and Decades of Neglect

ARCHITECTURES OF NEGLECT: A Call for Social Justice, Economic Renewal and Public Accountability

Headline: No More Cuts Without Consequences: Britain Needs Jobs, Homes and Fair Taxation, Not More Punishment of Disabled People

FORENSIC FINDINGS FROM THE REPORT

- Tax Gap £39.8bn (2023-24) vs Benefit Fraud £4.0bn — 10x larger, 7.5x less press coverage
- 900k vacancies vs 5.7m seekers — 1 per 6.3 nationally, 1 per 16 in Blaenau Gwent
- Real wages 2024 = 2008 levels — 15 years without growth
- Correct benefit spend 96.4% — fraud 2.2%, not a majority
- Cumulative tax gap 2006-2024: £706.8bn — 44% of £1.6tn welfare figure
- Disability hate crimes: <1k (2007) → 14k+ (2024)

OPENING STATEMENT

We call on the UK Government, the Prime Minister, the Chancellor and the Secretary of State for Work and Pensions to rule out further damaging welfare cuts. Repeated reliance on benefit reductions, restrictive eligibility, punitive conditionality and constant reassessment has not fixed Britain's economy. It has deepened poverty, disability-related hardship, housing insecurity and regional inequality while structural causes have been left unaddressed.

Social security is not a lifestyle choice. It is protection against risks that can affect any household. Reducing benefit expenditure does not automatically improve the public finances. Our forensic analysis of DWP, OBR, ONS, HMRC, NHS England and National Audit Office data shows cuts often increase costs elsewhere — in temporary accommodation now £2.3bn a year, in NHS pressure, food banks and lost local spending. A fair society does not balance its books by making its most vulnerable bear the greatest hardship.

1. DECADES OF NEGLECT, NOT A CULTURE OF DEPENDENCY

The Centre for Social Justice claims a dependency culture. We find a country living with fifty years of economic restructuring and fifteen years of austerity.

Deindustrialisation: Manufacturing fell from 27% of GDP in 1979 to 9.5% in 2024. Coal employment from 230,000 in 1980 to under 2,000 by 2000. Steel from 197,000 to 32,000. In Easington, disability is 28% vs 17.6% nationally, inactivity 32% vs 21%.

Austerity 2010-2020: Public spending cut 9% real terms. Local government cut 32% per capita, 40% in most deprived vs 20% least deprived. Public health grants -28%, youth services -77%, addiction treatment -40%. OBR estimates growth reduced 1% per year. Welfare measures — benefit freeze 2016-2020 saving £4.4bn but -6% real value, LHA freeze 2020-2024 while rents +32% real, two-child limit affecting 1.5m children — did not create growth. Poverty 13m to 14.5m, Trussell parcels 40k to 3m.

Job deserts: ONS Q1 2026 vacancies ~900k vs 1.5m unemployed + 1.8m inactive want work + 2.4m UC searching = 5.7m seekers. One vacancy per 6.3 seekers nationally. Westminster 45 per 1,000 working-age, Knowsley 11, Blackpool 12, Gosport 14, Blaenau Gwent 8, Easington 9. Approx 100 constituencies under 15 per 1,000, mostly North, Wales, coastal. 40% of vacancies under £12/hr, 30% zero-hours, 70% require 5 days on-site, 80% advertise no adjustments. Poverty is not an economic strategy.

2. CHALLENGING HOSTILE AND MISLEADING NARRATIVES

DWP Fraud and Error 2023-24: total overpayments £6.5bn (3.6% of £182bn). Fraud £4.0bn (2.2%), claimant error £1.4bn (0.8%), official error £1.1bn (0.6%). Underpayments £2.8bn. Correct spend 96.4%. For disability benefits, fraud 0.5%.

How it is misrepresented:

- **£1.6tn cumulative:** CSJ contrasts working-age benefits 2006-07 to 2024-25 vs selective capital £0.45tn in economic affairs + housing. HMT PESA 2025 shows total public sector net investment £1.10tn same period, economy-wide GFCF £6.6tn. Welfare acted as automatic stabiliser in 2008 and 2020.
- **£27,400 package:** Assumes max enhanced PIP daily living + mobility (24% of claimants) + peak London rents. Omits Scope extra costs £975/month (£11,700/yr). Median UC health household ~£15,000, not £27,400.
- **1,000 claims a day:** Gross WCA decisions ~360k/yr = 986/day, but net new inflows after mortality 35k, SPA transitions 80k, in-work LCWRA progression 56k = 150-370/day. Gross vs net confusion inflates crisis.
- Individual fraud cases used to imply widespread wrongdoing, while NHS waiting lists, occupational risks and labour market omitted.

Effect: Hansard analysis 2006-2026 shows stigmatising rhetoric rising to 85% by 2026. Benefit fraud generates 15,000 newspaper articles/yr vs tax avoidance 2,000 (7.5:1) despite tax gap 10x larger. Home Office: disability hate crimes <1,000 in 2007/08 to 14,000+ by 2024, 44% involving violence/weapons, spikes aligning with Budgets and welfare reform bills. Mind 2023: 82% said assessments worsened mental health. We demand higher standards: transparent sourcing, correction of 75% fake myth, distinction between fraud, claimant error and official error.

3. REALITY FACING DISABLED PEOPLE, CARERS AND CLAIMANTS

PIP supports 3.6m working-age, ESA + UC health 3.85m, ONS 2.8m inactive due to long-term sickness Q2 2026. Receiving disability benefit does not mean incapable of all work or receiving more than needed. Being capable of some work does not mean sustaining full-time employment without adjustments is possible.

56,000 UC LCWRA are in work, 30% of PIP recipients are in work. PIP is extra-costs benefit, not out-of-work. Occupational health coverage 51% large firms vs 21% SMEs. EHRC 2023: 40% of disabled workers requesting reasonable adjustments refused. Access to Work backlog 25,000, wait 90 days.

NHS elective waiting list 4.4m Feb 2020 to 7.6m Sep 2023, now 7.5m early 2026. Mental health 1.8m adults, 12-week wait vs 6-week target. Nuffield Trust 2023 found MSK patients waiting >18 weeks had 3.2x higher risk of leaving work.

Independent Fonagy Mental Health Review 9 Oct 2026 provides clinical rebuttal to overdiagnosis tropes: genuine surge due to environmental/economic pressures, no systemic overdiagnosis of ADHD/autism, higher rates reflecting previously unmet need particularly among women and girls, untreated mild-moderate anxiety/depression frequently escalates into chronic work-limiting conditions.

Assessment waste: WCA ~£200, PIP ~£190, DWP spent £580m on health assessments 2023-24. At review: 42% same award, 18% higher, 22% lower, 18% disallowed. For lifelong conditions that will never improve — MS, Parkinson's, MND — FOI 2022/34219 shows 4,400 MS, 3,500 Parkinson's, 850 MND reassessed in 2022 alone. Our calculation: repeat assessments waste at least £14.7m direct + tribunal costs, overturn rates 65% PIP, 50% UC LCW. Barr et al BMJ 2016 linked 590 additional suicides 2010-13 to WCA programme.

Carers: 5.7m unpaid carers providing 1.8bn hours/yr. Replacement-cost valuation £22/hr = £162bn/yr per Carers UK 2024 — societal contribution, not direct fiscal saving. 1.2m carers in poverty, 600k using food banks. Carer's Allowance £86.25/week 2026-27, earnings limit £160, 35 hours required = £3.77/hr with UC carer element, far below NLW £12.21. 400k carers over State Pension age receive nothing due to overlapping benefits rule. In Gosport, affiliated group reports average 45 hrs care, 70% financial difficulty, respite funding -23% since 2015.

4. CREDIBLE ALTERNATIVE: INVESTMENT AND DECENT WORK

We call for a funded, measurable national employment and regeneration strategy prioritising Knowsley, Gosport, Blaenau Gwent, Blackpool, Great Yarmouth, Liverpool City Region.

- Direct investment £15bn/yr per Resolution Foundation: £5bn R&D; £5bn green manufacturing, £5bn transport.
- Local regeneration restoring opportunity.
- Affordable housing: 150,000 new social homes/yr vs 6,000 in 2020 per Shelter/NHF. Reduces Housing Benefit £1bn/yr after 10 years, requires £5-7bn capital/yr with 3-5 yr lag.
- Public transport: Bus fares +71% real outside London 2006-2024, services -30%. Gosport ferry £5/day = 10% UC standard allowance.
- Training: Adult education funding -38% real 2010-2024, Level 2/3 -40%. Restore to 2010 + £2bn Augar.
- Better wages: Real median wage 2024 £560/week 2024-25 prices, same as 2008 £565, 15 years no growth. Work allowance £335/month, taper 55% + tax/NI = 75-85% marginal effective tax rate.
- Disability-inclusive recruitment, mandatory reporting, expanded Access to Work.
- NHS treatment, occupational health to 80% coverage, mandatory adjustments.
- Carers support, 10-year light-touch awards for 30+ degenerative conditions using NHS data linkage as Scotland does for ADP.
- Properly funded employment services offering practical assistance not threats. Welfare Conditionality Project 2018: conditionality does not increase employment but increases hardship.

Fiscal multipliers: OBR/IMF £1 support to low-income = £1.30-£1.60 GDP in downturn vs £0.40 tax cuts high earners, due to 90% marginal propensity to consume locally. PIP supports 890k jobs. OBR: 100k returning to work saves £1.2bn benefits + £1bn tax + multiplier. We do not claim every pound pays for itself immediately — investment requires measurable targets, transparent evaluation and honest accounting.

5. CLOSE THE TAX GAP

Latest HMRC Measuring Tax Gaps 2024: Total £39.8bn 2023-24, 5.2% of liabilities £764bn. Not a single pool of immediately recoverable cash. Breakdown: evasion £5.2bn, avoidance £1.8bn including arrangements against Parliament's intention, errors/failure to take reasonable care £6.0bn, non-payment, hidden economy. Small business self-assessment gap £11.8bn, 65% of gap. Compliance yield £34bn, return £9 per £1. Cumulative 2006-07 to 2023-24: £706.8bn, avg £37.2bn/yr. Evasion cumulative £103.3bn, avoidance £47.5bn, self-assessment £192.2bn. This is 44.2% of CSJ's £1.6tn. Combined with privatisation cumulative cost mapping £402.7bn same period — energy excess £53.2bn + decommissioning £23bn, water £61.6bn, transport £51.3bn, housing £247.9bn including £196bn Housing Benefit to private landlords — total lost £1,109.5bn, 69.3% of £1.6tn and nearly equals total public sector net investment £1.10tn.

Comparison: Tax gap 5.2% vs benefit fraud 2.2%, correct tax 94.8% vs correct benefits 96.4%, similar compliance but radically different attention.

We call for: better resourcing and powers for HMRC reversing 30k staff cuts, stronger action against evasion and fraudulent arrangements, enforcement against promoters of abusive schemes, transparency around gross vs net, 3-5 yr lag, review of tax reliefs, fair treatment of compliant taxpayers. £1bn compliance investment yields £6-10bn gross over five years per Tax Justice UK 2024, net £4-8bn, but not guaranteed and must not be presented as such.

6. DEMANDS TO GOVERNMENT

1. Rule out further welfare cuts that deepen poverty without credible, independently verified assessment of consequences for poverty, disability, employment, public finances, health and regional inequality.
2. Publish comprehensive assessment of cumulative effects of austerity and welfare reforms since 2010, including regional and disability impacts.
3. Protect disabled people, serious health conditions, low-income families and unpaid carers from avoidable hardship, including 10-year light-touch awards for degenerative conditions and ending wasteful reassessments.
4. Invest in secure employment, industrial renewal, affordable housing and essential public services in deprived communities, with funded targets for jobs, apprenticeships and regional investment.
5. Improve access to healthcare, rehabilitation and workplace support so people who can work are not prevented by avoidable barriers, including cutting NHS waiting lists, expanding occupational health to 80%, mandatory reporting on reasonable adjustments.
6. Strengthen HMRC capacity to tackle evasion, abusive avoidance and non-compliance, with transparent annual reporting on tax gap reduction.
7. Publish measurable targets and annual progress on tax gap reduction, additional employment, regional investment, poverty reduction and reductions in long-term economic inactivity from remediable barriers.
8. Require responsible, evidence-based communication of welfare statistics by public bodies and accountability for materially misleading claims, including distinguishing fraud from error and gross from net.
9. Consult disabled people, carers, local communities, employers, trade unions and independent researchers before major welfare changes, in line with Fonagy Review principles that support follows functional need.
10. Assess reforms against effects on poverty, health, employment, dignity, public expenditure and long-term economic resilience, not merely immediate departmental savings.

CLOSING DECLARATION

Britain does not have a crisis of dependency. It has a crisis of opportunity. For decades, communities in Knowsley, Gosport, Blaenau Gwent, Blackpool, Great Yarmouth, Easington and beyond have been told to wait while secure jobs left, rents rose, buses were cut, youth clubs closed, and assessments arrived for conditions that will never improve.

The answer is not to cut again. The answer is to build again: homes that are affordable, jobs that are secure and accessible, transport that connects, health services that treat in time, and a tax system where everyone who owes tax pays it.

Poverty is not an economic strategy. The cost of neglect does not disappear. It reappears in the NHS, in temporary accommodation, in food banks, and in lost potential. A fair society does not balance its books by making its most vulnerable bear the greatest hardship.

We urge MPs, journalists, trade unions, disability organisations, anti-poverty charities and the public to join us in demanding an economic strategy that creates opportunity, restores neglected communities, protects dignity and enforces fairness.

About Welfare Facts: Welfare Facts is an independent policy analysis and research commission prepared by Kevin Mitchell. Architectures of Neglect (Updated Comprehensive Evidence Edition, Oct 2026) is a 25,000+ word analysis with 32 charts, 15 tables, evidence register and calculation appendix using primary DWP, OBR, ONS, HMRC, NHS England, IFS and NAO sources.

Evidence Notes: Full report https://www.welfarefacts.org.uk/ARCHITECTURES_OF_NEGLECT_UPDATED_FULL.pdf | HMRC Measuring Tax Gaps 2024 Table 1.1 £39.8bn 2023-24 5.2% | DWP Benefit Expenditure Tables 2026 | OBR EFO March 2026 Tables 2.1,2.23 Box 2.3 | HMT PESA 2025 Tables 4.2,4.4 £1.10tn PSNI | ONS ASHE 2024 £560 real wage | ONS Vacancies Q1 2026 900k vs 5.7m seekers | NHS England RTT 4.4m Feb 2020 to 7.6m Sep 2023 | Fonagy Review 9 Oct 2026 DHSC | Home Office Hate Crime 2023/24 14k+ | Carers UK State of Caring 2024, GOV.UK Carer's Allowance £86.25 | DfE Widening Participation 24 Oct 2024 FSM 29.0% vs non-FSM 49.8% gap 20.8pp | DLUHC TA Q1 2026 135,580 households