Protecting Child Disability Living Allowance

A Social Model, Disability Justice and DDPO response to Policy Exchange
Disability Action Haringey | October 2026

Executive summary

Disability Justice perspective

Disability Justice adds an important question: who is most likely to carry the consequences of reform? Disabled children and families are not a single, uniform group. Poverty, racism, gendered inequality, insecure housing, migration-related barriers and unequal access to education, health and social care can overlap with disability. These factors can affect both access to support and the impact of losing it.

That means policy cannot be judged only through aggregate expenditure. Government must examine distributional impacts, including whether a change deepens existing inequalities. People facing the greatest structural barriers should not be required to carry a disproportionate share of fiscal savings.

The proposed reductions are assumptions, not evidence of incorrect awards

Policy Exchange models revised criteria that would restrict eligibility to 50%, 40% or 30% of current acceptance levels for three DWP statistical categories, alongside returning average awards to pre-pandemic levels. At 30% of current acceptance levels, the model therefore assumes a 70% reduction against that acceptance baseline. This is a policy scenario. It is not a finding that 70% of children currently receiving DLA fail the existing rules.

The most restrictive scenario projects £11.9 billion in gross savings over four years and £4.5 billion in 2030/31. Policy Exchange proposes indicative reinvestment of £1.5

billion of that final-year amount, leaving £3 billion as savings. [1, pp. 15–16] The scale of the proposed reduction makes evidence about consequences, replacement support and equality impacts essential.

Child DLA must be considered in the wider welfare context

Child DLA cannot sensibly be considered in isolation from the wider social welfare budget. Policy Exchange places considerable emphasis on the growth of Child DLA expenditure and presents restriction of eligibility as an opportunity both to reduce expenditure and redirect some resources towards services. But the fiscal case must be tested proportionately against overall social security spending and the wider expenditure associated with disability and ill health.

On the figures identified in this debate, Child DLA currently costs about £5.3 billion a year. That expenditure should be scrutinised properly. However, growth in one component of the social welfare system does not establish that expenditure is excessive, that current awards are inappropriate, or that Disabled children should carry a disproportionate share of a wider fiscal savings programme.

Proportionality of concern

Policy Exchange's analysis risks creating the impression that Child DLA itself represents an unsustainable welfare problem. That conclusion does not follow merely from a high rate of expenditure growth. The relevant questions include why expenditure has increased, whether children meet the statutory criteria, what unmet need the expenditure reflects, and what would happen if support were removed. Child DLA must be assessed alongside much larger areas of welfare expenditure rather than presented in isolation.

Fiscal choices are choices

Policy Exchange presents potential Child DLA savings alongside proposals to redirect some expenditure towards services. This creates a false impression that better services

for Disabled children must be financed by reducing individual financial support available to other Disabled children. Governments make choices about spending, taxation and the allocation of resources across much larger budgets. Disabled children should not first have to lose an existing statutory entitlement to establish the funding necessary to provide adequate public services.

From a Disability Justice perspective, the question is not simply where money can most easily be removed, but who is being asked to bear the cost of fiscal consolidation and whether that distribution of burden is just.

Gross benefit reductions are not necessarily genuine public-sector savings

Policy Exchange's most restrictive scenario presents £4.5 billion in gross savings in 2030/31, with £1.5 billion suggested for reinvestment and £3 billion retained as annual savings. [1, pp. 15–16] but a reduction in DLA expenditure is not necessarily an equivalent saving to the public purse.

Removing financial support does not remove a child's disability long term health condition, additional care and supervision requirements, transport needs or the disabling barriers they encounter. Costs may instead move onto families, education, health services, social care, local authorities, appeals and tribunals, or voluntary and community organisations. Government should therefore publish a whole-government net-cost assessment that distinguishes gross benefit reductions from genuine savings.

Fiscal sustainability cannot override rights and need

DAH accepts that government has a legitimate responsibility to examine the sustainability and effectiveness of public expenditure. But fiscal scrutiny must operate alongside the State's responsibilities towards Disabled children rather than replacing them.

The starting question should be what support Disabled children require to enjoy dignity, independence, participation and equality, how that support should be provided, and how it can be delivered.

Beginning with children's needs may identify improvements to assessment, administration and services. Beginning with a predetermined spending reduction risks

designing eligibility around the savings sought. Disabled children are not a welfare cost to be managed down. They are rights-holders.

DLA is not a “cash settlement” and entitlement is not a receipts test

Policy Exchange describes DLA as a form of “cash settlement”. DAH rejects that framing. DLA is a statutory, non-means-tested benefit based on a child’s additional care and/or mobility needs, not on whether a family can produce receipts for those needs. Policy Exchange’s report itself acknowledges that the assessment uses care, attention, prompting and assistance as proxies rather than requiring families to itemise additional expenditure. [1, pp. 3, 14]

The report distinguishes direct expenditure from “other costs”, such as parental time, vigilance and supervision. But unpaid care is not cost-free care. Additional caring responsibilities can restrict a parent carer’s capacity for paid employment and therefore have direct financial consequences for the household.

Nor can financial impact be assumed from a child’s broad administrative category. Children within the three categories selected by Policy Exchange will have different care and mobility needs and different family circumstances. DLA entitlement is based on the individual child’s needs, not diagnosis alone. [1, pp. 3, 14]

No receipt does not mean no cost, and a need met through unpaid family care remains a need.

Rising claims require investigation, not predetermined cuts

A rising caseload can justify investigation, but it cannot on its own show that awards are incorrect. Possible contributors include greater recognition of previously unmet need, changes in awareness and claiming, changes in children’s needs and changes in the availability of other support. These possibilities need to be tested rather than assumed.

Independent NHS evidence also suggests caution in treating rising recognition of ADHD as proof of excessive entitlement. The independent NHS England ADHD Taskforce reports under-recognition and under-diagnosis and describes the reasons for increased demand as complex, although it also notes concerns over-diagnosis and does not address DLA. [10]

If decision-making errors exist, government should identify them through representative evidence about actual decisions. The research note does not present a representative review establishing how many awards were incorrectly made or what share of present entitlement is unsupported.

The datasets are not equivalent

Policy Exchange compares DLA administrative categories with clinical datasets. The NHS learning disability publication is England-only and had national coverage of approximately 55% in 2024/25, while the OpenSAFELY ADHD analysis covers only part of the registered population in England. Policy Exchange's DLA figures concern England and Wales. These datasets therefore differ in geography, coverage, definitions, and purpose. [9]

More importantly, the absence of a clinical diagnosis or record cannot be assumed to mean the absence of disability or additional need. NHS England's independent ADHD Taskforce concluded that ADHD in England is under-recognised, under-diagnosed and under-treated, and identified escalating waits for assessment as a significant problem. It recommends that support should be needs-led and should not rely on or require a clinician-provided diagnosis. NHS England's November 2025 data also estimated that up to 700,123 people may have been waiting for an ADHD assessment in September 2025, demonstrating the scale of unmet assessment demand.

DWP statistics also record a main disabling condition, even where more than one condition may be present. Such broad administrative categories cannot capture the full range of a child's impairments, care and mobility needs, circumstances or disabling barriers.

This makes any simple comparison between recorded clinical prevalence and DLA receipt particularly problematic. Children can have substantial additional care or mobility needs while awaiting assessment, without a formal diagnosis, or without appearing in the particular clinical dataset being used for comparison. Differences between the datasets may therefore reflect under-recognition, waiting times, recording practices and differences in coverage as well as genuine changes in prevalence or benefit receipt.

These comparisons can identify legitimate questions for further investigation, but they do not establish a cause-and-effect relationship and cannot, by themselves, demonstrate that DLA awards have grown beyond legitimate need.

A changing award distribution is not proof of system failure

Policy Exchange argues that award distributions for a condition should remain stable over time. [1, pp. 10–11] DAH does not think that proposition can simply be assumed. A needs-based benefit can produce different awards among children placed in the same broad administrative category, and the composition of that category can change.

Analysis should consider age, co-occurring impairments, changes in the composition of the claimant population, new entrants and evidence supplied to decision makers before changed award patterns are treated as proof of excessive entitlement.

Policy Exchange's own table shows higher-rate mobility falling from 6.10% to 4.10% across the "mental health conditions" grouping it uses while receipt of either mobility rate rises from 78.46% to 85.02%. [1, p. 12] Lower-rate mobility generally starts at age five and higher-rate mobility at age three, so a nil award cannot automatically be treated as proof that a child was judged to have no relevant outdoor support need without age-adjusted analysis. [2]

Family finances and unpaid carers

Care, supervision and prompting have economic consequences even when there is no neat receipt attached to them. Sustained support can constrain paid work and families may face additional transport, energy, communication, participation and support costs.

Contact's Counting the Costs 2024 survey of 4,262 UK families with Disabled children found that 62% of responding parent carers had given up paid work or reduced hours, 50% of families had borrowed or gone into debt to pay for basics in the last 12 months, and 43% had gone without heating. Respondents reported average additional costs of £322 per month due to their child's condition. These survey findings are not a precise population estimate, but they demonstrate why household resources belong in this debate. [5]

Better services and financial security must go together

DAH supports accessible education, timely health care, suitable childcare, short breaks, accessible activities, family support and effective local services. But these are not interchangeable with household financial support. A clinical service does not pay an additional energy cost, and a parenting programme does not automatically meet additional transport or participation costs.

The National Audit Office concluded in October 2024 that the SEN system was still not delivering better outcomes for children and young people despite increased high-needs funding, and recommended that government consider whole-system reform. [11] Allocating money to services does not, by itself, demonstrate that effective replacement provision will be available to a particular child.

Nothing about us without us

Disabled children are rights-holders and should be participants in policy that affects them. UNCRPD Article 7 requires their best interests to be a primary consideration and recognises their right to express their views with appropriate assistance. Article 28 recognises adequate living standards and social protection and includes access, for Disabled people and families living in poverty, to State assistance with disability-

related expenses. Article 4(3) requires close consultation with and active involvement of Disabled people, including Disabled children, through their representative organisations. [6, 12, 13]

For DAH, consultation is not an optional communications exercise after the policy has been designed. Lived experience and the collective expertise of DDPOs should help frame the problem, develop options, test impacts and evaluate whether reform improves Disabled children's lives.

What credible reform should look like

- Retain individual, needs-based entitlement and reject predetermined acceptance targets for selected diagnostic or administrative groups.
- Improve assessment quality, evidence gathering, accessibility, communication support and explanations of decisions.
- Commission independent research into caseload growth, unmet need, claiming barriers, age and caseload composition, co-occurring impairments and disability-related costs.
- Invest in accessible education, health care, childcare, short breaks, activities and family support alongside financial assistance.
- Publish full poverty, equality, distributional and public-service impact assessments before restricting entitlement.
- Examine impacts on families experiencing overlapping structural inequalities and design policy so that those already facing the greatest barriers do not bear the greatest losses.
- Actively involve D/deaf and Disabled children, families and DDPOs from the outset, using accessible and adequately resourced participation.
- Publish the assumptions behind savings models and demonstrate why any changed threshold reflects children's needs rather than a predetermined spending objective.
- Place Child DLA expenditure within the full social security and public expenditure context rather than assessing its growth in isolation.
- Require government to publish both gross and net savings estimates, including costs transferred to families, local government, health, education, social care, tribunals and the voluntary sector.

- Apply a proportionality test examining whether Disabled children and families are being asked to carry a disproportionate share of fiscal savings compared with alternative fiscal choices.

Conclusion

Policy Exchange raises questions about expenditure and whether support for Disabled children is working as well as it should. But those questions do not establish the answer it proposes. Growth warrants investigation; it does not establish inappropriate entitlement. Predetermined reductions should not replace evidence about individual need.

Fiscal sustainability matters, but proportionality matters too. Child DLA should not be treated in isolation from the much larger social security and public expenditure system within which it operates. Identifying a potential saving does not demonstrate that Disabled children are the appropriate group from whom that saving should be taken.

Nor should a gross reduction in DLA expenditure automatically be described as a saving to government. If costs are transferred to families, schools, the NHS, local government, social care, tribunals or voluntary organisations, the State may simply have moved expenditure and risk rather than eliminated it.

For DAH, the fundamental question is not simply how much Child DLA costs, but what the expenditure achieves, what needs it responds to, what would happen if it were removed and who would bear the consequences.

Disabled children should not be required to surrender individual financial security in order to fund public services that should already be accessible to them. Reform should start with evidence about children's needs and the barriers they face, not with a predetermined savings figure and an eligibility system designed to deliver it.

Sources

[1] Jean-André Prager and Keir Haldane, Child Disability Living Allowance, Policy Exchange, October 2026.

[2] GOV.UK, Disability Living Allowance for children: Eligibility.

[3] DWP, written parliamentary answer 96763, 18 December 2025.

[4] DWP, Disability Living Allowance main disabling condition.

[5] Contact, Counting the Costs 2024.

[6] UNCRPD, Article 7.

[7] BM v Secretary of State for Work and Pensions [2015] UKUT 18 (AAC).

[8] NHS England, Health and Care of People with Learning Disabilities, Experimental Statistics 2024 to 2025.

[9] NHS England, ADHD Management Information, November 2025, OpenSAFELY analysis.

[10] NHS England, Report of the independent ADHD Taskforce, Part 1.

[11] National Audit Office, Support for children and young people with special educational needs, 24 October 2024.

[12] UNCRPD, Article 28.

[13] UNCRPD, Article 4(3).