Research at Toynbee Hall

It's Not Social Security Keeping Young People Out of Work:

MP briefing on proposed cuts to PIP and the UC Health Element for under 25s

Date: November 2026

Overview

The evidence is clear: young people are being failed by systems, not a lack of motivation:

Toynbee Hall's research with Disabled people including young people not in employment, education and training shows that poverty, social disadvantage and failing services are driving youth detachment and mental ill-health.

These findings are consistent with Alan Milburn's own assessment in his interim *Young People and Work* report:

> "In a survey carried out for this review, 84% of NEET young people said they want to find a job, education or training. I do not accept the caricature of a generation that is not interested in employment. I do not accept that mental health is simply an excuse. Nor do I accept that the answer is to tell young people who are struggling simply to try harder. These are myths. Sometimes cruel ones. Young people are not to blame. Institutions that should have provided opportunities to them are the ones that have failed."[1]

If failing systems are preventing young people from participating in work and education, the priority must be to fix those systems—not reduce the financial support that helps young people survive the consequences of its failures.

Reported proposals to cut disability benefits risk contradicting this diagnosis

Despite this recognition of the structural barriers facing young people, the BBC has reported that Milburn's forthcoming final report will recommend removing the two main working-age health and disability benefits—Personal Independence Payment (PIP) and the Universal Credit (UC) Health Element—for people under the age of 25.

According to the BBC, the recommendations may include a new additional cost allowance for young people with severe conditions. However, the proposed payment level and eligibility criteria have not been specified. It is therefore unclear how many young Disabled people would qualify, whether the allowance would adequately cover their additional costs, or how it would compare with their existing entitlements.

These reported proposals raise a fundamental contradiction: if poverty, poor health and inadequate services are already preventing young people from accessing opportunities, removing essential financial support risks deepening the very disadvantages the review seeks to address.

Key Points

Cutting young people's welfare payments is counterproductive to the Government's aims

1. **Welfare support already doesn't cover the cost of disability:** Our recent survey of 2,000 Disabled people found that PIP awards do not cover the additional costs of disability. Only 16% of respondents stated the PIP covered all their additional costs. Just under a quarter (24%) saying it covers very little or basically none of their additional costs. As one respondent noted "Being alive is beyond my budget."[2] Scope has calculated that disabled households need an extra £1,095/month on average just to have the same standard of living as non-disabled households.[3] The average monthly PIP payment is £465/month across households and the new lower rate of the UC Health Element is £217/month leaving a significant shortfall. JRF has found that 50% of people receiving the UC Health Element, "...are either unable to heat their home, behind on bills, or have low or very low food security, compared to 11% in households not receiving any UC or Personal Independence Payments (PIP)."[4]

2. **Cutting income support pushes Disabled people further away from the workforce:** The UK and other countries have previously tried cutting or reducing Disability welfare payments in order to push people into employment, and it didn't work. Research into the cuts resulting from the 2016 Welfare Act showed that reductions in disability-related welfare payments did not increase employment but did exacerbate financial and mental health vulnerability of those affected.[5]

Similarly, when Denmark cut access to disability welfare payments for most people under 40, employment among 25-39 year olds with a limiting health condition group fell. This is despite the fact that the cuts were coupled with new multidisciplinary rehabilitation programmes and restructured wage-subsidised employment.[6]

3. **Cutting income support will undermine the services that the government is trying to build up:** It is a matter of basic common sense that if people are struggling for everyday economic survival, they are less likely to be able to appropriately engage with education or employment services or internships. However carefully the government designs new programmes aimed at bringing young people into education or employment, they will not be effective for people consumed with worry over paying for food or housing. JRF's research supports this, outlining how, "negative income shocks can render such policies counter-productive by pushing people further away from the labour market." This is through mechanisms including inability to afford transport, accreditation, childcare, computer access, or interview clothes combined with the mental health impact of constant financial strain.[7] Income shocks also negatively impact people's mental health and in turn their ability to look for work.[8]

   Given the government's economic justification for cutting welfare payments, it is worth noting that if the services that it is building up are undermined by the very cuts being used to finance them, it will cost the government more in the long run.

4. **Cutting income support before services are running and effective puts the cart before the horse:** The government's own timelines show that roll out of new initiatives will span years. Additionally, research by the Learning and Work Institute has shown that in the first year of delivery, London's Youth Guarantee Trailblazer, part of the national Get Britain Working initiative to address youth unemployment, moved 18% of participants into employment. While an impressive outcome, we need to consider the 82% who would not have had employment income during this year.[9]

5. **Being young does not make disability cheaper:** As a Disabled Toynbee Hall Peer Researcher stated, "Disability needs do not automatically change according to age; if you need transport support because you are disabled, you will need that at any age." This common sense conclusion is supported by the Resolution Foundation which found that, "Overall, our survey evidence should make us hesitate about the idea of implementing a separate disability benefit system for young people, not least because the conditions that 16-24-year-olds experience are not especially distinct from other age groups, and especially 25-34-year-olds."[10]

6. **Cutting vital welfare support for Disabled young people will result in serious safeguarding harms:** The Work and Pensions Committee report on Safeguarding Vulnerable Claimants strongly makes the point that the Department of Work and Pensions provides a lifeline to vulnerable clients, and that, "Over several years there are known to have been hundreds of serious harms and deaths of claimants." Given the vulnerable financial position that many young Disabled people are already in, there is

every reason to believe that there will be serious harms for people if their vital support is cut.

Recommendations

As the Government prepares its response to Milburn's final report, we urge MPs to ensure that the following considerations are central to its assessment of the recommendations and any subsequent policy decisions:

1. **Uphold genuine co-production in any significant redesign of the welfare system.** Young Disabled people and their representative organisations must be meaningfully involved from the outset in shaping the objectives, design, implementation and evaluation of any proposed reforms. Co-production must go beyond consultation on predetermined proposals, ensuring that those directly affected have genuine influence over decisions and that their lived experiences inform policy development.

2. **Require a comprehensive, independently scrutinised impact and safeguarding assessment before any changes are introduced.** The Government must undertake and publish a robust assessment of the potential impacts of proposed benefit cuts on young Disabled people, including their financial security, physical and mental health, safeguarding risks, and ability to engage with employment, education and support services. This assessment must be subject to independent scrutiny, meaningfully involve young Disabled people and their representative organisations, and examine the cumulative impacts of changes to PIP and the UC Health Element alongside existing welfare reforms. No changes should proceed until the assessment has been completed, independently verified and considered by Parliament.

3. **Ensure that solutions address the problems identified.** Where the barriers facing young people are institutional and systemic, policy responses must focus on addressing those failures rather than reinforcing a culture of individual blame. This means tackling the structural barriers to employment, education and good health, including inaccessible workplaces, inadequate services and poverty, rather than placing greater responsibility on young people who are already struggling to navigate these systems.

We welcome MPs to come to Toynbee Hall to meet with people who are directly affected by these issues. Please contact Toynbee Hall Director of Policy, Research and Communities, Katie Taylor for more information: katie.taylor@toynbeehall.org.uk

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