Timms report on PIP welfare benefit lands, but has already been eclipsed by Milburn

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25 November 2026

The final report of the Timms review of personal independence payment was published on November 24. It arrived a week after Alan Milburn's review of young people and work, whose plans to cut disability benefits for under-25s Prime Minister Andy Burnham has promised to act on quickly.

In the space of a week, the Labour government has received two reports on disability benefits that on specific issues disagree with one another. Whatever balance it strikes between them, both serve the same end: a vicious assault on the incomes of millions of sick and disabled people.

On November 17, former Labour health secretary Alan Milburn published *From a Welfare State to a Working State*. It proposes ending personal independence payment (PIP) and the Universal Credit (UC) health element for everyone under 25, existing claimants included. In their place would come a "Youth Allowance" paid at the under-25 Universal Credit rate of about £78 a week, enforced by a "duty to engage". Under-25s would no longer undergo a work capability assessment for the universal credit health top-up. Instead, they would be referred within two weeks to a new youth opportunity service.

The *World Socialist Web Site* explained that the plan is a template for wider welfare cuts that will not stop at young people.

Seven days later came the final report of the Timms Review of PIP, led by the Minister for Social Security and Disability, Sir Stephen Timms. It was co-produced with disabled people. It too found that the PIP system is "not fit for purpose" but argued that PIP should remain a cash benefit for people of all ages, in and out of work.

The government will publish a single White Paper in early 2027, ostensibly in response to both reviews. In reality, the White Paper will generally follow Milburn's priorities, which match those of employers and the Treasury. But this does not mean that Timms offers disabled people a defence. His report also supplies the framework for cutting PIP for claimants of every age.

Milburn told *The Times* that reform would not be "pain-free". The Institute for Fiscal Studies (IFS) counts about 390,000 18–24-year-olds in England and Wales receiving health-related benefits, averaging £9,500 a year. The Resolution Foundation estimates that UC health payments and PIP currently keep 120,000 young people out of poverty. The review would cut young people's benefit spending by £3.6 billion a year. This is less than 1 percent of projected welfare spending, but it sets a precedent for more far-reaching benefit cuts.

Joseph Rowntree Foundation (JRF) senior policy adviser Jack Evans warned that pushing young people towards jobs that don't exist "will just leave them poorer". Anna Bird, chief executive of the disability charity Contact, warned that large cuts could have "devastating consequences".

An analysis by NewsCord, a UK news-comparison site, points out that the claim of 50,000 fewer people in poverty depends on 440,000 assumed new jobs. It notes that the review gives no poverty estimate for the benefit cuts on their own.

The Timms review exists because of the Labour rebellion over the 2025 welfare bill, which would have cut about £5 billion from projected disability spending. The Department for Work and Pension's (DWP) own impact assessment estimated it would push an extra 250,000 people, including 50,000 children, into relative poverty.

More than 120 Labour MPs signed an amendment that would have killed the bill. Then Prime Minister Keir Starmer responded by guaranteeing that existing PIP claimants would not lose out. Ninety minutes before the Commons vote, Timms announced that the planned PIP changes would not go ahead until his review had concluded. The rebellion collapsed. Only 49 Labour MPs voted against the bill.

The review was never a retreat from cuts. Its terms required it to stay within the Office for Budget Responsibility's spending forecast. *The Guardian* described the report as the second half of the government's attempt to slow the growth of the disability benefits bill. PIP spending is forecast to rise from about £16 billion in 2019–20 to just over £41 billion by the end of the decade.

Timms told MPs the system requires a "fundamental reset". At its centre is a new test of who may claim PIP, based on whether a disability brings additional costs. The report states that the benefit is not appropriate for those who incur no additional costs from being disabled. The Resolution Foundation reports that one in six of the 4 million claimants, about 666,000 people, say they have no extra costs. It estimates

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that ending their payments would cut up to £4.4 billion in 2029–30.

The much-praised fast track for people with severe, well-evidenced conditions covers only about 10 percent of claimants. For the remaining 90 percent, the report proposes assessments tailored to individual circumstances, replacing the current four rates of between £30.30 and £194.60 a week.

The government has accepted two recommendations straight away: the fast track and fewer reassessments for people with lifelong conditions. The rest will be "considered" alongside Milburn.

The White Paper is highly likely to include Milburn's Youth Allowance and conditionality for under-25s. It is also likely to include tax breaks and subsidies for retail and hospitality employers, phased in "when fiscal conditions allow". From Timms it can take an "additional costs" test and the language of "rebalancing" to cut PIP for adults.

Burnham is dealing with Labour MPs who now believe they can get away with cuts they thought socially dangerous earlier. They also feel more secure about their seats and parliamentary careers than they did under Starmer.

Before publication, several Labour MPs criticised the trailed proposals, but after Milburn addressed the Parliamentary Labour Party on November 16, the tone for many changed. Rachael Maskell called the final proposals a "sea change".

Burnham still faces strident calls to get a grip on the benefits bill. Employers have lobbied for the review's tax and subsidy measures. Before publication, retail, hospitality and tourism firms pledged to hire 250,000 young people over the coming years, which Work and Pensions Secretary Pat McFadden welcomed in the Commons. They will be paid for doing so. Milburn's proposals include doubling the employer National Insurance threshold for 21–24-year-olds in retail and hospitality from £5,000 to £10,000 and paying employers £3,000 to £7,000 per hire.

Pret A Manger, KFC, Young's and Punch Pubs pressed Chancellor John Healey to adopt the National Insurance cut. The British Retail Consortium called the measure "not only incredibly welcome, but essential", insisting that keeping a lower minimum wage for young people was vital. The review cautions against earlier plans to raise the youth minimum wage.

In *The Spectator*, economics editor Michael Simmons argued the Timms report "does not go far enough". He complained it makes no savings while the disability welfare bill heads for £120 billion. Conservative Party Shadow Work and Pensions Secretary Helen Whately called the review "a complete farce" and pledged to remove eligibility for low-level mental health PIP claims.

Anti-poverty and disability organisations spoke out against Milburn. Citizens Advice warned that young people "must not be pushed into poverty". Turn2us said the report ignores financial insecurity as a cause of young people being out of work or education, and urged MPs to reject the cuts. The Mental Health Foundation warned against "rushed cuts or cliff-edge changes" to PIP.

Some charities have welcomed Timms. Mind chief executive Sarah Hughes said it was promising that the review recognised PIP as a cash benefit, available in and out of work. Svetlana Kotova of Inclusion London said the government should prioritise Timms's recommendations over Milburn's.

They are clutching at straws, as are those charities who collaborated in its production and lent it undeserved legitimacy. They are presenting a recommendation that most claimants be reassessed against an additional-costs test, within a fixed budget, as the lesser evil to Milburn. The Resolution Foundation has already put a figure of £4.4 billion on what that test could take from disabled people.

The Socialist Workers Party has made its own contribution to this deception. *Socialist Worker* headlined its report "Timms review: Labour forced to water down attacks on disabled people's benefits". It presented the review as the fruit of a retreat forced on Labour in 2025. It praised the fast track for ending humiliating repeated assessments, before stating that the review leaves room for attacks on benefits that must also be fought.

Even as *Socialist Worker* concedes that Labour is ideologically committed to cutting welfare spending, it promotes the illusion that the party can be pressured into defending disabled people.

A handful of union leaders opposed the cuts. As dutifully reported by the Stalinist *Morning Star*, these included Unison General Secretary Andrea Egan, Fran Heathcote of the Public and Commercial Services Union, and the National Education Union's Daniel Kebede, who pledged to oppose them. This opposition will never materialise.

For the most part, the union leadership welcomed the review. Trades Union Congress General Secretary Paul Nowak called a permanent legal right to training or a job a "game-changer for young people", asking only that the government fund its response properly. The University and College Union's Jo Grady welcomed calls for more investment in colleges and Kebede also welcomed parts of the report.

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