Resolution Foundation

Hard truths

Rethinking Personal Independence Payment

Lindsay Judge & Louise Murphy

October 2026

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Many findings in this report draw on a survey designed by Resolution Foundation and conducted by Savanta. Fieldwork was conducted online between 26th May and 17th June 2026, with a total of 2,611 respondents in England and Wales aged between 16 and 64 surveyed. This comprised 2,405 PIP recipients and 206 formal appointees for someone in receipt of PIP. The sample has been reweighted by the Resolution Foundation to be representative of PIP recipients aged 16-64 in England and Wales, based on DWP's administrative data. The figures presented in this report have been analysed independently by the Resolution Foundation, and the views expressed here are not the views of Savanta.

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Executive Summary

In April 2013, a new working-age disability benefit was introduced in Great Britain. Personal Independence Payment (PIP) is paid to eligible disabled adults in order "to contribute to the extra costs of overcoming the barriers faced by long-term disabled people to leading full and active lives". Unlike most other working-age benefits, PIP is not intended to replace income lost though unemployment, illness or the like. Rather, its aim is to at least in part compensate for the additional costs faced by disabled people.

PIP is subject to criticism from many quarters

From the outset, however, PIP has been subject to fierce criticism. To begin, the quality of decision making has long been questioned: since 2013, one-in-six (16 per cent) of all disallowed decisions have eventually been overturned in favour of the claimant. But it is not just disabled people and their representatives who have little faith in the PIP system, but the wider world too. In part, this stems from PIP's expansion to support a growing number of recipients with mental health, neuro-developmental and behavioural conditions. PIP is paid to these claimants to recognise the disabling nature of these conditions, but this does leave the benefit supporting many today with conditions that were not front of mind among policy makers when PIP was first introduced in 2013.

But arguably the most pressing concern about the benefit in 2026 is that the number claiming PIP has risen dramatically in recent years. In 2019, an average of 36,000 people made a new claim for PIP each month in England and Wales; in the

first seven months of 2026, there were 76,000 a month. As a consequence, the working-age disability benefit spend in England and Wales is expected to reach £27.8 billion this year, 183 per cent higher in real-terms than when introduced. (Unless otherwise stated, this report covers England and Wales, as disability benefits are devolved to Scotland and Northern Ireland). This bill is projected to continue to grow at an unsustainable rate and is forecast to hit £34.5 billion (in 2026-27 prices) by 2030-31.

PIP reform is highly contention, making an evidence based approach even more important than usual

All of this adds up to a strong case for reform. However, the Government's attempt to limit eligibility to PIP in 2025 was ill-thought through. In the wake of the push-back by its own MPs, the Government set up the Timms Review, with a brief to "ensure that PIP is fair and fit for the future in a changing world, and helps support disabled people to achieve better health, higher living standards and greater independence, including through employment". This report is our contribution to this debate.

Our starting point is PIP's policy purpose, to contribute to additional costs of disability in order to enable disabled people to live fuller and more active lives. But there is limited evidence about the intersection between the needs, costs and capabilities of disabled people; without this, it is hard to tell how well PIP is performing. Given this, in spring 2026, we designed and fielded a survey of over 2,500 working-age PIP recipients in England and Wales, which we weighted to produce a representative sample. The findings from this survey are the foundation of this report.

One-in-six PIP recipients do not report additional costs, but a cost-based assessment would have serious flaws

One of the most striking findings from our survey is that one-in-six (16 per cent) working-age PIP recipients do not report having additional costs linked to their disability. But before throwing up one's hands straightaway and declaring PIP an outright failure, two important points should be kept in mind. First, it is possible for a PIP recipient to have had additional costs at the point of award, but then to have improved to the point they no

longer have such expenses. Second, having extra costs is not a consideration on which eligibility is currently based. Instead, the PIP assessment involves a 'functional' test, where claimants are asked about their ability to perform specific everyday tasks, such as taking care of themselves and moving around.

But regardless of these possible explanations, PIP's current assessment is clearly not serving as a good proxy for disabled people's additional costs. So, would a better alternative be to focus on disabled people's actual costs? In New Zealand, for example, their Disability Allowance makes a contribution towards certain verifiable extra costs, such as clothing, counselling or travel. There are two problems with a 'cost-based' system like this. First, it can be genuinely difficult for people to identify whether they have additional costs of disability: how can someone with arthritis, for example, distinguish between heating they use 'normally' from that they need to manage their condition? Second, the sources of additional costs that disabled people face, and moreover the costs that they can meet and therefore verify, vary widely across recipients. We find compelling evidence of this from our survey: among PIP recipients who report higher costs, 18 per cent struggle to afford medications; 37 per cent say they cannot heat their home adequately; and 49 per cent report they struggle to afford the healthcare services they require.

Conditions are a poor guide to how PIP recipients are affected by disability day-to-day, and the extra costs they face

But if a costs-based system has significant flaws, could a condition-based system perform any better? Proposals of this type are often in the headlines, encoding the idea that certain conditions are not disabling, do not incur additional costs, or both. But the reality is much more complex.

First, our survey shows that conditions are not a good proxy for disabled people's needs. In fact, there is a very weak relationship between PIP recipients' conditions and whether they face extra disability-related costs: 89 per cent of PIP recipients with ADHD and 87 per cent of those with anxiety have extra costs as a result of their disability, for example, very similar to the 93 per cent with back pain and 94 per cent with arthritis. At least in part,

that is because impairments do not always stem from people's conditions in an obvious or predictable way. We find that more than one-third (35 per cent) of PIP recipients who only report physical or sensory conditions say that they have an impairment relating to their mental health, for example, and one-in-six (16 per cent) of those who only report mental, neuro-developmental or behavioural conditions report difficulties moving around.

Moreover, the complex combination of conditions that the vast majority of PIP recipients experience would likely make a conditions-based system impractical. Critically, few PIP recipients experience only one condition. For example, although three-in-ten (31 per cent) PIP recipients report having depression, just 2 per cent of all recipients report depression as their only condition. The same holds true for all top ten stated conditions, with less than one per cent of PIP recipients reporting only anxiety, ADHD or autism – meaning that proposals to exclude claimants with particular conditions are unlikely to deliver significant savings. In fact, a majority (56 per cent) of PIP recipients have two or more stated conditions, and it is more common for recipients to have both a physical or sensory condition and a mental, neuro-developmental or behavioural condition (30 per cent), than have just one of these types (28 per cent and 18 per cent respectively).

There is no perfect system, but a more outward-looking, problem-solving assessment could come closer to the mark

- All of this adds up to a hard truth: no disability benefit assessment can fully and fairly capture the complex interactions between individuals' health conditions, impairments, the society in which they function, and the additional costs they encounter. But we can still greatly improve the current system by being more responsive to the range and complexity of disabilities that people have today and offering more appropriate forms of support.

We propose that PIP retains a form of functional assessment, where DWP collects evidence from claimants (and, where appropriate, from other sources such as medical professionals or carers) about what they can and cannot do in everyday life. But this would differ from the current assessment in three

important ways. First, it would be more 'outward looking' than the current system, where a large number of the twelve descriptors used to assess the level of disability are domestically focussed. Second, the assessment would involve a conversation about the consequences of a claimant's disability, and critically, whether they have extra costs and their nature if so. Third, there would be a further discussion about what, if anything, might help improve the claimant's level of functioning and participation in society.

One-in-eight current PIP recipients may not get support under a reformed system, but cash remains central for those that do

Having gathered this information from a new form of assessment, what could the outcomes be? First, there is no case to pay a disability benefit to those who have lower-level limitations and whose costs are not higher because of their disability. Our survey suggests that one-in-eight (12 per cent) of the current PIP caseload would fall into this category and should therefore no longer be eligible for disability benefit support under a system which functions perfectly. This would be a significant income loss for many (it is hard to perfectly identify this group, but we estimate around 490,000 people could no longer be eligible for PIP in 2029-30 if an assessment of this nature were fully in place), and one that would clearly hit some very poor people (our survey shows 84 per cent of this group are in receipt of Universal Credit). But disability benefits are not paid for general income support and cannot fix the wider issue of general benefit inadequacy.

But as well as using an improved assessment to better target disability benefit support, DWP should also think about how the information gathered in the new assessment can be used to finesse the type of support offered to disabled people to enable them to live full and active lives. At the moment, PIP is an ongoing cash benefit, usually paid every four weeks, with payments ranging from £30 to £195 per week. Our survey suggests that ongoing cash awards should remain the core part of a new system, paid to the vast majority (92 per cent) of those who receive any award. This 'core costs' element would make a contribution to disabled people's additional costs; could be paid at three different rates; and should remain an unconditional

cash payment, giving recipients the discretion to spend this money however they choose.

But not all additional costs that disabled people experience are recurrent: our survey shows that three-in-ten (30 per cent) of those with higher costs report having costs related to aids or appliances (for example, buying a mobility aid or a grabber), and over one-in-five (22 per cent) report costs relating to one-off adaptations that need to be made to their home or vehicle (for example, installing a grab rail, or hand controls to accelerate and brake a car). Given this, there should be an additional non-recurring cash payment that could be awarded by decision makers to contribute to 'one-off' purchases based on reasonable actual costs subject to an upper ceiling. This is not something that everyone would need: our survey evidence indicates that just over a quarter (28 per cent) of those who are eligible for a PIP award would likely receive this 'capital' element at some point during their claim.

A new 'participation award' should be introduced to build capacity of PIP recipients to function in the world around

A functional assessment should remain at the heart of the disability benefit system, but that comes with another hard truth often referred to as the 'improvement trap'. Many PIP recipients report that they are fearful of being physically active (for example, leaving the house, undertaking exercise or working) in case this counts against them at a future functional assessment. It is profoundly problematic that the existence of PIP, something designed to enable disabled people to live full and active lives, is actually discouraging them from seeking support to improve their condition, or from undertaking activities such as training or volunteering, for fear that this could be used against them at their next award review.

So how can policy makers square this circle that is arguably inherent in a functional system? We propose DWP should introduce a third element that can be made alongside the core costs and capital elements: a 'participation' element that can be made to eligible claimants regardless of whether they have additional costs or not. Its purpose would be to enable recipients to build capacity to participate more fully in society and the world around; it might seek to improve recipients' well-

being (such as through exercise, therapies or social activities) or to enable or move them towards economic activity (such as through training, volunteering, or employment support). We anticipate this element would be widely awarded: our survey suggests that more than four-in-five (88 per cent) of those who would receive an award under a reformed system would be eligible for this element.

Most commonly, we would expect this element to take the form of DWP commissioning, providing or referring recipients to relevant services. This is likely to work best when delivered locally rather than centrally, so that local knowledge of the services available to disabled people can be considered (including those provided by the NHS, local authorities and the third sector). This could build on the existing Connect to Work model, for example, where DWP funding is routed to local areas to deliver employment support. But where it is not possible (for example, if a suitable public service does not exist locally) or desirable (for example, if there are long waiting lists for a service) to provide support through services, this element could be made as a cash award which, much like the capital element, should be based on reasonable actual costs up to a specified cap.

DWP should engage more frequently with most PIP recipients, but these encounters need to be lower stakes

Once awarded, people often remain on PIP for a long time, and average durations on the benefit have increased over time. Two-thirds (68 per cent) of those who had a new PIP award in 2014 were still on the benefit five years later; for those whose new award started in 2019, the figure was four-in-five (79 per cent). This partly reflects a review system that has not kept pace with soaring numbers of claims: before the pandemic, virtually no planned reviews were cleared after an award's end date; in 2025-26, there were 216,000 late reviews.

But even without the backlogs, PIP's review system has its flaws, not least that once an award is made, the next review is often scheduled for years later, with no contact in between. That might be defensible if people's conditions and needs were

stable, but our survey shows they rarely are. Just 7 per cent of PIP recipients who report a disability describe it as stable, while 87 per cent have a condition that fluctuates, including 52 per cent whose condition is also worsening over the long term. A system that checks in only once every few years is bound to miss much of this change. To make matters worse, when recipients do engage with DWP at their scheduled review, they then often face a from-scratch assessment that could cost them hundreds of pounds a month. The result is the worst of all worlds. DWP engages too little to keep pace with changes in people's needs, but in a way that leaves many recipients dreading reviews. As one respondent to our survey put it in a free text entry about the future: "[e]very day I live in fear of it [PIP] being taken away".

We therefore suggest DWP move to a system of more frequent, but lower-stakes, engagement, built on three principles. First, DWP should keep in touch with recipients between formal reviews, using light-touch digital updates, learning from the UC journal and the NHS app, alongside more thorough check-ins with staff. Much like a routine medication review for someone with a long-term condition, formal reviews would then ask, "What's changed?" rather than starting from scratch, and changes to an award would aim not to be a surprise. Second, the three elements of PIP that we propose should be reviewed separately. This would offer recipients an off-ramp rather than a cliff-edge: someone who no longer has ongoing extra costs could keep the participation element even if they no longer receive the core costs element. Third, reviews should not be one-size-fits-all. Engagement should be more frequent for those whose conditions are likely to improve, while people with lifelong or progressive conditions should be secure in the knowledge that their PIP will be reviewed less often.

A reformed disability benefit system would help address many of the policy concerns about young people today

Young people's interactions with the disability benefits system are very much in the policy spotlight today, not least because of the Milburn Review's ongoing investigation into the alarming

number of 16-24-year-olds that are not in education, employment or training (NEET) in the UK today. So how would they fare under a new disability benefit system that has been reformed along the lines we propose? There are three areas where a reformed system would likely have a disproportionate impact on 16-24-year-old PIP recipients.

First, our survey shows that young PIP recipients are more likely than average to report that their conditions neither impose significant limitations on their lives, nor mean their costs are higher as a result (21 per cent compared to 12 per cent of all). As a result, they would be more likely than average to be ineligible for support under a better-targeted system. Second, we estimate that 96 per cent of the remaining 16-24-year-old PIP recipients would be eligible for a participation award compared to 85 per cent overall, helping them sidestep the 'improvement trap'. Third, close to three-in-ten (28 per cent) of young people say they expect their condition(s) to improve in the next 12 months, compared to an average just over one-in-ten (12 per cent), strongly suggesting young people should be more frequently reviewed than older age groups, both to ensure the support they are offered is still appropriate, and their need for the benefit still exists.

More generally, our survey suggests in other ways too that a separate youth disability benefit system is not warranted. We find that when it comes to conditions, the differences between PIP recipients aged 16-24 and other age groups are not as striking as perhaps is assumed. Young people are less likely to report depression than 25-54-year-olds; less likely to report anxiety than 25-44-year-olds; and are just as likely as 25-34-year-olds to report ADHD as a condition. The only condition that 16-24-year-olds are more likely to report compared to all other age groups is autism, but just 1 per cent of young recipients report this condition alone. Creating a separate system for young people with disabilities, then, would introduce a cliff-edge at age 25 for which there is no apparent justification, and there are just as strong grounds to help young people with cash awards when the evidence shows their disability imposes additional costs, as there are for older recipients.

A better targeted system, which avoided cash payments to those without higher costs, could save up to £4.4 billion

There is no 'right' level of spending on disability benefits; that is a political choice. But whatever one's view on eligibility or award amounts, a benefit growing as fast as PIP currently cannot be sustainable. Real-terms spending on working-age disability benefits in England and Wales grew by an average of 8 per cent a year over the past decade and is projected to rise by an average of 6 per cent a year up to 2030-31.

So, what kind of savings could be achieved by targeting PIP payments better on those who need it? We estimate that one-in-eight (12 per cent) current recipients should not receive disability benefits as they have neither higher needs nor any additional costs. A further 4 per cent should not receive a cash award (either recurrent or capital), as they have no higher costs, but we do think could be awarded the participation element in our new system. Together, removing cash payments from these groups would generate long-term savings: we estimate that if perfectly applied, this new eligibility test would generate savings equivalent to £4.4 billion in 2029-30. (In practice, achieving these savings in full would require identifying eligible claimants perfectly, and then keeping pace with every change in their lives, so this should be viewed as the upper bound). And there could be other savings too. For example, we would expect both greater support via the participation element and more regular award reviews to lead to shorter average durations on the benefit.

But a better disability benefit system does not come for free. A more sophisticated assessment undertaken by more skilled assessors, and more frequent contact between reviews, would all push up DWP's administrative spending. But even if the cost of administering PIP decisions doubled (an overestimate, we suspect), we estimate this would add around £0.6 billion in 2029-30, less than one-seventh of the potential benefit savings. And that is money much-needed after a decade in which the number of PIP claimants has risen rapidly, but the DWP's own costs of administering PIP (that is, excluding the payments to

external providers) have fallen sharply. Moreover, improved administration can have its own savings: in 2025-26, for example, one pound in every five of the £271 million DWP spent administering PIP went on Mandatory Reconsiderations and appeals.

Hard truths must be faced, but there is still much scope for reform

Few would dispute that the PIP system requires reform: the quality of decision-making is poor; the legitimacy of the system is often questioned; and the cost of PIP is rising in an unsustainable way. But many reforms to disability benefits that politicians have proposed in recent years have been crude, unrealistic or both. As the Timms Review continues its deliberations, this report is our contribution to the debate. Drawing on our new survey evidence base, we conclude with five recommendations to overcome five hard truths.

- There may be no perfect disability benefits system, but an improved functional assessment that also involves a discussion of additional costs and a conversation about what would help the claimant function better would allow PIP to be much better-targeted than is currently the case.
- A functional disability benefit assessment does come with the 'improvement trap', but introducing a new participation element, explicitly aimed at helping recipients build their capacity to take part more fully in society, can help sidestep the problem.
- Award reviews are essential and can never be risk-free, but moving to a system of more frequent but lower-stakes engagement, with regular check-ins between formal reviews, multiple elements that can be awarded for different lengths of time, and review schedules tailored to people's circumstances would be a marked improvement all around.
- Young people need support from services as much as they need cash, and a reformed system could provide this. But

there is no need to corral them off in a separate system, creating additional cliff-edges and administrative cost.

- PIP is currently going to a large share of recipients who do not face higher costs. Better targeting could save up to £4.4 billion (based on 2029-30 caseload). Much larger savings could come only from removing the benefit from those who do face higher needs and higher costs as a result of their disability; either by means-testing or restricting entitlement to those with the most severe functional impairments or with certain conditions.

Taking these insights together, it is possible to implement an improved PIP system that does more to help disabled people lead full and active lives, while still finding savings from the current system.

Section 1

Introduction

Personal Independence Payment (PIP) is a non-means tested benefit paid to eligible disabled people to contribute to the additional costs of disability. It has faced various critiques over the years and is currently under consideration by the Timms Review. In this first section, we set out how we have approached the central question that the Timms Review is grappling with: how can PIP be reformed to ensure it is "fair and fit for the future in a changing world"? We also explain how we have built a new evidence base to guide PIP reform.

In April 2013, a new working-age[1] disability benefit was introduced in Great Britain.[2] Personal Independence Payment (PIP) is paid to eligible disabled adults in order "to contribute to the extra costs of overcoming the barriers faced by long-term disabled people to leading full and active lives".[3] Unlike the vast majority of other working-age benefits, PIP is not intended to replace income lost through unemployment, illness or the like. Rather, its aim is to at least in part compensate for the additional costs that disability can bring, over and above the general cost of living.[4]

In some respects, PIP was not a significant departure from its predecessor benefit Disability Living Allowance (DLA), which had a similar policy purpose (although with less emphasis placed on independent living and more emphasis on the care required from

1 PIP is ostensibly a working-age benefit because it is not possible to apply for PIP once state pension age (SPA) had been reached. However, someone receiving PIP as they reach SPA can carry on receiving it; there is no requirement that those already in receipt of PIP claim the pensioner-equivalent Attendance Allowance (AA) when they reach the SPA, and no incentive to do so voluntarily as the maximum AA award is significantly lower than that of PIP. Furthermore, PIP awards are converted to lifetime awards once pension age is reached (i.e there are no reviews thereafter). As a result, in July 2026, 17 per cent of the PIP caseload was of pension age, equivalent to 690,000 recipients. In this report, we focus on working-age disabled claimants and recipients given it is this age group that can flow onto and off the benefit. Nonetheless, it is important to remember that pensioners constitute a significant and growing share of PIP recipients.

2 PIP was introduced in Northern Ireland in 2016, with delivery devolved to the Northern Ireland Department for Communities. From 2022, PIP was replaced by the Adult Disability Payment (ADP) in Scotland. ADP mirrors PIP when it comes to eligibility criteria and award levels but is delivered in a very different way. For more detail, see: L Judge & L Murphy, Delivering dignity?: Early lessons from the introduction of Adult Disability Payment in Scotland, Resolution Foundation December 2025, https://doi.org/10.63492/zujo351. For these reasons, this report covers England and Wales only unless otherwise stated.

3 Welfare Reform Act 2012, Explanatory Notes, Part 4, paragraph 358.

4 For an overview of how the additional costs of disability have been recognised in policy over time, see: J Hampton, Disability and the welfare state in Britain: Changes in perception and policy 1948–79, Bristol University Press, 2016, https://doi.org/10.51952/9781447316435.

others).[5] Like PIP, DLA was not means-tested but instead was paid to eligible claimants regardless of their work status or household income. But PIP did mark a significant break in other ways. The new benefit aimed to 'de-medicalise' the assessment process, for example, relying on face-to-face assessments rather than doctors' notes. It took a more encompassing view of disability, recognising that mental as well as physical conditions could limit capability and lead to additional costs. And crucially, PIP was introduced to control costs, with its higher eligibility requirements and regular reviews expected to eventually reduce the adult disability spend by 20 per cent.[6]

PIP has not been a policy success

Scroll forward thirteen years and it is rare to hear PIP described as a policy success. Its claimants often criticise the assessment process for being unpleasant and low quality. In the early days, PIP claimants faced inordinate delays before their first assessment,[7] and long waits remain the norm.[8] When a decision is made, they are often viewed as flawed, or even irrational, and the rate of challenge is high.[9] Since 2013, four-in-ten (40 per cent) of all PIP decisions that were disallowed at first instance have been challenged via a mandatory reconsideration (MR), and one-in-six (16 per cent) of all disallowed decisions have eventually been overturned in favour of the claimant.[10] Trust in the system is low, increasing stress for claimants and arguably hindering constructive dialogue between policy makers and representative groups.

But it is not just disabled people and their representatives who have little faith in the PIP system: it is criticised widely by others too.[11] One reason for this is that PIP now supports those with conditions that policy makers simply did not have in mind when the benefit was first introduced in 2013. For example, in 2024-25, mental health-related impairments were more common than mobility-related impairments for working-age disabled people (45 per cent versus 40 per cent respectively, compared to 27 per cent and 45 per cent in

5 See, for example: Department for Work and Pensions, Welfare reform: Disability Living Allowance for the 21st century, December 2010.
6 S Kennedy, Introduction of Personal Independence Payment, House of Commons Library, June 2015.
7 National Audit Office, Personal Independence Payment: Early progress, February 2014.
8 In July 2026, it took a median of 18 weeks for a first PIP claim to be processed 'end-to-end' (from the date of registration to the final decision). Source: DWP, Personal Independence Payment statistics to July 2026, September 2026.
9 See, for example: S Howes & K Jones, Computer says 'No!' Stage two: Challenging decisions, Child Poverty Action Group, July 2019; S Thomas, Ending the culture of fear: Reforming the PIP assessment system to get decisions right first time, Z2K, [no date].
10 Source: RF analysis of DWP, PIP Clearance and Outstanding Times, June 2026.
11 Although there is more public support for disability benefits than for many other types, net support (i.e. the percentage point difference between those that support more spending and those that support less spending on disabled people) has fallen to a historical low. In 2013, for example, net support stood at 49.9 per cent; in 2025, that had fallen to 43.5 per cent. See: R de Vries & B Baumberg Geiger, BSA 43 Attitudes to welfare: Have attitudes to disability benefits changed?, National Centre for Social Research, September 2026 for further details.

2012-13).[12] Added to this, there has been growing recognition of the disabling nature of many neuro-developmental and behavioural conditions since PIP was first introduced.[13] Case law developments do mean the benefit has been able to adapt to the changing nature of disability.[14] But this expansion is viewed as a failure by some, with PIP expanding to support those with conditions that policy makers simply did not have in mind when the benefit was first introduced in 2013.

But perhaps the most pressing concern about PIP that is widely shared today is that the number claiming the benefit has risen dramatically in recent years. In 2019, around 36,000 people made a claim for PIP each month in England and Wales; in the first seven months of 2026, that figure was more than twice as high, at 76,000 a month.[15] As a consequence, the working-age disability benefit spend in England and Wales has risen in real-terms by 183 per cent since the benefit's introduction and is expected to stand at £27.8 billion this fiscal year. Even more worryingly, the bill is projected to continue to grow at an unsustainable rate in the future, with a projected real-terms rise of 24 per cent in just four years to reach £34.5 billion (in 2026-27 prices) by 2030-31.[16]

There is limited evidence about the intersection between the needs, costs and capabilities of disabled people

All of this adds up to a strong case for reform. But how to do that well? The Government's attempts to limit eligibility for PIP in 2025, and the subsequent push-back by over 140 of its MPs, shows what a contentious policy area this is.[17] In response to this debacle, the Government set up the Timms Review, with a brief to "ensure that PIP is fair and fit for the future in a changing world, and helps support disabled people to achieve better health, higher living standards and greater independence, including through employment".[18] The views of disabled people themselves are centralised in the Review, with lived experience placed "at the heart of its work".[19]

This report is our contribution to this debate. In line with the Timms Review's Interim

12 Source: RF analysis of DWP, Family Resources Survey.
13 See, for example, Department for Health and Social Care, Independent review into mental health conditions, ADHD and autism: Final report, October 2026.
14 In particular, there have been a number of rulings that those experiencing psychological distress can be awarded the mobility element of PIP. See, for example: AH & AK v The Secretary of State for Work and Pensions (PIP) [2026] UKUT 50 (AAC); MH v Secretary of State for Work and Pensions (PIP): [2016] UKUT 531 (AAC); [2018] AACR 12; RF v Secretary of State for Work and Pensions [2017] EWHC 3375 (Admin).
15 Source: RF analysis of DWP, Stat-Xplore.
16 Source: RF analysis of DWP, Spring Forecast 2026 Expenditure and Caseload forecasts.
17 See, for example: M Brewer, A Clegg & L Murphy, A dangerous road?

Examining the 'Pathways to Work' Green Paper, Resolution Foundation, March 2025, https://doi.org/10.63492/fxz2960; BBC News, Minister to soften impact of planned disability benefit cuts, June 15, 2025 [accessed 5 October 2026].
18 In 2025, the Scottish Government published a review of Adult Disability Payment (ADP), PIP's equivalent benefit in Scotland, chaired by Edel Harris. See: Scottish Government, Independent Review of Adult Disability Payment: Final report, July 2025 for further details.
19 DWP, The Timms Review of Personal Independence payment: Terms of Reference, October 2025.

Report, we take as given PIP's policy purpose (to contribute to the additional costs of disability in order to assist disabled people to live full and active lives), and we bring evidence to the debate about how to deliver on that objective far better than is currently the case.[20] But PIP's policy objective is not simple and contains within it a number of indeterminacies. How does disability impact on an individual's capabilities, for example? What should be viewed as an 'additional cost'? And what exactly do we mean when we talk about a 'full and active life'?

There is a substantial amount of research exploring the lived experience of the PIP system,[21] population health trends,[22] and the fiscal challenge the benefit presents today.[23] But there is much less evidence about how disabled people's conditions and impairments, needs, costs and capabilities intersect. Without this information, it is difficult to assess how well PIP currently delivers against its stated policy purpose, and what needs to change if the benefit is to be improved. To address this gap, in spring 2026 we designed and fielded a survey of over 2,500 working-age PIP recipients to inform this report; Box 1 provides further details.

BOX 1: Building an evidence base to guide PIP reform

In spring 2026, we worked with the market research company Savanta and other experts to design a survey of PIP recipients. Between May and June 2026, Savanta conducted fieldwork online, surveying a total of 2,611 PIP recipients aged between 16- and 64-years in England and Wales. In order to ensure that the experience of those with more severe or complex disabilities was also reflected in the data, 206 of our respondents were PIP appointees who were required to answer on behalf of the recipient for whom they act.[24] Respondents were directed into the survey via a question asking which state benefits, if any, they received (possible responses to that question were randomised, so that PIP's position in the list was not fixed).

20 The Timms Review Steering Board have reframed this objective slightly, stating that in their view PIP's purpose is to "assist D/deaf and disabled people, and people with long-term conditions, to reduce the inequalities they face in participating in everyday life through a contribution towards the extra costs of disability". See: DWP, The Timms Review of Personal Independence Payment: Interim Report, June 2026, for further details.

21 See, for example: DWP, Understanding PIP applicant experiences: The experience of applicants with anxiety, October 2025; S Thomas, Ending the culture of fear: Reforming the PIP assessment system to get decisions right first time, Z2K, November 2025.

22 See, for example, Commission for Healthier Working Lives, Action for healthier working lives:

Final report of the Commission for Healthier Working Lives, The Health Foundation, March 2025.

23 See, for example, E Latimer, M Oulton & T Waters, Options for reforming personal independence payment, IFS, September 2026, https://doi.org/10.1920/re.ifs.2026.4730.

24 An appointee is a person who has applied for, and been awarded, the right to administer and manage a person's benefit claim, and who interacts with DWP on the claimant's behalf. In July 2025, an estimated 251,400 recipients had an appointee, equivalent to about 7 per cent of the caseload. See: UK Parliament, Questions for Department for Work and Pensions, UIN 77146,October 2025; DWP, Personal Independence Statistics to July 2025, September 2025 [both accessed 10/10/26].

Our survey aimed to advance understanding of PIP recipients in a number of ways. First, it allowed respondents to describe their health conditions in their own words (i.e. as a free text entry which was then cleaned to correct for misspellings), and to enter as many conditions as they saw fit, providing a fuller and more nuanced picture of their health status than most other social surveys. We also asked respondents about their needs; what types of disability-related additional costs they faced; how they spent their PIP award; and what the benefit enabled them to do that would be prohibitive in its absence. We collected data on other benefits received; on whether respondents were in receipt of social care or not; and what day-to-day items they could or could not afford (matching the material deprivation questions asked in DWP's Family Resources Survey). (The full survey questionnaire is available upon request.)

The data gathered from the survey was then cleaned. Savanta removed respondents if there was evidence that they had completed the survey more than once or at an implausible speed; they had used AI; their answers were contradictory, nonsensical or repeated the same answer across an entire question grid; or if they failed a number of 'trap' questions set within the survey. We then conducted further stress tests on the data (we removed 41 respondents, including, for example, people who reported that they get PIP but then said they did not receive either the mobility or daily living element). We were left with a clean sample of 2,570.

In all analysis. we have weighted the data by age band and sex jointly, employment rates by age band, region, PIP mobility and daily living award types, whether an appointee, whether also in receipt of UC, and whether previously in receipt of DLA.[25] As a result, we are confident that our survey provides us with insights into the lives of a representative sample of working-age PIP recipients in England and Wales today, but flag throughout this report where interpretation of the data is challenging.

25 Data relating to age band, sex, region, PIP award type, UC receipt and previous receipt of DLA is from: DWP, Stat-Xplore. Data relating to appointees is from: Question for Department for Work and Pensions, UIN 77146, September 2025. Data relating to employment by age band is from DWP, PIP administrative data. This weighting was performed using the Stata reweight2 command. The data relates to the working-age PIP caseload (aged 16-64) in England and Wales in April 2026.

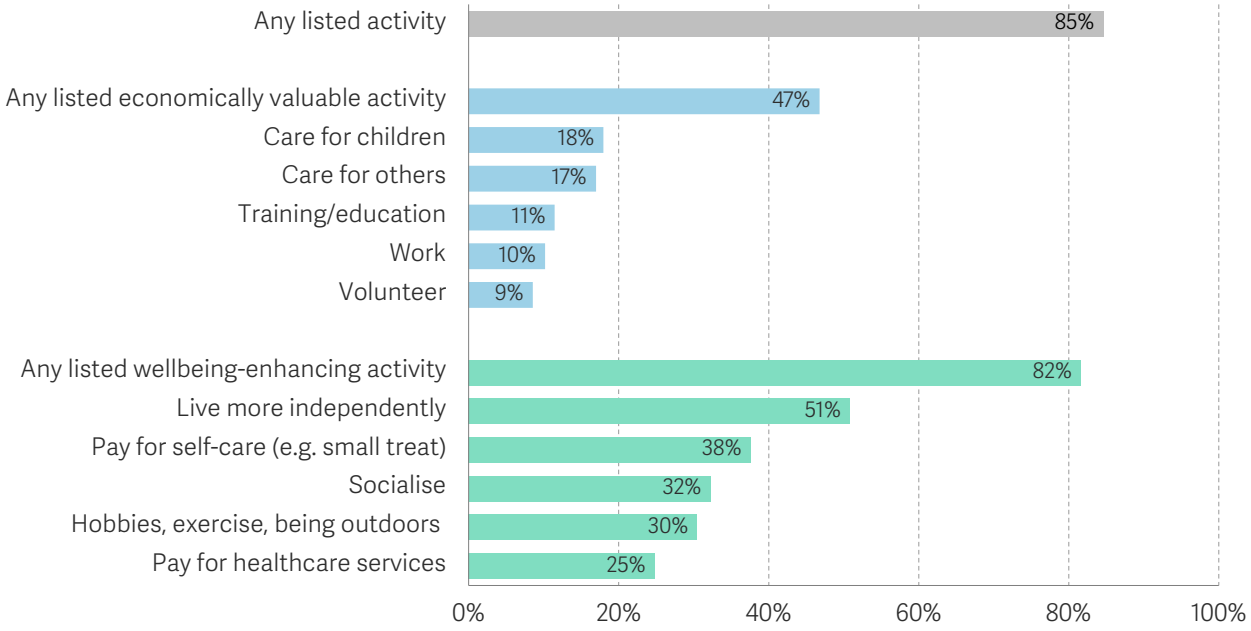
PIP is enabling for the majority of working-age recipients

So, what did our survey reveal? First, it suggests that PIP reform should proceed carefully because, despite its manifold problems, the benefit clearly does enable a majority of recipients to enjoy a 'more full and active life'.[26] First, close to half (47 per cent) of PIP recipients report that the benefit enables them to undertake at least one activity that can be viewed as economically valuable, such as caring, working, training or volunteering, that they would not be able to do otherwise (see

Figure 1). Second, an even higher share (82 per cent) say that the benefit enables them to pursue activities that are proven to boost well-being, like self-care, socialising and taking part in hobbies, exercising and spending time in outdoors. Taken together, 85 per cent of PIP recipients aged 16-64 indicate that they are able to participate in at least one economically valuable or wellbeing-enhancing activity as a result of their award.

FIGURE 1: **A majority of PIP recipients undertake economically valuable or wellbeing-enhancing activities that they could not do without support**

Proportion of PIP recipients aged 16-64 who report that PIP enables them to undertake various activities: England and Wales, May-June 2026



NOTES: For economically valuable activities, the question asked was; "Thinking about how you spend your time, what, if anything, does your Personal Independence Payment (PIP) enable you to do that you couldn't do without it?". For wellbeing-enhancing activities, the question asked was: "Thinking about how you look after yourself, what, if anything, does your Personal Independence Payment (PIP) enable you to do that you couldn't do without it?". Totals sum to more than 100 per cent because respondents could select more than one response. Base = all respondents (n=2,570).
SOURCE: RF analysis of Savanta, Survey of PIP claimants, May-June 2026.

26 The concept of a 'more full and active life' can be operationalised is a number of ways. Our approach was to ask two separate questions of survey respondents about (i) activities that are widely viewed as creating economic value (ii) activities that have a proven link to improved wellbeing. For more information on the latter, see: NHS, Five steps to mental wellbeing, [accessed 29/9/26].

Disability benefit reform involves accepting a number of hard truths

This finding presents policy makers with quite the challenge. How can PIP be reformed in a way that continues to have a positive, enabling effect on the lives of disabled people, but also improves their experience of it and puts the benefit on a sustainable footing? The answer, in our view, is to build out carefully from the evidence, and that is what we seek to do in this report. We use our survey and other evidence to draw conclusions about how well (or not) the current PIP system works; to identify the principles that should inform a new disability benefit system; and to flag where we think there is scope for savings to be made (although it is important to note that we are not providing a detailed blueprint for a new system; in particular, we do not take a view on specific benefit rates, which are for politicians to decide as they seek to achieve fiscal sustainability).[27] But along the way we encounter a number of hard truths: points at which we come up against limits that no amount of policy ingenuity can overcome. We call these out wherever they are, seeking to show where ambiguity needs to be tolerated, where compromise is required, and where tough political choices need to be made and owned.

To all these ends, this report is structured as follows:

- in Section 2, we begin by examining what our survey tells us about conditions and costs of PIP recipients, and what this implies for a new disability benefit test and eligibility;
- in Section 3, we consider what our survey shows about the nature of PIP recipients' needs, and draw conclusions about how the type of support awarded as part of a disability benefit could be reformed;
- in Section 4, we explore the shifting nature of PIP recipients' conditions and their expectations for the future, and show how reviews have to be a crucial part of the disability benefit architecture, but that they could be improved in multiple ways;
- in Section 5, we asses how far PIP recipients aged 16-24 differ from the broader PIP population, and consider what our findings thus far could mean for the reform of youth benefits;
- in Section 6, we think through the implications of the ideas we have presented for the Exchequer, costing up potential savings from reform but also spelling out where downside risks exist;

27 It is important to note that we are not proposing a wholesale new system in this report. In particular, we do not take a view on specific benefit rates which are for politicians to decide as they seek to achieve fiscal sustainability.

- in Section 7, we bring all the lessons learned of this report together and spell out the hard truths that policy makers, disabled people and their representatives, and the wider world have to confront in all our efforts to reform PIP for the future; and,
- Annexes give more detail on the costings reported in Section 6.

Section 2

Rethinking adult disability benefit eligibility

It is widely accepted that the PIP assessment has many flaws and that to improve the system requires moving to a radically different method of assessment. But it is not clear that moving to a cost-based or a condition-based assessment would target support any better. The 'additional costs of disability' are hard to separate from everyday spending and depend on what people can afford; and most recipients have multiple conditions that say little about their actual needs. Instead, DWP should improve PIP's existing functional assessment, making it more outward-looking, and extending it to ask about extra costs and what would help claimants participate more fully in society.

In this section, we start our task of setting out how PIP could work better with the most fundamental question: who should be eligible for the benefit?

Disability benefits are uniquely difficult to administer – but PIP's functional assessment isn't working as well as it should

PIP's aim is to "contribute to the extra costs of overcoming the barriers faced by long-term disabled people to leading full and active lives".[28] This makes PIP different to almost all other forms of social security: both its target group, and its end goal, are not easily measurable. It is easy to work out who is eligible for Child Benefit or Universal Credit – these benefits depend on a set of objective eligibility criteria, such as earnings and family make-up – but this is not true of PIP. The concepts of 'disability', 'extra costs' and 'independent living' are all open to interpretation. It is important to be honest about this: a disability benefit assessment will always be an exercise requiring judgement, not just

28 PIP's policy intent has been articulated in many different ways since its introduction, but this is the original articulation set out in: Welfare Reform Act 2012, Explanatory Notes, Part 4, paragraph 358.

measurement. Our aim should be to create an assessment process that does as good a job as possible at measuring the concepts that feed into PIP's stated aims, and making judgements that are consistent, transparent and fair.

All disability benefit systems rely on a proxy to help make judgements about who should qualify: these proxies should be things that can be easily and consistently measured, and which act as a good indicator of whether people should qualify for the benefit based on its policy intent. In the case of PIP, the system assesses disabled people's level of functioning, and by implicitly assuming that people who have difficulty performing everyday tasks (that is, those with functional impairments) are likely to incur extra costs (and therefore should qualify for PIP).[29] Applicants are scored on their ability to carry out 12 activities, and those who score enough points are awarded PIP.[30]

But the current PIP assessment isn't working as well as it should be. The core problem is that the link between the everyday tasks included in the PIP assessment and disabled people's extra costs (that was implicitly assumed to exist when PIP was introduced in the early 2010s) is too weak. Throughout this report, we use evidence gathered in our survey to estimate which PIP claimants do and do not have higher costs as a result of their disability. In Box 2, we explore the challenges associated with this.

BOX 2: **Estimating the additional costs of disability**

It has long been acknowledged that understanding and articulating the additional costs associated with disability is not an easy task.[31] For example, if someone has been disabled their whole life, they may not know what their costs would be like otherwise.

It is likely to be especially difficult for some disabled people to know exactly how much higher their costs are due to their disability: splitting costs into the element that is 'disability-related' and the element that is 'non-disability-

29 The PIP assessment is a functional one: it looks at people's ability to carry out a series of everyday activities, like preparing food, washing and bathing and planning and following journeys. Department for Work & Pensions, Guidance: PIP assessment guide part 1: the assessment process, 31 August 2026. DWP has always been clear that functional impairment is used as a proxy for extra costs: in the 2012 consultation ahead of PIP's introduction, the PIP assessment is described as a "proxy assessment". See: Department for Work & Pensions, The Government's response to the consultation on the Personal Independence Payment assessment criteria and regulations, 13 December 2012.

30 Citizens Advice, How the DWP makes a decision on PIP claims, accessed 23 October 2026.

31 For example, see: S Mitra et al., Extra costs of living with a disability: A review and agenda for research, Disability and Health Journal, Volume 10 Issue 4, October 2017. See also the section titled 'The nature of extra costs' in: DWP, Annex B- DWP evidence pack, July 2026, accessed 10 October 2026.

related' will be impossible for most people.

As a result, we did not attempt to estimate the exact amounts of additional costs that PIP recipients face in our survey. However, we do think that it is plausible that disabled people know whether they face any additional costs at all: our view is that most disabled people will have some appreciation of this, whether that comes from actual expenditures they make, or by comparing their lives to those of non-disabled friends and family.

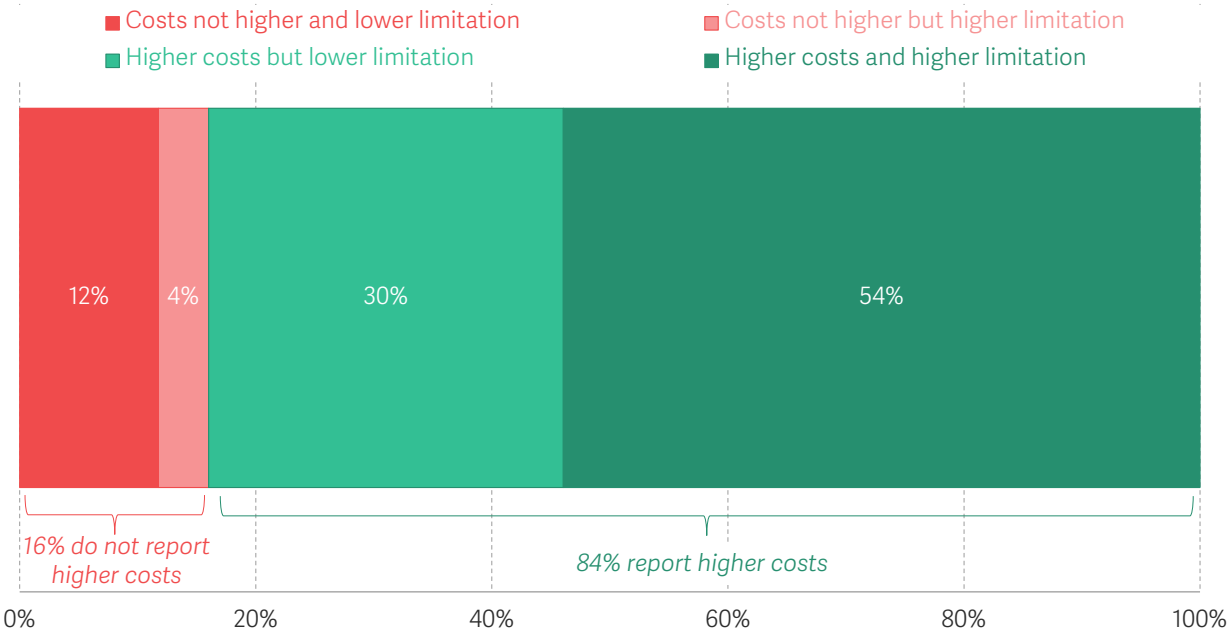
However, we do appreciate that any question about additional costs involves interpretation. For that reason, in this report, PIP recipients are counted as having higher costs based on two survey questions. We consider them to have higher costs if they report that their costs are a little or a lot higher due to their disability, or if they report using their PIP, in practice, mostly or partly for costs relating to their disability.

It is true that functionality and costs are related: our survey evidence shows that PIP recipients with a higher number of functional impairments are more likely to have significant extra costs than those with a smaller number. But the relationship is not perfect. In particular, a third of PIP recipients (34 per cent) report a mismatch between their level of functional limitation and whether or not they face extra costs: 30 per cent report higher costs but a lower level of limitation, and 4 per cent report a higher level of limitation, but costs that are not higher than a non-disabled person.[32] More concerningly, given PIP's policy intent, we find that one-in-eight (12 per cent) of PIP recipients report having neither higher costs or a higher level of limitation (see Figure 2).

32 In this section, we use our survey evidence to estimate PIP recipients' level of functionality and costs. Recipients are estimated to have higher costs if they report that their costs are a little or a lot higher due to their disability, or if they report using their PIP, in practice, mostly or partly for costs relating to their disability; those without higher costs are all other respondents. Recipients with higher limitation are those who state that their conditions or illnesses reduce their ability to carry out day-to-day activities 'a lot'; those with lower limitation are those who state that they are limited 'a little' or 'not at all', or who do not have a long-standing condition or illness.

FIGURE 2: **Among PIP recipients, costs and function are not perfectly related**

Proportion of PIP recipients aged 16-64 who report higher and lower levels of limitation and whether or not they are estimated to face additional costs: England and Wales, May-June 2026



NOTES: Recipients are estimated to have higher costs if they report that their costs are a little or a lot higher due to their disability, or if they report using their PIP, in practice, mostly or partly for costs relating to their disability; those without higher costs are all other respondents. Recipients with higher limitation are those who state that their conditions or illnesses reduce their ability to carry out day-to-day activities 'a lot'; those with lower limitation are those who state that they are limited 'a little' or 'not at all', or who do not have a long-standing condition or illness. Base = all respondents (n=2,570).
SOURCE: RF analysis of Savanta, Survey of PIP claimants, May-June 2026.

Strikingly, of the 12 per cent of PIP recipients who do not report having higher costs or having a higher level of functional impairment, many do not report having any conditions or disabilities at all. We explore why this might be the case in Box 3.

BOX 3: **Some PIP recipients don't report any conditions or meet the Equality Act definition of disability**

Of the 12 per cent of working-age PIP recipients we identify as having lower limitation and no higher costs, around two-thirds (66 per cent) also do not meet the official definition of disability: they report that their condition does not limit their day-to-day activities at all, or that they do not have a long-standing condition. Indeed, among our overall survey sample of PIP recipients aged 16-24, a quarter (25 per cent) do not report any conditions.

There are several reasons why this need not automatically mean they were wrongly awarded PIP. First, some will have conditions or disabilities at the time they were awarded PIP, but their situation has changed by the time they answered our survey. Second, survey questions capture how people manage day to day, including with medication, aids or adaptations. The legal definition of disability, by contrast, disregards the effect of treatment, so someone whose condition is well controlled may not meet the Equality Act disability definition when answering a survey, but may still meet it in the real world.[33] Third, some recipients may not describe themselves in these terms: many D/deaf people, for example, see themselves as members of a linguistic and cultural minority and do not identify as disabled.[34] And with most PIP recipients reporting conditions that are not stable, some may simply have answered our survey on a good day.

So there is clear evidence that the PIP assessment isn't doing a good enough job at awarding PIP to the group who should qualify according to PIP's policy intent. We can see more evidence that the current assessment is not delivering well against PIP's objectives by examining how much PIP is being awarded to successful claimants. If the assessment were designed well, PIP recipients' award levels would relate to their level of extra costs: those with the most significant extra costs would receive the highest level of financial support. But this is not the case, according to our survey. Even among people receiving the most-generous PIP awards (worth £150 or more per week), one-in-ten (11 per cent) report that they do not have higher costs relating to their disability, compared to one-in-five (20 per cent) of those receiving the least-generous PIP awards (worth less than £100 per week).

This mismatch between function and costs arises in part because the PIP assessment is not gathering enough information to provide support that genuinely enables its recipients to live more independently and participate more fully in society. For example, one of the activities scored in the PIP functional assessment is 'preparing food': claimants are assessed based on their 'ability to prepare and cook a simple meal for one from fresh ingredients'.[35] Claimants score points if they find it difficult (or are entirely unable) to do this (for example, if they need prompting or assistance to be able to safely prepare a meal, or if they can only use a microwave and not a conventional cooker). But

33 www.citizensadvice.org.uk/work/discrimination-at-work/dealing-with-discrimination-at-work/checking-if-its-discrimination/check-if-youre-disabled-under-the-equality-act-work/, accessed 13 October 2026.
34 See, for example: bda.org.uk/fast-facts-about-the-deaf-community/, accessed 13 October 2026.
35 Department for Work and Pensions, Guidance: PIP assessment guide part 2: the assessment criteria, August 2026.

the assessment gathers no meaningful information about why the claimant struggles to prepare a meal: this functional impairment may arise because they struggle to stand for a long time in the kitchen, or because they struggle to understand and follow a recipe, for example.

This mismatch is problematic for two reasons. First, when PIP is awarded, it makes no reference to the things identified in the assessment as helping or hindering the applicant's functional impairments. For example, if someone mentions that they would be able to perform various everyday tasks with the help of some aids or appliances, there is no follow-up conversation to discuss whether people have access to these; this is a lost opportunity.[36] Second, the assessment assumes that all people with the same functional impairment have similar ongoing costs. But our simple example of preparing a meal highlights that this is not the case: someone unable to stand might require adaptations to their home that cost thousands of pounds as a one-off; some might need to buy some slightly more expensive microwaveable food, costing an extra few pounds every week; and others might only be able to feed themselves with a personal carer in attendance. Under the current system, however, all of these people could receive exactly the same type of support from PIP.

Given these problems with the current PIP assessment, it is tempting to think that we must start from scratch and adopt a radically new way of assessing eligibility for PIP. Indeed, there is no intrinsic reason why a functional assessment has to be used: when PIP was introduced, DWP provided no evidence to justify why it decided that its functional assessment was the best proxy for extra costs.[37] Instead, it was a policy choice to create a functional assessment focused on people's ability to carry out everyday activities; other proxies could have been used instead.

There are other ways to try and measure the concepts that feed into PIP's policy objectives – other countries take a different approach, some of which could transfer to the UK system.[38] We summarise the two leading contenders for alternative ways of assessing eligibility for disability benefits below.

- Cost-based assessments, where the state tries to measure the extra costs that disabled people actually incur and compensate people accordingly. Most often,

36 For more on this, see: K Hignell, Detached from reality, Medium, March 2023.

37 The early literature around PIP's introduction goes into detail about why PIP doesn't measure extra costs directly (doing so would be expensive and inconsistent) but does not argue *for using a functional assessment as a proxy. In the early 2010s, DWP promised to evaluate whether PIP's functional assessment was doing a good job as a proxy, but such evidence was never published.*

38 There is a third main alternative approach: using *care as a proxy for extra costs. PIP's predecessor, DLA, took this approach: it measured how much help people required from others, and assumed that this care requirement was a good proxy for extra costs. A care-based assessment still exists in the UK for disability benefits for children (Child DLA) and for pensioners (Attendance Allowance). But given that PIP's policy intent is to contribute to extra costs to help people to lead "full, active and independent" lives, returning to a care-based assessment would not be appropriate. Many extra costs have nothing to do with care (for example, costs relating to food, heating or transport); a high care need does not always lead to a high care cost (for example, if family members provide unpaid care); and more philosophically, it would be odd to use care needs as a way of assessing eligibility for a benefit whose end goal is independence. We therefore do not consider moving to a care-based assessment in the remainder of this section.*

these are based on people's actual spending, with people reimbursed for spending that they can document. For example, New Zealand's Disability Allowance makes a contribution towards certain verifiable extra costs, including clothing, counselling or travel, with applicants having to provide proof.[39]

- Condition-based assessments, where diagnosed conditions are used as a proxy for need and extra costs. That is, rather than asking people about their individual situation (e.g. their spending or level of functioning), there is an assumption that people with the same diagnosis all face a similar level of need and therefore incur a similar level of extra costs. This approach is used, for example, in Germany: the Grad der Behinderung (GdB) is their official measure of how severely disabled people are, with people being scored between 20 to 100 based on the severity of their diagnosed medical conditions. This score is then used as a gateway to various forms of support: people who score 50 or above are legally considered to be 'severely disabled' and receive a disability tax allowance.[40]

In the remainder of this section, we explore how these alternative modes of assessment might work in the UK.

Moving to an assessment which focuses only on claimants current spending would miss the costs that people face but are unable to meet

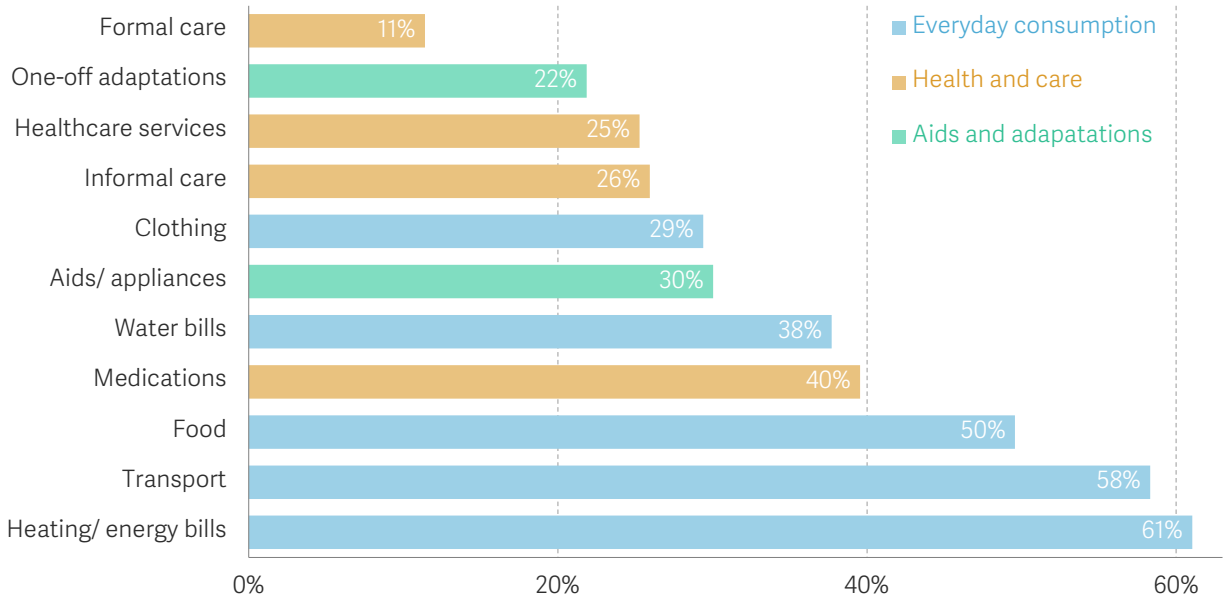
If PIP is about making a contribution to the extra costs faced by disabled people, one response could be directly measuring those costs by looking at disabled people's spending.

Figure 3 shows one reason why this is not easy: PIP recipients face a variety of different costs, many of which can be thought of as an increased need for 'everyday consumption' rather than tangible 'disability-related' goods or services. In fact, the former are more common than the latter: among PIP recipients who report that they have higher costs as a result of their disability, the most common types of higher costs are heating and energy bills, transport and food, with these being much more common than costs like aids and appliances or healthcare services.

39 www.workandincome.govt.nz/products/a-z-benefits/disability-allowance.html, accessed 28 September 2026.
40 gesund.bund.de/en/schwerbehinderung, accessed 28 September 2026.

FIGURE 3: **The costs faced by PIP recipients are varied**

Among PIP recipients who report their costs are higher because of their condition(s) or illness(es), proportion reporting an increase in each cost area: England and Wales, May-June 2026



NOTES: Base = all recipients who say that their costs are higher because of their condition(s) or illness(es) and report at least one type of cost (n=1,500).
SOURCE: RF analysis of Savanta, survey of PIP claimants.

This makes moving to a cost-based assessment difficult. For example, some PIP recipients may have higher heating bills than non-disabled people if their condition flares up in the cold. But measuring exactly how much higher someone's heating bills are as a result of their disability is tricky; disentangling the portion that relates to their disability rather than other factors (such as household composition, property type and personal preferences) is always an exercise of judgement rather than measurement. Creating a system that can do this without placing a large administrative burden on applicants would be difficult; this is a common criticism of New Zealand's cost-based scheme.[41]

But there is a further difficulty in moving to a cost-based assessment. The costs that disabled people face, and the costs that they are able to meet, are often quite different.[42] Even if we were able to measure all aspects of the additional spending that arises because of people's disabilities, the amount of this additional spending will depend on both their underlying needs and costs and their ability to meet those costs (i.e. their income). For example, if someone with arthritis needed to spend more on their heating to keep their house warm enough to properly manage their condition but were not able to

41 For example, see: www.ccsdisabilityaction.org.nz/news/disabled-children-forgotten-budget-2023, accessed 13 October 2026; www.cpag.org.nz/s/CPAG-2023-Policy-brief-Disability.pdf, accessed 13 October 2026.

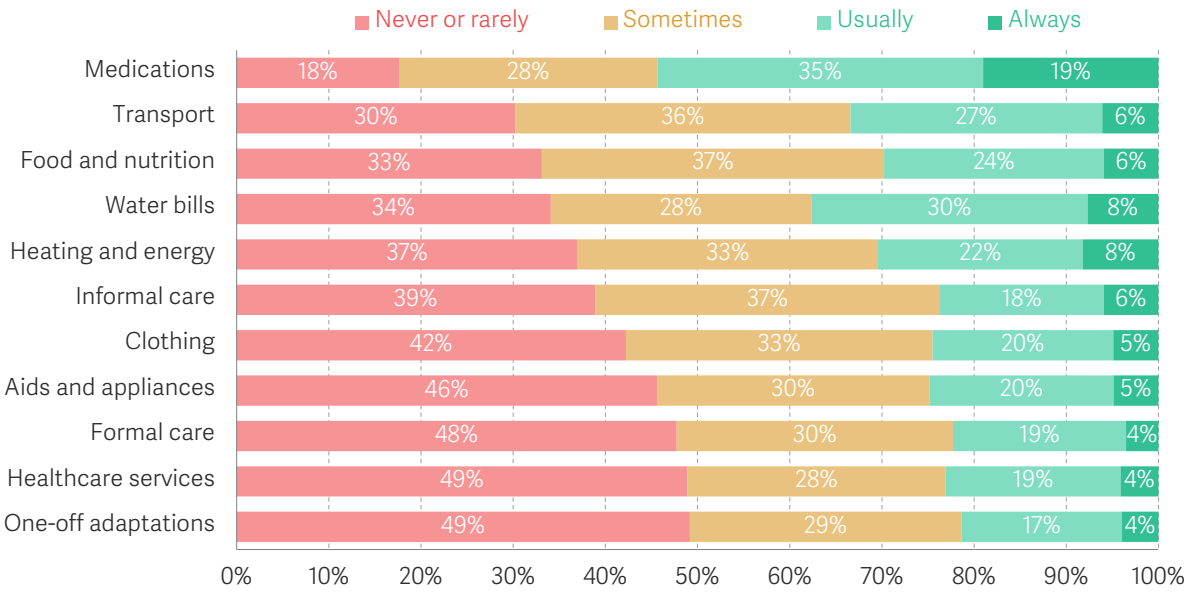
42 This concept of unmet need, and the problems with just relying on actual spending, has been articulated very powerfully in Scope's Disability Price Tag research. See, for example,www.scope.org.uk/campaigns/disability-price-tag-2024, accessed 13 October 2026.

afford to spend extra on their energy bill; we would not want to assume their additional costs were zero. Likewise, someone with mobility-related impairments may need to spend extra on taxis to travel, but may cut back on many everyday activities (thereby reducing their need for a taxi) if unable to meet this cost.

Given that PIP recipients are disproportionately from lower-income families (two-thirds, or 67 per cent, also receive Universal Credit), looking just at disabled people's actual patterns of spending to identify the additional spending due to their conditions would be problematic.[43] Indeed, when we look at the various cost categories that PIP recipients report being higher due to their disability, it is rare that people are always able to meet those costs, even after being awarded PIP (see Figure 4). For example, one-in-five (18 per cent) of those who report extra spending on medications can never or rarely afford to meet this cost, while more than a third (37 per cent) who report extra spending on heating or energy can never or rarely afford this. [44]

FIGURE 4: **Most PIP recipients cannot always meet their additional costs**

Among PIP recipients who report their costs are higher because of their condition(s) or illness(es) in various areas, proportion who are able to meet those costs or not: England and Wales, May-June 2026



NOTES: Base = all recipients who say that their costs are higher because of their condition(s) or illness(es) and report spending on at least one of these areas (n varies for each cost area).
SOURCE: RF analysis of Savanta, survey of PIP claimants.

43 67 per cent of working-age PIP recipients in England and Wales also receive Universal Credit. Source: RF analysis of DWP, Stat-Xplore.

44 This highlights another issue with moving to a disability benefit assessment based on people's actual costs and spending: unless a ceiling was implemented, it would likely be more expensive than the current PIP system, given that most recipients report that they cannot meet the entirely of their additional costs even after receiving PIP.

But Figure 4 also shows that there are some types of disability-related costs that PIP recipients are especially unlikely to be able to meet, such as one-off adaptations to their home or vehicle. Moving to a cost-based disability benefit assessment that measures people's actual spending would likely mean that the sort of large expenditures that could make a big difference to disabled people's lives – such as home adaptations – would be underrepresented, while small everyday costs would be overrepresented.

The PIP caseload is complex, making a condition-based assessment difficult

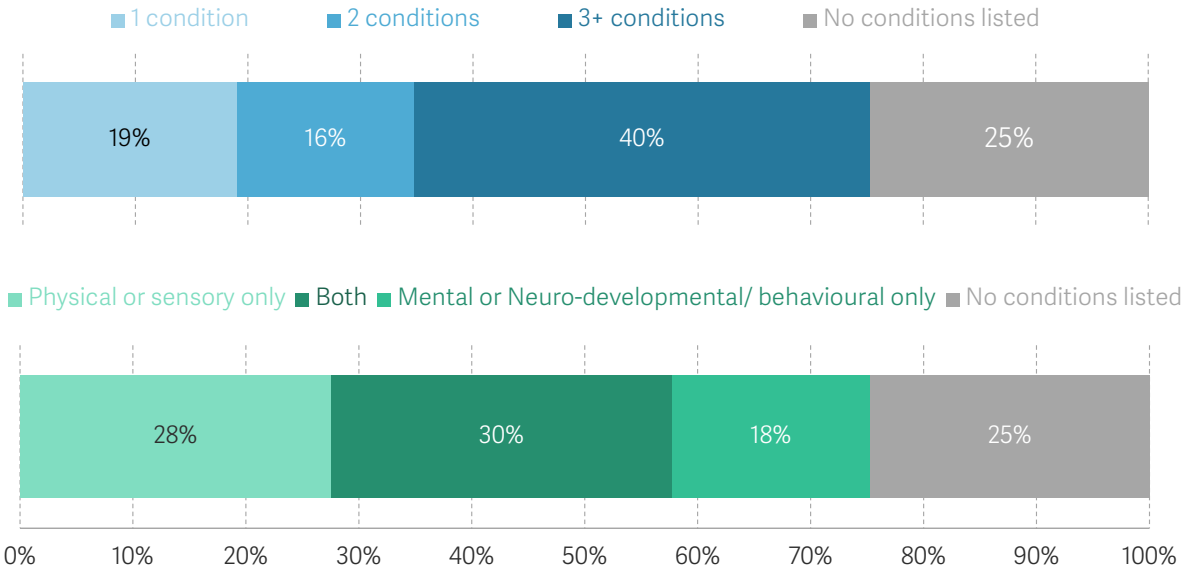
Disabled people's spending is therefore not a good proxy for the underlying costs that they face. The other method of assessment that is often put forward as an attractive alternative is one based on applicants' diagnosed conditions. So how might this work?

To answer this, we need to know what the current PIP caseload looks like. The 3.4 million working-age PIP claimants in England and Wales are a hugely varied and complex group.[45] A major flaw of DWP's official data is that it only records recipients' 'main' condition (as recorded during their PIP assessment), but our survey evidence lets us examine combinations of different conditions.[46] As Figure 5 shows, most PIP recipients (56 per cent) have two or more stated conditions, and it is more common for recipients to have both a physical or sensory condition and a mental or neuro-developmental/ behavioural condition (30 per cent) than have just one of these types of conditions (28 per cent and 18 per cent respectively).[47] (A quarter (25 per cent) of recipients do not list any conditions; see Box 3, earlier in this section, for more information about this group.)

45 RF analysis of DWP, Stat-Xplore. There were 3.4 million working-age PIP cases with entitlement in England and Wales in July 2026.
46 See: DWP, Stat-Xplore. Crucially, only one 'main' condition is recorded during the assessment: "The primary/main disabling condition is identified during the PIP assessment process. This reflects the condition considered to have the most significant impact on the individual's function in relation to the assessment criteria. In cases where a claimant has multiple conditions or disabilities that affect daily living or mobility, all are considered during the assessment. However, only the primary condition is recorded on the data used to produce these statistics." See: https://stat-xplore.dwp.gov.uk/webapi/metadata/PIP_AR_COC_Clearances_post2016/Disability.html, accessed 13 October 2026.
47 In our survey, respondents were asked to describe their conditions in their own words, and could enter up to 10 different conditions. We then cleaned this data (e.g. to correct for spelling errors) and coded it up to create the condition groupings used in Figure 5.

FIGURE 5: **Most PIP recipients have multiple conditions**

Proportion of PIP recipients aged 16-64 by number of stated conditions (top) and condition types (bottom): England and Wales, May-June 2026



NOTES: Base = all respondents (n=2,570). See Annex 1 for more details about these condition groupings. See Box X for a discussion of the 25% of recipients with no conditions listed.
SOURCE: RF analysis of Savanta, Survey of PIP claimants, May-June 2026.

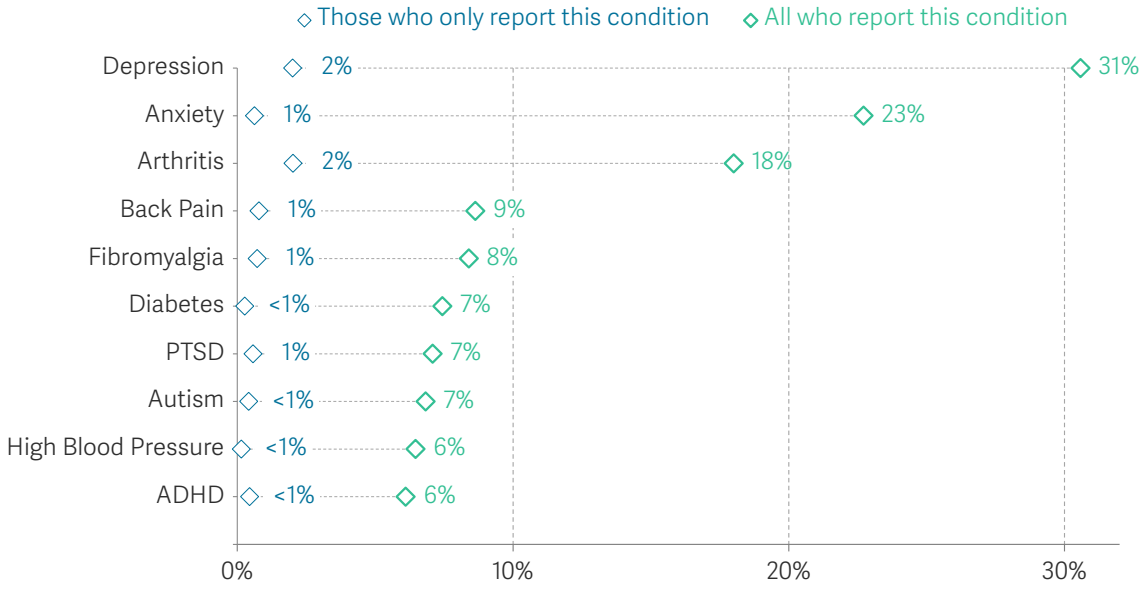
And as is shown in Figure 6, despite headlines focusing on PIP claimants with certain common conditions (such as anxiety, ADHD and back pain), the reality is that few PIP recipients face only one of these common conditions.[48] For example, while three-in-ten (31 per cent) of PIP recipients report having depression, less than a tenth of this group (and just 2 per cent of all PIP recipients) report having depression as their only condition.[49] The same trend is true for all of the top ten stated conditions, with only one per cent (or less) of PIP recipients reporting only anxiety, ADHD or back pain.

48 See, for example: D Eastlake & O Wright, More than 100,000 get benefits for ADHD with no need to seek work, The Times, 7 July 2026; T Godfrey, New anxiety benefit claims signed off every seven minutes as ADHD handouts hit record high, The Sun, 16 September 2026; D Eastlake, More than 52,000 claiming benefits for non-specific back pain, The Times, 25 September 2026. All accessed accessed 28 September 2026.

49 Our approach to coding and classifying conditions is slightly different to DWP's, but the most common conditions listed in our survey are similar to those included in DWP's administrative data. For example, for the PIP caseload aged 16-64 in England and Wales in July 2026, the most-common 'main' conditions were 'mixed anxiety and depressive disorders', 'autistic spectrum disorders', 'chronic pain syndromes', 'specific back pain' and 'osteoarthritis'. Source: RF analysis of DWP, Stat-Xplore.

FIGURE 6: **PIP recipients report a huge variety of conditions**

Proportion of PIP recipients aged 16-64 who report the top ten most common conditions: England and Wales, May-June 2026



NOTES: Base = all respondents (n=2,570). Condition types have been cleaned to account for misspellings or slightly different ways of describing the same condition. These are the top ten most common conditions reported. Totals will sum to more than 100 per cent since respondents could report more than one condition.
SOURCE: RF analysis of Savanta, Survey of PIP claimants, May-June 2026.

The huge number of different conditions faced by PIP claimants points to one key difficulty in moving to a condition-based assessment: it would be incredibly difficult to administer. Even in our survey of 2,570 PIP recipients, there were 1,294 unique conditions listed, and 1,389 unique combinations.[50] Put differently, almost three-quarters (71 per cent) of respondents who report at least one condition have a unique combination of conditions. Designing an assessment that reflects this variety, and keeping it up to date as diagnoses and medical terminology change, would be a major administrative task. Indeed, a common critique of the German system mentioned earlier in this section is the way that it deals with disabled people with multiple conditions: minor impairments generally do not raise someone's overall score, even where several together have a big impact on their daily life.[51]

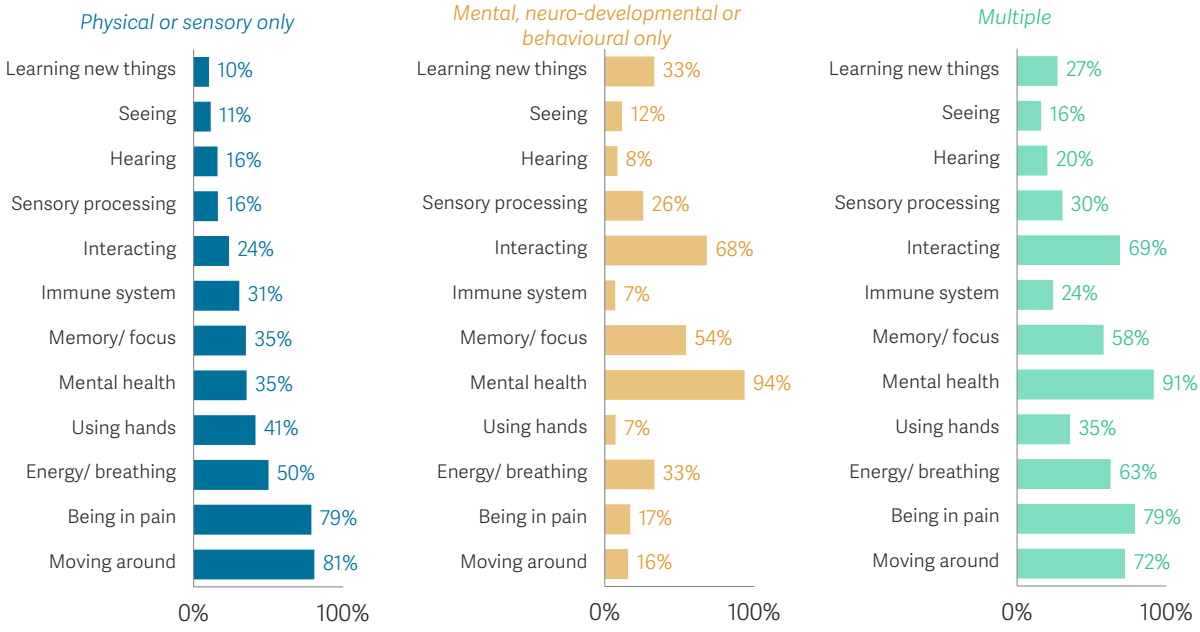
But there is another more fundamental reason why moving to a condition-based assessment is undesirable: conditions are not a good proxy for disabled people's needs or the additional costs they face.

50 This statistic relates to people's stated conditions after data cleaning, e.g. correcting for spelling mistakes. RF analysis of Savanta, Survey of PIP claimants, May-June 2026.
51 See, for example: www.dbb.de/artikel/versorgungsmedizin-sorgen-der-schwerbehinderten-stossen-auf-offene-ohren.html, accessed 13 October 2026;

If we first consider disabled people's needs, Figure 7 shows us that PIP recipients' conditions affect them in multiple aspects of everyday life.[52] Among all PIP recipients, the average number of stated impairments – the ways in which people are affected by their disability – is four.[53] And these impairments do not always stem from people's conditions in an obvious or predictable way. For example, more than a third (35 per cent) of people who only report physical or sensory conditions say that they have an impairment relating to their mental health, while one-in-six (16 per cent) of those who only report mental or neuro-developmental/ behavioural conditions report difficulties moving around. Put simply, conditions alone do not tell us very much about the difficulties that PIP recipients face in their day-to-day life.

FIGURE 7: **Conditions are only a rough guide to how disability affects people's lives**

Impairments listed by PIP recipients aged 16-64 who list at least one condition, by condition grouping: England and Wales, May-June 2026



NOTES: Base for left panel = all respondents with a physical or sensory condition only (n=655), base for middle panel = all respondents with a mental, neuro-developmental or behavioural condition only (n=422), base for right panel = all respondents with both of these condition types (n=728). Totals will sum to more than 100 per cent since respondents could report more than one impairment.
SOURCE: RF analysis of Savanta, Survey of PIP claimants, May-June 2026.

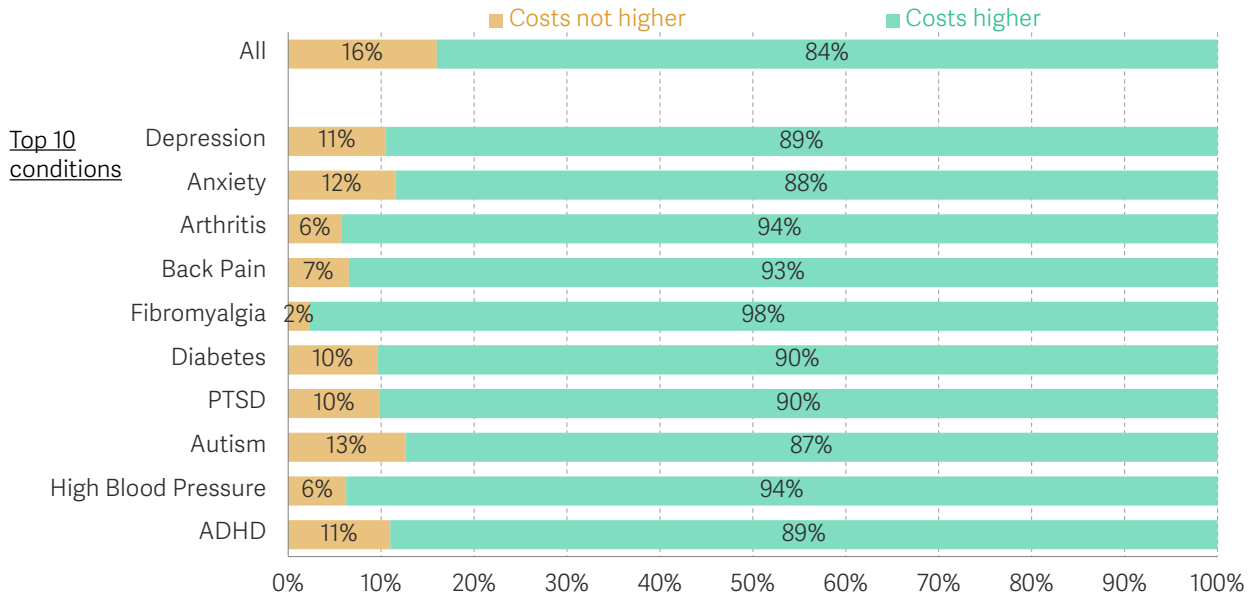
Similarly, looking at PIP recipients' conditions tell us little about who faces extra costs. As we explored earlier in this section, among all PIP recipients, 16 per cent do not report

52 In our survey, we followed the Welsh Government's approach to asking questions about impairments, which uses more straightforward language than the questions included in many other surveys like the DWP's Family Resources Survey. See: Welsh Government, Social model of disability: new question set, March 2026.
53 This is the weighted median number of reported impairments.

having higher costs as a result of their disability. But as we can see from Figure 8, there is surprisingly little variation between respondents with the top ten most common types of conditions. Put simply, the evidence does not suggest that there is an easy way of excluding claimants with certain conditions that would result in PIP being paid only to those with extra costs.

FIGURE 8: **Variation in extra costs is bigger within condition groups than between them**

Proportion of PIP recipients aged 16-64 estimated to have higher costs due to their disability or not, for all recipients and those with one of the top ten most common conditions: England and Wales, May-June 2026



NOTES: Conditions refer to those who report having this condition at all, whether it is their main or additional condition. Recipients are estimated to have higher costs if they report that their costs are a little or a lot higher due to their disability, or if they report using their PIP, in practice, mostly or partly for costs relating to their disability; those without higher costs are all other respondents. The 'all' category includes those who do not list any conditions. Base = all respondents (n=2,570).
SOURCE: RF analysis of Savanta, Survey of PIP claimants, May-June 2026.

Looking at condition-based schemes that exist both internationally or in the UK should also give us a pause for thought. Following criticism that it followed an outdated medical model, the principles used in the German GdB assessment mentioned earlier in this section were changed in 2025 to ground them in the UN Convention's understanding of disability, moving away from a purely medical approach towards one that thinks about how people's impairments affect them in real life.[54] And in the UK, the recent Independent review into mental health conditions, ADHD and autism, concluded that support systems should have a greater focus on people's needs and their ability to

54 See www.gesetze-im-internet.de/versmedv/BJNR241200008.html, accessed 13 October 2026.

participate in society, and less of an emphasis on formal medical diagnoses.[55]

So, a condition-based assessment would struggle with the true face of disability in 2026, in which most people have several conditions, in combinations that are rarely shared, and where conditions alone are a poor guide to both how people are affected by their disability day-to-day, and the extra costs they face as a result.

An improved functional assessment should also take costs into consideration

So where does this lead us? We propose modifying and improving PIP's functional assessment, so that it gathers four key sources of information:

- Functional impairment: how people's disability affects them in everyday life. This is the bedrock of the current PIP assessment, but it should be improved and made more 'outward-looking'. We propose that PIP retains a form of functional assessment, where DWP collects evidence from claimants (and, where appropriate, from other sources such as medical professionals or carers) about what they can and cannot do in everyday life, but modifies the activities included in the assessment to include more that relate to claimants' experience outside of the home (at present, most of the activities relate to domestic life like cooking, dressing and bathing). It should also consider whether these limitations and costs fluctuate, and what support, if any, already exists, for example from the NHS, local authority, or from friends and family.
- Consequences: what these functional limitations lead to. For example, do they lead to extra costs that are being met, costs that are incurred but not met, or do they lead to care needs or reliance on friends and family?
- What helps: what, if anything, might help improve the level of functioning and participation in society? (Answers here could include using aids or appliances, making adaptations to the home environment, or having access to services, for example.)

In essence, we recommend retaining a points-based functional assessment as the gateway to receiving PIP, but improving what is included in the assessment so that it better reflects the nature of disability in 2026. We do not go as far as outlining exactly what a new functional assessment should look like (i.e. exactly which activities should be included or how they should be scored), but our view is that successful reform to PIP needs to include a re-think of the assessment itself.

55 Department for Health and Social Care, Independent review into mental health conditions, ADHD and autism: final report, October 2026.

As well as improving the make-up of the assessment so that the activities better reflect the true nature of disability in 2026, we should also improve the quality of data recorded in the assessment so that it can then be used to provide successful claimants with more appropriate forms of support. In the next section, we set out how the information gathered in this improved functional assessment could be used to shape people's PIP award more effectively.

Section 3

Rethinking disability benefit awards

We estimate that one-in-eight (12 per cent) current PIP recipients have neither a higher level of limitation nor higher costs as a result of their disability, equivalent to 490,000 people in 2029-30. Under a better-targeted system they would no longer qualify. For those who do qualify, PIP's current levels of cash award mask wide variation in need: one-in-ten recipients (11 per cent) score 21 points or more for daily living in the PIP assessment, almost double the threshold for the enhanced rate, yet receive the same award as someone scoring 12 points. We propose instead a personalised package of up to three elements: a core costs element paid at three levels, which most recipients (92 per cent) would receive; a capital element for one-off costs such as aids and adaptations (28 per cent); and a participation element to help people take part more fully in society (88 per cent).

The previous section argued that the PIP assessment needs to be improved to better reflect disabled people's impairments and extra costs that exist in 2026. But improving the assessment is not 'job done': we must use the information gathered in the assessment to its full potential, to make sure that PIP is being awarded to the right people and to provide PIP recipients with the most appropriate forms of support. In this section, we explore how an improved system of PIP awards could work.

The first use of the PIP assessment is to decide who qualifies – under a better system, we estimate that one-in-eight current recipients would not receive PIP

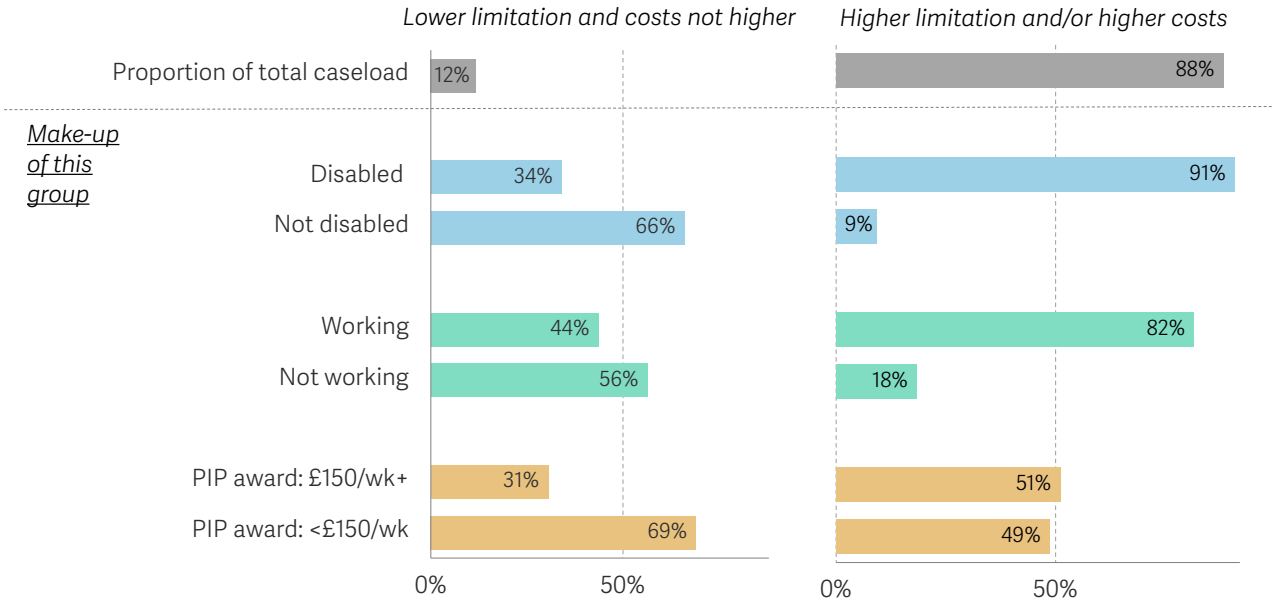
As we discussed in the previous section, a more holistic assessment for PIP could gather information both on applicants' level of functioning and whether or not the consequence of their impairment is that they incur extra costs. This would give DWP the right type of information to decide who should qualify for PIP: core costs support should be offered to those who demonstrate that their disability limits their day-to-day functioning and who face extra costs as a result of their disability, given that PIP's policy intent is to make

a contribution to disabled people's extra costs. Those whose disability affects them in neither of these ways should not qualify for PIP support.

Our survey evidence allows us to estimate how existing PIP recipients would be affected under an improved assessment and award system. Using the framework of limitations and costs set out at the end of the last section, we define the group who would not qualify for PIP under a perfectly functioning system as those who have a lower level of limitation and whose costs are not higher as a result of their disability. We estimate that this group makes up 12 per cent (one-in-eight) of the current PIP caseload (see Figure 9). If this group could be properly identified they would lose eligibility. This would be a significant reduction in the PIP caseload, representing 490,000 people losing eligibility if the changes were applied to the 2029-30 caseload forecast.

FIGURE 9: **Identifying PIP claimants with lower levels of limitation and no extra costs could remove one-in-eight from the caseload**

Demographics of PIP recipients aged 16-64 who are estimated to have a lower level of limitation and costs not higher (left panel) and who are estimated to have a higher level of limitation and/or costs (right panel): England and Wales, May-June 2026



NOTES: Recipients are estimated to have higher costs if they report that their costs are a little or a lot higher due to their disability, or if they report using their PIP, in practice, mostly or partly for costs relating to their disability; those without higher costs are all other respondents. Recipients with higher limitation are those who state that their conditions or illnesses reduce their ability to carry out day-to-day activities 'a lot'; those with lower limitation are those who state that they are limited 'a little' or 'not at all', or who do not have a long-standing condition or illness. Base = all respondents (n=2,570).
SOURCE: RF analysis of Savanta, Survey of PIP claimants, May-June 2026.

As we can see from Figure 9, this group with a lower level of limitation and costs that are not higher (who should no longer receive PIP under a better-targeted system) look

different to the claimants with higher limitations and/or costs (who should remain in receipt to PIP). Strikingly, two-thirds (66 per cent) of those with a lower level of limitation and costs that are not higher do not meet the official Equality Act disability definition, compared to just 9 per cent of those with higher limitations and/or costs.[56] Similarly, those with lower limitations and costs are more likely to be in work, and more likely to receive a less generous PIP award, than those with higher limitations and/or costs. Finally, wider evidence from our survey shines light on why this group applied for PIP: when asked about what prompted them to claim PIP, this group with a lower level of limitation and costs that are not higher were more likely to report applying for PIP due to a change in financial circumstances, or after hearing about it in the media or online, than the group with higher limitations and/or costs.[57] Altogether, this paints a picture of a group who should not be receiving a disability benefit aimed at supporting disabled people with their additional costs.

Of course, any change to benefit eligibility must be taken carefully, with consideration given to the living standards of the group affected. As is true among the general PIP population, more than half of this group with lower limitations and costs (58 per cent) receive UC as well as PIP, and this highlights a key challenge when reforming disability benefits. PIP is not the right vehicle for supporting this group, but we should not assume they have no needs whatsoever: it is likely that many are on low incomes and using PIP to support their living standards. This issue is explored more in Box 4.

BOX 4: **In practice, many PIP recipients use their award to cover general living costs**

Three-quarters (74 per cent) of the working-age PIP recipients we surveyed say they use some or all of their award for general living costs, rather than solely for the extra costs of their disability. This is not what PIP is for, but it is not surprising given that many are on a low income. Two-thirds (67 per cent) of PIP recipients also receive UC, and the basic safety net provides little.[58] The UC standard allowance, the part of the benefit system meant to cover everyday living costs, is worth £98 a week for a single adult aged 25 or over in 2026-27, around 14 per cent of average weekly earnings. A single person living on it alone, even with their rent fully covered, would be around

56 Those who do not meet the Equality Act definition of disability do not report having a condition or illness that is expected to last for 12 months or more that reduces their ability to carry out day-to-day activities.
57 RF analysis of Savanta, Survey of PIP claimants, May-June 2026.
58 UC and PIP overlap relates to PIP claimants aged 16-64 in England and Wales. Source: RF analysis of DWP, Stat-Xplore.

65 per cent (£183 a week) below the relative poverty line.[59]

Against this backdrop, PIP can make the difference between being in and out of poverty, but only just. A single person receiving the UC standard allowance and the maximum PIP award would have an income around £12 a week (4 per cent) above the poverty line, equivalent to around 41 per cent of average earnings. Even this flatters their position, because official poverty statistics count PIP as income, despite it being intended to meet costs that other people do not face. In DWP's consultation on its new Below Average Resources poverty measure, the overwhelming consensus was that disabled people's extra costs should instead be treated as unavoidable spending.[60]

Seen in this light, using PIP for general living costs is less a misuse of the benefit than a sign of how little the rest of the safety net provides. And, although there are many reasons for the growing number of new claims for PIP in recent years, the rising cost of living is likely to have increased the need for low-income disabled people both to claim PIP and to use it for everyday spending.[61] This issue deserves to be taken seriously, but it is not a reason to change what PIP is for. If the basic safety net is too low to live on, the answer is to address the adequacy of UC directly, rather than solely focusing on PIP reform.

So, it is right to tighten the eligibility for PIP so that this group no longer qualify, but we should also think about improving the other ways of supporting this group, for example through the Universal Credit system or targeted support for energy bills.[62]

How might this reduction in caseload be achieved? First, a better functional assessment, like we set out in the previous section, could better identify claimants who have neither extra costs nor a disability that limits their day-to-day life. Second, a better system would also involve more frequent engagement between recipients and DWP; it is likely that some of the 12 per cent of PIP recipients who we identify as having neither higher costs nor a higher level of limitation did meet PIP's eligibility criteria when they were first awarded it, but since then, their situation has changed but their benefit award has not. Later in this report, we will explore how the system of award reviews could be reformed, so that recipients flow off the benefit more quickly if their situation changes and they no longer have a disability that incurs extra costs.

59 RF analysis of DWP, Households Below Average Income; DWP, Benefit and pension rates 2026 to 2027; ONS, Average Weekly Earnings; OBR, Economic and fiscal outlook – March 2026.
60 DWP, Response to the consultation on the Below Average Resources measure, January 2026.
61 For a discussion of how cost of living pressures have impacted claims for disability benefits, see: L Judge & L Murphy, Under Strain: Investigating trends in working-age disability and incapacity benefits, Resolution Foundation, June 2024, https://doi.org/10.63492/ned961. See also: J Cribb et al., Do disability benefit claims rise when other benefits are cut?, Institute for Fiscal Studies, December 2025, https://doi.org/10.1920/re.ifs.2025.0043.
62 For a discussion of targeted energy discounts, see: M Brewer, A Clegg & J Marshall, Billing me softly: How to design targeted energy discounts, Resolution Foundation, August 2026, https://doi.org/10.63492/acb5514.

Currently, PIP is awarded as an ongoing cash payment

Using PIP's functional assessment to better target support to the right group of recipients is just step one; DWP should also improve the forms of support offered to those who do qualify.

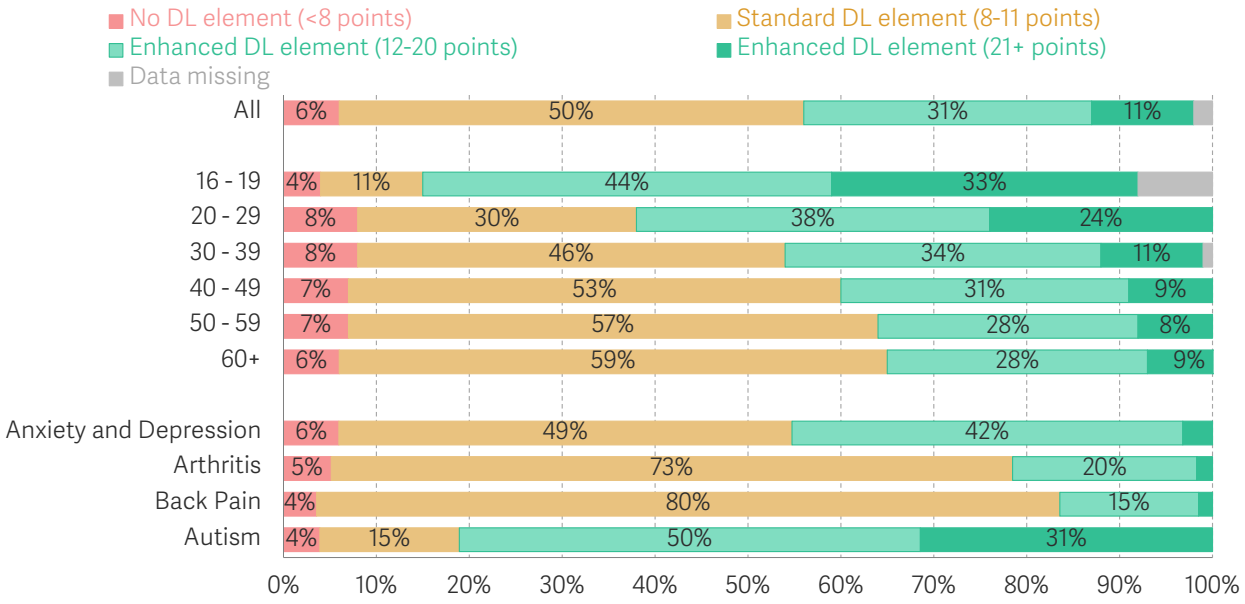
At the moment, PIP is an ongoing cash benefit, usually paid every four weeks, with payments ranging from £30 to £195 per week in 2026-27.[63] There are eight levels of support, reflecting the combinations that result from the higher and lower awards of the 'mobility' and 'daily living' elements, although PIP recipients are not equally spread across these eight levels. Almost two-in-five (38 per cent) receive the highest award (the higher level of both the mobility and daily living elements), while less than one-fifth (18 per cent) receive the lowest types of award (just one of the elements paid at the standard rate).[64]

But PIP's current payment levels mask the true variation in need, as evidenced in the PIP assessment.[65] In Figure 10, we use data on the number of points scored in PIP assessments to illustrate this. For the daily living element of PIP, claimants who score between 8-11 points are awarded the standard rate, and those who score 12 points or more get the enhanced rate. But a substantial minority of PIP recipients receive far more than 12 points (suggesting their functional limitation affects their life very significantly), yet the support they receive does not reflect this. Across all PIP recipients, one-in-ten (11 per cent) score 21 points or more in the daily living category, getting almost double the number of points needed to receive this award, and yet they get the same award as someone who scores just 12 points. And as we can see in Figure 10, some groups are especially likely to have been assessed as having a very high level of functional limitation that is not reflected in their PIP award: for young people aged 16-19, and those whose main condition is autism, a third score 21 points or more (33 per cent and 31 per cent respectively).

63 www.gov.uk/pip/how-much-youll-get, accessed 29 September 2026. There is one exception that we do not explore in detail in this report: the Motability scheme. In essence, people can exchange their mobility element of PIP to lease a car, scooter or wheelchair, meaning that their PIP cash payment is exchanged for 'in-kind' support. See: www.motability.co.uk/how-it-works, accessed 13 October 2026.
64 Data is for PIP recipients aged 16-64 in England and Wales in July 2026. Source: RF analysis of DWP Stat-Xplore.
65 Similar analysis of the points scored by PIP recipients is included in: E Latimer, M Oulton & T Waters, Options for reforming personal independence payment, Institute for Fiscal Studies, September 2026, https://doi.org/10.1920/re.ifs.2026.4730.

FIGURE 10: **PIP awards don't reflect the full range of points awarded in the assessment**

Daily living points scored by PIP recipients, by age group and selected main condition: England and Wales, January 2025



NOTES: Data refers to working-age claimants only, and includes 'normal rules claimants only' and excludes special rules for end of life (SREL) claimants as they typically receive maximum or very high scores.
SOURCE: RF analysis of DWP, Pathways to Work: Reforming Benefits and Support to Get Britain Working Green Paper, May 2025.

This system of PIP awards means that many claimants don't receive support that accurately reflects their assessed level of need, and means that there are big cliff-edges in support (the higher rate of the daily living element is worth £38 a week more than the lower rate – an increase of 49 per cent).[66] We therefore think there is a case for separating two questions: who qualifies for PIP, and what support they get once they do. The first should be decided in a strict, rules-based way, and the points system does that well. But the second doesn't need to be so rigid: once someone has qualified, the support they receive could be tailored to their circumstances. Doing so would reduce the cliff-edge problem we have at the moment, and also better reflect the different types of extra costs that disabled people face (for example one-off adaptations to their home, where a four-weekly cash payment is not appropriate), or costs that could be reduced or removed through the provision of services.

PIP should be a personalised package of support built from three elements

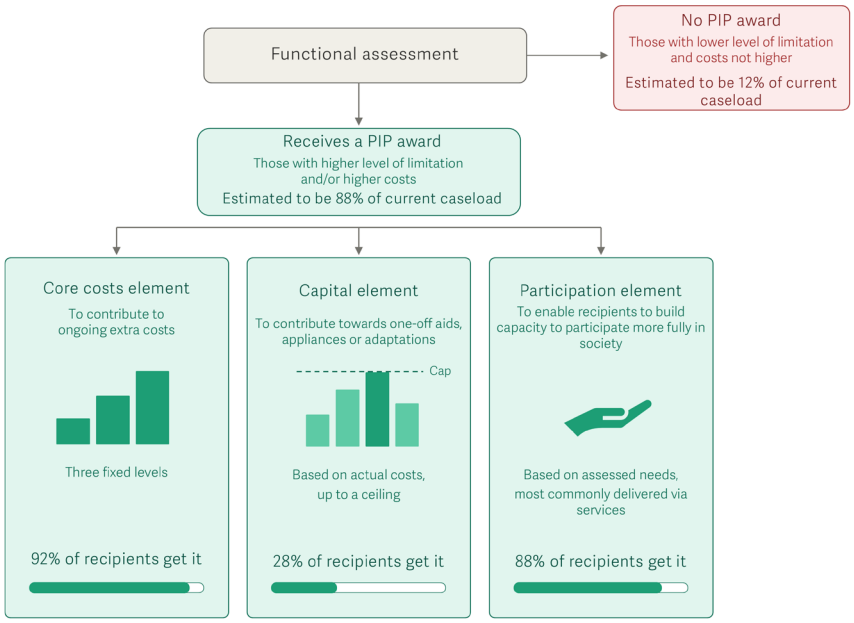
Under the current system, qualifying for PIP leads to one outcome: an ongoing cash

66 www.gov.uk/pip/how-much-youll-get, accessed 5 October 2026.

payment. Instead, we think a better system would be one that offers a broader package of support, made up of up to three elements: a core costs element, a capital element, and a participation element. These elements are summarised in Figure 11 and explained in more detail in the text that follows. In Annex 1, we provide detailed information about how this new PIP system might look for recipients, and include illustrative payment amounts for each of the three elements.

FIGURE 11: **PIP should be a personalised package of support built from three elements**

Summary of our proposed new PIP system



SOURCE: RF estimates.

The core costs element would be akin to current PIP payments: a cash element paid regularly, to contribute to the ongoing extra costs faced by disabled people in everyday life. Rather than having the mobility and daily living elements, this should be one combined element, paid at three levels of support. This element should remain an unrestricted cash payment, meaning that recipients could continue to spend this money however they choose.

Using evidence from our survey about PIP recipients' needs and costs, we estimate that the vast majority of recipients in the new system (92 per cent of those who receive any PIP award) should receive this element, meaning that cash payment would remain a core component of PIP.[67] This reflects a key finding from our survey: among PIP recipients

67 This is the share of the remaining PIP caseload after we remove the 12 per cent of current recipients who would no longer qualify for any support.

who do face extra costs, most face extra costs that are ongoing and relate to aspects of everyday consumption. For example, 61 per cent report costs relating to heating and energy bills, 58 per cent report higher transport costs and 50 per cent report higher food costs.

The exact nature of these extra costs will vary from person to person, which is why an unrestricted cash payment, paid at three levels of generosity, remains the right approach. By being unrestricted, it lets recipients judge their own priorities and decide how best to spend the payment. By being paid at three levels, it makes a contribution to people's ongoing extra costs but does not claim to cover them entirely; a system which aims to cover the entirety of disabled people's costs would struggle both with administrative complexity and an uncontrollable budget.

The capital element would be a non-recurring cash payment that would contribute to 'one-off' costs, like buying aids or equipment or making adaptations to a home or vehicle. In our view, this element is needed to reflect the reality of many PIP recipients' lives: three-in-ten (30 per cent) report having higher costs relating to paying for aids or appliances (e.g. wheelchairs), while more than one-in-five (22 per cent) report having costs relating to making one-off adaptations to their home or vehicle (e.g. installing grab rails to a bathroom). This element is needed because an ongoing cash payment is not the best way of targeting these costs; it would lead to some recipients receiving more money than is needed, while others will struggle without the equipment or adaptations that would support their functioning as they save up their ongoing cash payments for months or years until they can afford a costly expense.

From our survey evidence, we estimate that 28 per cent of PIP recipients would receive this element at some point during their PIP claim. This element would be based on claimants' actual expenditure, with an upper ceiling. Again, this would allow the budget to remain controllable, and limit the risk of providers increasing their prices in the knowledge that the state will pay however much they quote.[68]

When designing this element, we can learn from other countries who have successful similar schemes. For example, France's prestation de compensation du handicap (PCH) supports disabled people with elements focused on technical aids and home and vehicle adaptations.[69] Each element has a cap which applies over multiple years; this lets people buy large, costly equipment that will benefit them for multiple years, while avoiding the risk of people gaming the system and making large claims in short succession.

68 This problem – of subsidies leading to price increases – has been experienced in many countries in various social policy settings. For example, Australia's NDIS disability benefit system faces this issue of 'price differentiation', where NDIS recipients are charged more than other citizens for the same goods or services. See: www.ndiscommission.gov.au/about-us/what-we-do/ndis-market-oversight#paragraph-id-7985, accessed 13 October 2026.

69 www.monparcourshandicap.gouv.fr/aides/la-prestation-de-compensation-du-handicap-pch, accessed 5 October 2026.

The participation element would be a new type of support, with the aim of enabling recipients to build capacity to participate more fully in society. This element would make a contribution to the costs of activities that improve well-being (such as exercise, therapies or social activities) or enable economic activity (e.g. training, volunteering, movement into employment). Based on our survey evidence, we estimate that this element would be paid to almost nine-in-ten (88 per cent) of the remaining PIP recipients.

We imagine that, most commonly, this element would take the form of DWP commissioning, providing or referring recipients to relevant services. Our view is that this is likely to work best when done locally rather than centrally, so that local knowledge of the services available to disabled people can be taken into account (including those provided by the NHS, councils and the third sector), allowing recipients to be matched up to the right type of local support. This could build on the existing Connect to Work model, for example, where DWP funding is routed to local areas to deliver employment support.[70] We can also learn from other countries who administer similar schemes: for example, Australia's National Disability Insurance Scheme (NDIS) has a 'capacity building' element which supports recipients to build their skills, for example through employment, health and social support.[71] Where it is not possible or desirable to provide support through services, this element could be delivered via a ringfenced cash award. For example, a cash award could be appropriate if a suitable public service does not exist locally, or if there are prohibitively long waiting lists for a service.

The nature and scale of this participation element would be decided by a DWP decision-maker based on the information shared during the PIP assessment. Like the capital element, the participation element would make a contribution to people's actual needs, up to a ceiling. This element would be subject to regular reviews and adapted accordingly (we discuss the importance of reviewing and adapting PIP awards in the next section of this report).

We expect that a minority of PIP recipients would receive only this element. Our survey evidence suggests that 4 per cent of those currently receiving PIP do not have higher costs as a result of their disability, but do face substantial limitations in their daily life. For these people, it is hard to justify paying a cash element, when they do not report having higher costs to which a contribution should be made. And although some might argue that this group should receive no support from PIP at all (given they do not report having extra costs), our view is that it would be an own goal to reject this group from receiving support that could help them build their capacity to participate in society, given that

70 www.gov.uk/government/publications/connect-to-work, accessed 13 October 2026.
71 See: www.ndis.gov.au/, accessed 13 October 2026. For a discussion of the NDIS scheme and some of the problems it has encountered in recent years, see: S Bennett, M Jessurun & H Orban, Saving the NDIS: How to rebalance disability services to get better results, Grattan Institute, June 2025.

doing so will likely lead to positive outcomes for both the individual and our economy.

Altogether, our view is that a PIP system with these three elements would provide better support that reflects the reality of disabled people's lives, while also targeting taxpayer money more effectively. But there is a final important step involved when improving the PIP system: reviewing the PIP awards of existing recipients, to ensure that the support they are receiving continues to be appropriate for them. In the next section, we explore how a better system of reviews and reassessments could be achieved.

Section 4

Rethinking disability benefit reviews

PIP recipients are staying on the benefit for longer than they used to: four-in-five (79 per cent) of those who first received PIP in 2019 were still receiving it five years later, compared to two-thirds (68 per cent) of the 2014 cohort. This partly reflects that award reviews have not kept pace with the growing caseload, but also that the review process has become less likely to change a recipient's award. The current approach to reviews in PIP in effect assumes that conditions follow predictable paths, but nearly nine-in-ten (87 per cent) of PIP recipients with disabilities describe them as being fluctuating or progressive.

The current system of infrequent, high-stakes reviews leaves many recipients afraid to engage openly with DWP or to take steps to try and improve their level of functioning. We propose that DWP moves to more frequent but lower-stakes engagement, featuring regular check-ins between formal reviews, elements of the PIP package being reviewed separately so that losing the core cash element no longer means losing all support, and more intensive engagement for groups whose conditions are most likely to change, such as young people.

As we have set out in previous sections, there is room for improvement in how PIP is assessed and awarded to ensure that PIP is being targeted to the right group of recipients, and that the most effective forms of support are being offered.

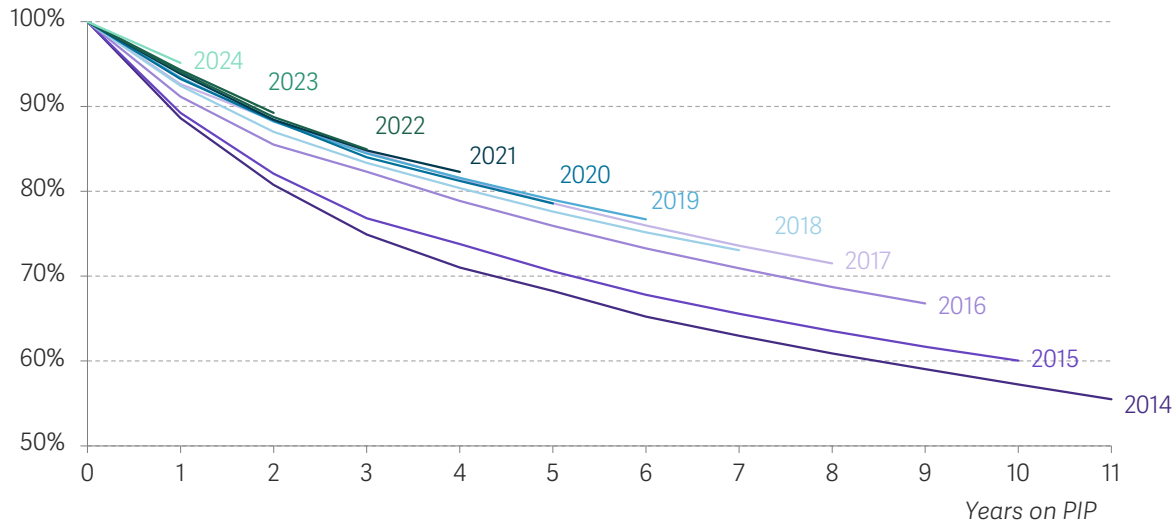
But there is a third crucial way in which PIP could be improved: ensuring better outcomes for PIP recipients while they receive the benefit. At the moment, the PIP system is almost entirely 'hands-off' when it comes to award management, with recipients having no engagement with the system other than during infrequent – but high-stakes – award reviews. But any policy maker interested in improving the PIP system should care about managing PIP awards for existing recipients, not least because the length of time that PIP recipients tend to receive the benefit has been getting longer over the past decade, and this is pushing up the PIP caseload and cost. In this section, we set out how a better system could be achieved: one with a general expectation of more engagement from PIP recipients, but where the risk of sudden and large income losses is reduced.

People receive PIP for a long time, and this is pushing up the PIP caseload and cost

Those who are awarded PIP tend to receive it for a long time. As we can see from Figure 13, there are two trends which should worry policy makers. First, the length of time that claimants are receiving PIP has been steadily increasing over time. For example, of those who claimed PIP in 2014 (shortly after its introduction), a third of PIP recipients had flowed off the benefit after five years, with the remaining two-thirds (68 per cent) remaining on the benefit. But by 2019, the off-flow figure after five years had dropped to just one-in-five, with the remaining four-in-five (79 per cent) still on the benefit. This trend appears to be continuing in recent years, with the one-year off-flow rate of those who claimed in 2024 being lower than both the 2019 and 2014 cohorts.

FIGURE 12: **PIP claim durations are getting longer**

Proportion of PIP recipients still receiving PIP over time, by year first awarded PIP: England and Wales, 2014-2024



NOTES: Cohort year is based on the earliest recorded onflow date for each claim. The duration represents the number of complete years between the claim start date and the last month the claim was observed on the caseload. Figures are for 'normal rules' claims only.
SOURCE: RF analysis of DWP, PIP administrative data.

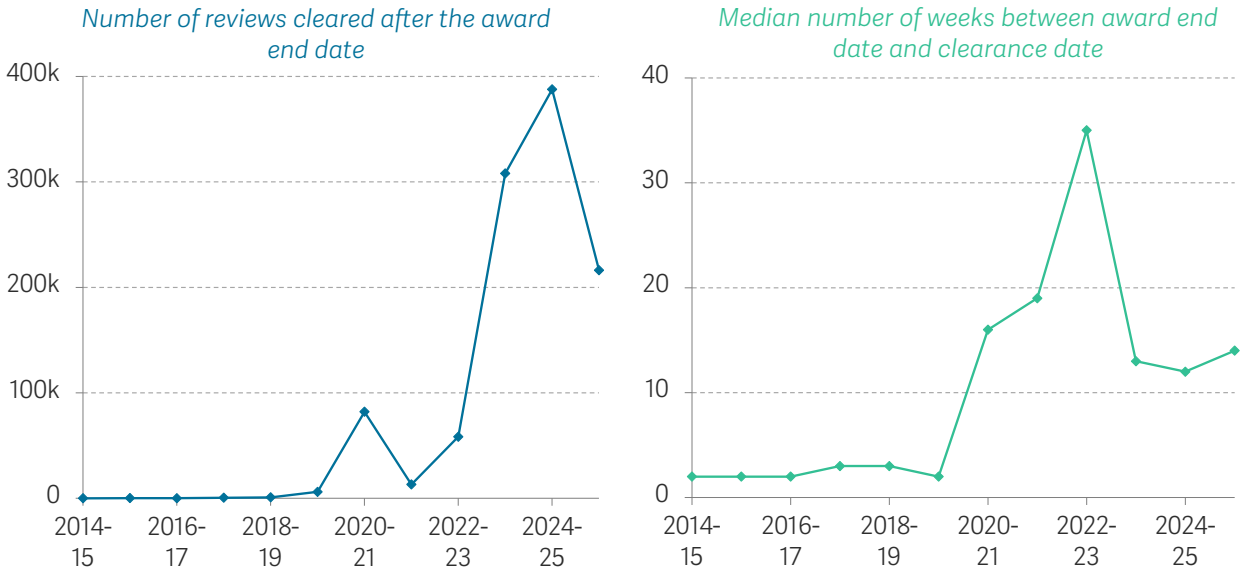
Although these trends are striking, they should not be surprising. Onflows to PIP have increased dramatically in recent years: the number of monthly new claims for PIP has increased from an average of 36,000 in 2019 to an average of 76,000 in the first seven months of 2026.[72] But our award review system has not kept pace. There are two factors behind this: award reviews are not happening as frequently as they should, and fewer people are flowing off PIP even when they do go through an award review.

72 RF analysis of DWP, Stat-Xplore. Figure relates to the number of PIP clearances for new claimants (not those transferring from DLA) in England and Wales.

When people are awarded PIP, their award letter includes information about when they should expert to undergo an award review; these are typically scheduled between 9 months and 10 years after the first PIP award. But, since the Covid-19 pandemic, when a large backlog of PIP award reviews built up, many award reviews are only happening a long time after their due date (meaning that some people are receiving PIP longer than they should).[73] Award reviews are expected to happen before the end of a recipients' initial PIP award, but as we can see in Figure 13, in the years following the Covid-19 pandemic, the number of planned award reviews that were cleared after the award end date (as set at the initial PIP decision) has shot up.[74] Between 2014-15 to 2018-19, there were less than 1,000 such occurrences, but in 2024-25, there were 388,000 planned award reviews that were cleared after their original award end date. Although the number fell down to 216,000 in 2025-26, we are still clearly nowhere near back to the pre-Covid-19 levels.

FIGURE 13: **The Covid-19 pandemic led to a backlog of PIP award reviews**

Number of PIP planned reviews cleared after the award end date (left panel) and median number of weeks between award date and clearance date (right panel): England and Wales



NOTES: Includes claimants whose PIP claim was made under 'normal rules' only. Includes planned reviews only, not reviews relating to change of circumstances.

SOURCE: RF analysis of Freedom of Information request to DWP, FOI2026/93138, October 2026.

And as we can see in the right panel of Figure 13, these delays are not small ones: in 2022-

73 In this section, we use data from Freedom of Information request to DWP, FOI2026/93138. DWP are clear that the exact time a scheduled award review commences can change as workflows are actively managed to cope with capacity issues, and the time taken to reach a decision on award reviews can vary in length for many reasons, such as whether a new assessment is required. In the case that an award review is not cleared before an award's end date, the award can be extended ensuring that the claimant retains their PIP award for this period. As such, there is no clear date at which a PIP award review is "outstanding" or "overdue". The data we show is the number of planned award reviews that were cleared after the award's end date set at the previous decision.

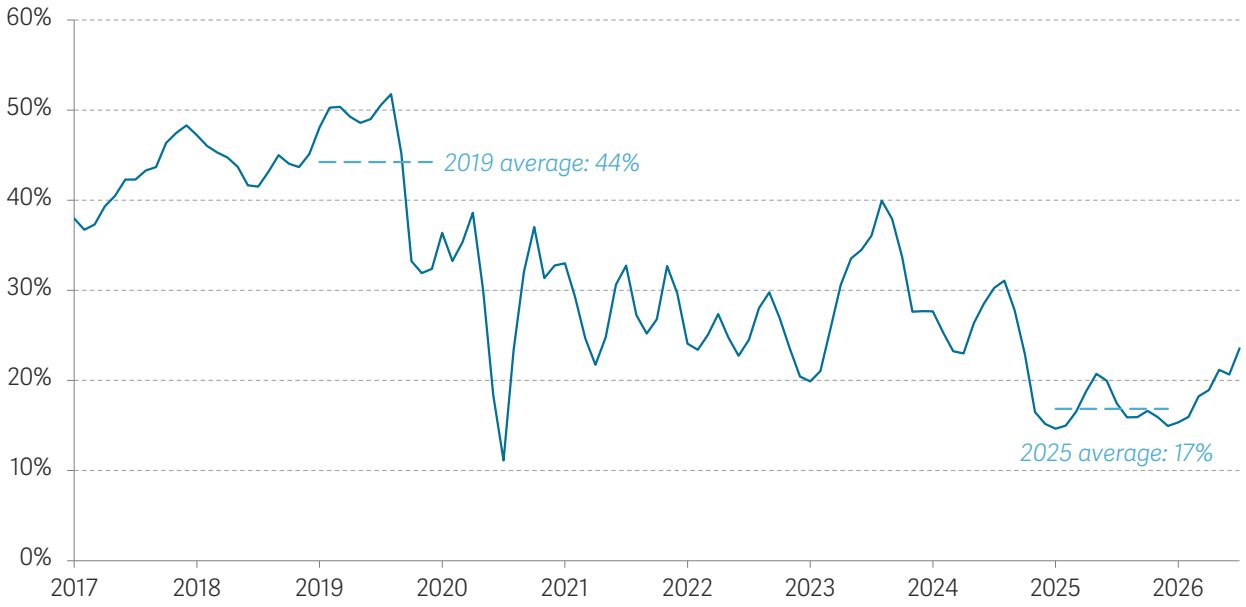
74 In this section, we focus on planned reviews – those scheduled by DWP. It is also possible for claimants to request a review in the meantime if they have experienced a change of circumstances.

23, the median delay peaked at an average of 35 weeks (eight months). By 2025-26, the typical delay was still over three months (14 weeks).

But the rising PIP caseload doesn't just reflect delays in undertaking reviews; it also reflects the outcome of reviews when they do happen. Over time, fewer PIP recipients are seeing their award reduced or removed when they do experience a planned award review – see Figure 14.

FIGURE 14: **A shrinking proportion of PIP award reviews result in the benefit being reduced or removed**

Proportion of planned reviews among new applicants for PIP aged 16-64 that result in the benefit being reduced or removed: England and Wales



NOTES: Chart shows three-month rolling averages, and 12-month averages for 2019 and 2025. Data is for new claims only, and not those who have transferred DLA to PIP. Data is for planned reviews only.
SOURCE: RF analysis of DWP, Stat-Xplore.

Back in 2019, almost half of planned PIP reviews (44 per cent) resulted in the benefit being reduced or removed; but by 2025, this had fallen to less than one-in-five (17 per cent).[75] Of course, this could partly reflect a change in the nature of disability among the PIP caseload, with fewer people experiencing improvements in their functioning over time. This would in itself be worrying. But it seems unlikely that this is the whole explanation: the PIP caseload has become younger over time, and (as we explore in the next section) younger recipients are more likely than older ones to expect their condition to improve over time. So the large change in review outcomes since 2019 is likely to also reflect a system that is not doing a good enough job of picking up on people's changes of circumstances. And indeed, the trend set out in Figure 13 makes the trend shown in

75 For another discussion of the high proportion of award reviews that do not result in a change of award, see: Z2K, Prove It Again: The Cost of Unnecessary PIP Reassessments, June 2026.

Figure 14 all the more concerning. We would hope that a capacity-constrained system would target its efforts on claimants whose conditions are most likely to have changed. If this had been true, the proportion of reviews that resulted in PIP being reduced or removed would have increased over time, when in fact the opposite is true.

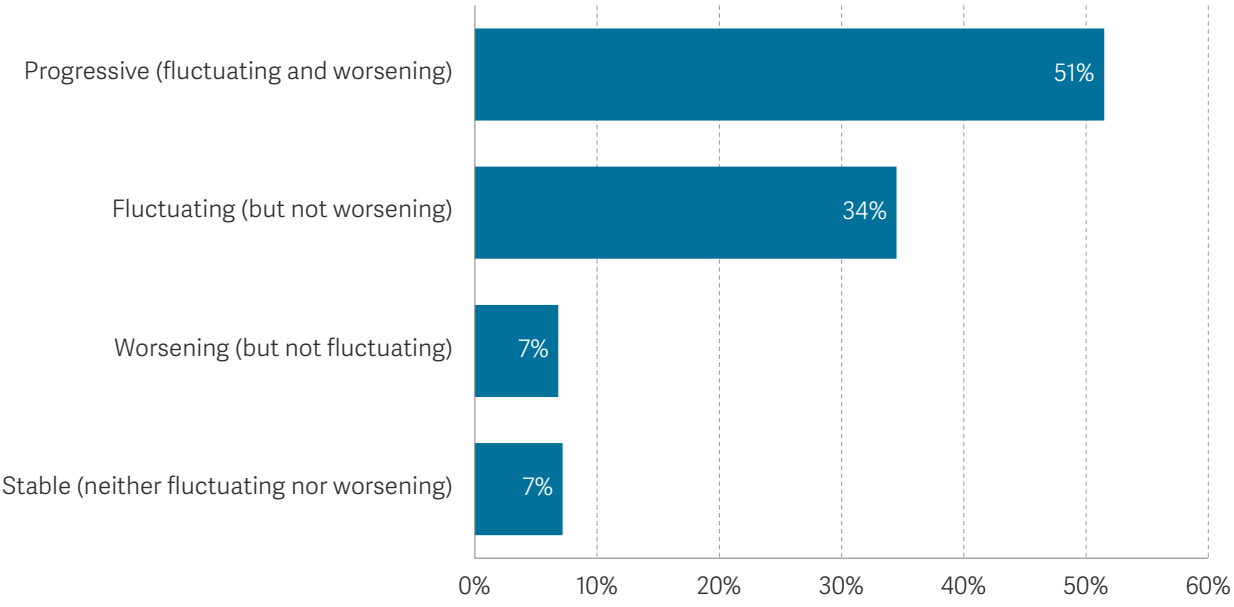
Most PIP recipients have changeable conditions, but the current system doesn't reflect this

Even if it was functioning perfectly with no backlog, the current system of PIP reviews has a more fundamental flaw. It assumes that conditions follow predictable paths, and that assessors can reliably predict how long someone should receive PIP for before requiring a review.

But the evidence gathered in our survey suggests otherwise: less than one-in-ten (7 per cent) of PIP recipients in our survey who reported a disability stated that it was stable (that is, neither fluctuating or worsening). Meanwhile, more than four-in-five (87 per cent) reported having a fluctuating condition: half (52 per cent) have a condition that is progressive (i.e., that fluctuates from time to time, and is worsening over the long term), while a third (35 per cent) have conditions that fluctuate but are not worsening. This is shown in Figure 15.

FIGURE 15: **PIP needs to respond to people's changing needs**

Among PIP recipients aged 16-64 who report a disability, proportion who report conditions that are progressive, fluctuating, worsening or stable: England and Wales, May-June 2026



NOTES: Base = all respondents who report a disability (n=2,025). These categories are defined based on questions about how much the severity of people's conditions change and the expected trajectory over the next 12 months.
SOURCE: RF analysis of Savanta, Survey of PIP claimants, May-June 2026.

The vast majority of PIP claimants, then, have conditions that are changeable, and this feeds through to their needs and costs. Yet this isn't always fairly reflected in their PIP award. PIP recipients and their representatives have long called out the PIP assessment for its approach to fluctuating conditions.[76] For example, disability charities have pointed out that the reality of many common conditions like arthritis, depression or MS is that a month is made up of good spells and bad spells, and people's ability to function varies accordingly.

But there is a further problem: the PIP caseload includes some people whose conditions (and therefore their level of functioning) may improve if they receive treatment – and yet the overall approach to reviewing these people's PIP award is no different to those with conditions which are highly unlikely to change in the future.[77] So it is good that the Timms Review has highlighted improving PIP for people with fluctuating conditions as a priority area for reform. [78] We explore below how we think DWP could make effective changes.

We should move to a PIP review system with more frequent – but lower-stakes – engagement

The current system of PIP reviews is strikingly 'hands-off': recipients typically engage with DWP once every few years, with no requirements in between. But despite the infrequency of engagement, many recipients still feel a great sense of worry and anxiety about their engagement with DWP, and fear that their PIP award will be changed or removed if their behaviour or level of functioning changes. Put bluntly, we have the worst of all worlds: DWP is not engaging enough to pick up on people's changing conditions, but the way it engages with people creates a sense of fear that discourages people from taking steps to improve their level of functioning.

Various pieces of qualitative evidence have shown just how fearful many PIP claimants feel about the prospect of going through an award review.[79] Indeed, when asked about their future expectations around receiving PIP, many of our survey respondents proactively responded by sharing their feelings of fear and worry about the benefit being reduced or removed without explanation. As one respondent put it: "every day I live in fear of it being taken away".[80]

76 The way that this is currently handled in the PIP test is through the "50% rule": the assessor must decide which descriptor is likely to a claimant on most days, and this is taken to mean more 50% of the time. This has been a common source or criticism. See: MS Society, The UK Government needs to fix PIP once and for all; Sickle Cell Society, New Sickle Cell Society report warns PIP's '50% rule' fails people with sickle cell, both accessed 14 October 2026.

77 Of course, people's PIP award durations – and therefore how long they can go without facing an award review – do vary. But the overall approach does not overtly take into consideration how likely a person's situation is to change, for example if they received medical treatment or aids and appliances that increased their level of functioning.

78 Department for Work and Pensions, The Timms Review of Personal Independence Payment: interim report. July 2026.

79 For example, see: A Manji & L Bannister, Making PIP work: Six reforms to build security, remove fear and reduce hardship, Trussell, July 2026.

80 RF analysis of Savanta, Survey of PIP claimants, May-June 2026 (free text answer).

This fear reflects the design of the system and is not just due to DWP's tone or approach. The current PIP review system is high-stakes, so it's no wonder that recipients feel this way. The norm is for recipients to go years without engaging with DWP and then face a from-scratch review where they risk losing hundreds of pounds a month, and with the prospect of long delays to processing any future claim of PIP that they might make.

This high-stakes approach acts as a barrier to people engaging openly and honestly with DWP, and marks PIP apart from other types of state support. Take engagement with healthcare practitioners as an example. People with long-term health conditions expect to have check-ins with doctors and nurses regularly to, for example, review their medication. If support needs to change or stop – for example, if a doctor thinks the patient needs to stop taking a certain medication – this decision can be taken gradually, with medication tapered away. Each interaction between the patient and professional builds on what has already been discussed, and records of previous interactions are available for both to view beforehand. Of course, some patients do have bad experiences when interacting with doctors and nurses, but patients rarely resent the philosophy of having to engage with a healthcare practitioner per se – this is seen as a normal part of the process of keeping well, and having a check-up does not mean that their diagnosis is being questioned.

So how do we make the PIP review process into one with lower stakes? We set out three principles for reform.

1) Build in more frequent engagement between formal reviews

There should be a general expectation that PIP recipients engage with DWP more regularly in between formal reviews. This should involve 'self-service' engagement (for example, providing information about their situation through an app, as happens with the UC journal or the NHS app). But there should also be a middle tier of support: check-ins with DWP staff, where people can discuss their current PIP award and, for example, whether the type of support they are getting from the participation element is working well enough. Importantly, this engagement can lead to people receiving more support, not just less.

Formal award reviews should build on both the original assessment and on the less formal engagement that has happened in the interim, rather than being a start-from-scratch re-assessment. By asking "what's changed?", DWP can demonstrate trust. For example, if someone submits evidence in their first assessment about a life-long condition which affects their day-to-day life in a way that is unlikely the change, DWP should signal that this is taken into account when reviewing the PIP award. On the other hand, if the first-instance assessment concludes that someone's condition (and needs)

are likely to improve – for example, if someone is awaiting treatment for a common mental health condition – then this should be communicated to recipients so they know what to expect ahead of their formal review.

This would be a lower-stakes system, but not a zero-stakes system. We do not pretend that award reviews are easy to do well: the reality is that people are at risk of losing entitlement to a benefit, and it is rational that many recipients will feel worried as a result. Our end goal is to lessen this sense of worry, and building in informal engagement helps us get there. Managers are encouraged to have informal one-to-one discussions with their staff in between formal performance review meetings, and use these informal meetings to raise problems as they happen so that bad news does not come as a surprise at these formal meetings. Likewise, if someone's situation changes and their PIP award is likely to change as a result, this should not come as a surprise at the formal PIP review – this should be discussed at an informal check-in beforehand.

Of course, moving to a system with greater engagement would require higher spending on the administration of PIP – this should be taken seriously, not least because of the current capacity constraints. We explore this in more detail in Section 6 of this report.

2) Review PIP awards in a more flexible way, allowing recipients to receive some elements for longer than others

There is a second key way to de-risk PIP reviews: make it easier for people to exit PIP via an off-ramp rather than a cliff-edge. At the moment, it is much more likely that PIP reviews result in people leaving the benefit entirely than seeing their award reduced (see Figure 18 in the next section).[81] This feeds through to the feelings of fear experienced by many PIP recipients: with good reason, people worry about seeing a sudden income loss of hundreds of pounds a month even if their situation changes only slightly.

Our proposed new system – where PIP is a package of support that can include three different elements – helps guard against this risk. These three elements should be assessed and reviewed separately. In particular, we imagine that many claimants could keep receiving support via the participation element even if they no longer receive the core costs element. This would help overcome a particular issue with the current system: the so-called 'improvement trap', where people face losing PIP support if they demonstrate improved functionality. This creates adverse incentives: people are discouraged from, for example, seeking support to improve their condition or buying aids and appliances that would improve their functionality, since this could be used against them in their next PIP review. But with the existence of the participation element, this issue is reduced. People could continue to receive support to improve their level of

81 RF analysis of DWP, Stat-Xplore.

functioning – for example, from employment or mental health services – even if they no longer incur ongoing extra costs.

Finally, to lower the risk involved for those PIP recipients who do lose support after going through a review, and to increase the incentive to seek improvements in functioning (and be forthcoming about them when engaging with DWP), we should build a system that is easy to engage with again in the future. This is important given the prevalence of PIP recipients with fluctuating conditions: it is right that people should receive PIP for periods of time, flow off the benefit when they no longer require the support, but be able to easily re-claim if their condition worsens. As part of this, PIP should be modernised and made digital, building on the digital-by-design UC architecture so that people can easily re-claim without having to re-enter all of their personal information.

3) Reviews should not be 'one size fits all'

Currently, PIP's approach to reviewing people's awards is remarkably similar across the board, with little variation by age or condition type. This is the wrong approach: DWP's engagement should reflect the reality of people's situations. As we will explore in more detail in the next section, young people are different to older adults in one important way: they are much more likely to expect their conditions to improve, and therefore also much more likely to expect to flow off PIP in the future. There is a similar trend when it comes to conditions: those who only have mental health, neuro-developmental or behavioural conditions are almost twice as likely to expect their condition to improve than those with only physical or sensory conditions (18 per cent vs 10 per cent).

DWP took steps in this direction earlier this year, by setting an expectation that young people under 25 would have shorter award lengths than older people.[82] It should go further and embrace a personalised approach to PIP award reviews and set an expectation of more frequent and intensive engagement from younger people and those with certain types of conditions. At the same time, there should be clearer rules about the groups who should have their PIP reviewed less frequently, and these should be communicated clearly: people with lifelong or progressive illness should not be living in fear that their PIP will be removed.[83]

Taken together, these three principles would move PIP reviews away from their high-stakes model towards one built on more frequent – but lower-stakes – engagement. For many recipients, this would mean fewer shocks: changes could be discussed before

82 There is a subtle difference by age: in 2026, PIP award lengths were increased in an attempt to reduce the review backlog, but recipients aged under 25 were excluded from this change. See: Department for Work and Pensions, Reforms to welfare system set to save £1.9 billion by the end of 2030/31, December 2025.

83 Here, we can learn from the approach taken by Social Security Scotland when administering ADP. See: www.socialsecurity.gov.scot/publications/2017/02/adult-disability-payment-decision-making-guide/pages/choosing-an-appropriate-review-period-for-adult-disability-payment/specific-conditions-and-indefinite-awards, accessed 14 October 2026.

they happen, losing the cash element would no longer mean losing all support, and those with lifelong conditions would be secure in knowing that their entitlement will never be questioned. But this is not only about a kinder and more dignified system for recipients. By engaging more often and more intensively with those where change is most likely, DWP would be better placed to pick up when people's needs have genuinely changed. And, by reducing the 'improvement trap', more people are likely to be able to move off PIP's core costs element. A lower-stakes system can therefore both be better for recipients and help put PIP spending on a more sustainable footing, by helping PIP awards reflect people's current needs rather than their needs at their last assessment.

Section 5

Rethinking young people and disability benefits

Young people's interactions with the disability benefits system are very much in the policy spotlight currently, not least because of the Milburn Review's ongoing investigation into the alarming number of 16-24-year-olds that are not in education, employment or training (NEET) in the UK today. So how would young people fare under a new disability benefit system reformed along the lines we have proposed in preceding sections? Here, we explore this question and then turn to consider whether a separate 'youth disability benefit' system is warranted.

The rising prevalence of disability among young people aged 16-24 since PIP's introduction is rightly a major concern for society and policy makers alike. Between 2013-14 and 2024-25, the proportion of this age group in England and Wales who self-report as having a disability grew from 8 per cent to 18 per cent.[84] Unsurprisingly, this trend is then reflected in the disability benefit caseload: over the same time period, the proportion of young people in receipt of PIP or its predecessor benefit DLA doubled from 3 per cent to 6 per cent.[85] (There is also an argument that the relationship between disability and benefit receipt can run in the opposite direction too, with claimants of all ages more likely to describe themselves as disabled once in receipt of the benefit).[86] Finally, there is another worry picked up by the ongoing Milburn Review: that disability benefit receipt is also implicated in the growing number of young people not in education, employment or training (NEET) in the UK today.[87]

But how would young PIP claimants fare under a new disability benefit system that has been reformed along the lines we propose? There are three areas where our survey

84 RF analysis of DWP, Family Resources Survey.
85 RF analysis of DWP, StatXplore; ONS, Population estimates. Figures are for England and Wales only
86 This issue is acknowledged by, for example, the Timms Review Interim Report evidence pack which states "Reasons for this increase in self-reported disability are likely to include … the structure and incentives within the benefit system". See DWP, Annex B- DWP evidence pack, July 2026 [accessed 10/10/26].
87 The Interim Report of the Milburn Review states: "The way PIP works means that the considerable and growing resources devoted to it are not targeted on helping improve the functional capacity of disabled young people and thereby enhancing their labour market or wider participation prospects". See: DWP, Young people and work: Interim report, May 2026 [accessed 10/10/26].

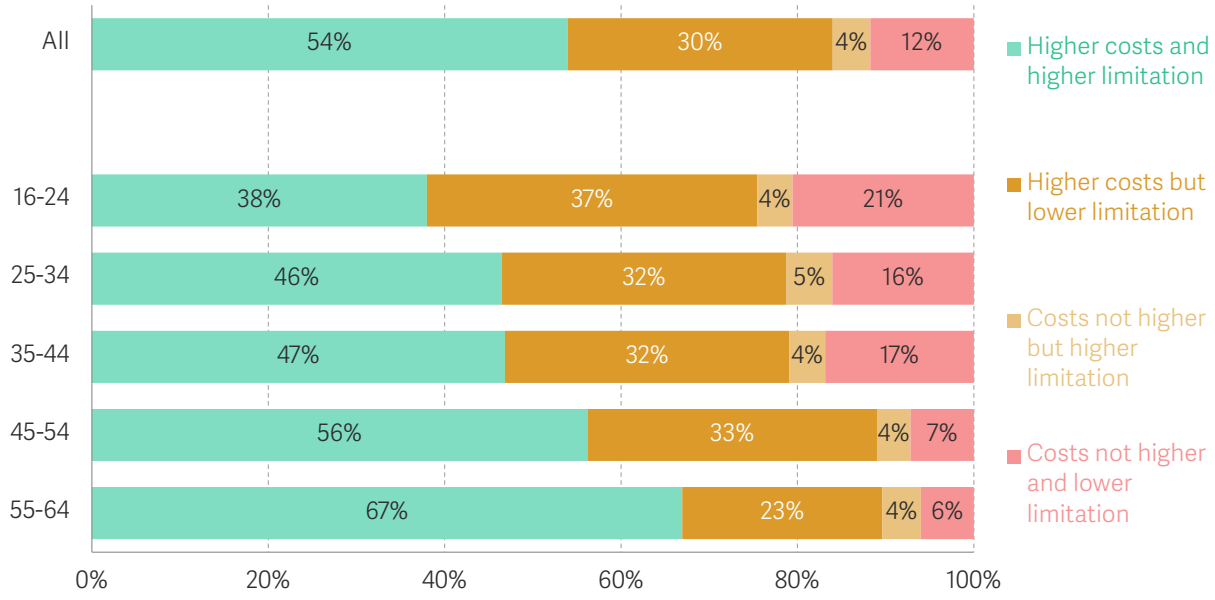
evidence suggests that a new-look system could have a disproportionate impact on 16-24-year-old PIP recipients.

Young people would be more likely than average to be ineligible for support under a system assessing function and costs

First, as Figure 16 shows, young PIP recipients are more likely than average to report that their conditions neither impose significant limitations on their lives, nor mean their costs are higher as a result (21 per cent compared to 12 per cent of all those aged 16-64). Following the logic we set out in Section 2, this would mean that more than one-in-five of PIP's current 16-24-year-old caseload would be ineligible for the benefit if subject to a test today that focused not just on functionality, but also on whether extra costs were experienced and financial support required.[88]

FIGURE 16: **More than one-in-five PIP recipients aged 16-24 would not be eligible for support under a reformed disability benefit system**

Proportion of PIP recipients aged 16-64 who report higher and lower levels of limitation and costs, by age band: England and Wales, May-June 2026



NOTES: Recipients are estimated to have higher costs if they report that their costs are a little or a lot higher due to their disability, or if they report using their PIP, in practice, mostly or partly for costs relating to their disability; those without higher costs are all other respondents. Recipients with higher limitation are those who state that their conditions or illnesses reduce their ability to carry out day-to-day activities 'a lot'; those with lower limitation are those who state that they are limited 'a little' or 'not at all', or who do not have a long-standing condition or illness. Base = all respondents (n=2,570).
SOURCE: RF analysis of Savanta, Survey of PIP claimants, May-June 2026.

88 Another source of upwards pressure on the 16-24 PIP caseload is those transitioning from child DLA at the age of 16. See, for example: L Judge & L Murphy, Under strain: Investigating trends in working-age disability and incapacity benefits, Resolution Foundation, June 2024, https://doi.org/10.63492/ned961; L Murphy, Growing pressures: Exploring trends in children's disability benefits, Resolution Foundation, August 2024, https://doi.org/10.63492/gdx417.

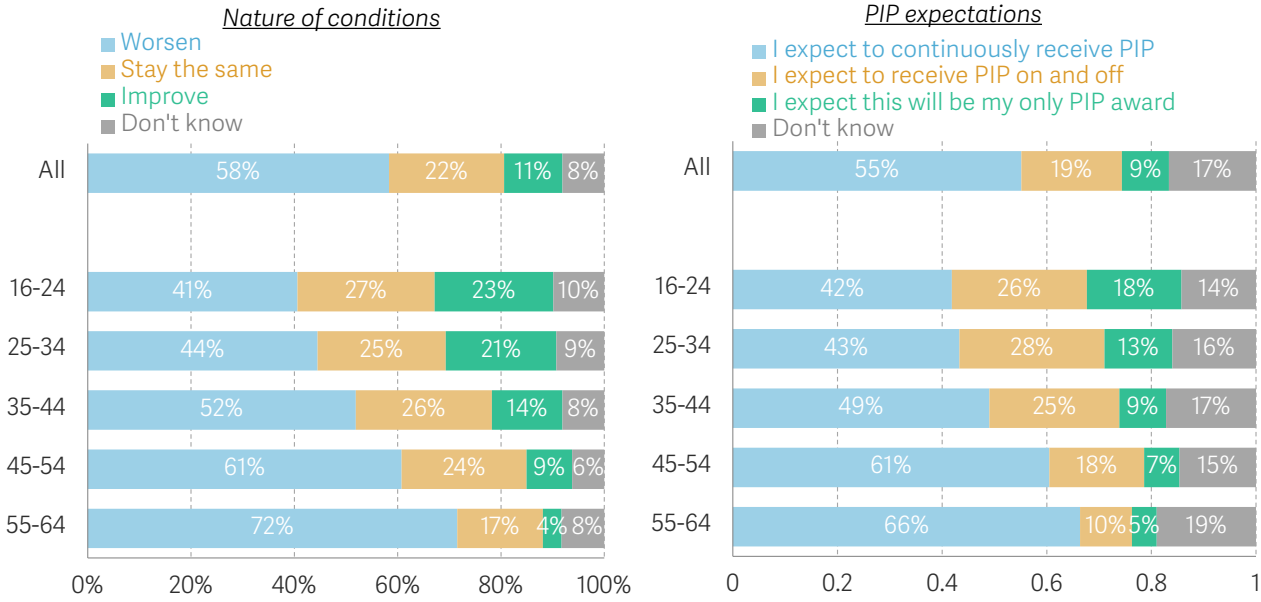
Many young PIP recipients have dynamic conditions that they expect to improve over time, making regular reviews absolutely essential

As we discussed in Section 2, however, it would be wrong to interpret Figure 16 as saying that all these young people were erroneously awarded PIP in the first instance: we have no way of judging whether a 'wrong' decision was made at the outset, or whether those in our 'no costs, low needs' category have improved over time to the point they no longer require support. But, of course, the system's ability to discover whether needs have changed or a different type of award is justified depends on the regular check-ins and reviews that we outlined in Section 4. So, the second way we think that a reformed PIP system would have a differential impact on younger people is when it comes to more frequent reviews.

There are good reasons to think that younger PIP recipients' conditions are more likely to change than those of older age recipients, and Figure 17 makes this point in two ways.

FIGURE 17: **More young people expect their condition(s) to improve than older PIP recipients, and to move off the benefit sooner as a result**

Proportion of PIP recipients with a disability aged 16-64 who describe how they expect their condition(s) or illness(es) to change over the next 12 months (left), and who describe their expectations about receiving PIP in the future (right), by age band: England and Wales, May-June 2026



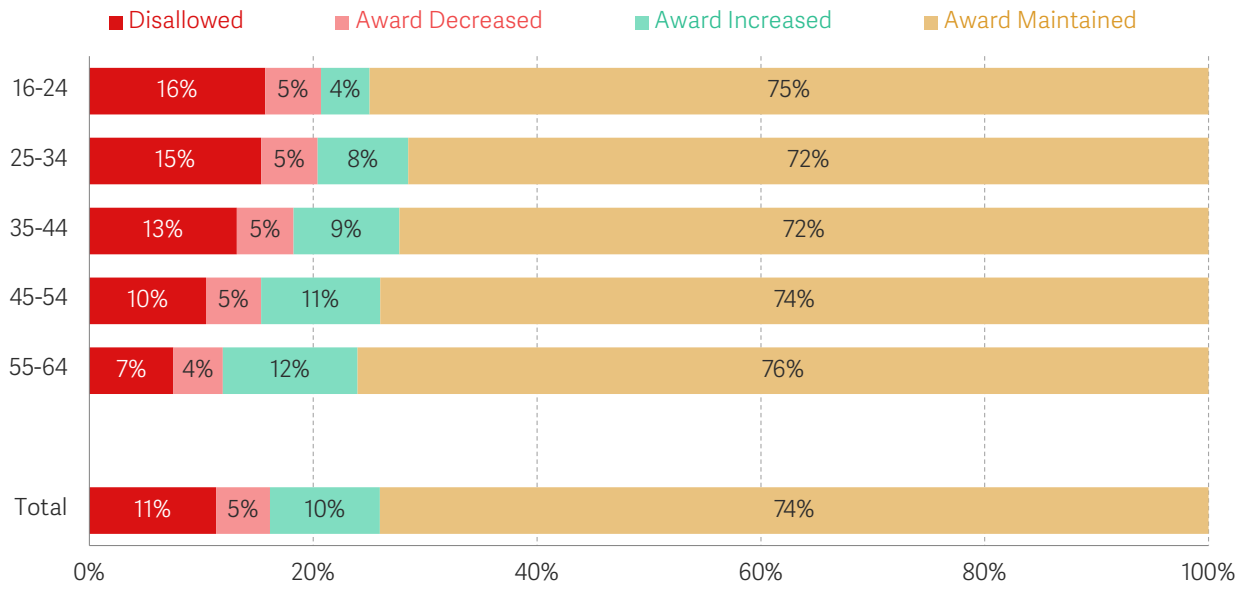
NOTES: Base for left panel = all respondents who report information about a disability (n=2,025); base for right panel = all respondents (n=2,570).
SOURCE: RF analysis of Savanta, Survey of PIP claimants, May-June 2026.

As the left panel shows, more than one-in-five (23 per cent) of PIP recipients aged 16-24 say they expect their condition(s) to improve within the next year, compared to just over one-in-ten (11 per cent) of the full caseload. And young people's expectations of how long they will receive PIP echo this finding, with the right panel of our chart showing that 18 per cent of 16-24-year-olds say they expect to receive only one PIP award, compared to 9 per cent overall.

As a result, it is reasonable to expect that young people should be reviewed more frequently under a reformed PIP system. But this is not the case under the current system. Young people are, in fact, slightly more likely to remain on PIP for longer than older people: young people aged 16-24 are less likely to have flowed off the benefit after five years than older PIP recipients.[89] But when PIP recipients aged 16-24 do come up for review, they are more likely to flow off the benefit than older age groups: one-in-six (16 per cent) are found no longer eligible for an award, compared to one-in-ten (10 per cent) and one-in-fourteen (7 per cent) of 45-54-year-olds and 55-64-year-olds respectively (see Figure 18). Again, this suggests that more regular reviews are appropriate for many in this age group.

FIGURE 18: **Younger PIP recipients are more likely to flow off the benefit than older age groups when they have a PIP review**

Proportion of planned reviews among PIP recipients aged 16-64 that result in the benefit being disallowed, decreased, increased or maintained, by age band: England and Wales, 2025



NOTES: Data includes new PIP claimants and those who transferred from DLA. Data is the average for 2025 as a whole.
SOURCE: RF analysis of DWP, Stat-Xplore.

89 For example, among PIP recipients who flowed onto the benefit in 2019, 82 per cent of 16-24-year-olds were still on the benefit five years later, compared to 79 per cent of all PIP recipients. Source: RF analysis of DWP, PIP administrative data.

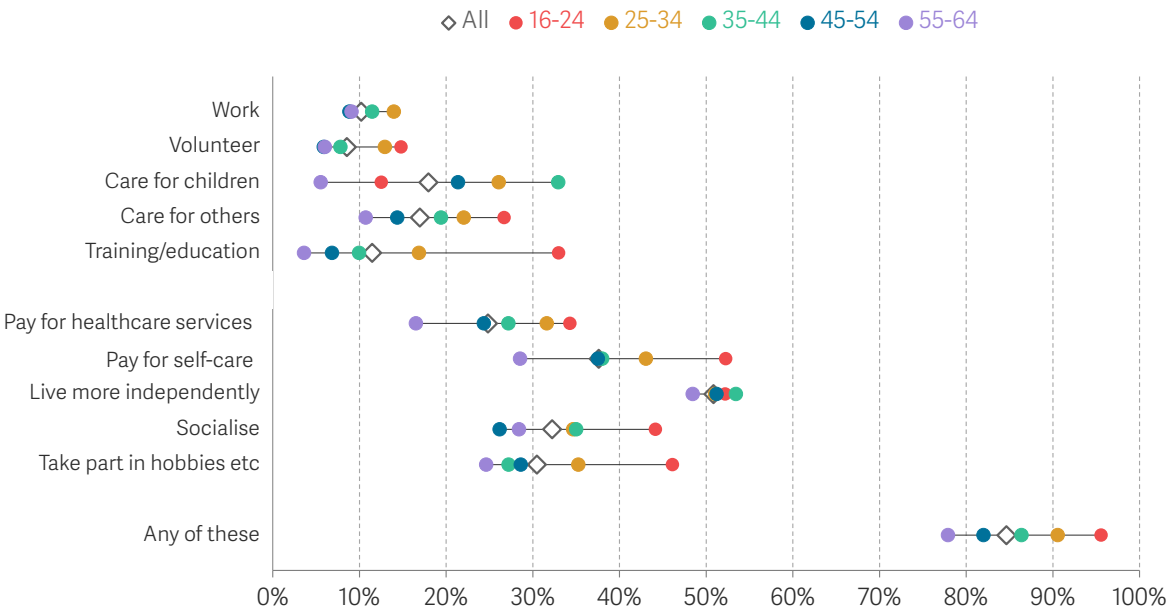
Young people would especially benefit from the introduction of a participation element, but their need for cash awards remains

The evidence also suggests that the nature and value of awards for 16-24-year-olds would likely change too under a reformed PIP system. We estimate that younger people would be less likely to require the proposed new capital element than other age groups (21 per cent compared to 28 per cent of all), and they would also be slightly less likely than the average recipient to be eligible for a core costs award (88 per cent compared to 92 per cent of all).[90] But there are certainly no grounds to stop helping young people with cash awards when the evidence shows their disability imposes additional costs.

Indeed, Figure 19 shows that PIP awards are especially enabling for young people. 96 per cent of PIP recipients aged 16-24 said that the benefit enabled them to undertake at least one activity that has direct economic or wellbeing value, compared to 85 per cent among all recipients. And there are some activities which PIP enables where young people especially stand out, such as training and education (33 per cent of young recipients compared to 11 per cent of all), volunteering (15 per cent compared to 9 per cent of all) and activities proven to enhance wellbeing such as taking part in hobbies, exercise or spending time outdoors (46 per cent compared to 30 per cent of all).

FIGURE 19: **Young people find PIP especially enabling**

Proportion of PIP recipients aged 16-64 who report that PIP enables them to undertake various activities, by age band: England and Wales, May-June 2026



NOTES: Totals sum to more than 100 per cent because respondents could select more than one response. Base = all respondents (n=2,570).
SOURCE: RF analysis of Savanta, Survey of PIP claimants, May-June 2026.

90 Source: RF analysis of Savanta, Survey of PIP claimants, May-June 2026.

All of this suggests that a new adult disability benefit system that explicitly aims to encourage participation in the world around recipients, as we set out in Section 3, would fall on fertile ground: we estimate that 96 per cent of young recipients would be eligible for a participation award compared to 88 per cent of all. As a result, it is plausible that under a reformed system, young people would be more likely than others to see some of their disability benefit support provided in the form of referral to services rather than as cash. But critically, that does not mean the need for cash disappears: as mentioned above, close to nine-in-ten (88 per cent) of young people still have needs that mean they should receive a recurrent cash award under a reformed system.

This raises an important question: should there be requirements placed on young people to engage with the services offered as part of a participation award? Currently, there are no conditions on any PIP recipients to undertake capacity-building activities. If there are suitable services available locally, there is a case for placing requirements on younger claimants to engage with employment support. But there are three reasons why any requirements should be light-touch only. First, our survey indicates that more than four-in-ten (42 per cent) current 16-24-year-old PIP recipients are either in work (24 per cent) or education (18 per cent). Second, many young disabled people want to work and so long as the service quality is high, they will willingly engage.[91] Third, a reformed disability benefit system must aim to restore trust between claimants and the state as far as it can. Without this, recipients young or old are unlikely to engage positively with the assessment or with service options offered as part of a participation award, likely to the detriment of all concerned.

Young people's disabilities are not as distinctive as popular narratives imply, making a bespoke youth system unwarranted

So far, we have shown that a disability benefit system that was reformed in line with our recommendations would have a disproportionate impact on younger recipients: they would benefit more from a participation award, be reviewed more frequently than average, and flow off the benefit more quickly as a result. But is there a case to go even further, and introduce a bespoke system just for younger people?

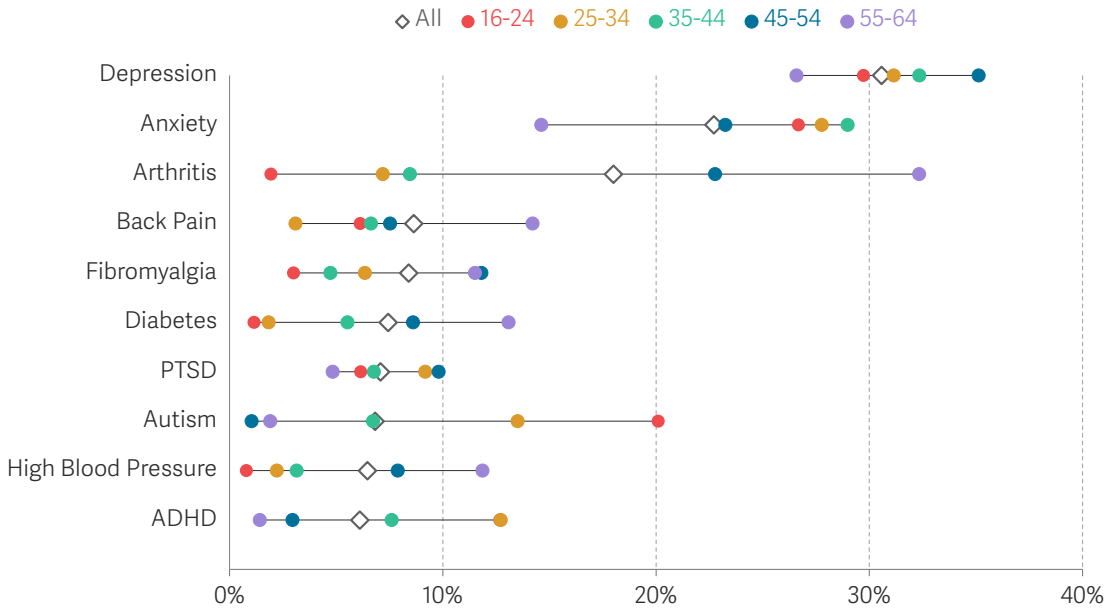
Much has been made in recent years, for example, about the rising prevalence of mental health and neurodivergent conditions in young people. But whatever sits behind this trend (and the Department of Health and Social Care's prevalence review shows the answer is complex), the changing nature of disability is clearly reflected in the conditions

91 The Government's evidence suggests 49 per cent of young people receiving a health or disability benefit "believe they could work either now if the right job or support was available, or in the future if their health improves". DWP, Young people and work: interim report, August 2026.

that young PIP recipients report.[92] Figure 20 shows that, across the working-age PIP population, the most common condition reported by respondents to our survey was depression (31 per cent), followed by anxiety (23 per cent). Post-traumatic stress disorder (PTSD), autism, and attention deficit hyperactivity disorder (ADHD) were reported as the sixth, seventh and ninth most common conditions respectively (at 7, 7 and 6 per cent, respectively).[93] But when we split out the results by age groups an interesting picture emerges. Young people in receipt of PIP are, unsurprisingly, far less likely than older people to have physical health conditions such as arthritis, back pain, diabetes and high blood pressure. But they are also less likely to report depression than 25-54-year-olds; less likely to report anxiety than 25-44-year-olds; and are just as likely as 25-34-year-olds to report ADHD as a condition.

FIGURE 20: **Young PIP recipients report mental health and neurodivergent conditions no more than other age groups with the sole exception of autism**

Proportion of PIP recipients aged 16-64 who report the top ten most common conditions, by age band: England and Wales, May-June 2026



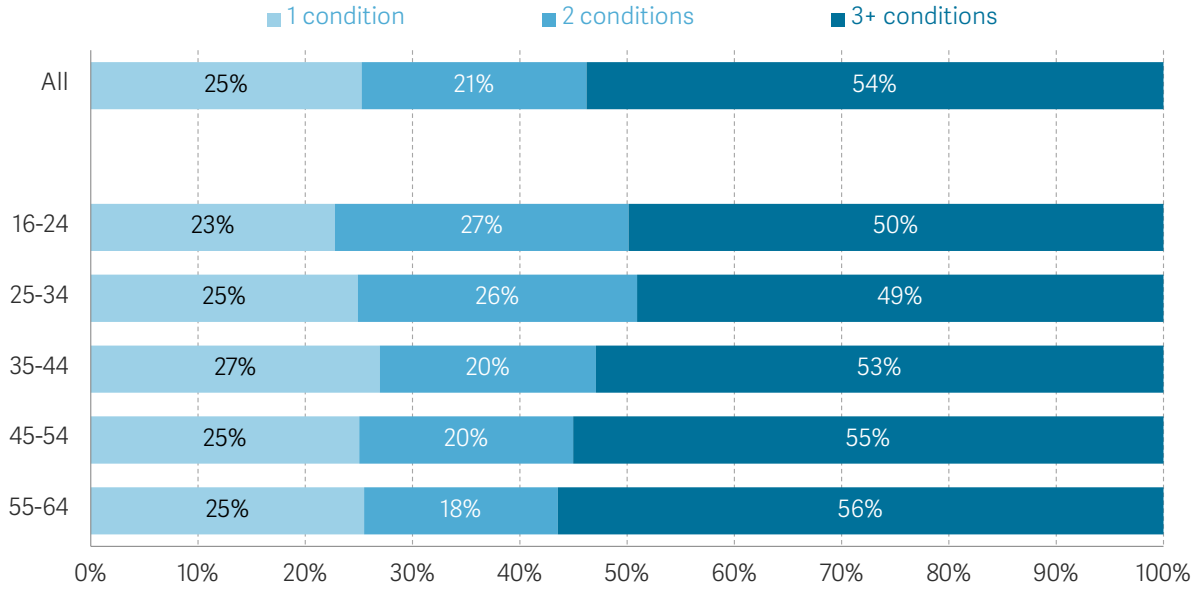
NOTES: PTSD = post-traumatic stress disorder; ADHD = attention deficit hyperactivity disorder. Condition types have been cleaned to account for e.g. misspellings or slightly different ways of describing the same condition; see Annex 1 for further detail. These are the top ten most common conditions reported. Totals will sum to more than 100 per cent since respondents could report more than one condition. Base = all respondents (n=2,570).
SOURCE: RF analysis of Savanta, Survey of PIP claimants, May-June 2026.

92 Department of Health and Social Care, Independent review into mental health conditions, ADHD and autism: Final report, October 2026.
93 As we discussed in Box 1, our survey allowed respondents to describe their conditions in free text form, and to indicate not just their main condition (as is the case in many social surveys), but as many as they saw fit.

The one condition that is distinctively a young person's, however, is autism, which affects one-in-five (20 per cent) 16-24-year-olds in receipt of PIP compared to 7 per cent among all recipients aged 16-64.[94] However, only 1 per cent of young people in our survey report autism alone, and young people are just as likely to report multiple conditions as older PIP recipients. As Figure 21 shows, among PIP recipients who report at least one condition, less than a quarter (23 per cent) of 16-24-year-olds reported having just one condition (slightly lower than the 25 per cent of all recipients); just over a quarter (27 per cent) reported two (compared to 21 per cent of all); and half (50 per cent) reported three or more conditions (compared to 54 per cent of all).

FIGURE 21: **Young PIP recipients are just as likely to experience multiple health conditions as older adults**

Among PIP recipients aged 16-64 who report at least one condition, proportion with one, two and three or more conditions, by age band: England and Wales, May-June 2026



NOTES: Base = all respondents with at least one stated condition (n=1,805).
SOURCE: RF analysis of Savanta, Survey of PIP claimants, May-June 2026.

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.[95] And there are practical reasons to question this idea too.

94 Some of this age difference can be ascribed to the higher readiness of young people to acknowledge this condition than older age groups. See; Department of Health and Social Care, Independent review into mental health conditions, ADHD and autism: Final report, October 2026.
95 For information on potential plans to introduce a specific youth system, see, for example, The Guardian, Key disability benefit for young people may be axed under major welfare changes, 1 October 2026 [accessed 6 October 2026].

The direction of travel for benefits policy over the last fifteen years has been towards integration of benefits, not the separation, creating administrative savings and for many, an easier experience claiming than before. Creating a separate system for young people with disabilities, then, would introduce a cliff-edge at age 25 for which there is, as yet, no apparent justification. (It is worth remembering, too, that many younger PIP recipients will already have contended with the cliff-edge between Child DLA (C-DLA) and PIP at age 16).

Section 6

Rethinking the cost of adult disability benefits

Real-terms spending on working-age disability benefits has risen by 183 per cent since PIP was introduced in 2013-14 and is forecast to be 250 per cent higher than its 2013-14 level by 2030-31. This growth is unsustainable. Earlier in this report, we estimated that one-in-eight (12 per cent) current recipients should not receive disability benefits as they have no higher a needs or costs, and a further 4 per cent should not receive a cash award, as they do not have higher costs, but should be awarded the 'participation element' in our new system. Together, removing cash payments from these groups would save up to £4.4 billion based on the 2029-30 expected caseload.

But a better disability benefit system does not come for free: a more sophisticated assessment undertaken by more skilled assessors, and more frequent contact between reviews, would all push up DWP's administrative spending. Even if the cost of administering PIP decisions doubled, though, (an overestimate, we suspect), this would add only around £0.6 billion in 2029-30, around one-seventh of the potential benefit savings.

In this section, we consider what a new PIP system built on the principles set out in this report might mean for the cost of the benefit. We set out how spending on PIP has grown since its introduction, estimate the savings that better-targeted assessments, awards and reviews could deliver and the extra administrative spending they would require, and explain why the savings achieved in practice are likely to be lower than our upper-bound estimate.

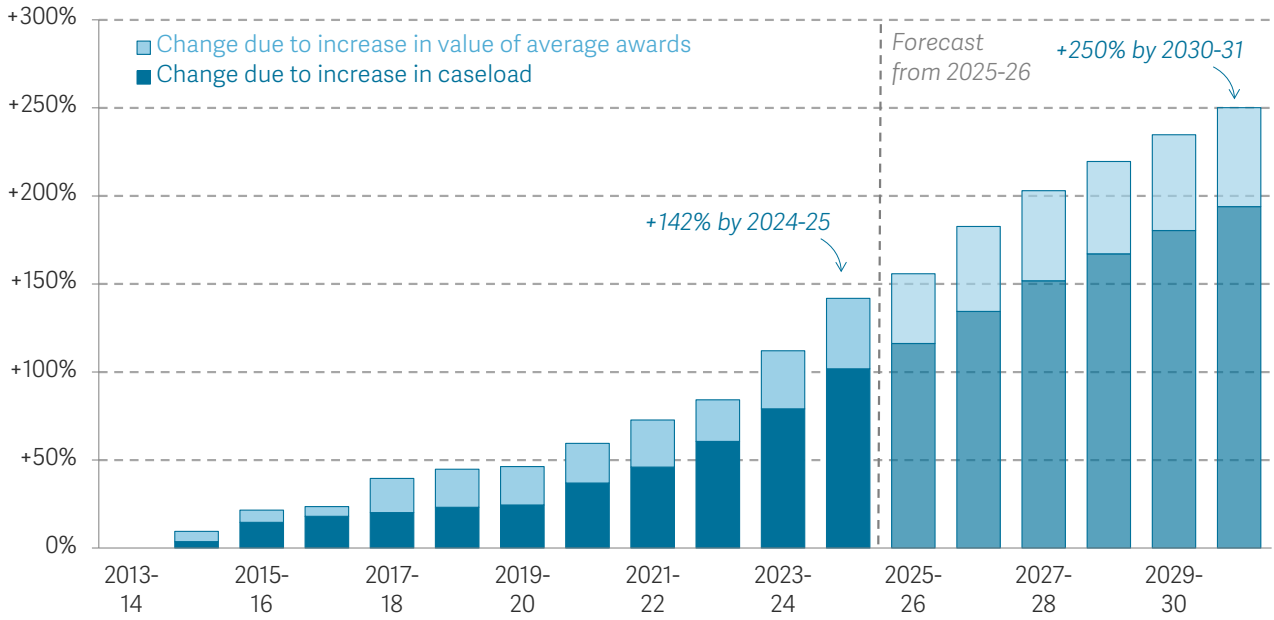
Our ambition should be to put PIP spending on a sustainable footing, not to make one-off cuts

As set out in Section 1, the cost of PIP is rising in an unsustainable way. In real terms, spending on working-age disability benefits in England and Wales has more than doubled since PIP was introduced in 2013, rising by (an expected) 183 per cent between 2013-14

and 2026-27 (see Figure 22). And this upwards trend is set to continue for the remainder of this decade. Real-terms spending on working-age disability benefits is expected to increase by 24 per cent between 2026-27 and 2030-31 (from £27.8 billion to £34.5 billion between in 2026-27 prices).[96] This means that by 2030-31, spending on working-age disability benefits is expects to be 250 per cent higher than when PIP was introduced in 2013-14, with the majority of the rise due to an increased caseload rather than rising average awards.

FIGURE 22: **Spending on working-age disability benefits has shot up since PIP was introduced in 2013**

Cumulative change in real spending on working-age disability benefits since 2013-14: England and Wales



NOTES: The change in spending since 2013-14 is decomposed into the part due to the change in caseload and the part due to the change in the average award. Because both have risen, part of the increase reflects the interaction between them (additional cases receiving a higher average award); in this decomposition, this is assigned equally to the two elements. The decomposition is therefore unaffected by the order in which the two elements are held constant, and the two elements sum exactly to the total change. Scotland is excluded due to the introduction of Adult Disability Payment (ADP) in Scotland.
SOURCE: RF analysis of DWP, Spring Forecast 2026 Expenditure and Caseload forecasts.

Deciding how much to spend on social security – including disability benefits – is a political decision with no predetermined 'right' answer; different governments and political parties can (and often do) disagree about this. But regardless of one's views on the generosity of the social security system, it is undesirable to have a benefit with a cost growing as rapidly as this. In real terms, spending on working-age disability benefits

96 The figures in this paragraph come from DWP's Benefit Expenditure and Caseload Tables, which include OBR forecasts for future benefit caseloads and spending. See: DWP, Guidance and methodology: Benefit expenditure and caseload tables, April 2026.

in England and Wales grew by an average of 8 per cent a year over the past decade and is projected to rise by an average of 6 per cent a year up to 2030-31. The prevalence of disability has increased among the working-age population since PIP was introduced (from 16 per cent of working-age adults reporting a disability in 2013-14, to 23 per cent in 2024-25), the growth in PIP receipt has outpaced this.[97]

In the remainder of this section, we show how we think a system based on the principles set out earlier in this report – with better targets PIP support through reforms to the assessment, a more nuanced system of awards and a new approach to reviews – could achieve savings, while also being honest about why making savings by amending the disability benefits system often proves difficult.

Reforming PIP's approach to assessments, awards and reviews could achieve substantial savings

The system we have sketched out in the earlier sections is one that we believe would work better for recipients, but it is also likely to lead to reduced spending on PIP. We estimate that savings could be achieved through two channels: by reducing the PIP caseload, and by reducing the amount of PIP paid to some recipients. These savings are summarised in this section, and more information about the methodology we use to estimate the savings is included in Annex 1.

Earlier in this report, we reported that our survey evidence suggests that one-in-eight (12 per cent) of current PIP recipients would no longer qualify for the benefit if support was perfectly targeted. Based on PIP's projected caseload in 2029-30, this is equivalent to an eventual reduction in caseload of 490,000, and a saving of £3.5 billion.[98]

But there is further room for saving: we estimate that 4 per cent of the current PIP caseload (equivalent to 178,000 people in 2029-30) should receive only the participation element, and not a cash or capital element. These are people who report that their daily life is affected by their disability, but who do not incur additional everyday costs as a result. By reducing the value of awards paid to this group, savings equivalent to £0.9 billion in 2029-30 could be made in the long-run.

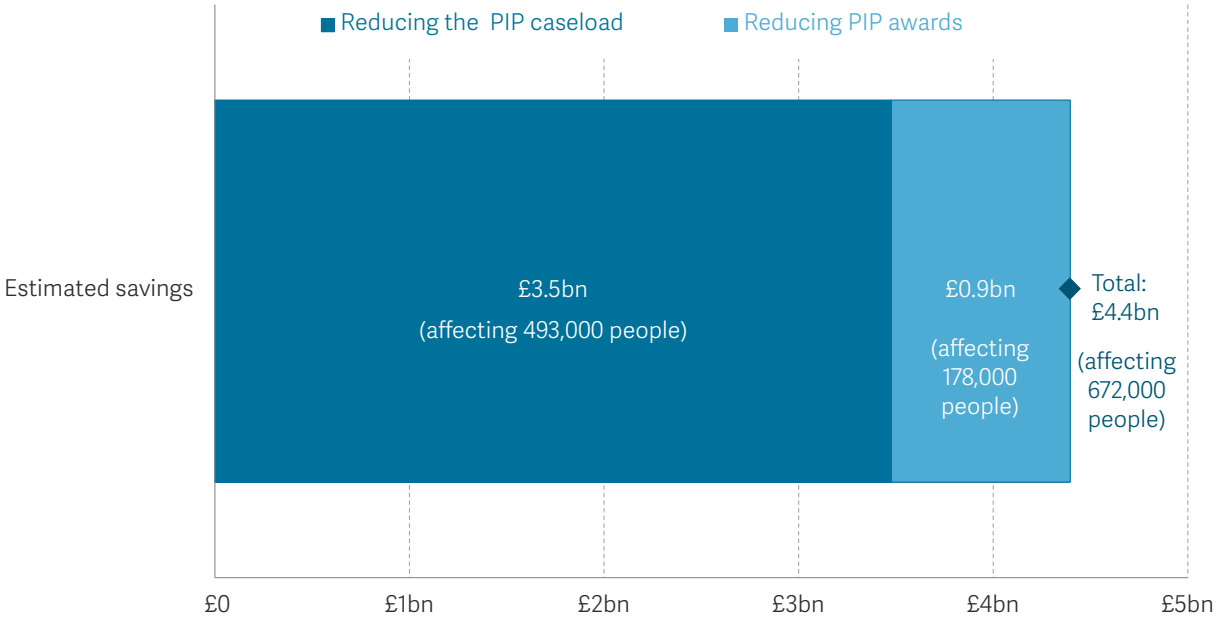
Combined, these two changes to the PIP system create estimated savings of £4.4 billion in 2029-30 – this is illustrated in Figure 23.

97 Disability prevalence refers to working-age adults in England and Wales. Source: RF analysis of DWP, Family Resources Survey. For a chart showing how the prevalence of disability and the prevalence of receiving PIP have changed over time, see Chart 2.1 in: DWP, Annex B- DWP evidence pack, July 2026.

98 These estimated savings are assuming that a new system was fully in place in 2029-30 and are expressed in 2029-30 prices.

FIGURE 23: **We estimate that £4.4 billion savings could be achieved under a better targeted PIP system**

Estimated long-run DWP AME savings from a system that better targets PIP support: England and Wales, 2029-30



NOTES: See full costings methodology in Annex 2.
SOURCE: RF estimate using: DWP, Spring Forecast 2026 Expenditure and Caseload forecasts; Savanta, Survey of PIP claimants, May-June 2026.

These £4.4 billion savings should be viewed as a ceiling: they are the most that we estimate could be saved from the annual PIP budget simply by targeting support more effectively and keeping its current policy intent unchanged (based on the 2029-30 caseload). But we should be clear that this report has used survey evidence to identify the scope for making savings, and this is not the same as actually delivering these savings. We do think that real savings are possible if the system follows the principles we set out (i.e. a functional assessment that also takes account of extra costs, and more frequent contact between recipients and DWP). But we have not designed this new benefit assessment, and our £4.4 billion figure assumes both that our survey is perfectly representative of claims in 2029-30 and that the new system of assessments and reviews would identify eligible claimants perfectly. It should therefore be read as an upper bound saving; in the real world, no assessment will get every decision right, and some people's situations will change before their scheduled award review, so the savings achieved in practice are likely to be lower. And of course, implementing the changes that lead to these savings will take time: it would take many years to reach an end state where every recipient has been assessed (or reviewed) under a new system.

But it is important to note that our upper-bound saving of £4.4 billion is smaller than the amounts that some politicians claim are possible.[99] It is of course possible to take

99 For example, see: H Farley & I James, Reform proposes £50bn welfare bill cut with changes to disability payments for millions, BBC News, August 2026; B Morton, Tories pledge to tighten household benefit cap rules, BBC News, May 2026.

decisions that would make larger savings, but our survey evidence suggests that this can only be achieved by taking money away from recipients who do meet PIP's policy intent and qualify correctly. For example, it is clearly possible to take a political decision to cut PIP's caseload or generosity by, say, restricting entitlement to PIP based on applicants' household income (via means-testing) or their impairment (by raising the bar for eligibility).[100] But those who claim that savings of tens of billions of pounds can be easily achieved by simply targeting PIP more effectively (but keeping its fundamental policy intent unchanged) are chasing an illusion.

Creating a better PIP system will involve increasing spending on benefit administration

We think that improving PIP in the ways we have set out can deliver savings by reducing the PIP caseload and cost. But we also recognise that some of the changes we propose could increase spending.

Most obviously, the improved system we set out in this report will likely involve higher DWP resource departmental expenditure limits (RDEL) spending.[101] This would arise because targeting PIP more effectively requires both gathering more detailed information during assessments and awarding PIP in a more nuanced way. This will require increased spending on the administration of PIP through, for example, longer assessments or higher salaries of skilled assessors. This increased spending is likely to be substantial but would not wipe out our estimated £4.4 billion of possible AME savings. For example, even if we were to assume that the total cost of administering PIP decision was to double – surely an over-estimate – this would lead to an increase in RDEL spending of just £640 million in 2029-30.[102]

Our view is that this is an affordable increase in costs, not least because it comes after a period where the costs of administering PIP that are directly incurred by DWP (that is, excluding the payments to external providers) have fallen. As shown in Figure 24, between 2018-19 and 2025-26, the costs directly incurred by DWP on administering PIP per PIP recipient have more than halved in real terms, down from £155 in 2018-19 to £72 in 2025-26 (in 2026-27 prices), a reduction of 53 per cent.[103]

100 For a discussion of various options for reform, see: E Latimer, M Oulton & T Waters, Options for reforming personal independence payment, Institute for Fiscal Studies, September 2026.

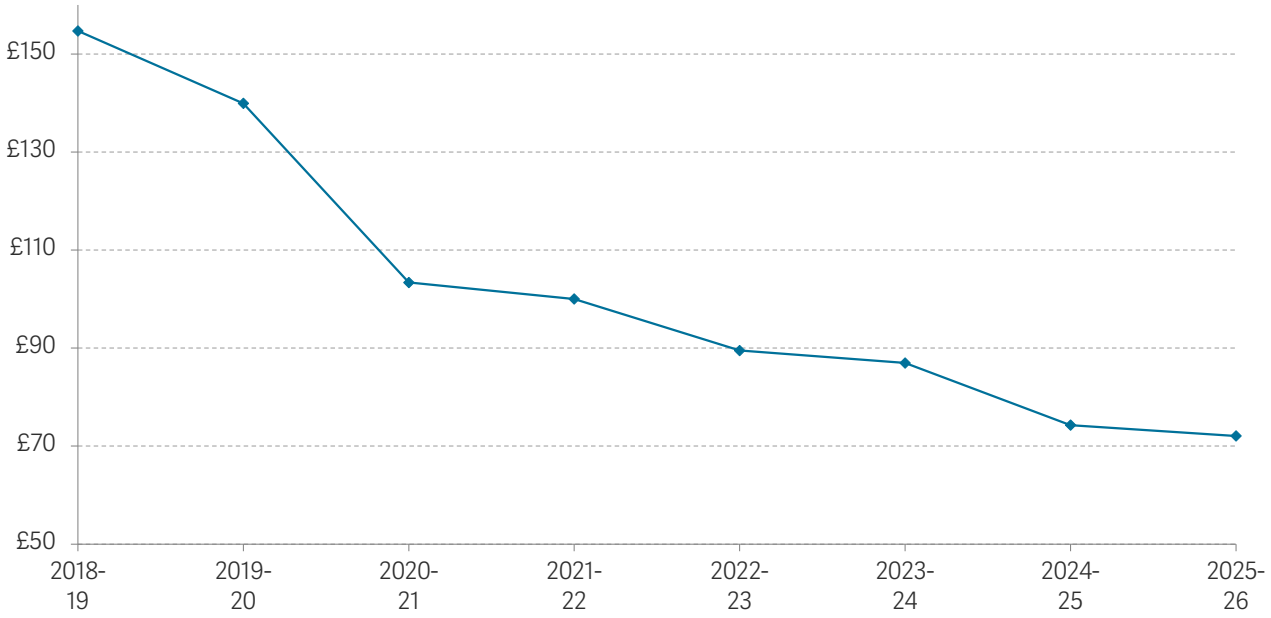
101 See: /www.gov.uk/government/publications/how-to-understand-public-sector-spending/how-to-understand-public-sector-spending, accessed 14 October 2026.

102 This estimate takes the total cost of administering first-instance decisions in 2023-24, and converts it to 2029-30 prices using the OBR GDP deflator. PIP administration cost includes the internal DWP administration cost and payments to external providers. For more information on our costing methodology, see Annex 1. Source: RF analysis of Freedom of Information request to DWP, FOI2025/105465, November 2025.

103 Spending relating to external providers is not included since PIP-specific costs are no longer identifiable since the transition to Functional Assessment Service (FAS) contracts in September 2024 that relate to both PIP assessments and Work Capability Assessments (WCAs).

FIGURE 24: **DWP's own spending on PIP administration has not kept pace with the rising caseload**

Real-terms DWP administrative spending on PIP per PIP recipient: Great Britain, 2018-19 to 2025-26



NOTES: Administrative spending is shown in 2026-27 prices, deflated using the GDP deflator. DWP administrative spending includes that relating to first instance decisions, mandatory reconsiderations (MRs) and appeals, but excludes that relating to external providers. These are estimated DWP level 1 operating costs, including both direct delivery staff and non-staff costs. Non-staff costs are only those costs incurred in local cost centres, relating to direct delivery staff. Not included are the non-staff costs such as the infrastructure costs related to Estates and Digital as well as a share of the overheads of running a department. Spending relating to external providers is not included since PIP-specific costs are no longer identifiable since the transition to Functional Assessment Service (FAS) contracts in September 2024 that relate to both PIP assessments and Work Capability Assessments (WCAs). Spend per PIP recipient is calculated by dividing the total administrative spending by the number of PIP claimants (both working-age and pension-age) who are paid PIP.
SOURCE: RF analysis of DWP, Spring Forecast 2026 Expenditure and Caseload forecasts; RF analysis of Freedom of Information request to DWP, FOI2025/105465, November 2025; RF analysis of Freedom of Information request to DWP, FOI2026/78779, September 2026.

It is also plausible that moving to a system with better quality decision-making could lead to costs in other parts of the system. For example, DWP spends a considerable amount on the administration of PIP cases where the claimant feels that the first-instance decision-making was poor, through mandatory reconsiderations (MRs) and appeals. In 2025-26, it spent £29 million on administration relating to MRs and £26 million on administration relating to appeals.[104] In contrast, the cost to DWP of administering PIP first instance decisions totalled £216 million. This means that of the overall £271 million spent in 2025-26 on the administration of PIP, one-fifth of this related to spending on people challenging first-instance decisions. If the quality and consistency of first-instance decisions was improved, we could therefore expect the cost of MRs and appeals to fall.

104 In 2025-26, DWP spent £29 million on PIP MRs and £26 million on PIP appeals – a combined total of £55 million. Source: RF analysis of Freedom of Information request to DWP, FOI2026/78779, September 2026.

Altogether then, our analysis suggests that PIP spending could be reduced by up to £4.4 billion a year without taking money away from recipients who meet PIP's policy intent and qualify correctly. These savings are plausible, but should be viewed as a target, and are certainly not guaranteed. Achieving them would require a system that identifies exactly who should receive PIP; designing a real-world assessment that get every decision right and keeps up with people's changing needs and costs is not straightforward. It is also not going to happen quickly. Equally, £4.4 billion should be understood as a savings 'ceiling' while keeping PIP's policy purpose intact. Much greater savings could only be achieved by changing PIP's eligibility criteria and taking support away from people who currently qualify for it. Finally, this better targeting of support might lead to a reduction in PIP spending, but it does not come for free: a more thorough assessment and more frequent reviews would require additional investment in benefit administration.

Section 7

Conclusion

Few would dispute that the PIP system requires reform: the quality of decision-making is poor; the legitimacy of the system is often questioned; and the cost of PIP is rising in an unsustainable way. In this final section we bring together the recommendations we have made in this report, making it clear that, although reforming disability benefits means accepting several hard truths, there is still a great deal of room for improvement.

Reforming disability benefits is no easy task. This is a space where, even by the standards of benefit policy, clean answers are rare. Instead, it is an area where ambiguity may need to be tolerated; compromise is required; and tough political choices need to be made. Many of the reforms to disability benefits that politicians have proposed in recent years have failed in these respects, and instead been crude, unrealistic or both. The Timms Review marks a welcome change of direction, both in its careful evidence-based content and its co-production approach. As the Review draws its deliberations to a close, this report is our contribution to the debate.

Our starting point was PIP's policy purpose: to contribute to additional costs of disability to enable disabled people to live fuller and more active lives. But from the outset of this research project, it was clear that there was a surprisingly limited quantitative evidence base about the intersection between disabled people's needs, costs and capabilities. To address this data gap, in spring 2026 we designed and fielded a survey of over 2,500 working-age PIP recipients in England and Wales, which we then weighted to produce a representative sample. Drawing on this data, we conclude with five recommendations alongside five hard truths.

There may be no perfect disability benefits system, but an improved functional assessment should come as close as can be

One of the key strengths of our survey is that we asked respondents to name their conditions in their own words and let them name as many as they had (up to a maximum of ten). As a result, our survey data provides us with valuable new insights into the heterogeneity of conditions that PIP recipients experience; the multitude of impairments that can stem from the same condition for different people; and the dynamic nature of disability over time.

All of which added up to our first hard truth: no disability benefit assessment can fully and fairly capture the complex interactions between individuals' health conditions, impairments, the society in which they function, and the additional costs they incur. But there was clearly scope for improvement. We propose that PIP retains a form of functional assessment, where DWP collects evidence from claimants (and, where appropriate, from other sources such as medical professionals or carers) about what they can and cannot do in everyday life.

This would differ from the current assessment in three important ways. First, it would be more 'outward looking' than the current system, where a large number of the twelve descriptors used to assess the level of disability are domestically focussed. Second, the assessment would involve a conversation about the consequences of a claimant's disability, and critically, whether they have extra costs and their nature if so. Third, there would be a further discussion about what, if anything, might help improve the claimant's level of functioning and participation in society.

A functional disability benefit assessment does have an inherent Catch-22, but a new type of award should help sidestep that

If functional assessment remains at the heart of the disability benefit system, however, there is another hard truth we need to confront. A functional system has an inherent Catch-22: the 'improvement trap', whereby many PIP recipients report that they are fearful of being physically active in case this counts against them at a future functional assessment. It is profoundly problematic that the existence of PIP, something designed to enable disabled people to live full and active lives, is actually discouraging them from seeking support to improve their condition, or from undertaking activities such as training or volunteering, for fear that this could be used against them at their next assessment.

We therefore propose DWP introduce a new element that can be made alongside the

cash-based awards: a 'participation' element. Its purpose would be to enable recipients to build capacity to participate more fully in society and the world around; it might seek to improve recipients' well-being (such as through exercise, therapies or social activities) or to enable or move them towards economic activity (such as through training, volunteering, or employment support). We anticipate this element would be widely awarded; would be explicitly aimed at helping recipients build their capacity to take part more fully in society; and we would expect this element mostly to take the form of DWP commissioning and be delivered locally, providing or referring recipients to relevant services (although cash would be provided if services were not available).

Award reviews are an essential part of an effective disability benefit system, but should be far more supportive than is currently the case

PIP recipients and their representatives often speak eloquently about what they consider one of the worst aspects of the current disability benefits system: that reviews are high-jeopardy and often unpleasant too. Added to this, administrative data tells us that large numbers of reviews are taking place far later than scheduled. The result is the worst of all worlds. DWP engages too little to keep pace with changes in people's needs, but in a way that leaves many recipients dreading a review. But this brings us to our third hard truth: reviews are a must for a part of the benefit system where conditions, contexts and costs can change so much over time.

That does not mean improvements cannot be made, however. We recommend DWP move to a system of more frequent, but lower-stakes, engagement. First, DWP should keep in touch with recipients between formal reviews, using light-touch digital updates, learning from the UC journal and the NHS app, alongside more thorough check-ins with staff. Second, the three elements of PIP that we propose should be reviewed separately. This would offer recipients an off-ramp rather than a cliff-edge: someone who no longer has ongoing extra costs could keep the participation element even if they no longer receive the core costs element. Third, reviews should not be one-size-fits-all. Engagement should be more frequent for those whose conditions are likely to improve, while people with lifelong or progressive conditions should be secure in the knowledge that their PIP will be reviewed less often.

Young people still need cash support as much as they do services

Young people's interactions with the disability benefits system are very much in the policy

spotlight today, not least because of the Milburn Review's ongoing investigation into the alarming rise in the number of 16-24-year-olds that are not in education, employment or training (NEET) in the UK. A reformed disability benefit system could help address many of the policy concerns raised in that Review and elsewhere in debates. We identify three areas where a reformed system would likely have a particular impact on 16-24-year-old PIP recipients.

First, our survey shows that young PIP recipients are more likely than average to report that their conditions neither impose significant limitations on their lives, nor mean their costs are higher as a result. This means they would be more likely than average to be ineligible for support under a better targeted system. Second, more frequent reviews for younger people compared with older age groups makes sense, not least because so many young people report they expect their condition(s) to improve in the next 12 months.

Third, if our proposal for PIP awards to have three elements were implemented, then we estimate that 96 per cent of the 16-24-year-old PIP recipients that would still be eligible for support would receive a participation award (compared to 85 per cent overall), helping them sidestep the 'improvement trap'. But that brings us to hard truth number four which is: better service support for disabled young people does not eliminate the need for cash awards too. Based on our survey evidence, we estimate that 88 per cent of young PIP recipients who would qualify under our new system would be eligible for a cash award.

PIP reform would reduce benefit spending, but achieving tens of billions of pounds of savings would mean radical political decisions

Arguably one of the most striking findings from our survey is that PIP is currently being paid to a large share of recipients who do not report higher costs because of their disability. If the changes to eligibility we set out in this report were applied in full, targeting would be improved and significant savings could be achieved in the long-run, which we estimate to be equivalent to saving £4.4 billion in 2029-30.

Added to this, better targeting of support could plausibly lead to further reductions in PIP spending over time, not least through shorter durations of awards as a reformed system focuses more on participation than before. But achieving savings in the ballpark of tens of billions of pounds (as some politicians and commentators like to claim is feasible) could only be achieved by removing the benefit from those who do face higher needs and higher costs as a result of their disability. And that is hard truth number five, and arguably the hardest to confront of all.

Disability benefit reform can be a win-win

A revised functional assessment that also involves a conversation about costs and needs. An award made up of three elements reflecting whether claimants have recurrent costs, capital costs or need other types of support that would help them participate more in the world around. More frequent check-ins and reviews especially for those dynamic conditions. Continued cash support for young disabled people who need that but greater support through services too. All this adds up to a reformed disability benefit system that better matches payments to costs and needs, saving money for the state while working better for claimants too.

Annex 1: Costings methodology

In Section 6, we reported that reforming PIP to better target cash awards could reduce spending on the benefit by up to £4.4 billion in 2029-30. In essence, this is the savings achieved from removing cash awards from the one-in-six current PIP recipients who report that they do not face higher costs as a result of their disability. This annex sets out how we reach that figure, how the remaining budget could be allocated in a reformed system, and the additional administrative spending that moving to a reformed system might require.

These savings come through two channels. First, recipients who have lower limitation and do not face higher costs as a result of their disability would no longer qualify for PIP. Second, recipients with higher limitation but who do not face higher costs would receive only the participation element, rather than the core costs or capital elements.

We use findings from our survey of PIP recipients and apply these to DWP's forecast of working-age PIP spending and caseload in 2029-30 to estimate savings (DWP forecasts that it will spend £34.6 billion on PIP for working-age recipients in England and Wales in 2029-30, across a caseload of 4.2 million people.[105]). To estimate the value of PIP awards for particular groups of recipients, we project PIP rates forward from 2026-27 to 2029-30 in line with DWP's standard uprating practice.

The costing is a static, point-in-time estimate. Unless otherwise stated, all figures relate to working-age recipients in England and Wales in 2029-30, in nominal (cash) terms (although, as we discuss below, that does not mean that we think they could actually be achieved in reality by 2029-30).

Calculating savings: reducing the PIP caseload

We estimate that removing PIP from recipients with lower limitation who do not face higher costs would save £3.5 billion in 2029-30 and reduce the caseload by around 490,000.

Recipients are estimated to have higher costs if they report that their costs are 'a little' or 'a lot' higher due to their disability, or if they report using their PIP, in practice, mostly or partly for costs relating to their disability; those without higher costs are all other respondents. Recipients with higher limitation are those who state that their conditions or illnesses reduce their ability to carry out day-to-day activities 'a lot'; those with lower

105 DWP, Guidance and methodology: Benefit expenditure and caseload tables, April 2026.

limitation are those who state that they are limited 'a little' or 'not at all', or who do not have a long-standing condition or illness.

On this basis, we estimate that 12 per cent of working-age PIP recipients have lower limitation and no higher costs. Applied to the forecast caseload, this is around 490,000 people in 2029-30. To value the saving, we use this group's own mix of awards rather than the caseload average: we take the combination of daily living and mobility components that survey respondents in this group report receiving, and value each combination at projected 2029-30 rates. This gives an estimated average annual PIP award of £7,050 a year, compared with an average of £7,930 across the whole PIP caseload. Multiplying the average award by the number of people affected gives a saving of £3.5 billion, or 10 per cent of forecast spending. Because this group's awards are below average, the estimated saving as a proportion of spending is smaller than the share of the caseload affected.

Calculating savings: reducing PIP awards for some recipients

We estimate that paying only the participation element to recipients with higher limitation who do not face higher costs could save a further £0.9 billion in 2029-30.

Based on our survey evidence, we estimate that 4 per cent of working-age PIP recipients fall into this group: around 178,000 people in 2029-30. They report that their daily life is substantially affected by their condition, but not that they face higher costs as a result. In a reformed system, they would remain in receipt of PIP but receive only the participation element, not the core costs or capital elements.

As in the previous step, we value this group's current awards using their reported mix of components, giving an average award of £7,150 in 2029-30. We assume that each would instead receive a participation element of £2,000 a year (see below). The saving is the difference between the two, around £5,150 per person, multiplied by 178,000 people: £0.9 billion, or 3 per cent of forecast spending. Because these recipients would stay on PIP, this step reduces the value of awards rather than the caseload.

Combined savings

Together, the two steps could reduce the projected PIP spending in 2029-30 by £4.4 billion (13 per cent), from £34.6 billion to £30.2 billion, and could reduce the caseload by 490,000, from 4.2 million to 3.7 million, of whom 178,000 receive the participation element only. As set out in Section 6, these savings should be read as an upper bound: they assume that our survey is representative of the caseload in 2029-30, and that a reformed system of assessments and reviews could identify these two groups perfectly.

Allocating the remaining PIP budget among recipients

As well as estimating savings from moving to a reformed PIP system, we also explore what a reformed system could look like for the remaining recipients. To be clear, this is to illustrate how a system with three parts to it – the core costs, capital and participation elements – could work in practice, and is not a detailed blueprint for a new system. Given that PIP only claims to make a contribution towards disabled people's additional costs, it would be entirely reasonable to choose different payment levels or a different balance between the three elements. These choices would change how the remaining PIP budget of £30.2 billion in 2029-30 is shared among recipients (the size of the savings set out earlier in this annex would be largely unaffected; the exception is the value of the participation element, which feeds into the estimated £0.9 billion saving by paying some recipients the participation element only: each £500 added to or taken from the value of the participation element would change that saving by around £90 million.)

We use the survey to estimate which elements each of the estimated 3.5 million recipients with higher costs would receive, based on the areas in which they report higher costs. Recipients can receive more than one element. We set the participation element at £2,000 a year and the capital element at an average of £5,000 per recipient a year. The core costs element takes the remainder: £18.4 billion, or around £5,400 a year per recipient on average.

Within the core costs element, we set three payment levels whose relative values mirror the current system. We group today's award combinations into three bands: an upper band (enhanced daily living with any mobility award, or standard daily living with enhanced mobility); a medium band (enhanced daily living alone, or standard rates of both components); and a lower band (a single award of standard daily living or of mobility alone). The top band is worth 163 per cent of the middle band, and the bottom band two-thirds (66 per cent) of it.

We allocate core recipients to these three payment levels using the survey. Those whose activities are limited 'a lot' go to the top level if they report higher costs in five or more of the cost areas included in our survey (31 per cent of core recipients), and to the middle level if they report higher costs in one to four areas (43 per cent). Those limited 'a little' or 'not at all' go to the bottom level (26 per cent). Scaling the relativities so that the average award is £5,400 gives tier values of around £7,960, £4,870 and £3,200 a year.

On these parameters, the largest regular award – the top core costs element plus the average value of the participation element – would be worth £9,960 a year, slightly below the current maximum award of £10,750 in 2029-30. Recipients could receive more in years when they also draw on the capital element: this would give a maximum award worth

£14,960.

We assume all three elements remain within DWP's AME spending. The participation and capital elements together account for £11.8 billion, a third (34 per cent) of forecast spending. Delivering some of this spending through departmental or local budgets instead (as explored in Section 4) could reduce DWP's AME spending on PIP, but would be moving spending between budgets rather than meaningfully reducing it, so we do not count this as a saving.

Administrative costs

Targeting PIP more effectively means gathering more detailed information at assessment and reviewing awards more often. This would increase DWP's resource departmental spending (RDEL), through (for example) undertaking longer assessments or using more highly skilled (and therefore higher-paid) assessors. On the other hand, a reformed system should have lower spending on mandatory reconsiderations and appeals if first-instance decision-making improved, which would partly offset this cost.

To give a sense of scale, we start from DWP's total administrative spending on PIP (include the amount relating to assessments by external providers) of £554 million in 2023-24.[106] We uprate this to 2029-30 in nominal terms using the GDP deflator from the OBR's March 2026 forecast, an increase of 16 per cent, giving a cost of £640 million.

We then assume that the cost of administering PIP doubles. This is chosen to illustrate a high-cost case rather than as a central estimate. It implies additional RDEL spending of around £640 million in 2029-30, equivalent to around one-seventh of the £4.4 billion upper-bound AME saving.

Caveats

Several features of our approach mean that the £4.4 billion is best read as an upper bound on what a reformed system could save once fully in place.

First, the shares of recipients in each group are survey-based estimates and carry uncertainty. Applying them to 2029-30 assumes that the caseload then looks like the recipients we surveyed in the spring of 2026. And as set out in Section 6, this estimated saving represents the 'size of the prize' that could be achieved in a system which assesses people's needs and costs perfectly: in practice, this is hard to achieve, since no assessment gets every decision right and some people's circumstances will change between reviews.

106 Freedom of Information request to DWP, FOI2025/105465, November 2025.

Second, the costing is static. It does not allow for changes in behaviour, such as who chooses to apply for PIP or how claimants present during their assessment.

Third, in reality, savings would build gradually as new assessments and award reviews take place under a new system, meaning that savings would be smaller in the first years of a reformed system. An official costing would usually include both a behavioural adjustment and an assumption about how long a reform would take to be phased in.

Fourth, we do not model the cost implications for entitlements that are currently linked to PIP receipt. These include, for example, Carer's Allowance and the carer element of Universal Credit for people caring for a PIP recipient; and exemption from the benefit cap. Recipients who no longer qualify for PIP would lose these too, which would increase both the savings to government and the losses to the households affected. For those receiving only the participation element, the effect would depend on which elements a reformed system chose to link to these entitlements (our view is that only recipients who receive the core costs element should be 'passported' onto these other forms of support).

Fifth, our estimates cover recipients aged 16-64 in England and Wales only. We assume that our changes do not apply to PIP recipients aged 65 and above (itself a large and growing group, but one that we do not consider in this report). The savings we estimate would be greater if the changes we set out were instead applied to recipients of all ages. PIP exists in Northern Ireland, but it is administered by the Department for Communities rather than DWP.[107] In Scotland, PIP has been replaced by Adult Disability Payment, delivered by Social Security Scotland. The funding the Scottish Government receives for disability benefits is linked to DWP's spending on PIP, so lower PIP spending would also reduce that funding unless the fiscal framework were changed. We do not include this effect.

Finally, while we describe the £4.4 billion savings as an upper bound for the reasons outlined above, it is possible that the system we outline in this report could lead to greater savings in the long run. For example, we would expect both greater support via the participation element and more regular award reviews to lead to shorter average durations on the benefit. Since these are speculative, long-run savings, we have not attempted to cost them in this report.

107 www.nidirect.gov.uk/articles/personal-independence-payment-pip, accessed 14 October 2026.

Annex 2: Data citations

- Family Resources Survey (series page here):
- Department for Work and Pensions, NatCen Social Research. (2021). Family Resources Survey. [data series]. 4th Release. UK Data Service. SN: 200017, DOI: http://doi.org/10.5255/UKDA-Series-200017
- Households Below Average Income (series page here):
- Department for Work and Pensions. (2021). Households Below Average Income. [data series]. 3rd Release. UK Data Service. SN: 2000022, DOI: http://doi. org/10.5255/UKDA-Series-2000022

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For more information on this report, contact:

Lindsay Judge
Research Director
info@resolutionfoundation.org

Resolution Foundation

2 Queen Anne's Gate
London SW1H 9AA

Charity Number: 1114839

@resfoundation
@resolutionfoundation.org
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