VISIONARY NETWORK

POLICY BRIEFING

The Milburn review and council revenues and benefits

Visionary Network | 17 November 2026 | For English local authorities

Start with the family household when assessing how the Milburn proposals could affect council services. In the 2021 Census, 51.2% of 20- to 24-year-olds in England and Wales lived with their parents. That figure covers the whole age group. Councils will need local evidence on the young people using the Jobs Guarantee or affected by any future benefit reforms. For a young adult living at home, a change in work or benefit status can affect the parent's award or bill as well as the young person's own income.

What the Government backed today

In the Commons at 12.34 pm, Pat McFadden backed a statutory Opportunity and Support Guarantee and a locally delivered service that brings employment, education, skills, health and wider support together around the young person. He confirmed a central Youth Opportunities Unit and said the existing six-month Jobs Guarantee would be offered sooner. The written statement gives spring 2027 for the move from 18 to 12 months of unemployment. In the Commons he described the change in terms of time on Universal Credit (UC). Councils should use the published referral criteria when available.

What remains for the White Paper

McFadden described the proposed Youth Allowance, local disability fund and stronger protection for people with severe lifelong conditions. The Government will consider the full package alongside the Timms review of Personal Independence Payment (PIP), with a White Paper due in early 2027 and legislation to follow. The statement gives councils no new assessment rules, funding allocation or administrative duties.

What the modelling tells councils

The review estimates £3.6 billion in annual national welfare savings in 2036/37. Its accompanying tables project a UK rate of young people outside education, employment or training of 6.8% in 2036/37 with the package, against 13.4% in the baseline. The review's ambition is around 5%. These are national scenarios. Local budgets need their own estimates of Council Tax Reduction, collection, hardship and housing costs.

Implications for council services

Young adults living in the family home

Start by identifying who is liable for Council Tax and who claims support. A young adult starting a job may affect a parent's Council Tax Reduction (CTR) or Housing Benefit (HB) through non-dependant rules, where they apply. Check the local CTR scheme and the separate HB rules, including age, earnings, benefit status and exemptions. A parent's Universal Credit (UC) housing costs can also be affected by a housing cost contribution for an eligible adult aged 21 or over. That contribution is subject to exemptions and does not vary with the young adult's earnings.

Milburn's proposed Youth Allowance would pay a higher amount to young people living independently and let recipients keep more earnings before their award falls. Ask DWP how the new allowance, the proposed replacement for Personal Independence Payment and the stronger award for severe and complex needs would interact with local schemes and non-dependant rules.

Council Tax billing and collection

Check the single person discount separately. A young adult's wages do not determine whether they count as a resident adult. A change in status, such as leaving full-time education, can affect the discount if a disregard ends. Check who receives any revised bill and whether the instalments are affordable.

Young adults living independently

For independent renters and care leavers, check direct exposure to rent shortfalls, changes in CTR and revised Council Tax instalments, especially when a six-month job ends. Ask the Department for Work and Pensions (DWP) how the proposed Youth Allowance would interact with UC housing costs and HB in specified supported or council-arranged temporary accommodation.

Crisis support and disability costs

The proposed local health and disability fund could help with short-term costs of taking part. Agree referral routes with the youth service so residents can reach the right help early. In England, the Crisis and Resilience Fund (CRF) Housing Payment currently requires entitlement to HB or UC with eligible rental housing costs. Ask DWP how eligibility would work if a new award replaced UC for some young people. Model the potential for extra crisis and housing demand if income falls during migration, a placement ends or the proposed duty to engage leads to loss of allowance.

Questions for the White Paper

Ask how new awards would be classified, how existing claimants and their households would be protected during transition, and how rent support and disability protections would carry across. Councils also need clarity on local funding and on the data needed to process changes and refer people for urgent support.

What councils can do now

Prepare for the spring 2027 Jobs Guarantee change

Agree a named contact for Jobcentre Plus and local youth services. With the household's involvement, check the young person's income and any effect on the parent's support or Council Tax bill before a placement starts and shortly before it ends. For independent renters, include rent and Council Tax liabilities directly. Factor in travel and childcare where relevant.

Establish a local baseline before the White Paper

Use CTR and HB records to identify both under-25 claimants and young adults recorded in someone else's claim. Bring in Council Tax billing and recovery, CRF and housing records, and aggregated information from DWP and youth partners to understand who council benefit records miss. Track revised bills, new arrears, hardship awards and homelessness approaches alongside job starts and sustained employment.

Test the cases that expose gaps

Start with a young adult living with a lone parent who receives help with Council Tax or rent. Test a job start, a course ending and a 21st birthday as separate events. Then test an independent renter whose placement ends, a care leaver in temporary accommodation and a disabled claimant moving from an existing award. Compare disposable income after rent and Council Tax and use the results for equality and financial assessments.

What elected members are likely to ask for

Members are likely to want a ward-level picture of who could benefit, whether there are enough accessible placements, and whether families could lose support when a young person starts work. They may ask what the council can do through its own apprenticeships and local employers, who will lead the work, and what it will cost the council. Use suitably aggregated figures and show effects on disabled young people and care leavers.

Give portfolio holders and scrutiny a joint briefing before the spring rollout. Set out which actions officers can take now, what would require a member decision, and where funding or national rules are still to be confirmed. If modelling identifies sharp increases in Council Tax bills, bring forward costed options for member consideration. Report back on sustained employment after placements end and changes in arrears and hardship demand.

Sources

Milburn review, executive summary and data tables, 17 November 2026 (chapters 7 to 9 and tables 2 and 3)

Hansard, Milburn Review Final Report, 17 November 2026, 12.34 pm

DWP written statement HCWS479, 17 November 2026

DWP Crisis and Resilience Fund guidance, paragraphs 47 to 52

ONS, More adults living with their parents, Census 2021

Universal Credit Regulations 2013, Schedule 4, paragraphs 13 to 16