Largest ever welfare cuts come into force in Britain

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On April 1, the largest ever welfare cuts came into force in Britain. As a result, millions who already live on the breadline are to be driven further into destitution.

For the next three years, most welfare benefits will be limited to just a 1 percent rise a year—well below the expected inflation rate and equivalent to a 4 percent cut in real terms. Other benefits have been frozen including Child Benefit and the Working Tax Credit available to low-paid workers. Over nine million families will lose an average of £165 a year.

The cuts include a new "bedroom" tax on local council and housing association tenants, who receive Housing Benefit to help with their rents. Those deemed to have a "spare" bedroom will lose 14 percent of their benefit and those with two bedrooms 25 percent. As many as 660,000 people—a third of the total—will lose an average of £14 a week, or be forced out their homes.

Responsibility for administering Council Tax benefit, payable to those having difficulties with paying the tax levied by councils for local services, is being transferred from the Department for Work and Pensions to local authorities this month. It is accompanied by a 10 percent cut in funding on top of the 25 percent cut in real terms that councils have suffered in the last two years. It is estimated that over half of the nearly six million families receiving this benefit be will worse off.

In addition, on April 15, four London boroughs—Bromley, Croydon, Enfield and Haringey (the latter two Labour Party controlled)—will begin imposing the government's "benefit cap". For a couple or lone parent, regardless of the number of children, the total of all benefits they can claim will be a maximum of £500 a week. Councils in London, where rents are very high, have already begun a policy of social cleansing by relocating families to poorer areas of the country. An estimated 80,000 households will be made homeless by the measure.

The Personal Independence Payment is taking affect for people of working age to replace Disability Living Allowance (DLA). One fifth of current DLA claimants are expected to lose their benefits, under the stricter eligibility tests.

At the end of the month, Universal Credit, an amalgamated benefit payment, will be introduced over a four year period, replacing many of the previously mentioned benefits and leading to further cuts.

The government is also reducing the budget for legal aid—which helps with the cost of legal advice for those who cannot afford it—by £350 million or 16 percent. One of the primary motives for this is to prevent legal challenges to the government's draconian cuts, such as the recent court case brought by two unemployed claimants against the imposition of workfare schemes. Entire areas of civil law will no longer be entitled to legal aid coverage including; private family law, such as divorce, personal injury and some clinical negligence cases, some employment and education law, immigration where the person is not detained and some debt, housing and benefit issues.

That the aim of these measures is to finally dismantle all aspects of welfare provision in the UK, is made clear by legislation governing the National Health Service (NHS).

On April 1, the new Health and Social Care Act came into effect. This overturns the 1946 legislation that founded the NHS as a provider of free, universal health care. Clause 12 of the act states that the government, via the secretary of state for health, no longer has a legal "duty to provide" a comprehensive health service. Instead newly created Clinical Commissioning Groups (CCGs) merely have a "duty to arrange" health care.

These CCGs now have control of some £60 billion of the NHS budget which they can use to buy health care from any service providers. It marks a significant extension of the involvement of profit-making companies in health care.

It is openly admitted that as a result of these measures, a further one million children will be thrown into poverty over the next five years, adding to the four million—one in three—already poor children in the UK, one of the highest levels in the industrialised world.

At the same time the top rate of income tax has been cut from 50 percent to 45 percent—giving some 13,000 millionaires a £100,000 tax cut—and corporation tax reduced.

The Conservative-Liberal Democrat government justifies its measures with propaganda blaming a supposed "benefit entitlement culture" for encouraging the workshy and preventing "aspiration." Secretary of State for Work and Pensions, Iain Duncan Smith, declared, "What I'm trying to do... is to change the process so that we end up restructuring the culture so that people find that work always pays. It doesn't right now."

Such language is designed to obscure the real factor driving the rise in benefit uptake: the government's £155 billion austerity measures. Government budget cuts have driven up unemployment and slashed wages, making it impossible for millions to meet the rising cost of housing, utilities and other basic necessities.

This assault on welfare provision is supported by the Labour Party. Only last month, Labour leader Ed Miliband instructed the party's MPs not to vote against emergency government legislation blocking compensation payments for people who refused to take part in unpaid work experience programmes. Just 40 Labour MPs defied his instruction.

Labour has repeatedly refused to state that it would not carry through similar policies if it should return to government, much less reverse those now put in place. This is in line with its agreement that austerity is necessary to "restore growth".

This is the same claim made by the coalition government when it took office in 2010 to legitimise the most severe spending cuts since the Second World War. Since then Britain's gross debt has risen to £1.387 trillion—representing 90 percent of the economy. Meanwhile, the UK economy is on the verge of a "triple-dip" recession, despite the infusion of billions of pounds in "quantitative easing".

Austerity and welfare cuts represent a two-pronged offensive by the ruling elite to drive down wages and living standards and fundamentally restructure social relations in its class interests.

That is why on Tuesday it was reported that the government is considering freezing or cutting the minimum wage, which is paid to almost a million low paid workers and was frozen at £4.98 for 18 to 20 year olds last year.

Even this is not enough for the powers that be. The *Financial Times* declared that the UK chancellor should continue the "benefits squeeze" in his June 26 review of government spending, adding that, "A dismal economic performance also means the fiscal squeeze will continue for much longer than expected." Denouncing the "munificent excesses" of the welfare state, it called for the "ring fence" around health, education and foreign aid spending to be removed and demanded the government not shirk from "bearing down on labour costs more aggressively".