

# Further welfare cuts being considered by UK Conservatives

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The BBC has published leaked documents revealing plans by the ruling Conservative party to further slash welfare spending.

Among the documents that were prepared by the Department for Work and Pensions (DWP) and commissioned by senior Tories, are proposals to slash payments to carers, the disabled and families with children.

The proposed cuts to benefits are part of plans to eliminate £12 billion from welfare, announced by Chancellor George Osborne in his March pre-election budget. The measures equate to a £1,500 cut for 8 million households over just two years, up to 2017-18.

As a result of savage austerity measures pushed through over the last five years by the Conservative/Liberal Democrat coalition, £20 billion has already been slashed from welfare spending. Total annual UK welfare spending, excluding pensions, now stands at just £54.8 billion.

Among the brutal cuts already enforced are welfare sanctions that one religious charity has described as the “deliberate imposition of hunger”. One million unemployed and 100,000 children were targeted by welfare sanctions in 2014, with record numbers of Britons seeking help from emergency food banks. In some cases welfare sanctions have led to starvation and death.

Austerity has been imposed as a direct result of the bailout of the bankers and super-rich following the 2008 global financial crash. In the UK more than £1 trillion pounds was robbed from the public purse. A massive transfer of wealth from the poorest to the richest in society was initiated by the Labour Party government and continued by the coalition from 2010.

The latest proposals are particularly sadistic as they target the disabled, with additional cuts to the child

benefit system also under consideration.

The BBC outlined cuts to the following benefits:

- **Carer’s Allowance**, a payment of £61.35 a week to help people look after someone with substantial caring needs, for at least 35 hours a week, could be restricted to those eligible for Universal Credit. Universal Credit is a benefit first launched in 2013 to replace six means-tested benefits and tax credits. The documents explain that if this change were imposed, about 40 percent of claimants would lose out. The DWP predicts savings of £1 billion.

- All disability benefits: **Disability Living Allowance**, **Personal Independence Payments** and **Attendance Allowance** (for over-65s who have personal care needs) would no longer be paid tax free. It is predicted that £1.5 billion annually would be saved by this measure.

- Changes to the contributory element of unemployment benefits **Employment and Support Allowance (ESA)** and **Job Seekers Allowance (JSA)** are under review. Those who have paid enough National Insurance contributions are currently able to receive these. According to the BBC, the DWP proposals could see 30 percent of claimants—over 300,000 families—lose about £80 per week. Total predicted savings would amount to £1.3 billion in 2018-19.

- **Child Benefit** is currently paid at a fixed rate of £20.50 for the eldest child and £13.55 per additional child. The proposal is to limit the benefit to the first two children, with possible savings estimated at £1 billion per annum. According to the *Guardian*, “Many larger middle-income families—1.2 million of them—who were unaffected by the introduction of means-testing for the child benefit, would lose an average of £1,000 a year.”

• The **Industrial Injuries Compensation Scheme** The imposition of further welfare cuts and “overnight takeaways” by the Conservatives is also being planned by the Liberal Democrats and opposition Labour Party. This was the significance of all three parties signing up to the Charter for Budget Responsibility. The charter commits any future government to ensuring the “balancing [of] day-to-day spending.”

• The **Council Tax Support** benefit is payable to some people to help with the cost of local authority Council Tax. A proposal being considered is that it be incorporated into Universal Credit, with the possible savings not yet detailed, according to the BBC.

• Another proposal is for **Regional Benefit Caps**. In the current parliament, the government introduced a benefit cap of £26,000. Covering 13 different welfare benefits, this is the total amount that anyone can receive in welfare payments. It is proposed that this cap be reduced to £23,000. It “would vary in different parts of the country, with, for instance, Londoners receiving the top amount due to the higher cost of living”, states the BBC. The possible saving is not known and would be “dependent on where levels were set”, said the BBC.

In January, Prime Minister David Cameron declared, “The evidence is that the cap set at £26,000 has worked. Many thousands of households that were subject to that cap have gone out and found work.” With an official unemployment rate of 1.86 million and minimum wage rates of just £2.73 to £6.50, depending on age, Cameron washed his hands of the impact of the cap, stating, “This country is generating jobs at a record rate and there is a record number of vacancies today ... The way to escape the welfare cap is to get the help and training that is there in order to get a job.”

Commenting on the leaked proposals, the Institute for Fiscal Studies (IFS) declared that even if all of them were implemented, no more than £2 billion annually would be saved by 2017-18. To meet the target of £12 billion in welfare cuts would require far deeper cuts, it warned. According to Robert Joyce, a senior economist with the IFS, “The easier benefit cuts are the ones that will have been done first, so what’s left will be harder. In addition, the Conservatives want to do this by 2017-18, in the next two years. It means they have to be looking at less palatable options that would involve overnight takeaways from certain families.”

In a statement of rank hypocrisy, Lord Scriven of the Liberal Democrats declared that “the Tories are hell-bent on punishing disabled people and working families with crippling welfare cuts.” The Liberal Democrats are widely hated and facing annihilation at the election due to their role in a coalition which has imposed mass austerity.

Whatever welfare cuts are finally signed, they are integral to the government’s statement last autumn that announced slashing public spending back to the level of the 1930s, before the welfare state was introduced.

The Labour Party would make similar cuts or worse. The *Financial Times* noted that the policy proposal for a London benefit cap of £23,000, and a reduced cap in parts of the country with lower housing costs, “was floated by Ed Balls”, Labour’s shadow chancellor. “It is not Conservative policy”, said the *FT*.

In 2014, Labour voted for the introduction of the Benefits Cap, with Balls stating that “Ed Miliband [Labour Party leader] called for an overall cap on social security spending last year, so we will support the welfare cap in the House of Commons today.” At the same time Rachel Reeves MP, Labour’s Shadow Work and Pensions Secretary, protested that “David Cameron’s Government has failed to control welfare spending. Since 2010 the Government has spent £13 billion more than they planned on social security.”



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