

Billions of pounds more in welfare cuts are enforced in Britain

Dennis Moore
13 April 2017

The start of the UK's new financial year saw the introduction by the Conservative government of some of the most severe and punitive welfare benefit cuts seen for decades.

In its 2015 summer budget, previous Chancellor George Osborne declared the government's intention to make savings of £12 billion from the welfare budget, with £7 billion of this for the period 2015-2016 and 2019-2020.

The cuts will hit every aspect of millions of people's lives, including young people trying to claim housing benefit, families with children, the disabled and those dealing with bereavement, having to face the costs of paying for a funeral and the loss of income of a family member.

It is estimated that the new benefit changes will push 200,000 more children into poverty. The Child Poverty Action Group and Institute for Public Policy Research said that some families would be almost £3,000 a year worse off under these new rules.

The new rules affecting Child Tax Credits (CTC), a benefit paid to families with children, hits all those families who have more than two children, affecting children born after April 6. Under previous rules, all children in a household qualified for this benefit, as part of benefit entitlement.

A further cut to CTC will affect all families who claim after April 6, the family element of the benefit (£10.50 a week). This element was included as part of the calculation for CTC benefit, and will no longer be paid.

The latest figures show that in 2014-2015, 872,000 families with more than two children were claiming tax credits, families likely to lose out under the new changes.

These figures include 65 percent of families who

were working, with 68 percent having no more than three children. It is estimated by researchers that once this policy is fully implemented, a further 100,000 adults and 200,000 children could face poverty.

The changes come at a time when there are record levels of poverty among working families. More than two-thirds of children living in poverty in the UK live in a family where at least one parent is working, according to official figures.

Since the financial crash of 2008, there are now more than four million children living in poverty, with figures showing that since 1996-1997, it has gone up from 43 percent, to the current 67 percent. The rise is largely down to the huge increase in the numbers of the working poor. As a result, the most common form of child poverty is a product of "in-work" poverty.

Access to Employment and Support Allowance (ESA), a benefit paid to all those claiming benefit as a sick person, is being restricted, with the Work Related Activity Group (WRAG) component being abolished. Prior to the changes, ESA was paid at two rates of payment, the Support Group, and the WRAG.

This will mean a cut in benefits of £29.05 a week for new claimants in the WRAG.

Until now, there had always been an underlying acceptance that those who were sick required more money than the standard Job Seekers Allowance (JSA) rate to live on, as sickness often incurred extra costs. Claimants receiving JSA, paid to all claimants who are claiming as unemployed, receive a pittance of £73.10p a week to live on.

Those who were sick and placed in the WRAG were paid at a higher rate than standard JSA.

These changes are a precursor to the ongoing denial of access to welfare benefits to millions of people. As of May 2016, just under 2.4 million people claimed

ESA in the UK, including 429,000 in the Work Related Activity Group.

Significant changes have come into force affecting 18- to 21-year-olds claiming housing costs. The new rules will mean that those claiming Universal Credit—a new benefit that supposedly covers living and housing costs in one benefit—will no longer be entitled to the housing costs component.

There are several categories of people excluded, however. The Centrepont charity—which works with young people—estimates the change will put at least 9,000 young people at risk of homelessness.

The bereavement benefit, introduced to relieve the financial pressure following the death of a loved one, is to be drastically curtailed. This benefit is the successor to the Widow's Pension, first introduced in 1925 and predating the introduction of the post Second World War welfare state.

Bereavement benefit is paid to families with children where one parent died. The family is eligible to a one-off, £2,000 lump sum payment, and then a taxable benefit of £112 a week until the youngest child leaves full-time education.

Depending on the age of the children in the bereaved family, this could mean payments being paid for up to 20 years.

The new rules mean that though the lump sum payment rises to £3,500, the overall payments fall to £350 a month, a loss of over £30 a week in benefit. Although the new payments are tax-free, the period in which the new benefit will be paid is dramatically reduced to 18 months, leading to a cut of tens of thousands of pounds.

Speaking to the *Guardian* newspaper under the pseudonym of Alan, a 51-year-old man from Barnet in London, spoke out against the benefit cuts.

Alan lives with his wife and two children, and was diagnosed with terminal cancer in December 2016.

“Based on the ages of our children and on my probable death—I would imagine this year—I had calculated that we would be entitled to about £58,000.” He added, “The new calculation shocked me. My life is now deemed to be worth £6,300.” After years of paying into the system, he described the changes as “daylight robbery.”

The latest cuts are on top of a four-year freeze on benefits and tax credits, in place since April 2016. This

lowers the benefit value of all welfare claimants, as rising inflation pushes up the cost of essential items such as food and fuel.

The trajectory of increased cuts to the welfare budget will lead to millions being driven into poverty and destitution, as the very existence of the welfare state as a safety net is dismantled and got rid of.

This is not just the outcome of the policies of the Tory-led governments in office since 2010. The cuts now being enforced are effectively joint Conservative/Labour policy.

The Labour Party introduced the Welfare Reform Bill in 2008, instigating regressive changes to sickness benefit with the introduction of ESA and the much-criticised work capability assessments. These have resulted in some of the most sick and disabled being found fit for work.

In 2015, following Labour's defeat in the General Election, Labour aided the Tories as they introduced the raft of cuts to welfare benefits now being imposed.

In July of that year, 184 Labour MPs refused to vote against the second reading of the Conservatives' Welfare Reform and Work Bill. This included measures reducing the household welfare cap from £26,000 to £23,000, cuts to child tax credits, cuts to Employment and Support Allowance, cuts to housing benefit for young people and abolishing legally-binding child poverty targets.

Just 48 Labour MPs (20 percent of the total) voted against the Bill.



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact