Slashing of welfare spending forces millions into poverty in UK

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After a decade of severe austerity imposed on millions of people across the UK, by the year 2021 there will be £37 billion spent less on working age social security compared to 2010,

This is the estimation of a report produced by the House of Commons library. The figures were obtained by Frank Field, the former Birkenhead Labour MP, who now sits as an Independent. They reveal the staggering level of cuts to welfare benefits that have pauperised millions, including the most vulnerable in society.

Half of these cuts will come from the freezing of working age benefits that has occurred since 2016 and will deliver cuts of nearly £16 billion.

They include cuts to disability benefits, including Employment and Support Allowance (ESA), and Personal Independence Payment (PIP) that together will have been cut by £5 billion, or 10 percent, since 2010.

Other cuts include: Universal Credit, (£3.6 billion), Tax credits, (£4.6 billion), Child benefit, (£3.4 billion), Housing benefit, (£2.3 billion), disability benefits, (£2.8 billion), ESA, and Incapacity benefit, (£2 billion).

The cuts to welfare spending come at a time when costs for the poorest families have risen, leaving many having to spend a greater amount of their income on food, child care and housing.

A study carried out this year by the European Federation of National Organisations Working with the Homeless (Feantsa) found that for some of the lowest earners in Britain, the cost of a home has risen faster than anywhere else in Western Europe, increasing homelessness. Freek Spinnewijn, the director of Feantsa, said: “Housing exclusion and homelessness have taken on dramatic proportions in the UK.”

The Europe-wide investigation found that the costs of housing for those earning an average £16,000 a year increased by 45 percent between 2010 and 2016. This is compared to just 10 percent for low earners across Europe. On average, poorer households in the UK spend 47.4 percent of their average disposable income on housing costs.

Spending above 40 percent of one’s income on housing is defined as housing cost overburden, and is generally accepted as the benchmark above which general welfare and standard of living are threatened. This number falling into this category has increased by 70 percent since 2010.

A study by the Social Metrics Commission (SMC) think tank found that more than 14 million people, including 4.5 million children, are now living below the breadline. Up to 50 percent of those have been trapped in persistent poverty for years.

The SMC is a cross-party body that works alongside representatives from charities and the Institute for Fiscal Studies. It was founded by Conservative Party member Baroness Stroud. It has developed a more accurate measure of material disadvantage in the UK. The SMC defines poverty as “the extent to which people have the resources to engage adequately in a life regarded as the norm in society.”

While devising a more accurate system of measuring poverty, Stroud is now documenting the terrible levels of poverty she and her party were instrumental in causing. With the election of the Tories in 2010, Stroud was appointed as a Special Adviser to the Secretary of State for Work and Pensions, tasked with creating and ensuring the imposition of the Tories’ scorched-earth policy on welfare spending. Another of the SMC commissioners is David Laws, who played a central role for the Tories’ coalition partners in that government, the Liberal Democrats, as Chief Secretary to the Treasury, Schools Minister and Cabinet Office Minister from 2010 to 2015.

The system developed by SMC takes into account factors such as the impact on a household of a disabled child, the impact of poverty in one parent family households, and a household where no one works, or where a household is dependent for income on irregular hours or zero hours contracts.

The system includes measuring core living costs such as rent and childcare costs and recognises that even a family described as living on a relatively comfortable income has no guarantee that they will be able to meet basic material needs, if it is consumed by unavoidable weekly outgoings.

The measurement examines the depth and severity of disadvantage, concluding that 12 percent of the total UK population is in persistent poverty, defined as having spent all or most of the last four years living below the breadline.

The Institute for Fiscal Studies predicts that the numbers of children living in poverty will rise to 5.2 million over the next five years, as government welfare cuts take effect, reversing any progress that has been made in the last 20 years.

The cuts to welfare spending and the implementation of Universal Credit (UC), due to be rolled out nationally next year, have had a catastrophic effect on some of the most vulnerable in society.

The National Audit Office report on UC published earlier this year paints a damning picture of the benefits system. Eight years in development, UC has already consumed £1 billion of public spending in its implementation. Many have tried and failed to claim UC. Many who have been able to make a claim have faced huge problems, with figures showing that 113,000 UC benefit claimants were paid late in 2017.

The attacks on the poorest people are having a devastating impact. Recently published figures by the Office of National Statistics show that Britain’s improvement in life expectancy has slowed down at the fastest rate of any leading industrialised nation, excluding the US. Since 2011, the rate of improvement for women has collapsed by over three quarters.

Earlier this year a number of academics demanded a public inquiry into the worst slowdown in life expectancy improvements in the last 120 years.

An article published last year in the British Medical Journal *Open* concluded that severe public spending cuts in the UK were associated with 120,000 deaths between 2010 and 2017.

The collective impact of welfare spending and budget cuts to services at the local authority level is leaving many areas of Britain resembling areas of the US—where there was no comprehensive welfare state historically—with the decimation of essential services.

Knowsley, a working-class and impoverished area in the city of Liverpool, has seen its budget cut by nearly half. Liverpool has suffered cuts of nearly two thirds, representing its largest source of discretionary funding. Many other areas of the UK have seen similar cuts.

CEO of the Child Poverty Action Group, Alison Garnham, said, “Cuts and freezes have taken family budgets to the bone as costs rise and there is more pain to come as the two child limit for Tax credits and universal credit, the bedroom tax, the benefit cap, and the roll out of universal credit push families deeper into poverty.”

After the financial crash of 2008, those in power were telling everybody “we are all in this together,” even as they handed over a £1 trillion to bail out the banks at the expense of the public purse. As all figures attest, 10 years on, the cost of this exercise in mass theft has been paid for through the imposition of austerity and impoverishment of millions of people.