

# Child poverty soars as UK Labour government slashes welfare to fund armed forces

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UK Chancellor Rachel Reeves' plan to slash £15 billion in public spending in the Labour government's Spring Statement has already thrown tens of thousands of children deeper into poverty.

The cuts were made to fund upping military spending by billions to reach a targeted 2.5 percent of GDP by 2027. Reeves announced an extra £2 billion for the Ministry of Defence towards this target.

Sir Keir Starmer's right-wing government—with just nine months in office—is now the only Labour government in history that has increased child poverty under its rule.

Official figures for 2024 showed a record 4.5 million children are living in poverty. The government policies will throw a further 250,000 people into poverty at a stroke, including tens of thousands of children. Child Poverty Action Group estimates that 30,000 more children will have fallen into poverty by April 6 due to Labour's policies. It expects the overall number to rise to 4.8 million by the end of this parliament.

The most vulnerable and defenceless in society were targeted by the Spring Statement, with Reeves imposing brutal cuts of £4.8 billion on the disabled. The universal credit health component, claimed by many disabled people, will be cut by 50 percent and frozen for new claimants until 2030. Reeves announced that welfare spending as a share of GDP "will fall between 2026-27 and the end of the forecast period [2030]."

Annual poverty figures published by the Department for Work and Pensions (DWP) showed that cuts to disability and incapacity benefits will push 50,000 children and 200,000 disabled adults into relative hardship by the end of the decade. But even these dire statistics have been assessed independently as being a gross underestimation of the real impact the cuts will have.

According to the New Economic Foundation (NEF), the

"cuts will hit Disabled people by almost £2 billion more than the reported figures and could see around 100,000 additional people pushed into poverty."

It noted, "The headline figures downplayed the scale and impact of these cuts by factoring in the decision not to proceed with a policy announced by the previous government and pencilled in, but never fully confirmed, by this government. This policy would have changed the Work Capability Assessment (WCA) to make it harder for people to qualify for a higher rate of universal credit (UC) on the basis of illness or disability."

Labour announced in their Green Paper published along with Reeves' statement that the WCA would be scrapped altogether in 2028, and that they would not implement the previous government's planned changes ahead of that. The Tory government was never likely to be able to implement its WCA plans anyway because they had already been struck down by a High Court ruling.

Labour then attempted to claim that they would effectively be "spending" £1.6 billion—the projected savings had the policy gone ahead—and had therefore lifted 150,000 people out of poverty.

As the Resolution Foundation think-tank pointed out: "Using this phantom policy to offset the scale and impact of actual cuts happening in the real world is akin to suggesting that you should feel better off because your boss had thought about cutting your wages but then decided against it."

Labour's attacks on the Personal Independence Payment (PIP) system and on the health top-up in UC will see the ill and disabled people lose out on £7.5 billion by 2029-30, according to Office for Budget Responsibility (OBR)

This will lead to a dramatic rise in the figures, released last week, showing an extra 100,000 children were living

below the breadline in the year to April 2024—the final full year of child poverty statistics for the last Conservative government. It is the third year running that child poverty has increased.

Food poverty and hunger also rose, with 300,000 more children in households reliant on food banks over the previous 12 months, and an increase in children in food insecure families—meaning they struggled to afford regular and healthy meals.

More than a quarter of UK children (28 percent) experienced material deprivation, a measure designed to assess whether households are able to afford basics that constitute a minimum acceptable standard of living—such as food, clothes, toys and school trips.

Faced with overwhelming opposition to the sadistic policy, Labour has nonetheless refused to abolish the two-child benefit cap introduced by the Tories in 2017. The cap restricts child universal credit and tax credits allowances to the first two children in a family, unless the children were born before April 2017.

Maintaining the cap will throw more children into poverty. Hitting poorer families disproportionately, in April 2023, the cap affected 422,000 (55 percent) of the 772,000 families with three or more children claiming Universal Credit or Child Tax Credit.

Labour's general election manifesto promised an “ambitious strategy to reduce child poverty”, alongside a commitment to end “mass dependence” on food banks and charity food handouts, which it called “a moral scar on our society”. In office it has imposed a savage and rapid offensive against the social rights and gains of the working class.

This is just the tip of the iceberg. Just over 370,000 people who currently claim PIP will lose eligibility due to the cuts and another 430,000 who would have been eligible for the benefit in the future will not get it. On average they will lose £4,500 a year.

However, the Resolution Foundation estimates that a single adult, who is now eligible for PIP and incapacity benefits but who no longer qualifies for the payment when they are reassessed could be £9,600 a year worse off. This is because when the work capability assessment is scrapped in 2028, eligibility for the incapacity element will be aligned with PIP eligibility.

Disabled families already experience high levels of poverty, with the annual “households below average income” report showing that almost half (44 percent) of all children living in poverty were living in a household where someone has a disability.

Separate data published by the Department for Work and Pensions (DWP) from its family resources survey found just under a third of households (31 percent) where someone claims PIP disability benefit were food insecure.

The number of children in households that are at risk of or unable to afford enough food is at its highest level since food insecurity measures were introduced in 2020. More broadly, 4.7 million people living in disabled households are experiencing food insecurity. This includes 1.6 million children.

Dr. Philip Goodwin, chief executive officer of the UK Committee for UNICEF, points out that the UK has seen “the highest increase in child poverty of any OECD and EU country in the past decade and today's [March 27] shocking figures show the situation is getting worse”.

Many of the children living below the poverty line are under five, he noted. “The consequences of poverty can last a lifetime and are especially harmful for babies and young children. Growing up in poverty damages children's life chances—making them less likely to be school ready at age 5 and increasing their risk of developing health issues like asthma and obesity,” said Goodwin.

The Labour government is targeting even larger budgets for assault in its June Spending Review, including education budgets.

Education Secretary Bridget Phillipson is considering cutting school spending by £500 million and even ending universal free meals for infants, as part of negotiations with the Treasury.

According to the *Times*, Phillipson also offered to axe funding for free period products in schools as well as dance, music and PE schemes. They were part of a package of measures being put forward by Phillipson as Whitehall departments are instructed to identify cuts of up to 11 percent.

Protests against attacks on welfare are underway, and must be extended to workplaces, schools and communities to end the subordination of the social rights of the working class to increased profits and war spending.



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