

Of Millions and Myths: Welfare Benefits and the General Election

*“How a society treats its most vulnerable is always the measure of its humanity.”
(Ambassador Matthew Rycroft, UK Mission to the UN).*

How can we best protect the most vulnerable in our society? And how much can we afford to spend doing this? Different political parties have different answers. As a writer, trainer and adviser on Welfare Benefits, I thought I'd take a look at what the main parties are proposing.

But first, let's see what taxpayers are already paying for Welfare Benefits. In 2023-24 (April to April) the total bill was £265 billion (*see BBC Explainer blog [here](#)*). This was paid to 22.6 million claimants. Over half of these were pensioners: some 12.5 million who accounted for just over half of the total bill (£135 billion). Most of this was paid out as 'old age pensions'. So who was claiming the main "working age" benefits, accounting for just under half the total bill? People are often surprised to find that the biggest group are not the unemployed or the long-term sick; in fact, it is those in work but on low wages (40% of Universal Credit claimants).

And how does our Social Security bill compare with that of other countries? As a percentage of GDP, the UK ranks 17th out of the 38 OECD countries and 5th out of the 7 nations in the G7.

So how much money are people getting when they claim benefits in the UK? It depends on a range of circumstances but the basic weekly allowances for those of working age (to cover all but housing costs) are £90.50 for a single person and £141.25 for a couple. It is less if you are under 25. Adding to the tightness of budgets is that a third of those claiming UC are living on less than this because of deductions and repayments of the UC loan to keep them alive during the 5 week wait for a first payment. Some 60% of those in private rented accommodation are having to dig into living costs to make up for shortfalls in the help they get with rent, to an average of £35 a week.

Extra amounts are paid for the first two children but nothing for any more children; this is an arbitrary limit which is known as the 'Two Child' policy. Other arbitrary limit for people of working age include the 'Benefits Cap' which puts an upper limit on the amount of benefit someone can receive, regardless of what the normal assessment of need says they are entitled to and caps on the amount of rent people can get help with (the Local Housing Allowance for private sector tenant and the "bedroom tax" for those in social housing).

Even if available in full, the basic allowances for those of working age are well below the figures necessary to pay for essentials, according to the Joseph Rowntree Foundation and the Trussell Trust (who run many of the UK's foodbanks). They have worked out that the basic working age allowances need to be nearer £130 if single and £200 for a couple. They have called for an 'Essentials Guarantee' to meet the cost of food, fuel and household essentials as well as a Commission to advise on future increases to the amount.

Older and wiser

Politicians often like to distinguish between “benefit claimants” and “taxpayers”. But most taxpayers will claim benefits at some point in their lives. And anyone on even basic benefits levels may be paying a higher percentage of their income on taxes than many other taxpayers, for example through VAT and fuel duty.

A more useful distinction may be between “pension age” and “working age”. Perhaps because older folk are more likely to vote than younger people, politicians often discuss pensions and other age-related benefits in gentler and more generous terms than working-age benefits.

The difference shows up in the “safety net” levels for the poorest pensioners: the equivalent to the working age basic allowances of £90.50 and £141.25, are a much more manageable level of £218 for a single person and £333 for a couple under Pension Credit. These are enough to cover an Essentials Guarantee budget.

All the main parties have committed to the ‘triple lock’ on the State Retirement Pension. In other words, they have promised that the annual April increase in the State Retirement Pension will always be based on average earnings, average inflation or 2.5% - whichever is the highest. This means that pensioners are never left behind if society gets richer.

The one difference between the main parties in relation to the triple lock is that the Conservatives are now offering ‘Triple Lock Plus’. This would extend that same triple lock to income tax thresholds for those over pension age, so that they too would rise each April alongside increases in the State pension.

This would solve a problem which is of their own making. For two years they have frozen income tax thresholds for all and are committed to carrying on freezing them until 2028. This means that every year, as inflation rises and incomes increase, more people find that their incomes are above the tax-free allowance of £12,570. By 2028 the forecast increases point to just the basic State Retirement Pension going over this level (albeit by £8) meaning income tax would be paid on a bare pension for the first time.

This Conservative freeze on the income tax thresholds until 2028 is estimated to eventually raise between £25 billion and £40 billion in income tax for the Treasury; all without a penny on the rate of income tax. The ‘triple lock plus’ will prevent an income made up of just the basic state pension from paying tax, whereas under existing plans there would be tax on £8 of it. Tax will still be due as normal on additional income from e.g. private and works pensions. But never a teacup without a storm – much is being made of other parties not following suit in mitigating the Conservative Government’s tax, to bring out an angry pensioner vote to stop “Labour’s Retirement Tax”.

Working age voters

There is much less consensus between the main parties in relation to those of working age. Below I pick out the most important points from what is offered by each (in alphabetical order). You can click on the manifesto titles to see the different parties' proposals in full.

Conservatives: [*Clear Plan. Bold Action, Secure Future*](#)

The Conservatives are looking for welfare to provide another £12 billion in cuts by means of:

- cutting disability benefits, especially for those with lower levels of disability and mental health issues;
- tightening up assessments of capability for work;
- changing GP "fit notes" to encourage alternatives to time off work;
- tougher sanctions (including cutting off benefit entirely) if not meeting work requirements;
- changing the way Child Benefit is clawed back from higher earners.

The Green Party – [*Real Hope. Real Change*](#)

- in the long-term, introducing a Universal Basic Income to replace many benefits;
- in the meantime, increasing Universal Credit (or alternative 'legacy benefits') by £40 a week;
- abolishing the 'Two Child' policy;
- ending the "bedroom tax" (which penalises those in social housing with 'spare' bedrooms);
- increasing disability benefits by 5%;
- reforming the eligibility criteria for PIP (Personal Independence Payments);
- ending the 'unfair targeting' of working carers for repayment of overpaid Carer's Allowance.

Labour: [*Change*](#)

Labour is facing a lot of expectations for change, but specific commitments are limited (reflecting their current spending caution). The real difference between them and some of the other parties is that they are not proposing radical cuts.

- reviewing Universal Credit so that "it makes work pay and tackles poverty";
- developing an "ambitious" (but unspecified) child poverty strategy;
- creating a new merged 'job centre plus' and 'careers service' to drive economic growth;
- reforming or replacing the work capability assessment;
- encouraging those with health problems to try working (by reducing the likelihood of losing benefits in work).

Liberal Democrats – [For a Fair Deal](#)

The Liberal Democrats are going further than Labour in specific commitments. They propose:

- abolishing the ‘Two Child’ policy and the ‘Benefits Cap’;
- increasing the rates of Universal Credit over time towards amounts that meet an ‘Essentials Guarantee’;
- encouraging work by incentives and moving away from sanctions;
- increasing the Carers Allowance and extending eligibility (by reducing hours needed and allowing more earnings);
- improving “disability benefits” by: involving disabled people more in policy; making decisions more transparent; improving health assessments (by bringing them back into the Department of Work and Pensions as well as reducing frequency);
- reforming Statutory Sick Pay to widen eligibility;
- ending lower rates of benefits for lone parents under 25;
- reducing the wait for the first payment of Universal Credit from 5 weeks to 5 days;

Plaid Cymru - [For Fairness. For Ambition. For Wales](#)

Plaid Cymru propose:

- extending the existing pilot of the Universal Basic Income in Wales;
- abolishing the ‘Two Child’ policy;
- increasing Child Benefit by £20 a week;
- in the long term, introducing an ‘Essentials Guarantee’ in setting benefit rates;
- ending benefits sanctions;
- improving benefit take-up;
- improving access to Welsh-specific benefits.

Reform UK – [Our Contract With You](#)

Reform are looking for £15 billion of savings by:

- raising Income Tax thresholds to £20,000 in order to ‘make work pay’;
- getting two million people back into work by (unspecified) changes;
- introducing a ‘two strikes policy’: those refusing two job offers would be ineligible for benefits;
- increasing the number of ‘face to face’ (as opposed to remote) health assessments.

Scottish National Party - [A future made in Scotland](#)

Like the first party on this list, the SNP have a track record via the Scottish Government’s management of 14 devolved “Scottish benefits mainly through Social Security Scotland with its strapline of “Fairness, Dignity and Respect”. Their manifesto proposals include:

- scrap the two-child policy and associated rape clause;

- end the reduced rate for parents under 25 in Universal Credit;
- scrap proposed punitive reforms for the sick and disabled;
- maintain the triple lock;
- protect the WASPI women;
- reverse the cut to Pension Credit costing mixed age couples up to £7,000 a year;
- maximise Pension Credit take-up;
- scrap the “bedroom tax”;
- devolve Housing Benefit and the local housing allowance.

Final thoughts

It can be easy to underestimate the extent of real choice in this Election, with both parties being criticised from the right and from the left – for having very similar tax and spend plans. But in the area of benefits and - our mutual shared social security - the Conservatives and Reform UK are opening up “clear blue water” between themselves and the rest

Labour may disappoint those who find their offer too constrained, cautious and costed and not going far enough in reversing some of the cuts of the last 14 years. But the Conservatives are not just holding things as they are after all this time, but seeking a fresh round of significant further cuts and changes. And therein lies a considerable difference – in benefits terms - as to which party picks up the keys to no 10 on Friday.

In “marginal” seats a small number of voters can change the outcome of the election and this can be an extra incentive to vote. Your vote might feel less important if you are in a “safe” seat, though many such seats are looking much more marginal this time around. You may go with your first preference or vote tactically, but it will be possible for your vote to make a difference.

Looking beyond what we wake up to on Friday morning, the older generation can share an important lesson with their younger friends: over the long-term politicians seem to listen more carefully to those who vote than those who don’t.

About the author

Tom Messere is a writer, trainer and consultant on Welfare Benefits. He is the author of the widely acclaimed *Big Book of Benefits and Mental Health* (with a new edition every two years) and is currently working on a new *Big Book of Benefits and Money for Older People*. He is available as a consultant and trainer (both online and in person) by contacting him at tommessere@gmail.com. He is much indebted to **Vita Seren** who tirelessly edited and improved the draft.