

# The Floor Removed

Reform UK, the Welfare State, and the Return of Victorian Britain

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*This paper maps the probable social trajectory of Britain under a Reform UK government elected in 2028, applying the projections of an operational stress-test — generated from direct casework experience within Welsh social housing — against verified statistical baselines and the historical template of the Thatcher years. Its conclusion is that the Thatcher comparison is apt but insufficient: the same ideological programme, applied without North Sea oil revenues, to institutions already thinned by fifteen years of post-2010 austerity, to a more vulnerable population, would produce social consequences that reach Victorian conditions in the most affected communities within twenty-four months. The paper is offered as a private analytical document, not a political tract.*

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## I. The Baseline: What Already Exists Before Reform Arrives

Before any Reform policy lands, the system it would operate on is not intact. It has been subject to incremental dismantling since 2010. This matters because the Thatcher comparison — which this paper takes seriously as a structural template — involved cutting into institutions that were, by any modern measure, well-resourced. Reform in 2028 would be cutting into institutions that are already running on the margins of functional collapse.

The welfare sanction rate under Universal Credit currently stands at 5.9%, according to DWP statistics to November 2025. In January 2017 it peaked at 11.8%. In the year

to April 2025, a total of 611,822 sanctions were imposed on 468,195 individual claimants — more than double the 230,720 UC sanctions imposed in the equivalent pre-pandemic year. The system is already punitive. Reform's proposed Two-Strike policy would not be introducing sanctions to a benign landscape; it would be compounding a sanction regime already operating at scale.

The court system, which is the mechanism through which arrears eventually become evictions, is equally pre-stressed. Propertymark research shows the average time from claim to repossession has risen to over 68 weeks, compared to just over 20 weeks in 2019 — a tripling in four years without any additional pressure. The median time from court claim to repossession in Q2 2025 was 27.9 weeks, and this figure excludes the notice period before court proceedings begin. In London, some courts report bailiff appointments stretching many months beyond that. The national average unpaid rent at the point of eviction already stands at £12,708 per property.

The homelessness picture is the most diagnostic indicator of systemic pressure. Crisis UK's Homelessness Monitor 2025 records 299,100 households in England experiencing the worst forms of homelessness — rough sleeping, hostels, unsuitable temporary accommodation, sofa-surfing — in 2024. This represents a 21% increase since 2022 and a 45% increase since 2012. The number of people sleeping rough and the number of households in unsuitable temporary accommodation have each increased by approximately 150% since 2020. Local authorities spent £2.7 billion on temporary accommodation in 2024-25 alone.

*These are not projections. These are the conditions that exist before a single Reform policy has been implemented. They constitute the floor onto which the new programme would land.*

The food bank data is similarly unambiguous: approximately three million people used a food bank in the UK in 2022-23. The Trussell Trust network, which is the primary provider, has noted that demand consistently exceeds supply in many areas. The charitable infrastructure that would be asked to absorb additional pressure from a welfare contraction is itself operating at capacity.

## **II. The Thatcher Template — and Why It No Longer Applies**

The Thatcher government of 1979 is the appropriate historical comparison not because Reform resembles Thatcherism in its details but because it resembles it in its ideological structure: a belief that market discipline applied to the poor produces behavioural change rather than destitution, and that the institutions serving the poor are waste rather than infrastructure.

What Thatcherism actually produced, in documented terms, was the following. Unemployment rose from 1.3 million in 1979 to over 3 million by January 1982, reaching a peak of 3.3 million in 1984. Manufacturing output fell by 30% from its 1978 level by 1983, and over two million manufacturing jobs were destroyed in the recession of 1979–81. The riots of 1981 — Brixton in April, Toxteth in July, Handsworth, Chapeltown — arrived within twenty-four months of the government taking office, in precisely the communities where unemployment had hit fastest and hardest. The social consequences were not delayed. They were immediate.

The critical variable that made the Thatcher programme survivable as a political project — and that does not exist in 2028 — is North Sea oil. From 1979 to 1982, oil rents represented roughly 8% of British tax revenues. By 1981, oil exports had given Britain a positive trade balance for the first time in decades. As one Cambridge economic historian summarised: without oil, the Thatcher experiment would not have survived. The oil revenues were spent, not invested — unlike Norway, which built from the same basin a sovereign wealth fund now worth over a trillion dollars. Britain has nothing equivalent. The revenues were used, in substantial part, to fund the unemployment benefits of the people being made unemployed by the same government's policies.

*The cruelty was real, but it was financially subsidised by a geological accident. There is no equivalent geological accident available in 2028.*

North Sea production is in terminal decline. The UK has no sovereign wealth fund. Any Reform programme of simultaneous welfare cuts and civil service reduction would therefore need to generate its own fiscal cushion from within the welfare savings themselves — which is precisely what the cascading failure analysis demonstrates to be impossible. The savings are visible and claimable; the costs are diffuse, delayed, and fall on budgets the Treasury does not control.

## **The Labour Market Difference**

Thatcher's displaced workers were, in the aggregate, physically capable men in their thirties and forties with work histories, transferable skills, and genuine if harsh labour market alternatives. The programme was brutal. Many did not recover. Communities did not recover. But the human material being processed by the policy was not the same population that would be processed by an equivalent programme in 2028.

Two or three generations of post-industrial Wales, the former coalfield communities, the post-manufacturing towns of northern England, have produced a population whose entire social context has been shaped by the absence of work. The casework reality — visible to anyone doing escalated complaints and ASB work in Welsh social housing — is people who have never worked, whose parents never worked, many of whom carry significant mental health conditions, physical health conditions, and cognitive profiles that mean the most menial available work is genuinely beyond current capacity. This is not a moral judgement. It is a clinical observation. A Two-Strike sanctions regime does not reach into that reality and rewire it. It removes the floor.

The available work has itself changed. Thatcher's displaced workers had, at worst, the possibility of service sector employment as manufacturing contracted. The gig economy that has replaced it requires a smartphone, a bank account, a cognitive agility to manage digital interfaces, and a flexibility of schedule that people with caring responsibilities, chronic health conditions, and disrupted sleep patterns cannot provide. The 'make work pay' formulation assumes a labour market that can absorb the people being sanctioned. For a significant proportion of the social housing population, no such market exists.

## **III. The Operational Impossibility: A Housing Association Stress-Test**

The following analysis derives from the operational reality of a Welsh housing association managing approximately 6,500 properties, applied against Reform's stated policy positions and existing cost structures. It models a 10% tenant failure rate — 600 households — as a consequence of Two-Strike sanctions and Work Capability reassessments. Given the composition of the actual social housing population, 10% may be conservative.

## **The Financial Architecture of Cascade Failure**

At an average rent of £700 per month, 600 households in sustained arrears generate £5,040,000 in lost rent income in year one. Legal and eviction costs, averaging £1,500 per case, add £900,000. Void and repair costs, averaging £2,500 per property, add a further £750,000. The year-one debt balloon reaches £6.7 million.

The two-year figure, incorporating the justice gridlock identified below, reaches £11.7 million. No housing association operating within normal financial parameters can carry £11.7 million in bad debt. This level of failure would breach bank loan covenants, trigger potential regulatory intervention by Welsh Government, and freeze maintenance and repairs for the remaining 5,900 tenants who have done nothing wrong. The failure does not stay within the 10% who have been sanctioned. It radiates outward.

## **The Justice Gridlock**

The court system, already operating at 68 weeks average from claim to repossession, is the silent mechanism that transforms a manageable problem into an unmanageable one. Reform's proposed civil service reductions — targeting 68,500 posts across government — would, if applied proportionally to HM Courts and Tribunals Service, extend that timeline significantly. Under a two-year justice gridlock scenario, 600 tenants would be living in properties without paying rent, not because they are being supported, but because the state is too reduced to process them. They are in legal limbo. The housing association is carrying the cost. Neither party is served.

The staffing paradox is equally structural. To cover a £2 million year-one deficit — representing only a 5% failure rate rather than the modelled 10% — a 270-person housing association would need to cut approximately 44 staff members, based on an average £45,000 total employment cost. This represents 16% of the workforce, lost at the precise moment workload increases by 300 or more active eviction cases. The system does not become more efficient under pressure. It seizes.

*You cannot sanction 10% of the poor without bankrupting the institutions that house them. You cannot speed up evictions while firing the staff who run the courts. You cannot make work pay for people cognitively incapable of the work available.*

## **IV. The Timeline: From Policy to Victorian Condition**

The Thatcher precedent establishes that serious social consequences arrive within twenty-four months of a radical welfare programme being implemented. The question for 2028 is whether the trajectory is similar or steeper. The evidence suggests considerably steeper.

### **Months 1–6: The Hidden Crisis**

The initial period would appear manageable from any external vantage point. Damage accumulates in caseworker records, housing association spreadsheets, DWP appeal backlogs. The government's narrative — 'difficult but necessary' — holds because consequences are individualised and dispersed. The people most immediately affected are those already least visible: the long-term sick, the mentally ill, the multigenerationally workless. They have no organised political voice. Their distress does not generate news.

In schools like the one where a Learning Support Assistant might work in the Vale of Glamorgan, the first indicators would be visible before they are reportable: children arriving without adequate food, children from families in acute stress, transient children from households that have lost their address. With Education Vouchers drawing down school budgets, fewer resources would be available to respond.

### **Months 6–12: Institutional Signals**

By the end of the first year, housing associations in post-industrial Wales and northern England would be making public statements about covenant breaches. Regulatory interventions would begin. NHS trusts in high-deprivation areas — Cwm Taf Morgannwg, Bradford, Merseyside — would start reporting acute mental health and emergency admission increases that do not fit normal seasonal patterns. Legal aid organisations, already at capacity, would report being unable to manage the volume of appeals and possession defences arriving simultaneously.

This is the point at which the transfer mechanism becomes visible. The DWP has saved the sanction payment. The housing association carries the arrears. The court system carries the backlog. The NHS carries the mental health crisis. The school carries the destabilised children. The saving is on one ledger; the costs are distributed across seven others. None of those seven has the political visibility of the DWP saving.

### **Months 12–18: The Victorian Indicators**

Visible street homelessness would increase sharply in town centres that currently carry no significant rough sleeping population. Not only Cardiff and Swansea but Barry, Bridgend, Merthyr Tydfil, Wrexham. The Vale of Glamorgan sits interestingly in this geography — affluent enough in places that the normalcy bias persists longer than in the Valleys, but with social housing stock distributed across that gradient. The zones of abandonment and the zones of normalcy would exist in uncomfortable proximity.

Food bank provision, already at capacity, would exceed what the voluntary sector can provide. The Victorian parallel is precise here. When the state withdrew in the 1830s, charitable provision initially expanded with genuine heroism, then buckled under the weight of need it could not match. The sequence would repeat: extraordinary voluntary effort followed by quiet collapse of that effort as the demand proved structurally irresolvable by charitable means.

### **Months 18–24: The Geography Reconstitutes**

By month twenty-four, a legible map of Britain would have reasserted itself that has not existed in its current form since the late nineteenth century. Not identical in its aesthetic to Victorian Britain — not the gas lamps and the rookeries — but structurally equivalent in what matters: a population divided between those inside the economy and those existing beyond its margins with no meaningful connection to the state except its punitive functions.

The defining condition of Victorian poverty was not simply material deprivation. It was the combination of deprivation with institutional absence: people in public space with no credible claim on state response. That combination — visible, ungoverned, without recourse — is what the timeline above produces. The mechanisms that currently make poverty less visible would fail sequentially. Housing benefit sanctions remove private rental. Social housing evictions remove the last institutional accommodation. Hostel provision, already oversubscribed, is defunded. The result is people in doorways and parks — not because Britain has become poorer in aggregate, but because the routing mechanisms that kept poverty housed and therefore invisible have been deliberately dismantled.

## **V. The Intelligence of the Programme**

It would be a mistake to read the above as evidence of Reform's stupidity. Reform's welfare programme is not primarily designed to work in the operational sense this analysis tests. It is designed to signal. The signal is legible to its electorate: we see that you believe the system rewards the wrong people. The operational consequences — the £11.7 million housing association debt balloon, the court gridlock, the homelessness surge — land on institutions that the Reform electorate is disposed to distrust anyway. Housing associations, local councils, legal aid organisations: these are not constituencies Reform needs. Their collapse reads, within the Reform framework, as confirmation of their inefficiency.

The intellectual architecture supporting this is thinner than it appears. Reform has no credible academic base in the way that Thatcherism had the IEA, the Chicago School, and a coherent if contested macroeconomic theory. What it has is Matthew Goodwin's accurate sociological description of the left-behind electorate, and the IEA's policy scaffolding on welfare conditionality. Neither of these constitutes an operational theory of how you run a modern state.

What Reform does have — and this is where the intelligence genuinely lies — is a correct identification of who bears the political cost of failure. The underclass is not politically organised. They do not vote in high numbers, do not donate, do not have institutional advocates with real power. The institutions serving them are distrusted by the Reform electorate. The costs of their collapse are diffuse, delayed, and fall on budgets the Treasury does not directly control. The saving is visible on day one. The cost is invisible for eighteen months and then attributable to Labour's legacy, institutional inefficiency, or the fecklessness of the poor themselves.

*This is not a conspiracy. It is a legible political strategy with historical precedent. Starve institutions until they fail, then point to the failure as evidence they should be abolished.*

Mark Fisher identified the mechanism under the name of ontological closure: a worldview that has no category for a person who genuinely cannot function in a market economy through no moral failing of their own. That person cannot exist within the Reform framework. When they appear in reality, the framework reads them as a malfunction to be removed rather than a human to be accommodated. The daily casework of social housing complaints and ASB teams is a direct encounter with the people that ideology has decided do not exist.

## **VI. The Welsh Dimension**

Tonight's Senedd election results — Reform UK as the second largest party with 34 seats, Labour reduced to 9, a Plaid-Labour-Green coalition with a majority of five — make the above analysis less theoretical and more urgent. Wales is now a territory in which Reform has a significant democratic mandate, and in which the institutions that would absorb the consequences of a Westminster Reform government — the NHS, the housing associations, the schools, the Senedd itself — have simultaneously been weakened in their capacity to respond.

The devolution architecture creates a specific cruelty. Welfare, benefits, and DWP sanctions are reserved to Westminster entirely. A Plaid-Labour-Green government in Cardiff can attempt to cushion the blow — emergency housing funds, directing Welsh NHS resource toward mental health, instructing Welsh housing associations on forbearance policies — but cannot touch the mechanism causing the harm. They would be running faster to stand still, with a majority of five and a Labour junior partner still processing its near-elimination.

Reform's 34 Senedd seats give them a powerful platform from which to perform competent opposition while the governing coalition visibly struggles with consequences it cannot control. Every Senedd debate on poverty, housing, and welfare becomes a staging ground for demonstrating that the institutions are failing and the coalition is ineffectual. That is, structurally, an ideal position from which to contest the next Senedd election.

The communities that would suffer most directly from the programme — the post-industrial Valleys, former steel and coal communities, the social housing stock of the M4 corridor — appear to have voted substantially for Reform or abandoned Labour entirely. This is not stupidity. It is what happens when an institution holds a community for a generation and delivers managed decline. Labour in Wales became the establishment. The establishment has been punished. The question of who inherits the punishment is now open.

## **VII. Conclusion: The Accounting Trick at the Heart of It**

The stress-test that opened this paper identified an operational impossibility: you cannot sanction 10% of the social housing population without bankrupting the associations that house them; you cannot speed up evictions while cutting the staff who run the courts; you cannot make work pay for people cognitively incapable of the available work. These are not political objections. They are arithmetic.

The political programme is not designed to resolve that arithmetic. It is designed to perform the intention while the arithmetic plays out invisibly, in other people's budgets, over a timeline long enough that the connection between cause and consequence is politically deniable. The Thatcher government did the same, with the important difference that North Sea oil provided a genuine financial cushion that no longer exists.

The Victorian comparison is not hyperbolic. Within twenty-four months, in the most affected communities — the post-industrial Valleys, the former steel towns, the concentrated social housing estates of post-austerity Wales and northern England — the conditions that define Victorian poverty would be reasserting themselves: visible destitution in public space, institutional absence, no credible claim on state response, charitable provision overwhelmed, children arriving at school without food.

The difference from the Victorian era is this: we know exactly what we are doing. The Victorians lacked the sociological and economic apparatus to predict what their Poor Law reforms would produce. We have seventy years of welfare state data, the operational knowledge of caseworkers, the financial models of housing associations, the court statistics, the NHS mental health admission figures. The consequences are calculable in advance. They are being calculated, privately, by the people who would have to manage them.

This paper is one such calculation. It is offered as a map of what happens, not as a prediction of what must happen. The election results of 9 May 2026 suggest the map may be needed sooner than the 2028 header implies.

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### **Sources and Statistical Basis**

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