

# *Social Policy Briefing October 2010*

## **Advice Leeds**

As well as providing advice to individuals, part of our role is to campaign on Social Policy issues that are affecting our clients. This briefing is the first of a regular series we plan to produce, highlighting how national and local social policies are impacting the people we work with.

This first briefing focuses on the anticipated impact of the recently announced cuts to welfare benefits and tax credits for people in Leeds.

### ***Children and Families***

Child Poverty in Leeds is higher than the national average with 30,240 children under the age of 16 living in poverty. Changes to Child Benefit, Tax Credits and withdrawal of maternity benefits will compound this problem.

From 2011—2012 Child Benefit will be frozen for 3 years.

From 2013 Child Benefit will be withdrawn for higher rate taxpayers.

A low income family with a new baby could lose up to **£1,235** as Child Tax Credit are reduced and pregnancy and maternity grants are withdrawn.

A household will not see their tax credits adjusted until their income drops by more than **£2500**.

Someone who is made redundant, takes maternity leave, or is on long term sickness absence will receive **£1,025** less in tax credit.

### ***Safe as Houses***

The Emergency budget included £1.8 billion of cuts to Housing Benefit. From October 2011, cuts to Local Housing Allowance will mean losses of £7—£11 per week for people in Leeds.

From April 2013 Housing Benefit will be reduced by 10% for anyone who has been looking for work for more than 12 months. This cut will fall hardest on those who are disadvantaged in the job market, including those who are disabled, in poor health or have childcare responsibilities.

Support for Mortgage Interest provides help with mortgage interest costs for people on low incomes. From October 2010 the rate used to calculate this will be reduced and many people will see a significant reduction in the amount they receive. Some people will no longer receive enough to cover their interest payments, increasing the risk of mortgage arrears, repossession and homelessness.

**We anticipate the impact of these changes will be to reduce income levels significantly for different households across Leeds. Below are two examples typical of the kind of situations our clients face. In both cases their income will be reduced by around 10% as a result of the changes.**

### ***John and Rachel***

John and Rachel have a 2 year old baby girl and both are employed. John works full time and Rachel is on maternity leave from her part time job.

As a result of the announced cuts John and Rachel will see their Child Benefit and Tax Credits reduced and they will no longer receive a health in pregnancy grant.

In total their monthly income will be reduced by **£135.80 a month** from £1,263.04 to £1,127.24

### ***Paul and Laura***

Paul and Laura are a young couple with a 3 year old son, Steven. Paul worked fulltime until a car accident last year which left him too ill to work. Laura works part time as a shop assistant

As a result of the announced cuts, Paul and Laura will see reductions in their Child Benefit, Tax Credits and Housing Benefit.

In total their monthly income will be reduced by **£98.24 a month** from £1,272.32 to £1,173.08

### ***Campaign Success***

Leeds Citizens Advice Bureau became concerned about the cost of calling government phone lines to access basic services after hearing of many clients being forced to run up huge mobile phone bills, just to claim benefits.

They initiated a campaign, collected evidence and produced a report—*Hung Up* - which was sent to officials and MPs.

The campaign met with success. Earlier this year the DWP announced that calls from mobile phones to 50 of their main claim lines would now be free to call from most mobile phones

To download a copy of *Hung Up* please visit [www.leedscab.org.uk](http://www.leedscab.org.uk)

**For more information on the changes described here and for more information about any of the examples provided here please visit [www.leedscab.org.uk](http://www.leedscab.org.uk) or email [keith.nicholson@leedscab.org.uk](mailto:keith.nicholson@leedscab.org.uk)**

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