

MONTHLY GATESHEAD HEALTH STAFF ADVICE BULLETIN

ISSUE 27: The Spring Budget and You

The recent spring budget delivered by the Chancellor of the Exchequer, Jeremy Hunt, is going to have some long-reaching impacts on the budgets of families across the country. In this month's bulletin, we are going to look at some of the headline changes and highlight what you – or someone you know - can choose to do as a response.

Cut in National Insurance Contributions

National Insurance is a tax paid by most of those in work, and their employers, to contribute towards paying for those who are sick, unemployed, or retired. In the budget, and the Autumn Statement in 2023, the Chancellor announced a cut in the amount that most people will pay as National Insurance in their pay packets. There is no action to be taken by you here – this should all be handled by your payroll providers. You will see a little more money in your pay packet when the changes happen in April.

For more information on National Insurance, [check out the UK Government website](#)

Changes to Child Benefit entitlement levels

Child Benefit is not an automatically paid benefit – it must be applied for, and for some time now it has been means tested. The existing system meant that if either the claimant or their partner earned over £50,000, their Child Benefit would be reduced at a rate that meant someone earning £60,000 would receive no Child Benefit. These numbers have now changed to the high earnings trigger being £60,000 and the final reduction in benefit being at £80,000.

You may have been under the impression that it was a household income of £50,000 that started the reduction in Child Benefit, or even that having that income meant you got no Child Benefit. This is not the case – it is an individual earning that income. This misunderstanding has resulted in £millions in unclaimed benefits across the country.

We recommend that if you are a higher earner with children, you should check your entitlement to Child Benefit under the new allowances, to see whether you qualify.

For more information on Child Benefit, [check out our website](#)

Universal Credit Budgeting Advance Loans extension

If a Universal Credit recipient has an emergency – such as a broken household appliance, or a funeral – which they cannot pay for, they can apply for a Budgeting Advance. This is a loan that is repaid through deduction to Universal Credit over 12 months. This can leave people critically short of funds whilst the loan is being repaid,

and this may have stopped people from accessing the loan system. The budget extended the repayment window to 24 months (about 2 years), making the loans more accessible to some people. If someone you know has needed this facility but been put off by the repayments, it might be more affordable now.]

For more information on Universal Credit Budgeting Advance Loans, [check out our website](#)

Extension of the Household Support Fund

The Household Support Fund provides cost of living help for residents through their local councils. It can be accessed by people who may be struggling to afford things like energy or water bills, food, or other essential items. The fund is aimed at those who are vulnerable or cannot pay for essentials – you do not have to be claiming benefits to access the Household Support Fund.

The fund was due to end at the end of March 2023, but it has been extended for six months. If you or someone you know wants to know more about accessing the fund and how it works, contact your local council for more details.

[County Durham](#) | [Gateshead](#) | [Newcastle](#) | [North Tyneside](#) | [Northumberland](#) | [South Tyneside](#) | [Sunderland](#)

Charges for Debt Relief Order removed

A debt relief order (DRO) is a method to reduce the pressure of debts and may potentially lead to them being cancelled altogether. There are pros and cons to getting a DRO, so it is not something to be undertaken lightly, but currently for some people who would like to, the upfront fee of £90 is a real barrier to starting the process. The Government has chosen to remove that fee altogether, which will make it easier for people in debt to get this relief underway.

For more information about Debt Relief Orders, [check out our website](#)

New British ISA to be launched

The British ISA (Individual Savings Account) will allow savers to have access to an additional £5000 per year tax-free savings. Currently, the allowance for ISAs is £20,000, but this new allowance will allow that additional £5000 but only into UK assets. The details are still to be finalised but for people who have come into a considerable sum of money through inheritance or moving home, this will give them an extra option to save that money without paying tax on those savings.

Remember you can get in touch with your Citizens Advice Gateshead team for impartial advice, information, and guidance.

Email gestaffswa@citizensadvicegateshead.org.uk or call 0191 490 4231 and we'll be back in touch with you within 1 working day Monday to Friday.