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Family Action response to Chancellor's autumn statement

Family Action Chief Executive Helen Dent CBE said:

"We're glad the Chancellor has given the poorest parents and children a reprieve from a complete benefits freeze but this is a small mercy compared to the rest of the financial pain he is piling on the families at the bottom.

"The Chancellor has backtracked from the already announced £110 per year boost to the child tax credit at the same time as cutting low income working households' annual budgets by £100 by freezing the parent element of Working Tax Credit. These families, already left reeling by inflation in food and domestic fuel prices, and cuts to help with childcare, will therefore lose more money from today's statement at a time when every penny really does count.

"All in all the outlook for the poorest families is grim in 2012 when we remember that Housing Benefit cuts start to kick in from January, unemployment is forecast to rise next year, and economic growth is practically at a standstill.

"This is in addition to the rest of the small print on working tax credits which the Chancellor did not remind us of today".

This small print, previously announced, includes

- A reduction in the income disregard by a further £5,000 from 2013 on top of the reduction that has already taken place this year
- A disregard of £2500 of any fall in income from April before further help is received from Working Tax Credit within any one tax year .
- Couples getting Working Tax Credit for 16 hours work will have to find another eight hours' work to receive it from April in the midst of rising joblessness.

Ends

Notes to editors

- More can be found about Family Action at www.family-action.org.uk
- See our updates at State of Welfare blog, www.family-action.org.uk