

## MEET THE EXPERTS

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## CHANGES MINIMAL

Planned cuts to universal credit (UC) were scaled back, with families now able to keep an extra 2p for every pound they earn. The cuts will see the taper rate – how quickly the benefit is withdrawn when recipients earn more – reduced from 65pc to 63pc. But it has come under fire for not doing enough – with shadow chancellor John McDonnell branding it “too little too late”. And while Steve Cheshire of Norfolk Citizens Advice Bureau said the news could have been much worse, on the whole, he agreed. “The cut last year was three times the size so it’s heading in the right direction,” he said. “It’s an indication that things are going the right way.” In reality, he said, the 2% was not likely to make much difference and that a better change would have been to reduce the current nine-week waiting time. Jon Clemo of Community Action Norfolk said the 2% would be welcomed, but would not have a big impact and said earlier welfare changes had left families in need. “When we talk to local foodbanks and homelessness charities, the main thing they say is driving the soaring demand is changes in welfare,” he said.

# Hammond lays out thin

## 'JAM' FAMILIES

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They were supposed to be the group du jour – those offered a sweetener to distract from the doom and gloom of the economic forecasts.

But when it came down to it, Theresa May's so-called 'jam' families, those 'just about managing', barely made an appearance, with no rabbits out of hats to be seen.

And industry leaders say yesterday's statement, the first since the Brexit vote turmoil began, did not do enough to ease life for those on the brink of poverty.

Jonathan Clemo, chief executive at Community Action Norfolk, said Hammond's budget went “nowhere near far enough”.

Alongside a pledge to invest in infrastructure was news of a £2.3bn fund to build 100,000 new homes, and another £1.4bn for 40,000 extra affordable homes.

Mr Clemo said: “Anything that improves economic growth and access to high-quality jobs, such as infrastructure money, is good for those just about managing, but obviously these are long-term solutions.”

“To put 40,000 affordable homes into context, there are about 18,000 people on Norfolk's housing register alone, so it is not enough.”

He said housing schemes often took years to complete, which did not address the “significant need” in the short-term.

A package of proposals to help 'jams', which the Prime Minister has defined as earning between £19,000



■ Chancellor Philip Hammond delivers his Autumn Statement in the House of Commons. Right, Jonathan Clemo, chief executive of Community Action Norfolk.

### Budget bites

Mr Hammond has offered to meet an MP in the bar of his choice to talk beer taxes. Nigel Evans will suggest raising the top rate, which are for beers with higher alcohol levels.

and £21,000, included freezing fuel duty, raising the minimum wage to £7.50 an hour, banning letting agents fees and cutting the universal credit taper rate.

Mr Hammond said his budget was “responding to the challenges faced by Britain” and “providing help to

those who need it”.

But Mr Clemo said, in reality, the proposals left much to be desired.

“At a first look, we do welcome the changes,” he said. “But they just do not go far enough.”

“When you look at the figures on the economy, the slowing growth,

rising debt and departmental cuts, those will be felt most by the people living on the edge.”

He said the universal credit taper rate cut, down from 65% to 63%, would be of little significance and raised concern that making letting agents' fees illegal would

## 'CLASSIC CASE OF GOVERNMENT SMOKE AND MIRRORS'

The headline-grabbing news that letting agents would no longer be able to charge fees appeared, at first glance, to be a victory for millions of tenants.

The costly charges - which cover reference, credit and immigration checks as well as simply taking on the property - can easily spiral into hundreds of pounds.

The chancellor's announcement has shifted the cost to the landlord - a move which he says will save 4.3m households around the country much-needed cash.



■ Guy Gowing of Arnolds Keys

But many fear the shift - to be brought in “as soon as possible”

will push rents up in the long run, as agents seek to recover the costs from landlords. Though housing charity Shelter says rents in Scotland, where fees are already illegal, have not risen more steeply than any other part of the UK, it is thought tenants will eventually feel the cost, spread out over the duration of the rental contract.

Guy Gowing, managing partner of estate agents Arnolds Keys, said: “It appears to be an altruistic initiative – get rid of the fees that tenants pay, but the cost has to be borne by the

industry somewhere. “It will end up being another factor that causes rents to increase – while tenants won't be paying it upfront, they will be paying it over a long-term. “It's a classic case of government smoke and mirrors.”

He said there was likely to be some “short-term turmoil”, but that the real effects of the announcement would not be felt for some time. “It is just moving the cost from the tenant to the landlord – which will eventually end back at the tenant,” he added.



# spread for UK's 'jam' families



## BIGGER CHANGES NEED TO BE MADE



■ Left, Stephen Colson and, right, his four children.

Pictures: STEPHEN COLSON



For Stephen Colson, meeting mortgage payments, bills, food shopping and looking after four children means things are tight in his Great Yarmouth household.

For the last five months, the 47-year-old has been unable to work after being signed off sick and has relied on universal credit (UC) for an income, while his wife works part-time. He said yesterday's changes were not significant enough for struggling families – and, now looking to return to his former work as a plant operator and instructor, the 2% cut in UC taper rate would make little difference.

“When I first went on to UC five months ago,” he said, “I had some savings to fall back on.

“But the £1,100 a month it has given me is just not enough – I've not fallen into

debt yet, but if I don't find work soon, I will. I'm lucky to be a home owner, but it means covering the mortgage and then there's bills, food shopping and making sure my kids – who are 15, 10, seven and three-and-a-half – have everything they need.

“Every month we find ourselves running out of money and having to give things up.”

He said families in his position needed greater support from the government, beyond yesterday's measures.

“Why bother with the 2% on UC?,” he asked. “It seems like such a small amount that you wonder how much it will actually help people,” he said.

“There are families like mine all over – I think there are so many in Great Yarmouth who are one pay cheque away from going bust.”



in fact push up rent prices.

Steve Cheshire, chief executive of the Norfolk Citizens Advice Bureau, said there were changes that “deserved recognition” and were a “step in a helpful direction”, such as the upping of the personal allowance to £11,500 next year.

“It depends on what you count as ‘just about managing’,” he said.

“For a lot of people who are on salaries well below that, it will make no difference either way.”

He said the investment in affordable housing could, if delivered, benefit “an awful lot of people in Norfolk”.

But those finding spare cash to put away each month were rewarded, with a new savings bond aimed at hard-pressed savers offering a rate of about 2.2pc up to £3,000.

## RISE IN NATIONAL LIVING WAGE TO IMPACT ON CARE AND HOSPITALITY

Employers have cautiously welcomed proposals to boost the National Living Wage next year. The chancellor used the Autumn Statement to reveal a 4% – or 30p – rise in the payment for over-25s from £7.20 to £7.50 an hour.

The change is expected to be introduced from April next year and provide £500 a year for full-time workers.

Lindsey Wood, owner of Crown Rest Home in Little Dunham, near Swaffham, said: “The National Living Wage is good. Everybody should be able to pay staff a wage they can live on.”

But despite her business being in a strong position, she added it would be a “trying time” over the next five years because of accumulated staff and running costs.

“I know Norfolk County Council do not have further funding for the care industry and that is going to have a significant impact on our business across the future,” she added.

Ms Wood employs between 30 and 40 staff who earn between £7.20 and £10 an hour and care for 18 residents, and the new living wage would cost her

an extra £40,000 a year, she estimates.

Ms Wood added she would have to increase fees for residents to cover the increased staff pay. The care and hospitality industries, prevalent in Norfolk, would be hit hard by the chancellor's proposal, she added, with higher-earning staff requesting raises to match minimum-wage colleagues. Salena Dawson, regional chair of the Federation of Small Businesses in East Anglia, which covers 6,000 businesses, said the rise should not be forced on businesses, which

should have the option to increase living wage payments by 30p an hour.

And she warned that the chancellor's proposal could “cause hardship” in those industries hardest hit, including tourism, agriculture, care and hospitality.

“It is going to affect all sizes of businesses,” she said. Mr Dawson said that although small businesses could adapt to changes, such changes to staff payments and wage bills could prevent them from investing in future developments or taking on staff.