

Financial Inclusion Team

Autumn Statement Bulletin

The Chancellor, Jeremy Hunt, delivered his Autumn Statement on 22nd November confirming the government's financial plans for the near and longer-term future. This bulletin outlines the key announcements most relevant to Southdown's staff and clients.

Benefit uprating	Most welfare benefits including universal credit, and disability benefits such as personal independence payment and attendance allowance, will be uprated next April in line with September 2023's CPI of 6.7 per cent.
LHA uprating	The local housing allowance (LHA) freeze that has been in place since 2020 will be lifted from April 2024 and LHA increased to cover the cheapest 30th percentile of local private rented sector properties. The government will freeze LHA rates again from 2025/2026.
Triple lock for Pensioners	From April 2024, the triple lock for pensioners will be maintained, with the result that the basic state pension, new state pension and the pension credit standard minimum guarantee will be increased by 8.5%.
National Living / Minimum Wage	The National Living wage will increase by 9.8% to £11.44 an hour from next April and will include 21 and 22 year olds for the first time. The National Minimum Wage for 18-20 year olds will increase by 14.8% to £8.60 an hour; 16-17 year olds and apprentices will receive an increase of 21.2% to £6.40 an hour.
Class 1 National Insurance contributions	From 6 January 2024, employees will pay 2% less in their N.I Contributions which will be cut from 12% to 10%.
Self-employed N.I contributions	From 6 April 2024, self-employed workers with profits above £12,570 will no longer be required to pay class 2 National Insurance Contributions. Access to contributory benefits will be maintained.

Back to Work Plan (increased conditionality)

The government's new 'Back to Work Plan' includes measures to incentivise the compliance of claimants who are expected to look for work by strengthening the Universal Credit sanctions regime. This is a five year plan that will begin rolling out by the end of 2024.

Job centre work coaches will provide 'enhanced support' which will be delivered across three phases of a claimant's work search journey. Each phase will increase the intensity of job searching conditions and requirements the longer a claimant remains unemployed.

Claimants who continue to disengage with requirements will be sanctioned and may ultimately lose entitlement to Universal Credit.



Work Capability Assessment Reform



The government plans to eventually remove the current work capability assessment that determines whether a claimant's health condition limits their capacity to either work or prepare for work. If the plan goes ahead, this will not happen before 2025/26 at the earliest.

In advance of this proposed change, the government have recently consulted on the existing work capability assessment and will

introduce amendments to some of the functional test activities for new claims from 2025 onwards. The amendments will reduce the amount of new claimants found to have a limited capability for work and work-related activity.

The reform reflects the government's view that world of work has changed and now offers greater flexibility and reasonable adjustments for those people whose health condition or disability previously excluded them from the workplace.

Further health-based initiatives are being extended over the next 5 years to support people to either start or resume work,

This information is correct as at 12 December 2023.