North East will be hit harder by tax credit cuts

New analysis published last week by the TUC reveals that the Chancellor’s tax credit cuts will hit the North East harder than London and the South.

The TUC analysis shows that more than nine in ten (92%) working tax credit households in the region will be worse off as a result of the government’s cuts and sets out their average loss.

Across the North East, where average income per head is over £7,500 lower than London, the average loss to working tax credit claimants will be £1410.

By contrast, the average loss for a losing household in London will be £1,110. This is despite the fact that London has the highest average income per head in the UK.

Although the Chancellor has now indicated that he will modify the plans in the government’s spending review on 25 November, it is currently expected that he will propose transitional arrangements which may delay the full impact, but will not stop them taking place.

This research makes clear that as well as making families suffer, the tax credit cuts will make regional inequalities worse. Households in the North East will lose £300 more, on average, than claimants in London.

Instead of cuts that target the UK’s lowest-paid communities, the government should channel more support towards them.

The Prime Minister and the Chancellor seem to be the last people in Britain who still think the tax credit cuts are a good idea. They don’t seem to understand that people in work deserve a decent income. These cuts should be ditched altogether.

The findings are revealed in the same week the Trussell Ttrust food banks in the North East say the number of people in the North East using food banks has soared to record levels at 226 a day causing huge concern for those in charge of them.

They fear that when new working tax credit changes eventually go ahead the situation will get even worse.

From April to September 2015, Trussell Trust foodbanks in the region handed out 41,155 three day emergency food supplies to people in crisis compared to 40,114 in the same period last year.

Out of this number, 16,201 of the three day supplies went to children.It is a damning reflection of [George Osborne’s](http://www.chroniclelive.co.uk/all-about/george-osborne-mp) economically extreme policies that after five years as Chancellor, North East food bank usage is soaring not falling. Government ministers are cutting the safety net that social security provides everyone when we fall on hard times and crude sanctioning approaches are hurting families desperately in need.

The increasingly insecure nature of work and its very low pay means more and more people who are in work also require emergency food support.

We should be immensely grateful to the thousands who help donate and volunteer at foodbanks while condemning the policies that mean they need to exist in the first place.

Next week’s spending review is a chance for the government to bring forward an industrial strategy that supports more better-paid jobs by improving skills and investing in modern infrastructure, however we fear they will make more cuts to important public services and social security, while claiming the recovery is rosy. I very much doubt George Osborne will even mention food banks, never mind outline an economic plan to reduce the need for them.

Beth Farhat

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