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**REACH has Mixed Feelings about The Budget**

*While REACH celebrates a long fought campaign win it has very serious concerns for the future needs of hard pressed families and individuals.*

When the Chancellor opened his Budget statement with his desire to see “higher wages and higher living standards”, Suffolk based charity Reach Community Projects, who are currently experiencing a record number of emergency food parcel requests, had high hopes.

Some of the measures announced were welcomed for positive impact on people currently struggling with the high cost of living and, in particular, REACH is pleased to see the repayment period extended for those on Universal Credit who need to take household emergency loans.

These loans, often used to cover basic necessities in critical situations for people who are already in financial hardship, many times leave families struggling longer-term as they repay. This extension from 12 to 24 months should ease that burden and, as a charity whose expertise lies in supporting individuals and families through and out of debt, the significance of this is not lost on REACH.

The biggest success, however, is the extension of the Household Support Fund, for which REACH has been tirelessly campaigning locally but REACH is very disappointed indeed that this is for only the next 6 months with uncertainty over what will happen when it ends and with the government already suggesting that it wishes to cut back on welfare costs.

In Suffolk, the County Council has used this fund to great effect for free school meals during holidays and the local welfare assistance scheme. It’s been a lifeline for many and recent successful application examples have meant, help for a man battling three cancers needing electricity to keep his house warm, a young dad with custody of his daughter having the means to pay his utility bills despite having to move, and a widow struggling to make ends meet after her husband died recently.

While these changes are positive for people in financial crisis in the short-term, there is a real concern for the longer-term. REACH understands the relevance of “sticking plaster” remedies, such as emergency food aid for those who are already facing hardship but also states that solutions need to be at a national level and which prevent people from falling into poverty in the first place.

Unfortunately, there are elements which will have the opposite effect and could eventually push more people into destitution. Analysis from The Institute for Fiscal Studies indicates a real concern for those in low income households who, despite a reduction in National Insurance contributions, will, in fact, be worse off, with the IFS noting that tax revenues will have risen by a record amount. Failure to raise the tax threshold for the very lowest paid will, with inflation, bring more people into tax while still struggling with the rising cost of living – a double whammy for sure.

In the past five months, REACH have opened 109 new debt cases, which is double that of the same months the previous year, when they opened 53, showing an alarming trend of people falling into debt, even though many are in work, and indicative of the depth of crisis currently being faced.

Henry Wilson, CEO of REACH, said “Naturally we welcome the short-term actions and there is no doubt these will make a difference to some people but we desperately hope to see a long-term crisis strategy put into place to support local communities and will continue to campaign for the changes that are so urgently needed, as well as pursuing other prevention projects such as the teaching of budgeting in schools, alongside our debt and benefit support.

“One day I dream that we won’t have to use these ‘sticking plaster remedies’ but, until then, we will continue to provide emergency aid for people who fall into hardship and I fear that number may rise further and very significantly.”

**ENDS**

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*REACH Community Projects (registered charity 1169108) was founded in 2010 by Henry Wilson MBE, a lifelong resident of Haverhill. The charity aims to relieve and prevent financial hardship whilst tackling the causes. As well as operating a foodbank (part of the Trussell Trust national network) and providing emergency aid (help with utilities, basic bedding, and kitchenware through partnerships with other organisations), REACH works longer term with clients to help them rise above and out of their crisis. This includes offering debt and budgeting advice (Reach is part of the Community Money Advice network), signposting clients to other appropriate support (help with mental health, homelessness, legal advice etc.) and supporting clients in other ways including helping them to complete forms, apply for jobs, accompanying them to court hearings and more.*

*For further information, contact Emma Wilkins, Communications Team Leader, REACH Community Projects.*