

21 December 2010

## **Social security benefits: changes between pre-Budget and Budget forecasts**

The OBR's pre-Budget forecast published on 14 June 2010 included all policy announcements made by the previous Government, but did not include any measures announced or introduced by the Coalition Government.

The OBR's Budget forecast published on 22 June reflected the direct and indirect effects of all firm and final policy announcements made by the Government, including the public expenditure cuts announced on 24 May and the measures announced in the Budget.

The changes in the forecast of total social security between the pre-Budget forecast and the Budget are shown in Table C14 of the Budget document. As set out in Table C9 of the Budget document, the changes across all of the fiscal aggregates are due to:

- the direct effect of Budget policy decisions, as set out in HM Treasury's Table 2.1 in the Budget document;
- debt interest, excluding the effect of updated market interest rates;
- the updated assumptions on market interest rates, oil prices and equity prices; and
- other changes to the economic forecast.

The effect of the additional changes to the economic forecast can be derived by subtracting the direct effects of policy decisions, which are set out in Table 2.1, from the total changes set out in Table C14.

The following table shows the changes to the forecast for Social security benefits, due to the direct effect of the Budget measures (as set out in Table 2.1) and the additional changes to the economic forecast. Totals may not sum due to rounding.

A detailed split of the Budget forecast for all DWP social security benefits is available on the DWP website at:

[http://research.dwp.gov.uk/asd/asd4/alltables\\_budget2010.xls](http://research.dwp.gov.uk/asd/asd4/alltables_budget2010.xls)

## Social security benefits: changes between pre-Budget and Budget forecasts (£bn)

	2010-11	2011-12	2012-13	2013-14	2014-15
June 2010 Budget	169.3	174.2	178.2	180.8	186.5
OBR Pre-Budget forecast	169.3	175.0	179.2	184.5	192.1
<b>Change</b>	<b>0.0</b>	<b>-0.8</b>	<b>-1.0</b>	<b>-3.7</b>	<b>-5.6</b>
of which:					
<b>change in economic assumptions</b>	<b>0.0</b>	<b>0.3</b>	<b>1.1</b>	<b>0.9</b>	<b>0.8</b>
of which:					
Child benefit	0.0	0.0	0.1	0.1	0.1
Health in pregnancy grant	0.0	0.0	0.0	0.0	0.0
Basic State Pension	0.0	0.1	-0.1	-0.3	-0.2
Additional State Pension	0.0	0.0	0.2	0.2	0.2
Pension Credit	0.0	0.0	0.0	-0.1	-0.1
Disability Living Allowance	0.0	0.0	0.1	0.1	0.1
Attendance Allowance	0.0	0.0	0.1	0.1	0.0
Incapacity benefit	0.0	0.0	0.0	0.0	0.0
Employment and Support Allowance	0.0	0.0	0.1	0.2	0.2
Income Support	0.0	0.0	0.1	0.1	0.0
Jobseeker's Allowance	0.0	0.1	0.2	0.2	0.2
Social Fund	0.0	0.0	0.0	0.0	0.0
Housing Benefit	0.0	0.1	0.2	0.2	0.2
Council Tax Benefit	0.0	0.0	0.0	0.0	0.0
Other benefits <sup>1</sup>	0.0	0.0	0.0	0.0	0.0
<b>policy change</b>	<b>-0.1</b>	<b>-1.1</b>	<b>-2.1</b>	<b>-4.5</b>	<b>-6.4</b>
of which:					
Child benefit	0.0	-0.3	-0.8	-1.2	-1.3
Health in pregnancy grant	0.0	-0.2	-0.2	-0.2	-0.2
Basic State Pension	0.0	0.0	0.2	0.4	0.4
Additional State Pension	0.0	-0.3	-0.4	-0.7	-1.0
Pension Credit	0.0	0.3	0.4	0.3	0.3
Disability Living Allowance	0.0	0.0	-0.1	-0.6	-1.5
Attendance Allowance	0.0	0.0	0.0	-0.1	-0.2
Incapacity benefit	0.0	-0.1	-0.1	-0.1	0.0
Employment and Support Allowance	0.0	-0.1	-0.1	-0.2	-0.4
Income Support	0.0	-0.1	-0.1	-0.2	-0.2
Jobseeker's Allowance	0.0	0.0	-0.1	-0.1	-0.2
Social Fund	0.0	-0.1	-0.1	-0.1	-0.1
Housing Benefit	0.0	-0.2	-0.6	-1.6	-1.7
Council Tax Benefit	0.0	-0.1	-0.1	-0.1	-0.2
Other benefits <sup>1</sup>	0.0	0.0	0.0	-0.1	-0.2

<sup>1</sup> Includes Carer's allowance, Severe Disablement Allowance, Industrial injuries benefits, Maternity benefits, Bereavement benefits, In-Work credit, Discretionary housing payments, and other small benefits. It also includes NI social security benefits (excluding child benefit) that are not the responsibility of DWP.