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MONEY BOX LIVE

Presenter: VINCENT DUGGLEBY & PAUL LEWIS

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DUGGLEBY: Well listening to George Osborne's speech a couple of hours ago, it was packed with big numbers, but it was pretty short on specific detail - although undoubtedly the emphasis was on welfare benefits. I mean take housing, for example - the 80% market rent to be applied; 150,000 more affordable homes. Then the rise in the state pension age to 66 by 2020. That's an interesting one that's prompted some reaction from you. Then there's the increase in public sector contributions to pension schemes, but again we have no detail on that. Changes to disability allowance, to pension credit, and the increase in the child element of tax credit, but no new restrictions on child benefit beyond those leaked out a few days ago. And no change to free bus passes, eye tests or TV licences for the over-75s. We've also had further details on Equitable Life, which we can explain later, and it is to the advantage of with-profits annuities. But, as I say, it's welfare benefits that took centre stage as far as the specific measures, if we can call them that Paul, were concerned.

LEWIS: Yes, I mean there was some good news. Child benefit, which we had thought might be stopped at the age of 16 for children, is going to carry on until they're 18 or sometimes 19 if they're in further education, and that's partly because George Osborne said that the savings were higher from taking it away from people on higher rate tax. And there's also a rather strange pension credit change. That's going to be well not exactly capped, but I think Eddy Graham from Child Poverty Action Group can talk to us about that. How's that going to work, Eddy?

GRAHAM: What's being proposed is that one element of pension credit called the savings credit will be frozen, and this is an amount that's paid on top of the basic amount and can be paid to higher income pensioners. And so basically it is just restricting eligibility. For those people who've maybe got a bit of savings or get a higher pension, than is you know the basic amount.

LEWIS: Yeah, one reason given by the department to me a few minutes ago is that very few people take that up anyway, *(laughing)* so they might as well cap it, I think. And also changes to housing benefit. Single room rate, which is a slightly confusing term - that's going to be changed.

GRAHAM: Yes, single room rate is basically a way that the amount of housing benefit for people currently who are under 25 is restricted. They will get a lower amount than the general population. And that age limit is going up to 34 basically, so people under 34 in private rented accommodation may find that in future they get much less of their rent met by housing benefit.

LEWIS: But I think with all these things, Vincent, a lot of detail will emerge over the next days, weeks or months, so we've got signposts but not the details really today.

DUGGLEBY: Indeed. He did come up with a specific change to the run-up to the state pension retirement age. He's accelerated it to age 66 by 2020. Michelle Cracknell is the expert in this field. She's from Bluerock Financial Services. Michelle, we heard that he's going to go for a - what was it - a 3 for 4 month run-off as against a 1 for 2.

CRACKNELL: That's right. That sounds very confusing. It really affects females born after April 1953 (CORRECTION 5th April 1953) are going to see an acceleration of the increase in their state pension age. For every 4 months, it will go up by another quarter. It effectively coincides with males in November 2018, so this is going to affect males born after 1st December 2018. (CORRECTION 5th December 1953). And from that point forward there will be an increase. For every 4 months, it will go up by a quarter of a year until April 2020 when it will coincide, when it will be age 66.

DUGGLEBY: So that's the point at which men and women will be treated absolutely equally for pensions?

CRACKNELL: They'll be treated equally, equal state pension age as from November 2018 …

DUGGLEBY: Right.

CRACKNELL: … and it will hit age 66 in April 2020.

DUGGLEBY: Right. Now Equitable Life. We had details of the Equitable Life settlement, which had already been leaked, but with the important qualification that they're going to favour the so-called with-profits annuitants. Who are they?

CRACKNELL: These are the people who had investment linked annuities that were linked to the with-profit fund run by the Equitable Life. The good news is that payouts will occur from 2011. Very short in detail exactly how much those payments will be, although they've talked about the loss, the total loss being on average £16,500.

DUGGLEBY: So that sounds like the amount of money that these with-profits annuities are going to get, paid out in equal installments presumably over the rest of their lives as long as they may be?

CRACKNELL: That's right. It's not a lump sum. It is going to be paid out as an annual top-up to the income they're already receiving off the back of the annuity.

DUGGLEBY: And John Whiting, the usual threats and warnings about tax evasion and the Inland Revenue have been given a large pot - well I don't know whether it's a large pot - of 900 million to get them.

WHITING: Yes. I mean we've heard this before. The extra spend on controlling tax evasion and also benefit fraud - £900 million - was promised during the party conferences. Now that is, in the context of the HM Revenue & Customs, having a very substantial cut in their actual budget along with …

DUGGLEBY: That's 15%, we heard.

WHITING: Well it's apparently 25% cut and then they're given back this 900 million, so it does net out to about a 15% cut.

DUGGLEBY: We've heard an awful lot about their dodgy computer system. Is that supposed to take up some of the efficiency savings?

WHITING: Well this is really where a lot of it's going to. But I mean it is going to be a very different organisation in let's say 5 years time. And within that, they're also, if you listen carefully, going to have to cope with Calman - which is the devolution of some tax raising to Scotland, the equivalent to Wales and possibly Northern Ireland - so we'll see a rather different Revenue Customs general tax system in 3, 4, 5 years time, I think.

DUGGLEBY: Okay. Right, we're going to get the calls going now. And inevitably, as I suspected, they are mostly on benefits at the moment. So Ann in Morecambe, you've got the first one.

ANN: Oh hello. I'm just really wanting to know a little bit about the changes in incapacity benefit and disability living allowance because I'm bed-bound and I'm on both of these benefits and my partner is my full-time carer and he's claiming carer's allowance, so we're totally dependent on benefits and I'm very worried at the moment you know what these might mean. I didn't really understand what the Chancellor said. I thought he said when people have been on incapacity benefit for more than a year, that then they would have to go onto jobseeker's allowance, but how can you do that if you're bed-bound and you're too ill to work? Is that what he said, or …?

DUGGLEBY: Not quite. Eddy?

GRAHAM: Hello Ann.

ANN: Hello.

GRAHAM: Yes firstly to say for disability living allowance, what you heard announced today won't affect yourself. It will only affect people who live in residential care homes. So you and anybody else who lives in their own home in the community doesn't need to worry about anything to do with your disability living allowance.

ANN: Right.

GRAHAM: What he mentioned was about employment and support allowance and specifically people in the work group. Now that won't mean anything to you at the moment because you're on incapacity benefit, but over the next 3 years claimants of incapacity benefit will be migrated onto employment and support allowance, okay, apart from those who will reach retirement age by 2014. So if you're a person who will reach retirement age by 2014, what he mentioned today won't affect you. If not Ann, then what he means is that people who go onto ESA or make a claim for ESA and are put in the work group, they will only get the contributory element of that for one year. So for the first time, the incapacity benefits if you like or the sickness benefits are being time limited in that way.

LEWIS: Yes, I mean the actual change he announced, as Eddy said, is people in care homes who won't get the mobility component of disability living allowance any longer. It won't affect them if they're self-funders - but if they're not, they won't get it. But it will affect 58,000 people and it will save £135 million a year by 2014/15, so it is a big change for those people.

DUGGLEBY: One of the things that I think is difficult to distinguish between is when he talks about actual cuts and when he talks about 'freezes' because freezes of course will mean cuts in terms of the real value of benefits. And that was quite a strong theme, wasn't it?

LEWIS: Well that's true because inflation is quite high, as we know (4.6% the Retail Prices Index) and of course if your benefit is frozen - and child benefit itself is being frozen for the next 3 years - that means it will buy less year by year. So that is like a cut.

DUGGLEBY: But it's worth mentioning that of course the way benefits were indexed in the past was quite complicated and we now actually are talking about three different mechanisms that were used - Retail Prices Index, Consumer Price Index and then the old Rossi Index - plus various sort of little adjustments along the way.

LEWIS: Yes that's all going and they are, apart from the basic state pension, they're going to be indexed by the Consumer Prices Index, which is just about always - though not always always - lower than the other two measures.

DUGGLEBY: John Whiting?

WHITING: Yes, in this area you have to listen quite hard on tax credits because certain aspects have frozen, such as the basic amount you had as working tax credit, the 30 hours; certain things are going to go up - the child element - above inflation, so that's a sort of good thing.

DUGGLEBY: That was mentioned in the speech.

WHITING: But then there's actually a cut as well, which is to the child care element - the proportion that you get actually of your childcare costs being cut from 80% to 70%. So there's a real mix of things that you have to listen very carefully to.

LEWIS: The really potential good news for people who get tax credits is they're going to use real time information on their circumstances to try and get it right this year instead of working it out on last year's income, looking at this year's income next year and then taking it back or giving you more …

WHITING: And, therefore, hopefully much less chance of people being given too much and then being faced with an awful bill.

DUGGLEBY: But that's the way the whole tax system, is going, isn't it?

WHITING: To real time inflation. And again …

DUGGLEBY: *(over)* That's going to be one of the big changes.

WHITING: … there was a little comment that the project to link in general payrolls with real time information will go ahead. Not necessarily as far as the Revenue running the payrolls, but more real time information.

LEWIS: We'll have to hope it works, Vincent.

DUGGLEBY: Indeed. We're still on credits. George in Tonbridge, your call?

GEORGE: Good afternoon. On behalf of visually impaired people who won't be able to read the press when it comes out tomorrow with the detail, I couldn't for the life of me get the gist of what the Chancellor was saying about any increase of any element of the pension credit, please.

DUGGLEBY: Right, Paul. Or Eddy.

GRAHAM: Well what was announced, George, on pension credit is that the savings credit element of pension credit will be frozen basically, which is the extra amount. You have to be over 65.

GEORGE: Yes.

GRAHAM: You have to be somebody who qualifies for more than just the basic guarantee credit, so if you've got savings or a high occupational pension then you might get an extra. And that amount's not going to be taken off you or withdrawn. It's just that the amount that you get, which currently the maximum is £20.52, that that will be frozen at that amount. So it's a modest change in the scheme of everything else that's been announced, but obviously you would normally have expected that to go up with inflation …

GEORGE: I see.

GRAHAM: … whatever inflation is defined as, but that won't happen any longer. That will be frozen.

DUGGLEBY: Another point, George, which you may have missed. Did you hear about the cold weather payments?

GEORGE: Yes. I couldn't quite understand whether he meant that it was never going to be taken away.

DUGGLEBY: Yes, that was a bit confusing.

GEORGE: Yes, exactly.

DUGGLEBY: The fact is it's actually not quite as much as you might have thought it was going to be, because it was going to be cut from a previous announcement.

LEWIS: Yes, cold weather payments are given to people on certain means tested benefits, including pension credit, and they were (until a couple of winters ago) they were £8 for every week the temperature was at zero or below. That was raised to £25 for each of those weeks. And the Chancellor announced that it would stay at £25. It wasn't going to go down to £8 as it had been speculated.

GEORGE: I see.

LEWIS: But that of course is only in weeks when the temperature is at or forecast to be zero degrees in your area.

GEORGE: I understand.

DUGGLEBY: And that's not the same, for those who don't understand it, as the winter fuel payments which have also been continued. There was some talk about them being removed, but of course they're not going be removed, although they are going to be less than last year.

LEWIS: Well this year they're going to be the same.

DUGGLEBY: Next year …

LEWIS: They're going to be £250 for people aged 60 to 79 and £400 for people aged 80 or more. Next year, I'm told by the department, they haven't yet decided.

DUGGLEBY: Oh.

LEWIS: They may fall, but they may decide in the budget that they'll stay the same. We just don't know.

DUGGLEBY: Where did I get that cut of £50 from then?

LEWIS: Well that's because that was the bit that's set out in the spending plans. *(Duggleby laughs)* The department line this morning is they haven't decided.

DUGGLEBY: Okay.

GEORGE: Do you mean, Paul, that we won't know until the winter comes whether we're getting that or not?

LEWIS: This coming winter, it will be the same as it was last year. But the winter 2011/12, we don't know until next year's budget.

DUGGLEBY: Okay and …

GEORGE: Well thank goodness for your programme. Thank you gentlemen.

DUGGLEBY: Thank you for that. And the bus passes stay, the television licences stay free for over-75s and the free eye tests also. Right, now we've got a question about EMA. That's Education something-something-something. Does it still exist? Jo, you're asking the question.

JO: Hi. Yes, I am. I've been looking at the spending review document and I'm finding it fairly ambiguous in trying to work out whether this is being withdrawn and at what point. It talks a lot about compulsory participation at age 18 from 2015 and I don't know whether the EMA is being taken out then or now or not at all really.

LEWIS: I'm sorry to say, Jo, we don't know either.

JO: Right.

LEWIS: I've read the book as well, or this bit of it, and it's completely unclear. It just says 'focusing the support currently provided by Education Maintenance Allowances on the most disadvantaged children to help them stay at school till they're 18'. Now I thought that's what it did already. But the savings are going to be quite considerable. I can't find the figure, but I think half a billion pounds a year.

JO: It's half a billion they're saving.

LEWIS: Yes. So we just don't know exactly what it means and I haven't been able to make a call on that today because we've been, as you can imagine, ringing round like anything for the last 2 hours.

GRAHAM: The Chancellor did say, but it was almost in passing I think, that EMAs would go.

LEWIS: Yeah, they're sort of going. They're going as EMAs, but they're being turned into something else to help people stay on and participate, but we don't know how I think is the closest today, I'm afraid Jo, we can get.

JO: Okay.

DUGGLEBY: One of the phrases I picked up, Eddy, was he kept talking about "sweeping away ring-fencing", which I thought was … It kept cropping up on various things. I noted it down against education - "sweeping away ring-fencing." Now what does that mean?

GRAHAM: I took that to mean as how central government funds, local government where at the moment lots of money that is given is ring-fenced for certain things like education, social services, carers service - that basically that money would go much more in the form of a block grant and then left for local authorities to make decisions.

LEWIS: Sorry, I've found one more paragraph on Education Maintenance Allowance, so let me read it: 'Ending Education Maintenance Allowances, which have dead weight costs of around 90%, saving half a billion, and replacing them with targeted support for those who face genuine financial barriers to participation, which means staying at school till you're 18.' Exactly what that will be, we don't know, but that's the objective. So it sounds as if 90% of those getting them won't get them anymore, Jo.

DUGGLEBY: And a quick comment from you, Eddy, on the pupil premium - the two and a half billion pounds aimed at poorer children.

GRAHAM: Oh for the under … basically for 2 year olds?

DUGGLEBY: Yes.

GRAHAM: Any extra investment in early years education is obviously you know very welcome. You know our worry is in the context of the massive cuts to welfare and the amount of money being withdrawn from children overall from the welfare budget, you know it's not really, it doesn't compensate those children now whose families will be suffering a real cut in their incomes.

DUGGLEBY: And you've got an email, Paul?

LEWIS: Well we've had several emails about this change in the state pension age, including ones about if it's going to affect free bus passes, if it's going to affect various things. And, Michelle, you were explaining earlier how that's going to work. And, for example, we've got one from Ann here who says, 'My husband was born in November 1951. I was born in March 1953. At what age can we retire with a state pension, please?'

CRACKNELL: Well for your husband, his state retirement age remains at age 65 because he's before the age of the change. Your retirement age was …?

LEWIS: Ann says she was born in March 1953, which is exactly the …

CRACKNELL: Yes, so she's going through the progressive change and so she will be able to retire at age 63.

LEWIS: Yes on 6th March 2016 looking at my table here.

CRACKNELL: Yes, indeed.

LEWIS: So both of you are not quite old enough - young enough, sorry - to be affected by that.

CRACKNELL: That's right, to be impacted by the new change.

LEWIS: Okay, that's that. And there's lots of other people. And of course free bus passes, the age for those will also rise with women's pension.

CRACKNELL: Are linked in.

DUGGLEBY: John Whiting, of course the tax system will have to now get fairly proactive in this because these age changes are going to affect our perception of what allowances apply to what people - I mean ranging from when you can save for an ISA to when you can do something else. I mean they're all age-related and these ages are going to have to change.

WHITING: Indeed. And the whole thing about the higher age allowances that many people listening are well familiar with - currently £9,490 as opposed to the £6,475 - we know the basic one is going up. There's a lot of suggestion that it will just steadily rise and eliminate the differential between the basic and the higher allowance.

DUGGLEBY: It will depend on how quickly the higher rate allowance goes - if at all.

WHITING: If it goes up at all.

DUGGLEBY: Because £10,000 is the target for the basic allowance.

WHITING: It could be that that is where we're going to standardise in years to come. But you're right, Vincent, I mean this whole area - if there is a differential maintained between the basic and the higher rate, then there's got to be some changes.

DUGGLEBY: *(over)* And I mean the government policy appears also to be they're going to free up the ability of people to work beyond what … I keep calling it normal retirement age, but I mean you know what is normal retirement age? It will hardly exist …

WHITING: And does this start to mean you start to pay national insurance later?

DUGGLEBY: Indeed.

LEWIS: Well of course if the state pension age rises from the age of 65 up to 66, it would be silly to have the age allowance in the tax system kept at 65. So we could well see a …

WHITING: I couldn't possibly comment.

LEWIS: … we could well see a change in that. That would be a simplification.

DUGGLEBY: But it will also affect national insurance, Paul, because you see national insurance contributions are stopped for those people who are over a certain age.

LEWIS: Absolutely. It means that as the state pension age rises, whether you're a man or a woman - as your age rises you pay national insurance for longer even though of course …

DUGGLEBY: You don't have to.

LEWIS: … you don't need it because you've probably already got a full pension.

DUGGLEBY: I mean one wonders whether all this has been factored in by some clever calculator in the Treasury as to how much revenue they are really going to get. And one in a sense wondered when he came up with that final figure - it's actually going to be slightly cheaper, he said, you know 19% instead of 20% - one wonders whether he's got in the back of his mind that there some revenue gains in this, John?

WHITING: It may well have been. Once you work things through in more detail, then you do find some knock-ons, as you're alluding to Vincent. And well this is an area that's going to have to be worked out over the coming years as these changes go through.

DUGGLEBY Indeed. I mean things like, which we heard just briefly referred to, the contributions that public sector workers are going to have to make to their pensions - again up for discussion but a huge difference in revenue terms, Michelle?

CRACKNELL: Yes, he made … there was some comment in the press releases the employee contributions will increase. It didn't say the amount. It did talk about an average of about 3%. But that's not going to be a flat 3%; it will be different for different people. And he also specifically said the armed forces wouldn't be affected.

DUGGLEBY: Wouldn't be affected.

CRACKNELL: The other point he made - and maybe this is just looking too deeply into the small print - he did say that it would retain some form of defined benefit, but didn't say it would necessarily continue to be final salary linked.

DUGGLEBY: He did use the word gold standard, I think …

CRACKNELL: Gold standard, yes.

DUGGLEBY: … rather than gold-plated. Anyway, we've got a …

WHITING: *(over)* …I was wondering if it would be career average salary being for standard?

DUGGLEBY: Vivienne, we must come to you now in North Wales. Your call?

VIVIENNE: Thank you. Hello. Let's all go back to just bartering instead of having any money at all. *(laughter)*

LEWIS: It's a good idea.

VIVIENNE: I'm 75 now. I desperately need a new central heating boiler, and until today I understood that I might be able to get a grant towards a new boiler plus free cavity wall insulation and loft insulation. Now have you any idea is this just going to be down to my local authority to continue this, or what?

LEWIS: Well some of this, Vivienne, is delivered through what's called Warm Front. Now that is going to be abolished in a couple of years and it's going to be cut next year, 2011/2012 and the year after, quite considerably. And after that, there's going to be something called the Green Deal. Now we don't know the details of that. A lot of that's going to be delivered by the energy companies themselves, and I think this is part of the government moving costs away from taxpayers towards the energy companies who are also going to be helping people with their energy bills themselves from April 2011. So I think if you're … Are you on the list already for this?

VIVIENNE: No.

LEWIS: Well I think I would get on the list as soon as you can and make the application for Warm Front because it's not going for a couple of years, but it is going to be cut. And I think you know because of your age, I think you may well be a priority. So get on that list, Vivienne, as soon as you can would be my advice.

VIVIENNE: Yes because otherwise if I'm going to have to pay, it'll be 20% VAT on top of it as well.

LEWIS: Well indeed, yes.

DUGGLEBY: At the beginning of next year. Vivienne, 75 is a magic age …

VIVIENNE: Oh good.

DUGGLEBY: … so you've got to make sure you get all the extra bits and pieces that you're entitled to like you don't have to pay the licence fee to the …

LEWIS: Yeah free TV, free BBC licence fee.

DUGGLEBY: Exactly, free BBC …

VIVIENNE: Ah! Well now I won't hold you up, but this is a bone of contention for me because I've never wanted a television, I've never had it, but I could generally do with that money to buy some gardening tools.

DUGGLEBY: Unfortunately you don't get cash or licence.

VIVIENNE: No.

DUGGLEBY: It's the licence you get. But, nonetheless, there are increased allowances for tax free income, which you qualify. Do the Revenue do that automatically, John, when you're 75?

WHITING: Well they should do.

LEWIS: In theory.

WHITING: They should do because they should know your age and should be giving you it. But in time-honoured manner, it's something well worth just keeping an eye on that you are getting that slightly higher amount.

DUGGLEBY: And although we haven't had a specific question about it, Michelle, 75 of course is the magic age when you have to buy an annuity - except you don't - and we haven't had any more news on the mechanics of that. But I was expecting to hear a bit more about that.

CRACKNELL: Yes, that's right. We had some news last week regarding the pensions tax relief, but we've had nothing regarding the delay on annuities and how that's going to operate.

DUGGLEBY: Indeed. We just got the transitional range, which takes the age up to 77 until they've decided what to do.

CRACKNELL: Yes.

DUGGLEBY: But it's got to be decided within the next few months - so maybe in the autumn statement, which is the next thing I think we're expecting in November. Maybe we'll hear then.

CRACKNELL: Yes.

DUGGLEBY: Right, John in Rayners Park, your call.

JOHN: Oh thank you, yes. Can you hear me?

DUGGLEBY: Yes.

JOHN: Okay. Basically I'm self-employed. I set up a small business after being made redundant in 2006 and I'm surviving because of low interest rates and working person's tax credit. And I'm just wondering if I'm going to be affected on the working person's tax credit front; and, if so, how?

DUGGLEBY: John. John Whiting, that is.

WHITING: You're probably alright for the moment, John. There are some changes coming down the track such as freezing the basic amount, such as there's a particular thing that if you are going to claim it, you might have to work more hours …

JOHN: Okay.

WHITING: … and they're talking about it going up from 16 to 24 in a week in some circumstances. But from what you describe, you are still in principle eligible for it. Of course if the business is successful and you start making good money, then you are into the claw back of the tax credits and we know already that the rate of claw back is going to rise in years to come.

LEWIS: And certainly the amount - the elements as they call them in the calculation - are going to be frozen for 3 years from next April, so it won't go up each year. It will stay the same - on the same income of course. That won't be the same year by year. And that is going to save a total of £625 million by 2014/15, so that's quite a saving and some of it will come from people like you, John, I'm afraid.

JOHN: Okay. I mean I was hoping … I mean I'm only going to be making about £7,000 or £8,000 for this financial year, and obviously I'm hoping it will improve each year. I'm obviously working hard to try and get the business up and running.

DUGGLEBY: And indeed the government is depending on you and your like to provide the employment opportunities which have got to absorb some 480,000 redundant public sector employees, which is a pretty tall order.

JOHN: I think it is. I'm a sole practitioner, so … *(laughs)*

DUGGLEBY: Okay, well good luck to you. Time for a call from Susan in Taplow.

SUSAN: Hello there. Yes, mine's about disability living allowance, which you have partially answered - the fact that it's not going to change if you're not in residential care. But I'm concerned about the mobility allowance for people who are visually impaired and registered blind that should come in next April. I wondered if there's any change in how you apply for it, etcetera?

DUGGLEBY: Eddy?

GRAHAM: The extension of entitlement, Susan, that's already been announced, there was nothing in today's statement to basically restrict that. That's going to go ahead as planned. That was the result of you know quite a long campaign on behalf of blind people to extend eligibility and, no, the government has not reversed that, so that's still going ahead as planned.

SUSAN: I see.

LEWIS: I think it published just this week the conditions, the extent of visual impairment needed to qualify, and they're pretty strict actually. But that is still going ahead, as far as I know.

DUGGLEBY: And just time for a mention of Equitable Life, Michelle. The government or Mr Osborne said that they've now allocated this money - which is this one and a half billion - but very much skewed towards the with-profits annuitants. What can you tell us about that?

CRACKNELL: Not much detail in the paper, but it was saying … I suppose the good news is it will start in 2011 and will impact the with-profit annuitants. On average they look as though they're going to get their repayment back of about £16,500 on average.

DUGGLEBY: So that's what they've worked out the shortfall was, person?

CRACKNELL: Per annuitant. And that will be averaged over the rest of their lifetime, we expect. Not sure what would happen if you die. The probability is that actually you wouldn't receive the full amount if you died before your life expectancy. But I'm guessing because that wasn't in the paper.

DUGGLEBY: But it does mean, Paul, of course that there is less money available for all the other thousands of people who feel hard done by on Money Box last Saturday. We realised the strength of feeling.

LEWIS: Well we did. Though I have to say the Trapped Annuitants, as they call themselves, were the strongest feelings. But, yes, the one and a half billion that we heard about is going to be reduced, I think, by this 652 million, so that will leave less than a billion for everyone else. So it's perhaps not the settlement we thought it was on Saturday.

DUGGLEBY: Indeed. Well no doubt we'll get round to finding out more about that and indeed many of the other statements that George Osborne has made. A very complicated and densely packed spending review with, as I say, these huge numbers and percentages. But overall, that's it. We now know the worst and hopefully we can look forward to better times ahead. You can find more information on our website, bbc.co.uk - that's moneybox. You can email us with any more questions and we can consider those for Saturday's programme, which Paul will be presenting. And in the meantime, thanks to Michelle Cracknell from the consultants Bluerock Financial Services; John Whiting from the Chartered Institute of Taxation; Eddy Graham from the Child Poverty Action Group. I'm Vincent Duggleby and I'll be back with you next Wednesday with Money Box Live.