

BUDGET 2009

22 April 2009

Budget 2009 for the North West

Today, the Chancellor has announced a package of measures to help business, families, and pensioners in these unprecedented economic times. These include:

- The Government today announces Greater Manchester as one of two city-region pilots. This decision recognises the vital role that Greater Manchester plays in contributing to the national and regional economy. The Government will work closely with Greater Manchester to agree the key economic and policy priorities that will be crucial in delivering future growth. The Government will put in place a ministerial process - led by the Chancellor - to jointly examine the recent Manchester Independent Economic Review and agree a shared approach to supporting the city-region's economy by the summer.
- Support for business, including by extending the enhanced loss relief for an additional year and expanding HMRC's Business Payment Support Service, increasing capital allowances for new investment to 40 per cent for one year, and establishing a £750 million Strategic Investment Fund to support advanced industrial projects of strategic importance;
- An additional £1.7 billion will be set aside for the Department for Work and Pensions over the next two years to ensure Jobcentre Plus and Flexible New Deal capacity is in place to respond effectively to rising unemployment and additional support for the long term unemployed, building on the extra support now available to those unemployed for over 6 months. The package will offer a guaranteed job, training or placement to 18-24 years olds who have been unemployed for 12 months. In February 2009, there were over 59,700 people aged 18-24 claiming Jobseeker's Allowance in the North West.
- An additional payment of £100 to households with someone aged 80 or over and £50 to households with someone aged 60 or over, to be paid alongside the Winter Fuel Payment in 2009-10. In the North West, this will benefit 1,030,000 households, of which 240,000 households contain someone aged 80 or over.
- A £600 million fund to unlock stalled housing sites and provide a kick-start to house-building to deliver up to an additional 10,000 homes in England. As part of this, to stimulate housing development in the North West, funding will be made available to local authorities in the region for construction of new social homes to higher energy efficiency standards.
- £275 million over the next two years for energy and resource efficiency in business, public buildings and households. For the North West this package will mean that energy efficiency is improved in: 20,000 homes;

an estimated 50 public buildings, including schools and hospitals; and through an estimated 350 loans to businesses

This April, a number of important changes for families and individuals came into effect:

- 2,480,000 basic rate tax payers in the North West will be £145 better off;
- Increases to the child element of Child Tax Credit of £75 above indexation will benefit around 490,000 families in the North West;
- The introduction of the new £190 Health in Pregnancy grant will benefit the estimated 85,000 mothers to be in the North West this year; and
- The 5% increase in the basic State Pension, along with the £60 payment made at the beginning of the year, mean that the North West's 1.3 million pensioners will be better off.

The Pre Budget report also announced changes to help the economy. And these are now delivering. For the North West, over 12,460 businesses have benefited from being able to spread payments of tax, and the enterprise finance guarantee scheme has ensured that viable SME's continue to access finance they require in the North West.

The Pre Budget Report announced that £3 billion of capital expenditure would be brought forward to 2008/9 and 2009/10. Already this has meant that in the North West:

- 7600 homes have received grants under the Warm Front programme to improve energy efficiency,
- 14 higher education institutions have benefited from further investment; and
- 1100 homes have been improved under the decent homes programme.

Quotes:

Beverley Hughes, Regional Minister for the North West, said *“Earlier this month, increases in child benefit, tax credits and pensions provided support for households across our region at a time when they need it most. This Budget goes further, with additional help for the most vulnerable and extending opportunities to those seeking employment and looking to progress.”*

Yvette Cooper, Chief Secretary to the Treasury, said *“This Budget is about jobs in the North West region, helping people and businesses right now. It also prepares the North West for the recovery - encouraging business investment, developing a low carbon economy and promoting a fairer society.”*

Notes to Editors

For a breakdown of how the key Budget measures will impact on the North West, please visit the Treasury microsite at: <http://budget.treasury.gov.uk>. For media bids, please contact Clive Naish 0161 952 4517

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GOVERNMENT DEPARTMENT INTERNET SITES

Further information and all published documents relating to Budget 2009 may be found on the Internet at the following addresses:

HM Treasury: <http://www.hm-treasury.gov.uk>

HM Revenue & Customs: <http://www.hmrc.gov.uk>