

BUDGET 2009

22 April 2009

Budget 2009 for the South West:

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

- 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 28,100 people aged 18-24 claiming Jobseeker's Allowance in the South 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 South West, this will benefit 850,000 households, of which 220,000 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 South West, funding will be made available to local authorities in the region for construction of new social homes to higher energy efficiency standards.
- £375 million over the next two years for energy and resource efficiency in business, public buildings and households. For the South West this package will mean that energy efficiency is improved in: 10000 homes; an estimated 250 public buildings, including schools and hospitals; and through an estimated 300 loans to businesses.

This April, the Government has also introduced changes to tax and benefits that mean that:

- Nearly 1,890,000 basic rate tax payers in the South West will be £145 better off;
- Increases to the child element of Child Tax Credit of £75 above indexation will benefit around 280,000 families in the South West;
- The introduction of the new £190 health in pregnancy grant will benefit the estimated 55,000 mothers to be in the South 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 South West's 1.1 million pensioners will be better off.

The Pre Budget report also announced changes to help the economy. And these are now delivering. For the South West, over 13,000 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 South 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 South West:

- 3200 homes have received grants under the Warm Front programme to improve energy efficiency;
- 13 higher education institutions have benefited from further investment; and
- 1800 homes have been improved under the decent homes programme.

Quotes:

Ben Bradshaw, Regional Minister for the South West, said

"I welcome the measures announced in this Budget to invest in businesses and individuals to drive economic growth. The Budget balances the need to invest in the short-term to drive economic growth and the need to ensure the long-term stability of the UK economy."

Yvette Cooper, Chief Secretary to the Treasury, said

"This Budget is about jobs in the South West region, helping people and businesses right now. It also prepares the South West for the recovery - encouraging business investment, developing a low carbon economy and promoting a fairer society. "

Notes for editors

For a breakdown of how the key Budget measures will impact on [region], please visit the Treasury microsite at: <http://budget.treasury.gov.uk/>
For media bids, please contact Robin Miller 0117 900 3559

HM TREASURY PRESS OFFICE

Press enquiries: 020 7270 5238

Non-Media enquiries: 020 7270 4558

HM REVENUE & CUSTOMS PRESS OFFICE

Press enquiries: 020 7147 0798 / 2328 (Business Tax Desk)
020 7147 2318 / 2333 / 0051 / 0394 (Personal Tax Desk)

020 7147 2314 / 0052 (Law Enforcement Desk)
07860 359544 (Out of hours)

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/>