

BUDGET 2009

22 April 2009

Budget 2009 for Yorkshire and Humber:

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 Leeds city-region as one of two city-region pilots. This decision recognises the vital role that the Leeds city-region plays in contributing to the national and regional economy. The Government will work closely with Leeds city-region to agree the key economic and policy priorities that will be crucial in delivering future growth. Full details of the pilot arrangements will be agreed between Leeds city-region and Government after Budget. The Government will put in place a process, led by Hazel Blears, to oversee the pilot.
- 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 45,200 people aged 18-24 claiming Jobseeker's Allowance in Yorkshire and Humber.
- 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 Yorkshire and Humber, this will benefit 760,000 households, of which 180,000 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 Yorkshire & Humber, 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 Yorkshire & Humber this package will mean that energy efficiency is improved in: 15,000

homes; an estimated 250 public buildings, including schools and hospitals; and through an estimated 400 loans to businesses

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

- Over 1,870,000 basic rate tax payers in Yorkshire and Humber will be £145 better off;
- Increases to the child element of Child Tax Credit of £75 above indexation will benefit around 350,000 families in Yorkshire and Humber;
- The introduction of the new £190 Health in Pregnancy grant will benefit the estimated 65,000 mothers to be in the Yorkshire and Humber 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 Yorkshire and Humber's 900,000 pensioners will be better off.

The Pre Budget report also announced changes to help the economy. And these are now delivering. For Yorkshire and Humber, over 9,200 businesses have benefited from being able to spread payments of tax, and the enterprise finance guarantee scheme has ensured viable SME's continue to access finance they require in Yorkshire and Humber.

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 Yorkshire and Humber:

- 4300 homes have received grants under the Warm Front programme to improve energy efficiency,
- 14 higher education institutions have benefited from further investment; and
- 3,200 homes have been improved under the decent homes programme.

Quotes:

Rosie Winterton, Regional Minister for Yorkshire and Humber, said "*Families and businesses in Yorkshire and the Humber need real help to deal with pressures and problems from the global credit crunch. The recent increases in Child Tax Credit will benefit 350,000 families in this region, and 4,495 businesses in this region have already benefited from a Business Health Check.*"

Yvette Cooper, Chief Secretary to the Treasury, said "*This Budget is about jobs in the Yorkshire and the Humber region, helping people and businesses right now. It also prepares the Yorkshire and the Humber 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 Yorkshire and Humber, please visit the Treasury microsite at:
<http://budget.treasury.gov.uk>.

For media bids, please contact Helen Atha 0113 341 3177

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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>