

Pre-Budget Report 2008

24 November 2008

Regional Press Notice

Pre Budget Report 2008 IN WALES

Key Facts

- Today, the Chancellor has announced a package of measures targeted at supporting small businesses to access the capital and manage the cash flow they require, which may be of particular benefit to the 194,560 SME's in Wales.
- The Government also announces a package of housing measures to support the objectives of promoting long-term stability of the housing market and supporting homeowners facing difficulties, providing support for the housing market and homeowners in Wales.
- As part of a fiscal stimulus package, there will be a temporary reduction in the standard rate of VAT to 15% from 1 December 2008 until 31 December 2009 to provide further support for growth and incomes during the economic downturn. This is the equivalent, for the average household, of £275 a year for extra spending. The Government is also bringing forward capital spending from 2010-11 to 2008-09 and 2009-10. Bringing forward valuable public investment will impact directly on economic activity in the UK, in particular supporting the construction sector, which is expected to be disproportionately affected by the economic downturn. The Welsh Assembly Government will be able to bring forward £140m if it wishes as a consequence of changes to UK departments' programmes.

- The Chancellor has also announced a substantial package of measures to ensure that those facing redundancy and those seeking employment are helped back into work as quickly and efficiently as possible. This will help with the 19,251 vacancies that were notified to Jobcentre Plus in Wales in October 2008.
- In addition further EYF drawdown will be made available in 2010 – 2011 to ensure there is no reduction in the Welsh Assembly Government's spending power following an adjustment to DH's capital budget.

Quotes

The Chancellor said : "The Government has set out a programme that takes immediate action to meet short term priorities to support individuals, business and the economy with a balanced fiscal programme that sets out a stable and sustainable future for Wales."

Further Information

For a breakdown of how the key PBR measures will impact on Wales, please visit the Treasury microsite at: <http://prebudget.treasury.gov.uk/>