

2009 Pre-Budget Report

Pre-Budget Report 2009 for the East Midlands

The Government's objective is to build a strong economy and a fair society, where there is opportunity and security for all. Therefore, today, the Chancellor announces a package of measures that will continue to support businesses, families and the environment. These measures include:

Supporting business

The Enterprise Finance Guarantee has provided targeted support for viable businesses with less than £25 million turnover who have no or insufficient security. The Pre-Budget Report announces that the scheme will be continued for a further 12 months, making an additional £500 million of bank lending available to SMEs. So far in the East Midlands, over £57.8m of eligible applications from 512 firms that have been granted or are being processed and assessed.

Extension of the temporary increase in the threshold for empty property relief (EPR) for a further year. For 2010/11, the threshold at which an empty property becomes liable for business rates will be £18,000. Relief applicable to owners of empty properties with rateable values up to £18,000, estimated to exempt 78% of empty properties in the East Midlands region.

In order to strengthen the incentives to invest in innovative industries and ensure the UK remains an attractive location for innovation, Government announces it will introduce a Patent Box, applying a reduced rate of Corporation Tax to income from patents from April 2013.

Families

Bring Young Person's Guarantee forward to 6 months: Offer work, training or work experience to all JSA claimants between 18 and 24 who have been claiming JSA for 6 months, with the offer remaining mandatory from 12 months. 8,010 young people who have claimed JSA for over 6 months in the East Midlands will benefit from this scheme.

A full basic State Pension (bSP) will increase by £2.40 to £97.65 per week (full couples rate rises by £3.85 to £156.15). This is in line with the Government's commitment to uprate bSP by at least 2.5%, even though the retail price index is negative. This will benefit an estimated 900,000 people in the East Midlands.

To support low-income families, and improve incentives to work, the Government will extend eligibility to Free School Meals to primary school pupils in working families with a household income below £16,190. From September 2011, the Government's aim is that all primary school pupils in low-income working families will be entitled to receive Free School Meals, benefiting around 500,000 children. In addition, the Government will extend the current pilots of universal Free School Meals, so that there is a pilot in each English region.



2009 Pre-Budget Report

Public services

To protect frontline services PBR announces a package to ensure that;

- 1) NHS near-cash frontline spending - the 95 per cent or so of spending that supports patient care - will rise in line with inflation in 2010-11 and 2012-13;
- 2) in 2011-12 and 2012-13 spending on frontline schools rises in real terms by 0.7 per cent a year and spending on 16 to 19 participation rises in real terms by 0.9 per cent a year. Spending on Sure Start Children's Centres will be maintained in line with inflation; and
- 3) sufficient funding will be provided to police authorities to allow them to maintain the number of police officers and community support officers.

As part of the Total Place scheme Leicestershire and Leicester City are exploring innovative joint commissioning arrangements to tackle drug and alcohol dependency, including interagency venues where people can be treated effectively, as alternatives to A&E and police stations. Today's PBR extends the Government's willingness to work with local authorities and agencies to reduce burdens and ringfences signalled in Smarter Government by considering the means of supporting local investment in sustainable growth.

Tackling climate change

Additional funding for the Warm Front scheme in England, and funding reprioritised within the scheme will be used to provide heating and insulation for low-income households. 7,500 homes in the East Midlands could benefit from this additional funding.

Phil Hope, Regional Minister for the East Midlands, said

"The key message from today's Pre Budget Report is that the government will continue to support families and businesses in the East Midlands for a stronger and quicker economic recovery. I am pleased that the government has listened to organisations in the East Midlands who will welcome this support for jobs and businesses in the region."

Liam Byrne, Chief Secretary to the Treasury, said

"This Pre-Budget Report will help lock in Britain's recovery, protecting families and businesses in the East Midlands through the downturn and also accelerate growth."

"By taking tough action on tax and spending, we'll halve the deficit in four years, and along with future growth will help us to protect and drive up standards in schools, hospitals and local policing right across the East Midlands."



2009 Pre-Budget Report

NOTES TO EDITORS

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 /2333 (Business Tax Desk)

020 7147 2318 / 2331 / 0051 (Personal Tax Desk)

020 7147 2314 / 0052/ 0394 (Law Enforcement Desk)

07860 359544 (Out of hours)

GOVERNMENT DEPARTMENT INTERNET SITES

Further information and all published documents relating to Pre-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/>

