

2009 Pre-Budget Report

Pre-Budget Report 2009 for the North East

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

RDAs brokered European Investment Bank (EIB) support, along with European Regional Development funds, for regional lending schemes (JEREMIE) in the North East, North West, and Yorkshire and Humber worth a total of £380m from January 2010. This will mean that an additional £125m will be available to support access to finance for SMEs in the North East.

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 North East, over £24.4m of eligible applications from 247 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 80% of empty properties in the North East 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

Bringing the Young Person's Guarantee forward to 6 months will provide, from April, guaranteed access to a job, work experience or training to all 18-24s who have been claiming JSA for 6 months, with mandatory access from 10 months. In October, there were 5,405 young people aged 18-24 who had claimed JSA for over 6 months in the North East.

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), 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 500,000 people in the North East.

To support low-income families, and improve incentives to work, the Government will extend eligibility to Free School Meals to primary school



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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.

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 Durham have chosen to focus their Total Place work on housing in relation to regeneration. The overall scope for the South Tyneside, Gateshead and Sunderland pilot is 'safer, stronger and healthier communities', with the first strand of work focusing on alcohol and drug misuse. Today, the Chancellor announces a package of measures that will continue to support vulnerable families and businesses through the downturn and prepare for recovery; strengthen the credibility and transparency of Government's plans to halve the deficit over the next four years; and, prioritise investment to create a strong platform for future growth.

Tackling climate change

Additional funding for the Warm Front scheme in England will be used to provide heating and insulation for low income households. 5,000 homes in the North East could benefit from this additional funding.

Nick Brown, Regional Minister for the North East, said:

"The focus of today's Pre Budget Report on continued support for jobs and support for businesses is welcome news for the North East. These measures are designed to ensure that the recovery is sustained and public finances are put on a stable footing in the future "

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 North East 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 North East."



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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/>

