

# 2009 Pre-Budget Report

## Pre-Budget Report 2009 for the North West

**[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.] DN: Michael, please check this is in line with the overall narrative. These measures include:**

### **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. In the North West this will mean that an additional £167m will be available to support access to finance for SMEs in the North West.

A devolved package for Greater Manchester city-region. This includes designation as the UK's 4th low carbon economic area - for the built environment – new powers on adult skills and a stronger role on transport, 16-19 funding and apprenticeships.

In addition, a £1m investment from the Government's Strategic Investment Fund will be used to establish a new centre of excellence for the UK video games industry at MediaCity UK.

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 West, over £79.2m of eligible applications from 791 firms that have been granted, are being processed or 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 77% of empty properties in the North West region.

### **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 13,160 young people aged 18-24 who had claimed JSA for over 6 months in the North West.

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 1.3 million people in the North West.



# 2009 Pre-Budget Report

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.

## **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 Greater Manchester and Warrington have identified 0-5 years as their theme for Total Place. The pilot aims to create a new commissioning model for an enhanced service offer for whole families, particularly generating better life outcomes for young people. 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. 18,000 homes in the North West could benefit from this additional funding.

Phil Woolas, Regional Minister for the North West, said:

"This Pre Budget Report is about continuing to help people and businesses to come through the recession quicker and stronger, whilst also ensuring that public finances are put on a sustainable footing. The North West will be better placed to take advantage of the recovery as a result of these announcements"

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 West through the downturn and accelerating growth.



# 2009 Pre-Budget Report

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 West."

## 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/>

