

BUDGET 2009

22 April 2009

Budget 2009 for the West Midlands

Today, the Chancellor has announced a package of measures to help business, families, and pensioners in these unprecedented economic times. These include:

- 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 49,900 people aged 18-24 claiming Jobseeker's Allowance in the West Midlands.
- 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 the West Midlands, this will benefit 810,000 households, of which 190,000 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 West Midlands, 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 West Midlands this package will mean that energy efficiency is improved in: 15000 homes; an estimated 200 public buildings, including schools and hospitals; and through an estimated 350 loans to businesses.

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

- 1,970,000 basic rate tax payers in the West Midlands will be £145 better off;

- Increases to the child element of Child Tax Credit of £75 above indexation will benefit around 380,000 families in the West Midlands;
- The introduction of the new £190 health in pregnancy grant will benefit the estimated 70,000 mothers to be in the West Midlands 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 the West Midlands' 1 million pensioners will be better off.

The Pre Budget report announced changes to help the economy. And these are now delivering. For the West Midlands, over 9,790 businesses have benefited from being able to spread payments of tax, and the enterprise finance guarantee scheme has ensured that viable SME's continue to access finance they require in the West Midlands.

The Pre Budget Report also announced that £3 billion of capital expenditure would be brought forward to 2008/9 and 2009/10. Already this has meant that in the West Midlands:

- 4600 homes have received grants under the Warm Front programme to improve energy efficiency,
- 12 higher education institutions have benefited from further investment; and
- over 3200 homes have been improved under the decent homes programme.

Quotes:

Ian Austin, Regional Minister for the West Midlands, said *"Every job that is lost is a tragedy for the employee and the family concerned and what they need is a government that is on their side providing al the advice and help with training they need to get another job as soon as they can. This Budget provides further support to ensure that those facing redundancy and those seeking employment are helped back into work as quickly and efficiently as possible."*

Yvette Cooper, Chief Secretary to the Treasury, said *"This Budget is about jobs in the West Midlands region, helping people and businesses right now. It also prepares the West Midlands 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 the West Midlands, please visit the Treasury microsite at: <http://budget.treasury.gov.uk>. For media bids, please contact Anthony Aston 0121 352 5516

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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>