

BUDGET 2009

22 April 2009

Budget 2009 for the East of England

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 33,300 people aged 18-24 claiming Jobseeker's Allowance in the East of England.
- 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 East of England, this will benefit 850,000 households, of which 210,000 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 East of England, funding will be made available to local authorities in the region for construction of new social homes to higher energy efficiency standards.
- £375 million over the next two years for energy and resource efficiency in business, public buildings and households. For the East of England this package will mean that energy efficiency is improved in: 10000 homes; an estimated 100 public buildings, including schools and hospitals; and through an estimated 150 loans to businesses.

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

- 2,030,000 basic rate tax payers in the East of England will be £145 better off;
- Increases in child benefit and the bringing forward of the increase in child tax credit to this April now mean that 300,000 families in the East of England are now better off;
- The introduction of the new £190 health in pregnancy grant will benefit the estimated 70,000 mothers to be in the East of England 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 East of England's 1.1 million pensioners, will be better off.

The Pre Budget report also announced changes to help the economy. And these are now delivering. For the East of England, 10,200 businesses have benefited from being able to spread payments of tax, and the enterprise finance guarantee scheme has ensured that lending viable SME's continue to access finance they require in the East of England.

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

- 3800 homes have received grants under the Warm Front programme to improve energy efficiency; and
- 13 higher education institutions have benefited from further investment.

Quotes:

Barbara Follet, Regional Minister for the East Of England said:

"This Budget builds on the support packages for businesses and households outlined by the Chancellor in his November Pre Budget Report, which increased access to finance and provided support for families. The measures announced today are designed to help us, as organisations and individuals, survive the downturn and be ready to thrive when upturn comes. This Budget translates into real benefits for the people of the East of England."

Yvette Cooper, Chief Secretary to the Treasury, said

"This Budget is about jobs in the East of England region, helping people and businesses right now. It also prepares the East of England 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 East of England, please visit the Treasury microsite at: <http://budget.treasury.gov.uk/>

For media bids, please contact Adele Williams 01223 372785

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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>