

BUDGET 2009

22 April 2009

Budget 2009 for Wales

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

These include:

- A package of measures for business, including the introduction of an enhanced first-year capital allowance of 40% for one year, introduced with effect from April 2009.
- An additional £1.7 billion set aside for the Department for Work and Pensions to sustain the high numbers of individuals currently moving off Jobseeker's Allowance in the early months of each claim and provide support for the minority who remain unemployed for longer periods; and a guaranteed job, training or work placement for all 18-24 year olds who reach 12 months unemployed to ensure no young people are left behind due to long-term unemployment. In February, there were over 26,000 people aged 18-24 claiming Jobseeker's Allowance in Wales.
- An additional payment alongside the Winter Fuel Payment, worth £100 for households with someone aged over 80 and £50 for households with someone aged over 60. In Wales, this will benefit 480,000 households, of which 120,000 contain someone aged 80 or over.
- Support for homeowners and homebuyers, including an extension of the stamp duty holiday for all houses costing up to £175,000 until the end of the year.
- Support for the environment, including setting the world's first carbon budgets and measures to encourage energy efficiency and low-carbon growth.
- £5 billion recoverable value for money savings in 2011-11 raising the 2007 Comprehensive Spending Review target from £30 billion to £35 billion, and in the next Spending Review period, additional efficiencies to help support the economy and front-line services, rising to £9 billion by 2013-14. The Budget sets assumptions for spending growth from 2011-12 onwards, with current spending growing by an average 0.7 per cent in real terms and public sector net investment moving to 1¼ per cent of GDP by 2013-14.
- Additional provision of £60 million for the Welsh Assembly Government as a consequence of additional provision for UK Government departments.

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

- 1 million basic rate tax payers in Wales will be £145 better off;
- increases in the child element of Child Tax Credit of £75 above indexation will benefit around 200,000 families in Wales are now better off;
- The introduction of the new £190 health in pregnancy grant will benefit the estimated 35,000 mothers to be in Wales this year; and
- The 5% increase in the basic rate State Pension, along with £60 payment made at the beginning of the year, mean that Wales's 0.6 million pensioner households will be better off.

The Pre Budget report also announced changes to help the economy. And these are now delivering. For Wales, over 4,540 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 Wales.

Notes for editors

For a breakdown of how the key Budget measures will impact on Wales, please visit the Treasury microsite at: <http://budget.treasury.gov.uk>.

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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>