

BUDGET 2009

22 April 2009

Budget 2009 for London

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 48,000 people aged 18-24 claiming Jobseeker's Allowance in London.
- 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 London, this will benefit 840,000 households, of which 200,000 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 London, 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 London this package will mean that energy efficiency is improved in: 20000 homes; an estimated 500 public buildings, including schools and hospitals; and through an estimated 350 loans to businesses.

This April, the Government has also introduced changes to tax and benefits that mean that:

- Over 2.6 million basic rate tax payers in London will be £145 better off;
- Increases to the child element of Child Tax Credit of £75 above indexation will benefit around 510,000 families in London;
- The introduction of the new £190 health in pregnancy grant will benefit the estimated 125,000 mothers to be in London 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 London's 900,000 pensioners will be better off.

The Pre Budget report announced changes to help the economy. And these are now delivering. For London, 12,660 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 London.

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 London:

- 2500 homes have received grants under the Warm Front programme to improve energy efficiency;
- 52 higher education institutions have benefited from further investment; and
- 3900 homes have been improved under the decent homes programme.

Quotes:

Tony McNulty, Regional Minister for London said

"The focus of today's Budget on jobs and support for businesses is welcome news for London. The Government will not abandon individuals and businesses during these tough economic times. The boost to jobs announced today will help ensure that communities in London do not suffer the scarring effects of long-term unemployment felt in previous recessions. *Making investments available for important sectors will help* London to grow its way out of the recession and be well-placed to seize the economic opportunities of the upturn when it comes."

Yvette Cooper, Chief Secretary to the Treasury, said

"This Budget is about jobs in London, helping people and businesses right now. It also prepares London for the recovery - encouraging business investment, developing a low carbon economy and promoting a fairer society."
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Notes for editors

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

For media bids, please contact Nick Mann 020 7261 8395

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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/>