

BUDGET 2009

22 April 2009

Budget 2009 for Scotland

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 36,000 people aged 18-24 claiming Jobseeker's Allowance in Scotland.
- 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 Scotland, this will benefit 750,000 households, of which 160,000 contain someone aged 80 or over.
- Following the consultation launched at the 2008 Pre-Budget Report, Budget 2009 announces a package of measures to encourage the economic recovery of the UK's oil and gas reserves.
- 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.
- £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.
- Support for the environment, including setting the world's first carbon budgets and measures to encourage energy efficiency and low-carbon growth.
- Additional provision of £104 million for the Scottish Executive as a consequence of additional provision for UK Government departments.

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

- Over 1.9 million basic rate tax payers in Scotland will be £145 better off;
- increases in the child element of Child Tax Credit of £75 above indexation will benefit around 310,000 families in Scotland;
- The introduction of the new £190 health in pregnancy grant will benefit the estimated 60,000 mothers to be in Scotland 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 Scotland's 980,000 pensioner households will be better off.

The Pre Budget report also announced changes to help the economy. And these are now delivering. For Scotland, over 7,250 businesses have benefited from being able to spread payments of tax, and the enterprise finance guarantee scheme has ensured that viable SMEs continue to access finance they require in Scotland.

Notes for editors

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

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 (Business Tax Desk)
020 7147 2318 / 2333 / 0051 / 0394 (Personal Tax Desk)

020 7147 2314 / 0052 (Law Enforcement Desk)
07860 359544 (Out of hours)

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>