

Pre-Budget Report 2008

24 November 2008

Regional Press Notice

Pre Budget Report 2008 IN LONDON

Key Facts

- Today, the Chancellor has announced a package of measures targeted at supporting small businesses to access the capital and manage the cash flow they require, which may be of particular benefit to the 757,685 SMEs in London.
- The Government also announces a package of housing measures to support the objectives of promoting the long-term stability of the housing market and supporting homeowners facing difficulties. Bringing forward of investment in new social housing stock will help the 13,800 households deemed in priority need of housing in London.
- As part of a fiscal stimulus package, there will be a temporary reduction in the standard rate of VAT to 15% from 1 December 2008 until 31 December 2009 to provide further support for growth and incomes during the economic downturn. This is the equivalent, for the average household, of £275 a year for extra spending. The Government is also bringing forward £3bn of capital spending from 2010-11 to 2008-09 and 2009-10. Bringing forward valuable public investment will impact directly on economic activity in the UK, in particular supporting the construction sector, which is expected to be disproportionately affected by the economic downturn.
- The Chancellor has also announced a substantial package of measures to ensure that those facing redundancy and those seeking employment are helped back into work as quickly and efficiently as possible. This will help with the 37,742 job vacancies that were notified to Jobcentre Plus in London in October 2008.

Quotes

Tony McNulty, Regional Minister for London said:

"The Government is determined that no region will be left behind during this period of global economic uncertainty. The PBR sets out a clear strategy to stabilise the financial sector, set a steady course for the medium term and provide immediate assistance to those most affected by the downturn in all our communities."

The Exchequer Secretary Angela Eagle MP said:

"It is vital at this time of economic uncertainty that Government recognises the pressures affecting individuals, families and businesses in every region of the UK. This PBR provides a fiscal stimulus to help alleviate these short term difficulties, while setting out a responsible strategy for the long term. A 2.5% reduction in VAT will help families and businesses in time for Christmas and a £600 increase in the personal allowance will benefit 22 million basic rate tax payers."

Further Information

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

Notes to Editors

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)

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