

Primary Business Support

Professional Services for Social Landlords

From the horse's mouth...

Read what the Chancellor had to say that is of particular interest to those in social housing

Extracts from the Chancellor's speech 22.04.09

Titles are not part of the speech and the quotes are extracts of the full speech

Support for Mortgages to be retained

"Last year, I increased and extended the Support for Mortgage Interest scheme, which covers mortgage interest payments for people who have lost their jobs. Today I can announce that I will maintain the higher level of support for a further 6 months to help homeowners as they look for a new job. That is in addition to the scheme to help people stay in their homes if their income falls. The housing market is also being held back by a lack of mortgage credit."

Action to encourage the availability of mortgages

"The Government has taken action to encourage an increase in mortgage lending – and this year, the major UK banks will increase the availability of mortgages by around £20bn. To build on this, today I can announce the introduction, following state aid approval, of the scheme to guarantee securities backed by mortgages – which will help to ease the flow of mortgage finance. Mr Deputy Speaker, the recession and the credit crunch have made it much harder for people to take their first step up the housing ladder."

Stamp duty holiday to be extended

"This is not just difficult for those involved – but also undermines the entire housing market. So, to help, I have decided to extend the Stamp Duty holiday on properties sold for less than £175,000 until the end of the year. Sixty per cent of residential properties will continue to be exempt – encouraging modest and middle income homebuyers."

HomeBuy Direct to be extended

I can also announce an £80m extension to HomeBuy Direct – the Government shared equity mortgage scheme, which has already received interest from over 32,000 people since September. Altogether, additional support for those who lose their jobs and new help for people to get on the housing ladder."

"We are acting decisively to prevent a new generation of young people becoming a lost generation. We are offering real support to homeowners - and to business -

through this unprecedented economic crisis. We could have decided to do nothing. But we chose to act.”

Further Measures

“But the strength of our economy, and health of our society, also depends on meeting long-term demand for housing. I have two measures to help achieve this.”

Working with industry to deal with restraints

“First, we want to work with the industry to tackle the restraints, which house-builders have told me, could prevent them from acting now to increase housing supply. This will give construction firms more certainty and help them meet housing demand more effectively.”

Financial Support to be given

“Second, lack of finance now is affecting house builders and preventing the long-term investment that we need. So today I can announce £500m of extra financial support. It will kick-start building on housing projects, stalled because of the credit crunch, delivering thousands of new homes.”

£100m for local authority house building

“As part of this support, we are providing £100m for local authorities to build new energy-efficient housing.”

£50m for armed forces accommodation modernisation programme

“I have one further announcement to make about housing for a particular group. The whole country is united in admiration for the courage and professionalism of our Armed Forces. I want to ensure this admiration is reflected in the quality of their accommodation. “

I am bringing forward £50m to accelerate the modernisation programme for this housing to ensure this happens.”

Energy measures

“Let me turn, next, to the targeted help for business, which will build on the strengths of our economy. A sustained and strong recovery depends on companies, of all sizes, making the most of new global opportunities.”

Today I can announce £435m of extra support to deliver energy efficiency measures – for homes, businesses and public buildings. Mr Deputy Speaker, as well as saving energy, we need cleaner energy.”

Help for families

“Today I want to do more. 22 million people on middle incomes have seen their income tax go down this month. There is help for millions of families too – with child

tax credit up by £75 from this month – and the increase in child benefit paid early. Today I can announce additional targeted measures.

The Government is determined to eradicate child poverty. So, first, I can announce that, from April next year, the child element of the Child Tax Credit will increase by £20.”

Additional help for children with disabilities

“Second, children with disabilities need extra help to make the most of their potential. So we will add an extra £100 a year to their Child Trust Fund. For those with severe disabilities, it will be an extra £200 each year.”

Help for those being made redundant

“Third, I can announce an increase in statutory redundancy pay from £350 to £380 a week.”

Help for caring grandparents

“Mr Deputy Speaker, increasingly grandparents play a big role in family life and in looking after their grandchildren. To reflect this, we will, for the first time, ensure these caring responsibilities for grandparents of working age will count towards their entitlement for the basic state pension.”

Help for pensioners and savers and the threat of 0% inflation

“I also want to announce further help for pensioners and savers. Earlier this month, pensioners on modest incomes got the biggest ever increase in pension credit while the basic state pension increased by £4.55 a week.”

“I want to re-affirm today our commitment to increase the basic state pension by at least 2.5 per cent. So if RPI inflation this September is below zero, as we expect, pensioners can be confident that their pensions will rise in real terms. Last year, because of the steep increase in energy prices, I brought in a one-off increase in the Winter Fuel Allowance. Energy prices are now expected to come down. But to help pensioners even more, I intend to maintain this allowance at the higher level for another year – worth £250 for over 60s and £400 for over 80s. Mr Deputy Speaker, the fall in interest rates has been a welcome benefit to the economy and millions of homeowners whose mortgage costs have come down.”

Capital disregard on Pension Credit increased to £10k

“But this has also reduced the amount of interest paid out on savings – and has particularly hit pensioners who rely on this extra money. There are over 5 ½ million pensioner households who have modest savings, of less than £10,000. I want to help them.”

“For over a decade, the capital disregard on Pension Credit has been at £6,000 or below. It means savings above this level reduce the amount of help households get through Pension Credit. I believe it is now time to increase these limits, which will help compensate modest-income pensioners, with limited savings. So from

November 2009, the limit will be raised to £10,000. This will benefit over half a million pensioners on modest incomes, who will gain by an average of £4 per week.”

ISA limit to be increased

“Mr Deputy Speaker, I have one other announcement to make on savings. Tax-free ISAs have been a great success. 18m people have taken them out, saving in them almost £290bn. Since they were introduced 10 years ago, the annual limit has only been increased once, and now stands at £7,200. I want to go further. To help savers on the tenth anniversary of ISAs, I intend to increase the total annual limits to £10,200, of which £5,100 can be saved in cash.”