



Damian Hinds
MP for East Hampshire

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For immediate release

Damian Hinds Responds to Budget and Backs Small Business

Yesterday the Chancellor, George Osborne, laid out a budget which called for holding the Government's course on reducing the deficit and keeping tight control of public spending.

He also announced a variety of measures aimed at encouraging growth across the private sector and especially in small businesses.

Responding to the budget Damian Hinds said

"It is right and proper that our focus continue to be on eliminating the deficit and cutting into the £120 million in interest we are paying every day and bringing real and sustainable growth to our economy – not just another boom."

The Budget included measures to encourage small businesses to grow and take on more staff, including an extension of the small business rate relief until October 2012 and 50,000 more apprenticeship places.

"The key variables here are jobs and economic growth. I welcome the Chancellor putting growth at the centre of the Budget and in particular, given the structure of our local economy, presenting a package which is friendly to small businesses and helps them invest and expand."

"I particularly welcome the announcement of 50,000 new apprenticeship places – the number of our young people unemployed and out of education continue to rise year in and year out. Providing solid schemes which equip them for a career is an essential part of helping them into work."

The Budget also contained targeted measures to provide some help for families being squeezed by inflation and the rising cost of living. These included a penny per litre cut in fuel duty, the cancellation of the 5p duty rise planned by the last government and the introduction of a fuel duty stabiliser.

Damian continued

"The world oil price remains high but the duty cut in place of a planned rise will make at least some difference for hard working East Hampshire Families and businesses. I am also encouraged by the rise in the personal income tax allowance – this will mean a much needed extra couple of hundred pounds a year for families and take more than a million people out of tax altogether when the already announced £1,000 rise comes into force in April."

ENDS

Notes to editors:

Measures announced in the Budget to promote growth include:

- An extra 1 per cent cut in corporation tax from April 2011, taking corporation tax from 28 per cent to 26 per cent. We have already announced future cuts which will take corporation tax to 23 per cent by 2014. To offset this for banks, the Bank Levy will be increased in January 2012. In every year of this Parliament our permanent Bank Levy raises more than Labour's one-off bankers' payroll tax of the last Parliament.
- Sweeping changes to the generosity, simplicity and reach of the Enterprise Investment Scheme, with an increase in the income tax relief available from 20 per cent to 30 per cent; plus a doubling the size of the Entrepreneurs Relief to £10 million.
- An extension of the small business rate relief holiday until October 2012 – over half a million eligible businesses will continue to benefit from reductions in their bills, with approximately 330,000 businesses paying no rates at all.
- Support for innovation and manufacturing with an additional £100 million this year for new science facilities, and an increase in the SME rate of Research and Development Tax Credit to 200 per cent from April 2011, and 225 per cent from April 2012.
- 21 new Enterprise Zones with up to 100 per cent business rate discount, new superfast broadband and the potential to use enhanced capital allowances for zones with a strong focus on manufacturing
- A new £250 million shared equity scheme, First Buy, in England this will help 10,000 first time buyers get on the housing ladder for the first time.
- 50,000 additional apprenticeships, bringing the total funded by this Government to 250,000 over the next four years; 100,000 work placements for young people; and a doubling of the University Technical Colleges programme to create at least 24 new colleges

Measures to help families and make our tax, pensions and benefit system fairer include:

- 1 penny per litre cut in fuel duty from 6pm tonight, abolition of Labour's fuel duty escalator and replacing it with a fair fuel stabiliser that increases tax on North Sea oil when production prices are high, and delaying inflation increases this year and next
- A further increase in the personal allowance of £630 in April 2012, taking 260,000 more people out income tax and reducing the tax paid by 25 million people by an average of £48, without creating any more higher rate taxpayers. Together with the £1,000 rise happening this April, it means an extra £326 a year for hard working families, while over 1.1 low paid people have been taken out of tax altogether.
- A crackdown on tax avoidance to raise an extra £1 billion a year by closing down schemes which disguise remuneration, and avoid corporation tax, VAT and stamp duty
- An HMRC led investigation into how much revenue is raised by the 50 pence rate of income tax – which the Chancellor regards as a temporary measure
- A 10 per cent cut in inheritance tax for estates leaving 10 per cent or more to charity. No beneficiaries will be better off, but we expect charities to gain £300 million.
- Introduction of a new scheme where Gift Aid can be claimed on small donations, up to a total of £5,000 a year, without the need for donors to fill in any forms.

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