

# Pre-Budget Report at A Glance

## TAX

- All national insurance rates to rise by a further 0.5% from April 2011, raising £3bn a year
- VAT to return to 17.5% from 15% from 1 January 2010. No other changes to VAT
- One-off 50% tax on bank bonuses of more than £25,000
- Stamp duty holiday on certain properties to end on 1 January 2010
- Bingo duty to be cut from 22% to 20%

## ECONOMIC FORECASTS

- Economy forecast to shrink 4.75% in 2009, worse than 3.5% forecast in April
- Growth of 1%-1.5% expected in 2010 and 3.5% in 2011 and 2012

## BORROWING

- 2009 forecast raised by £3bn to £178bn
- Estimated borrowing of £176bn in 2010 and £140bn in 2011, falling to £96bn in 2013
- Budget deficit to be halved by 2013
- Estimated public loss from bank bailouts reduced from £50bn to £10bn

## SPENDING

- Total spending in 2010-11 to rise by £31bn.
- No spending review for period after that
- Current spending estimated to fall by 0.8% between 2011-2 and 2014-5

## PAY, PENSIONS AND BENEFITS

- Basic state pension will rise by 2.5% in April 2010
- Child and disability benefit to rise by 1.5% in 2010
- Contributions to public sector pensions to be cut by £1bn a year
- All public sector pay settlements to be capped at 1% for two years from 2011

## ENVIRONMENT

- £160m investment in low-carbon and renewable projects
- £200m extra investment for Warm Front insulation scheme, helping 65,000 households
- Boiler scrappage scheme for 125,000 households
- Electric cars to be exempt from company car tax for five years
- Tax rebate for installation of wind turbines and solar panels

## EMPLOYMENT

- Under-24s to be guaranteed work or training after six months out of work
- Training or education guarantee for 16 and 17-year-old to be extended to 2010

## BUSINESS

- New 50p tax on landline phones to pay for super-fast broadband
- New 10% tax on income from patents to boost science development
- 1p increase in corporation tax for small firms to be deferred

## FAMILIES

- Free school meals to an extra 500,000 low income families