



## **The Budget March 2006**

### **Key Points**

In future official statistics would be published by an independent board

Public pay would on average rise 2.25% in the next year, showing financial discipline

Economic growth would be 2.75%-3.25% for 2007/8

The chancellor said he had met his "golden rule" on public borrowing and was on course for a £16bn surplus over the economic cycle ending in 2010-11

The education secretary is to announce a comprehensive programme for recruiting and retaining staff, including signing up 3,000 science teachers and funding after-school science clubs in 250 schools.

Productivity was growing 2.3% - higher than at any time since the 1960s

New targets would be set for trade with China and India

Mr Brown said he was extending the research and development tax credit by doubling from 250 to 500 employees the size of companies able to claim higher credit

Mr Brown promised new help for working women, including doubling training for women with low skills and addressing pay discrimination

Deputy Prime Minister John Prescott would give details of plans to £970m for shared equity schemes to help 35,000 people get onto the housing ladder

Mr Brown said he rejected calls for the abolition of the climate change levy and instead he was planning to index the charge in line with inflation from 2007 to cut CO2 emissions further

A new £1bn energy and environmental research institute was being set up, funded by government and private industry

A quarter of a million extra homes would be insulated over the next two years

Cars with the lowest rate of emissions would pay no vehicle excise duty but the 1% of most polluting cars would pay £210

Mr Brown postponed the usual annual inflation increase in fuel duty until 1 September

The personal tax allowance would rise from £4,895 to £5,035

Child care vouchers would increase by £5 a week by £55

There would be only the normal annual inflation rise of 1p in duty on a pint of beer, but duty on cigarettes would rise 9p

The exemption on stamp duty would be raised £125,000 and the level at which inheritance tax begins to be paid would rise to from £275,000 to £325,000

There would be £600m available to fund world class British athletes

There would be annual national competitions for schoolchildren in Olympic events

There would be a new national sports foundation, with £34m from the government and other funding from private companies

Mr Brown kickstarted a debate on next year's Comprehensive Spending Review

The first £6bn in government efficiency savings had now been made, with cuts in civil service posts, said Mr Brown

Further education would be free of charge for the first time up to the age of 25, with adult learning grants to help with the cost of living

For more detailed summary click below:

<http://www.epolitix.com/EN/News/200603/4ad826be-947b-4cba-8e64-b8a99cb3acf0.htm>