

Budget 2008

Overview

Faced with a rather more turbulent economic climate than his predecessor, Alistair Darling's first Budget as Chancellor was subtitled 'Stability and opportunity: building a strong, sustainable future', and today's Budget did indeed have a strong emphasis on consolidation rather than headline-grabbing measures. Trailed as a 'green' budget it contained more measures to reduce carbon emissions, alongside the announcement that the government will be investigating increasing the carbon reduction target by a further 20% by 2050.

Environment

- The Government will be seeking advice on increasing the legal target on cutting carbon emissions; from 60% by 2050 to 80%.
- Five-year carbon budgets, with the first set as part of the main Budget in 2009, will be introduced.
- The Government will introduce legislation to charge for carrier bags by 2009 if the industry does not take voluntary action, with the aim of reducing the circulation of bags by 90%.
- 1m new jobs will be created in environmental industries over the next two decades.
- The Energy White Paper announced last year will triple renewable energy by 2015.
- £26m more will be invested into funding an emissions reduction programme: to make homes greener.
- All new non-domestic buildings are to be zero-carbon by 2016.
- To encourage the development of brownfield land, land remediation relief will be extended to expenditure on derelict land.

Property

- New sites for a further 70,000 new homes, over and above the Government's existing targets, have been identified to help tackle the shortage in affordable homes.
- Stamp duty on shared ownership homes will no longer be applicable until 80% of a property's equity is owned.
- The Stamp Duty Land Tax exemption will be extended from zero carbon houses to zero-carbon new flats, retrospectively from 1 October 2007.
- Communities and Local Government will formally consult on draft regulations for a Community Infrastructure Levy (CIL) in autumn 2008, with a view to finalising them in spring 2009, in place of the previously proposed Planning Gain Supplement. A further announcement on this is due this summer.

Comment & Analysis

With very little room for manoeuvre, Alistair Darling was always going to be very limited in what his first budget could deliver and today has proved that. However, one of the outcomes of this is that there is little for the Conservatives or Liberal Democrats to criticise.