

Trefor Owen-Jones has been involved in reviewing and writing about the budget for the Daily Post for the last number of years. In this article he dissects yesterday's budget and works out what it means for us.

Case Studies

Rich Brady

Rich Brady, 28. Self Employed Freelance Website Designer of 2 ½ Years. Earns £12,000. Partner earns £28,000. No children. Drinks 1-2 Bottles of Wine/Week and doesn't smoke. Home owner of 2 years.

Trefor's comments

Budget will have little effect.

Some changes could help.

RBS and Lloyds have committed £94Billion to help small businesses. If he has work from Public Authorities he should now get paid quicker

If Rich is saving in ISAs the current limit of £10,200 will increase by inflation each year. If he is looking to move home then the stamp duty concession may help him sell his property to a first time buyer, although it will not help him as he is already a home owner.

Verdict: Little Change

Steve Jackson

Name: Steve Jackson

Company: Fire and Security company

Main outgoings: Wages for 21 staff and fuel costs for 10 vans and three cars

Wages costs about £30,000 to £35,000 a month on monthly turnover of around £100,000.

Trefor's comments

Prior to the budget, the changes announced for next year mean that Steve was a big loser. Employer National Insurance is due to increase by 0.5% with the employees also paying an additional 0.5%. Fuel duty is also a major cost. This has increased by 17% since the start of 2008 and although the 3p rise is due to be introduced in stages throughout the year. This will be an added burden to the business.

The good news in the budget is that small companies will receive rate reduction for a year from October, assuming the change announced for England also applies to Wales. Capital allowances for businesses are doubled to £100,000.

If Steve continues to grow the business and eventually sells the first £2Million of capital, gains will be taxed at 10%.

Verdict: Loser

Eifion Huws

Name: Eifion Huws, 63. Dairy farmer. Owns a farm on Anglesey, which he farms with son Iwan. Struggling with income. Fuel is a major cost. Uses 9,000 litres of red diesel a year. Spends around £1,200 on full tax diesel and another £4-5K on petrol. Four grown up children, nine grandchildren. Drinks between 1 and 2 bottles wine a week. Smokes several cigars a week. Owns bungalow on the farmland.

Trefor's comments

Like most farmers and many people in North Wales, fuel is a major cost. Based on £1.16 a litre, 80 pence of the cost is Fuel Duty and VAT. The 3 pence rise for next year is still due to come in although staggered through the year. The usual expected rise in tobacco and alcohol will increase the cost of his wine and cigar's. If any of his children or grandchildren are 1st time buyers, they will benefit from the stamp duty concession for the next 2 years.

Verdict: Loser

Kay and Dave Redhead

Kay, 30, and husband Dave Redhead, 36.

Dave is a bathroom salesman earning £13,500 a year

Kay, a former Tesco manager, is a full-time Mum and a student

They have sons Jamie, six, Tyler, five, and Corey, two

Receive

£25 working families tax credit because husband works

£185 child benefit in total for three boys every four weeks

£124 child tax credit for three boys in total

Kay is expecting another baby

They rent a semi detached house

Dave spends £20 a week on petrol for his Seat Arosa

Kay spends £30 a week in diesel on her Peugeot 806

They spend £120 a week at Lidl including nappies

Neither smokes

Dave drinks occasional lager or cider

Kay doesn't drink while pregnant

Trefor's comments

Very little in the budget for individuals.

The personal allowance before you start paying tax which normally goes up each year will stay at £6,475 for the next tax year.

Although a £4 rise in child tax credit was announced, this does not come in until 2012. Dave will pay a 0.5% more National Insurance from next month.

Dave will be paying 10% more tax on his cider from Sunday.

Verdict: Loser

Robert John Henry Griffiths

ROBERT John Henry Griffiths, 82, of Bodffordd, Anglesey is former archdruid of the Anglesey Gorsedd of Bards. He receives both a teacher's and state pension. He and his wife Catherine, 75, who used to work in a care home, don't smoke and he only has an occasional drink at home. The couple baulk at the rise in fuel for their car and would like car tax to be covered by fuel costs as in Iceland rather than be an extra cost. Mr Griffiths said: "I've seen petrol rise from just under a £1 to £1.17 a litre. I believe that the tax on fuel is too high." They have oil-fired central heating and are grateful for fuel payments for pensioners which come from the Government. The couple have four children, 12 grand-children and one great grand child and their quarterly phone bills are around £90 a quarter.

Trefor's comments

The state pension will go up by £2.40 per week in April. It was announced today that winter fuel allowance will continue for next year so he will continue to receive £400 winter fuel allowance. No change in the VAT rate means household bills including his telephone bill will not increase. Like everyone else, he will suffer the costs of the petrol rise and the freeze of personal allowances which will remain at £9,640 for the over 75s.

Verdict: Winner