

Budget 2017 – Not much changes

Lots of money moved around in the Budget arithmetic. Practically all of the changes resulted from new forecasts. At last the Treasury and OBR have thrown off the inaccurate gloom they were enveloped in from the time of Brexit vote, and have brought their figures more into line with reality. As a result revenues leapt £10.5bn for 2016-17 compared to the November forecast! Borrowing is now scheduled to be £51.7bn instead of the £68bn estimated in November, as spending is down a bit as well. I assume they have at last got their 2016-17 forecasts broadly right, as they must know most of the numbers by now.

I raised the issue of wildly inaccurate forecasts and the danger that they drag Ministers into policy responses that are not warranted by the underlying situation.

The Chancellor himself moved very little money around for next year. He took us through a number of detailed spending pledges, itemising £5m for a commemoration for women's voting rights, £25 million for small business rate relief recipients, £25 million for a one off pubs rates relief, and £20 million for free schools capital. The one major item which is also welcome is the £1200 million more for social care. There is also £250 million for NHS improvements.

The Budget also proposed tax changes for later years, including an increase in Self employed rates of NIC and a reduction in the tax free dividend payable from a company. I would be interested in opinions on those measures, which come in during the likely run up to the next election.