

What will the OBR predict this time?

There are plenty of independent forecasts around for those interested. No government is exempt from scrutiny, criticism or alternative views and rightly so. The problem is knowing if any of the independent forecasts are going to be right.

I understand why the government wanted the OBR to offer a new forecast when it has seen the spending plans and the growth measures of the new Ministers as well as the tax cuts. As revenues, GDP and deficits are very sensitive to whether there is growth or not one needs to form a forecast with all three crucial elements of policy.

As I have pointed out in the past the OBR has in recent years been very wrong in its forecasts. It greatly exaggerated the deficits in the last two years when I queried its view when the budget occurred. Last year it overstated the central government deficit by £131bn which lay behind Mr Sunak's tax rises. They also wrongly said inflation would stay around 2% until 2025. This year I said I thought their £99bn deficit forecast would be too low, as it clearly will.

I hope any new forecast they make will try to improve on the last two years. I will continue to look at a range of external forecasts and interpret them based on recent data and trends.