

Treasuries are weak at spending control but get blamed for meanness

The second law of government is the Treasury is usually weak at spending control but gets blamed for underfunding.

The Treasury is hopelessly outnumbered by spending departments in government. It can only hope to exert effective control if the Finance Minister and PM or President work together, and if spending decisions are mainly taken in bilateral meetings between the Treasury and the relevant spending department rather than in a wider forum .

Government departments can get more money by running things badly and demanding bail outs near the end of the year. They can get more cash by claiming it for crises or issues which come up in year. They can work with lobby groups outside government to create pressure for increases. Some are good at securing money for their next year's budget under headings where they know they are unlikely to spend it all. They then vire this approved spending to another purpose later during the year, securing cash for something which might not have been approved if asked for originally.

It is commonly believed in government circles that a Treasury has too much control over spending and that a Treasury makes spending judgements that prevent other departments doing a good job. This is usually a dangerous myth. It comes from the proposition that new initiatives or demands need new money to pay for them. In practice there are often falling demands or waning initiatives elsewhere in each spending department. There should be a more active pursuit of the things the department no longer needs to do at the same time as finding new things it is desirable to do. Old government initiatives rarely die. They rest in some distant corner of an administrative office, and keep their budget line.

The impact of President Biden

When Donald Trump first was elected to office the interviewers on the BBC, Channel 4 and the other leading channels were keen to interview UK government politicians to try to get them to denounce Mr Trump and all his possible future works. I do not recall them pressing hard to see if the UK would learn from the Trump tax cuts, to put more money into the wallets and purses of working people in the way Mr Trump planned. Nor do I recall them criticising European walls and fences to keep migrants out whilst roundly criticising Trump's plans to extend the US/Mexican wall. I did not hear interviewers asking UK Ministers if they might copy more of the Made in America programme Trump set out with a Made in UK version.

When Joe Biden was elected the direction of attack shifted to the opposite approach. The early interviews were all to make UK Ministers feel uncomfortable that they might not be close enough to the new President. Now we have seen his proposals UK politicians are often invited to express approval of the huge stimulus programmes President Biden proposes, and asked whether they will match them. There is obvious joy at his wish to green US policy, and favourable mentions of his company tax rises. There is no interest in what higher world corporate taxes recommended by Mr Biden might mean for the Republic of Ireland. There is little criticism of the new President and his plans.

Those parts of the media that are financed by taxes or adverts and have a Charter that requires them to be impartial should seek to be impartial between Republican and Democrat as well as between the different parties in the UK. The journalists should also dig beneath the spin. Biden's national resilience policies look very like Trump's Made in America policies. Biden's much lauded tax rises say they will not impose any tax rise on anyone under \$400,000 a year, thereby validating the Trump tax cuts for most people. Biden's announced withdrawal from Afghanistan is the Trump plan delayed by few months.

[M4 Smart motorway](#)

As we can see most of the work on converting the M4 Junctions 8/9 to 12 to a four lane smart motorway is now complete. Asking why it is not open, I have been told that the Highways Agency has decided to introduce additional technology to detect stopped vehicles in a few seconds and to institute safety measures with lane closure and speed restrictions as necessary. There is a pause whilst this work is prepared and completed, when the full motorway will open between Junctions 12 and 8/9. The work from 8/9 to 3 is still underway, with more overnight closures to watch out for.

[There is a natural tendency to the permanent expansion of government](#)

The first law of government is the law of continuous expansion.

In a democracy good causes line up as lobbyists demanding government gets involved. They lobby for government to intervene in areas it does not currently manage. They demand new laws and controls on things they do not

like. They demand more money and supply of things they do like from the state.

The official government machine encourages lobbying for more as they like growing their tasks. Ministers often dislike constantly saying No to lobbies and buy them off by offering them cash and laws to help them.

Oppositions usually take up lobby causes and press the government. If the government gives in they claim some credit. If the government resists they claim the government is mean, tough, insensitive or worse.

The media join in, running campaigns on behalf of lobby groups and behaving like Opposition parties.

There are very few lobbies the other way. The causes of a smaller state, less government control of our lives and even of lower taxes have very few lobby groups arguing for them as a counterweight. They are chronically under represented in the media.

[Bank holiday task – which quangos would you abolish?](#)

Today I invite my critics who wish to see a slimmed quango state to write in with thought out proposals for abolition or slimming of some government bodies. I will read and post a few longer pieces if they are considered and understand the forces that will seek to defend their chosen quango . It is not an invitation to a longer rant.

It would be interesting to hear thoughts on the Next Steps style Agencies that were designed to make parts of what is government work more business like, giving the day to day tasks of administration and processing to an Agency under a CEO whilst leaving policy with Ministers. The Driver and vehicle Licencing Agency and the Highways Agency are typical examples. These were activities we kept in the public sector.

In government in 1990 I privatised the Property Services Agency , so its building maintenance work for the government estate could be market tested and it could do work outside the public sector. Is this a model for other such activities?

As one time sponsor Minister for the LDDC I initiated the first consideration of how and when it could be wound up, job done, whilst limiting its activities and encouraging mainly private sector investment.

It is very easy for armchair critics to write in and accuse MPs of being idiots in not agreeing to the contributors agenda, or being gutless in not

implementing it. The task is how to get buy in and agreement to desirable reform, which often takes time and needs vocal support in a democracy. The forces for a larger state are numerous and well entrenched.