

Budget responsibility

It is a farce that yesterday the government put a Bill through the Commons to "ensure" budget responsibility. It requires the Chancellor to commission an OBR report and forecast when she makes fiscal announcements on spending and or taxes. It is a farce because the Chancellor has announced large additional spending plans on nationalised industries and on public sector wages, over and above the allowed for rises in the last OBR budget assessment. We have not been offered any OBR forecast or comment on the possible inflationary effects of the pay award or of the enlarged spending plans.

It is a farce because the Bill does not course impose any penalty for non compliance on the responsible Minister or government. There will only be budget responsibility if the Chancellor wants it and imposes it. She will decide. If she wants to be responsible she does not need an Act of Parliament to make her so. If she wants to be highly political and stuff more money into public sector wages and nationalised businesses she will be able to do so without penalty.

From the time of New Labour onwards there have been too many laws and targets purporting to bind the government, and not enough concerted and sustained Ministerial action to tackle the underlying problems. This kind of legislation is at best silly and at worst as with some of targets damaging.