

# Dodgy figures in the Autumn Statement

The Treasury keeps changing the figures it shows and withholds. I feel when reading Budget and Financial Statement books now I am being pushed into a view or judgement they want Ministers to make and readers to accept.

Let's take the case of debt interest. They have decided to alarm everyone about the scale of debt interest. So they add to what all would agree is debt interest, the regular cash payments to lenders, the extra repayment amount on indexed debt which is not paid until the loan is rolled over for another one on repayment. With this year's runaway inflation it more than doubles the apparent debt interest paid. So we are told on their definition debt interest has reached £120 bn or 11% of revenue this year.

That gives them the problem that as inflation falls away so will debt interest. So they will not tell us by how much in pounds. We can see it comes down on a graph from over 11% of revenue to 6%, so by 2024-5 on their odd numbers there is a big saving. Why not show us the cash interest figures for every year which are high anyway and offer a balance sheet line to show the increased cash cost of repayment of linkers alongside the real win of repaying the majority of the debt which is not inflation linked in pounds devalued by inflation.

There is then the assertion around half the adjustments to get the deficit down will come from spending reductions and half from tax rises. To make it difficult to check this they do not this time show the path for total tax revenues. The 50/50 is based around previous budgets and forecasts which had built in substantial increases in spending.

What this revision reveals is total spending will go up £133bn by 2024-5 compared to last year and by £224 bn by 2027-8. No sign of cuts overall. Income, mainly tax, can be derived by subtracting borrowing from spending. That goes up by £200bn between this year and 2027-8.

So to us mere mortals these budget plans are for a substantial cash rise in both spending and taxes. It will also on these numbers be a real increase in both, as they forecast inflation tumbling and going negative in 2025.