

# Finding money down the back of the OBR sofa

If the Chancellor wanted to pay pensioners their winter fuel allowance she could do so. If she wanted to avoid the threatened tax attacks on enterprise, investment, home ownership and pension savings she could do so. The crocodile tears from the government that they do not want to do these things but have to owing to the budget situation are false.

If the Chancellor is bright and understands the OBR and Bank as she should she can see as I can see how you could make different choices, avoiding the unpleasant spending cuts and damaging tax rises. Finding £20 bn would easily fix it. So here are some of the ways she seems to be turning down.

1. Ring the Bank of England and tell them to stop selling bonds at huge losses and sending the bill to taxpayers. No other Central Bank is doing this and the Bank of England says it is not crucial to its monetary policy.
2. The main austerity check is the need to get public debt falling as a percentage of GDP by year 5. For some unknown reason they use public sector debt excluding the Bank of England. If they used the wider definition including the Bank of England, debt would be reduced by the huge cash payments the Treasury is currently making to the Bank, as that cash reappears as an asset at the Bank.
3. Recapture the £20 bn of public sector productivity lost since 2020. just stop external recruitment of admin, civil service and back up staff and run the numbers down by natural wastage.
4. Implement the excellent Labour slogan that if people can work they should work. Provide the support, training and incentives to get more people out of long term worklessness.

Taking the fuel payment away is a calculated political decision. Letting a wide range of threats to the self employed, to strivers, to savers and go investors worry people for 2 months before a budget is also a political choice. It is driving people abroad, leading people to sell assets, get out of being landlords and selling U.K. shares before the attacks materialise. The danger for the Chancellor is it may prove easier to undermine confidence and depress people than to pick them up again after a nasty budget.