



HM TREASURY

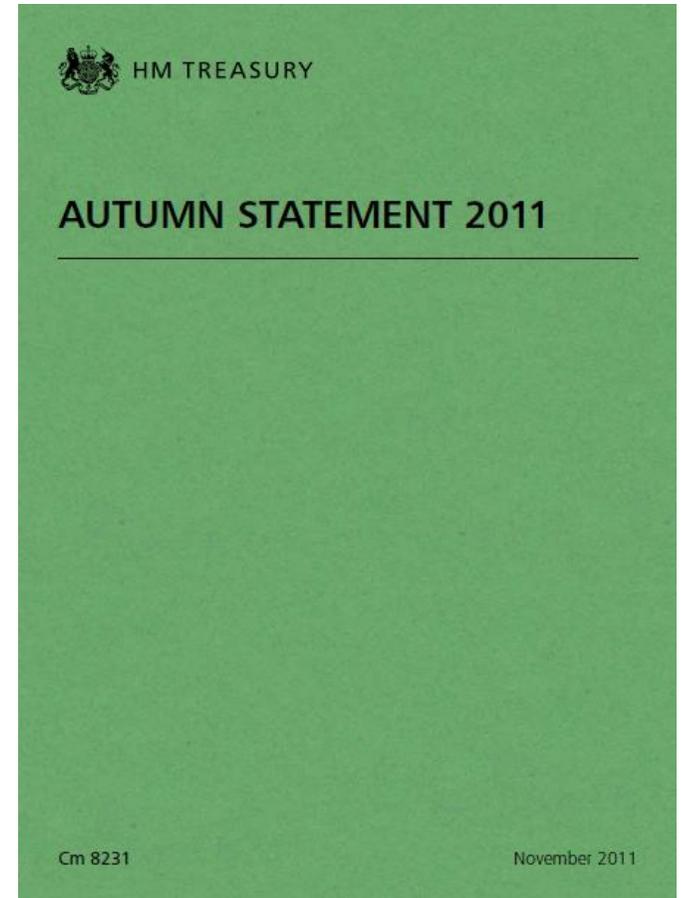
The Budget and Autumn Statement

What is the Budget?

- The single most important financial and economic statement made by the Chancellor of the Exchequer.
- Key role of Budget is **controlling public finances** – by setting the overall ‘fiscal stance’ (revenue, spending, borrowing).
- Overall fiscal stance is made up of many individual tax and spending measures.
- These must also **support the Government’s wider economic objectives** – second key role of Budget.
- Budget measures are often enacted in the Finance Bill, which begins its annual process just after Budget.

Other fiscal events

- Autumn Statement – ‘update’ Budget
- Finance Bill – where rates of tax and duty are set
- Spending review



Planning for Budget and Autumn Statement

Early thinking

Date announced at least ten weeks in advance

Early discussions

Representations – including other government departments

Process

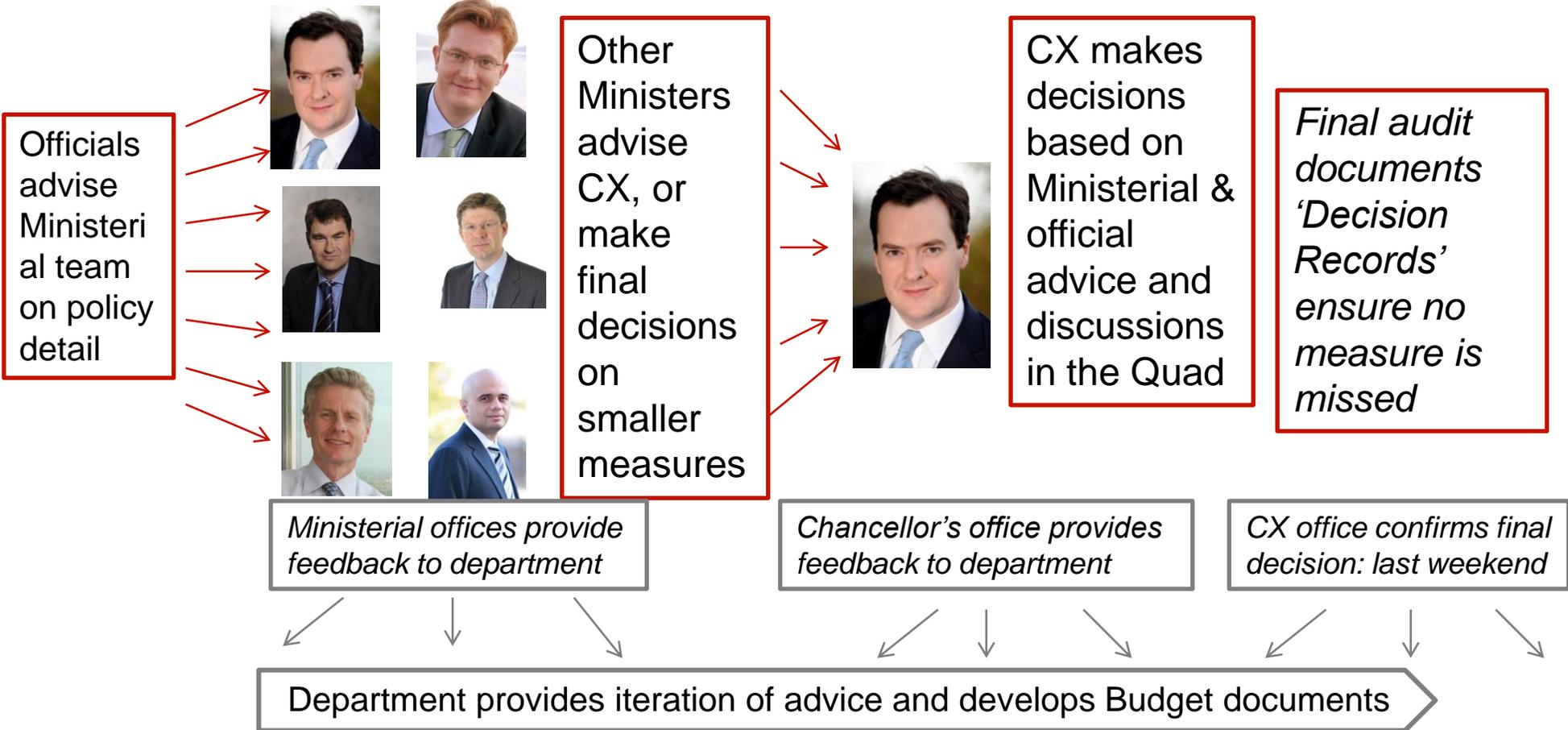
Budget launch event

The Budget and Finance Bill database (BFD)

Scorecard



Decision making



The scorecard

The scorecard is a published record of how policy decisions impact on Public Sector Net Borrowing. It is also an internal tool for providing consolidated advice to the Chancellor on the policy package.

During the Budget process the internal scorecard is updated frequently in response to steers from the Chancellor and to inform the Chancellor's thinking.

Table 2.1: Budget 2013 policy decisions¹

	Head	£ million					
		2013-14	2014-15	2015-16	2016-17	2017-18	
Previously announced (smaller measures)							
1	Carbon Reduction Commitment: exclude schools	Tax	0	0	-65	-65	-65
2	Government response to OTS review of share schemes	Tax	-40	-45	-50	-55	-55
3	Carbon price floor: Northern Ireland exemption	Tax	-20	-25	-40	-45	-45
4	Annual charge and SDLT 15% rate: reliefs for commercial businesses	Tax	-30	-40	-40	-40	-45

How does this work in practice?

- All possible Budget measures kept on the Budget and Finance Bill database (BFD).
- Measures categorised as tax, annually managed expenditure (AME) and departmental expenditure limits (DEL).
- General Expenditure Policy (GEP) colleagues coordinate policy development for spending measures and feed this into the scorecard process.
- Budget 2013 fixed the envelope for Total Managed Expenditure in 2015/16. Individual departmental budgets will be decided in the summer spending review.

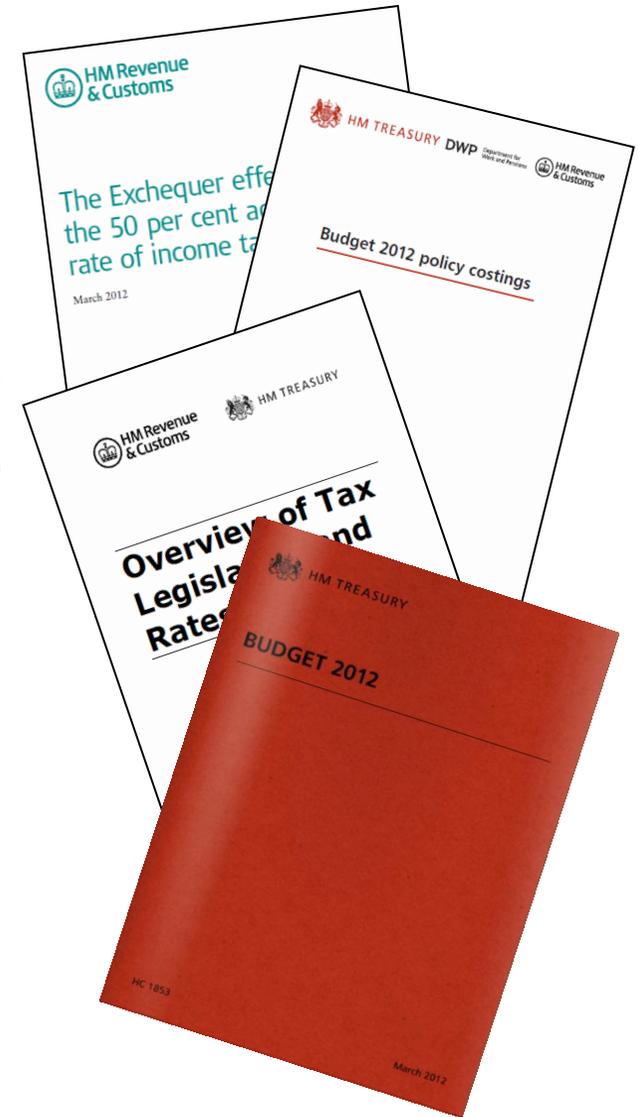
Working with other departments

- Work closely with HM Revenue and Customs and other government departments to estimate the cost or yield from each measure.
- Costs are regularly updated as the economic forecast is updated. The economic forecast is produced by the independent Office for Budget Responsibility (OBR).
- The OBR also scrutinise all costings and certify that they represent a reasonable and central view.



Finalising Budget and Autumn Statement products

- Central team coordinates the drafting of the final Budget / Autumn Statement document.
- The Budget speech is completed the night before the Chancellor makes his announcement to the nation.
- A wide range of supplementary material is printed alongside the main document.



On the Day

Time table

OBR publishes its Fiscal Forecast.

Budget speech to the House of commons and the nation.

Budget document distributed online and in hard copy.

Post statement

The House immediately votes on Provisional Collection of Taxes Act (PCTA) Budget resolutions.

Press office begin to brief the Press.



Post Statement

Briefing and Debates

Briefing

Treasury Select Committee

Debates in the House of Lords and House of
commons

The Finance Bill

The Finance Bill and final legislation.



QUESTIONS?

