

Funding the Future

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The row over the cap on tax allowable tax donations is growing. [As the Guardian reports](#):

The revolt over government plans to cap tax relief for charitable giving has spread to the cabinet and to some of the most influential voices on the Tory benches as the business secretary, Vince Cable, and Tory MP David Davis voiced their criticism on Thursday.

I haven't changed my position: I see no justification for higher rate tax relief. I do see no reason for a cap though, and I want better regulation of charities matched with an extended right for them to reclaim tax at basic rate. That's a logical, thought through, coherent position. That puts it light years away from where Osborne is. The Osborne proposal was clearly not created by a politician. Surely no one with nous would have thought up such an elephant trap, or communicated it so badly? In that case this is almost certainly a Treasury drafted bodge to tackle undoubted tax abuse but without thinking through all the consequences, as is now all too obvious. It adds to a catalogue of errors for Osborne that are shattering his political reputation as the great master thinker and strategist: neither talent is now apparent. More than that though, any other Chancellor with this catalogue of errors to his name in one budget would know that a reshuffle beckoned and the Department of Transport was the best port of call he could now hope for. That's unlikely to happen to Osborne though. Cameron can't think for himself; he needs Osborne. And reshuffles with the current state of the Coalition are almost impossible. So there's a real chance Osborne will survive. But it's going to take a lot of work to restore any belief that he is a credible manager of the economy now - and that's going to cost the Tories dear.