

A quick budget reaction

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If you want to read my reaction to the budget you really have to read my twitter feed, but I did just also share this with another web site:

Rishi Sunak has delivered his first budget, which is also the first by a Johnson government. Anyone who had hoped that this might deliver against the three priorities that we now, very clearly have will be sorely disappointed.

Those three priorities are the need for:

- Short term measures to really tackle the coronavirus epidemic;
- Long term measures to tackle the climate crisis;
- Social measures that ensure that these crises are tackled in ways that tackle the social legacies of ten years of austerity, including low pay, high personal indebtedness, limited prospects most especially for the young, rising wealth inequality and in eat rising housing poverty.

To deal with these issues Sunak had to:

- Announce bank mortgage and loan repayment holidays;
- Announce rent payment holidays;
- Ensure that the state pays for the entire cost of enhanced sick pay, because employers cannot bear this cost as they are currently expected to do;
- Provide automatic tax payment holidays for smaller businesses;
- Reduce business rates by six months and pick up the cost;
- Reduce VAT to 15% for the rest of the year;
- Underpin all the costs of the NHS, so that financing does not ration coronavirus care;
- Support local authorities with social care to keep the elderly out of hospital.

I could list more: you get the picture.

Sunak has not delivered. The only one of these that he fully supplied was business rates relief - without saying whether or not local authorities would suffer as a result, which means that the knock on effect of this could be dire on local government services.

For the Green New Deal he had to promise £100 billion of spending a year, because that is what is required. He did not do that. The green measures announced were paltry, and he took 40 minutes to get to them. Roads get £27 billion instead - to encourage greater burning of carbon based fuels. On the programmes needed for

retrofitting houses, creating hydrogen energy and new renewables not a word was said.

And how did he do on social issues? Tax changes may leave most people £104 a week better off, if they still have a job. The Tory corporation tax cut that was planned has been cancelled without any admission that it was always a mistake. And he did not even have the courage to cancel the scandal that is entrepreneur's relief in its entirety. This was a government standing back and ignoring the crisis it has made.

But worse, it was still claimed that the government could balance its books despite the measures announced and this was still suggested to be a virtue. This is economics straight out of the world of fiction, because that's now as far removed from reality as it is possible to get.

This was a budget for a planet that I do not live on, an economy I do not live in, and for a world that cannot afford the indifference this government has revealed it has on climate, inequality, housing poverty and so much else. Sunak said that this was a budget for a new decade - but if it is then it is another where most will be blighted by the indifference of a government that has simply chosen not to care.