

Funding the Future

Sunak is withholding billions from those in need on the...

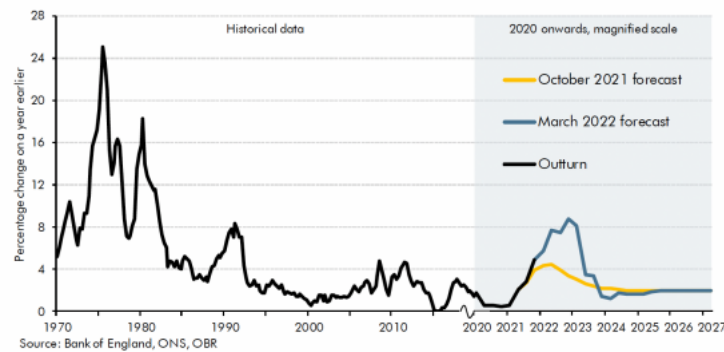
Published: January 13, 2026, 9:44 am

I posted this Twitter thread yesterday. As it was actually written on Twitter I do not have a text version to share:

-  **Richard Murphy** @RichardJMurphy · 15h ...
Sunak's claim that he can't afford the cost of more borrowing is fabricated and involves inappropriate accounting for the cost of paying off index-linked bonds maybe many years from now. If inflation falls between now and then, which is likely, the Treasury will get a bonanza
29 927 2,181
-  **Richard Murphy** @RichardJMurphy · 15h ...
In fact, the Office for Budget Responsibility is forecasting that interest costs will tumble to new record low levels in a couple of years for precisely this reason. Now guess what Sunak will do with the fall in his interest costs at that time?
2 66 271
-  **Richard Murphy** @RichardJMurphy · 15h ...
Will he give a bonus to those he is pushing into poverty now or will he cut taxes for the best off just before an election? I think you know the answer to that. So does he. So don't be fooled by any of his claims as to unaffordability right now. They're fabricated nonsense.
3 125 387
-  **Richard Murphy** @RichardJMurphy · 15h ...
If the supposed cost of redeeming those index-linked binds was based on the weighted probability of their cost of redemption the supposed rise in interest costs to £80 billion a year now that is being used to drive millions of families into despair would not exist.
1 48 200
-  **Richard Murphy** @RichardJMurphy · 15h ...
The truth is that lousy Treasury accounting (and that's the kindest description) is being used to punish people to ensure that the reversal of that false accounting might deliver Sunak a pre-election bonus for tax cuts. There is no real increase in the cost of interest now.
3 72 253
-  **Richard Murphy** @RichardJMurphy · 15h ...
As a result, there will actually also be no bonus in a couple of years if inflation falls and the cost of redeeming index-linked bonds also falls at that time. But by fabricating the national accounts Sunak will make it seem that both are true, when they're not.
2 48 214
-  **Richard Murphy** @RichardJMurphy · 15h ...
Sunak is not trying to balance the books. He's fiddling them to suit his own agenda. It's just a shame children will starve, old people will die of the cold and countless families will lose their homes as a result of the accounting games he is playing to justify austerity.
4 176 428
-  **Richard Murphy** @RichardJMurphy · 15h ...
If the OBR forecasts did not implicitly acknowledge in its interest cost

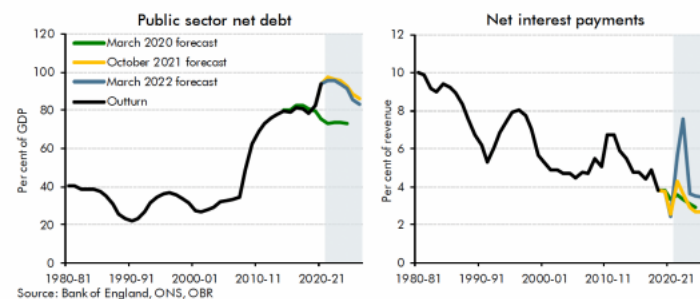
The OBR forecast for inflation I refer to is here:

Chart 1.1: CPI inflation



And this is their forecast of interest costs, on the right:

Chart 1.9: Public sector net debt and debt servicing costs



As is apparent, they know that the current claimed cost is a spike that will reverse when the ridiculous accounting assumptions used to underpin it are reversed - as they say they will be.

So why is Sunak using this as an excuse to withhold billions from those facing poverty? It can only be deliberate. And that is unforgivable because even if he had to include the figure in the accounts he could also ignore it - simply dismissing it as the accounting stupidity it is. But he is not. He's using it to punish people instead.