

The government is going to lie about the accounting for...

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The government is expected to make an announcement today on how it will pay the compensation due to the victims of the infected blood scandal.

It is thought that the cost might be as high as £10 billion.

It is widely forecast that the government will treat this as capital spending and that it will be funded by an increase in government borrowing as a result. If this is claimed, the government will be lying and covering up the truth yet again, as if not a single lesson from this terrible episode is going to be learned. It will also be doing false accounting.

Capital expenditure is a sum spent on the acquisition of an asset that has value that will last beyond the end of the current period of account for the organisation making the payment.

There is quite literally no way on earth that the compensation payments owing to the victims of the infected blood scandal can be described in that way. They are sums due to them as a result of past failings by the government. No future benefit to the government arises as a result. It is impossible to claim otherwise. So, this is not capital expenditure.

It is, instead, a revenue cost. It should be provided for as such in the government's accounts at this moment when the liability is accepted as being due for payment. It should increase the deficit unless tax is raised to cover the cost. [I have already suggested how that can be done](#), with ease.

However, both treating this as a revenue cost and covering it with tax are unacceptable to this government. As a result, they are planning to lie about the nature of the cost, account for it incorrectly, and plan to brave this out as yet another cover-up of the truth with regard to this matter.

I [have already said this morning](#) that government cannot be run to protect the powerful. That message has obviously not got through to Downing Street. It really is time that it did.

