

Public finances

Christine Frayne

Current budget: total change

| £billion | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|--------------------|-----------|-----------|-----------|------------|------------|
| Budget 2006 | -7 | +1 | +7 | +10 | +12 |
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| Higher spending | -2½ | -3½ | -3 | -3½ | -4 |
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| Lower North Sea revenue | -0 | -3 | -2 | -1 | -1 |
| Other revenue changes | +1 | +0 | -3 | -4½ | -5 |
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| Total (no measures) | -8½ | -5½ | -1 | +1 | +2 |
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| Total (no measures) | -8½ | -5½ | -1 | +1 | +2 |
| Higher trend growth | +0 | +1½ | +3 | +4½ | +6 |
| PBR measures | +0 | +2 | +2½ | +2 | +2 |
| | | | | | |

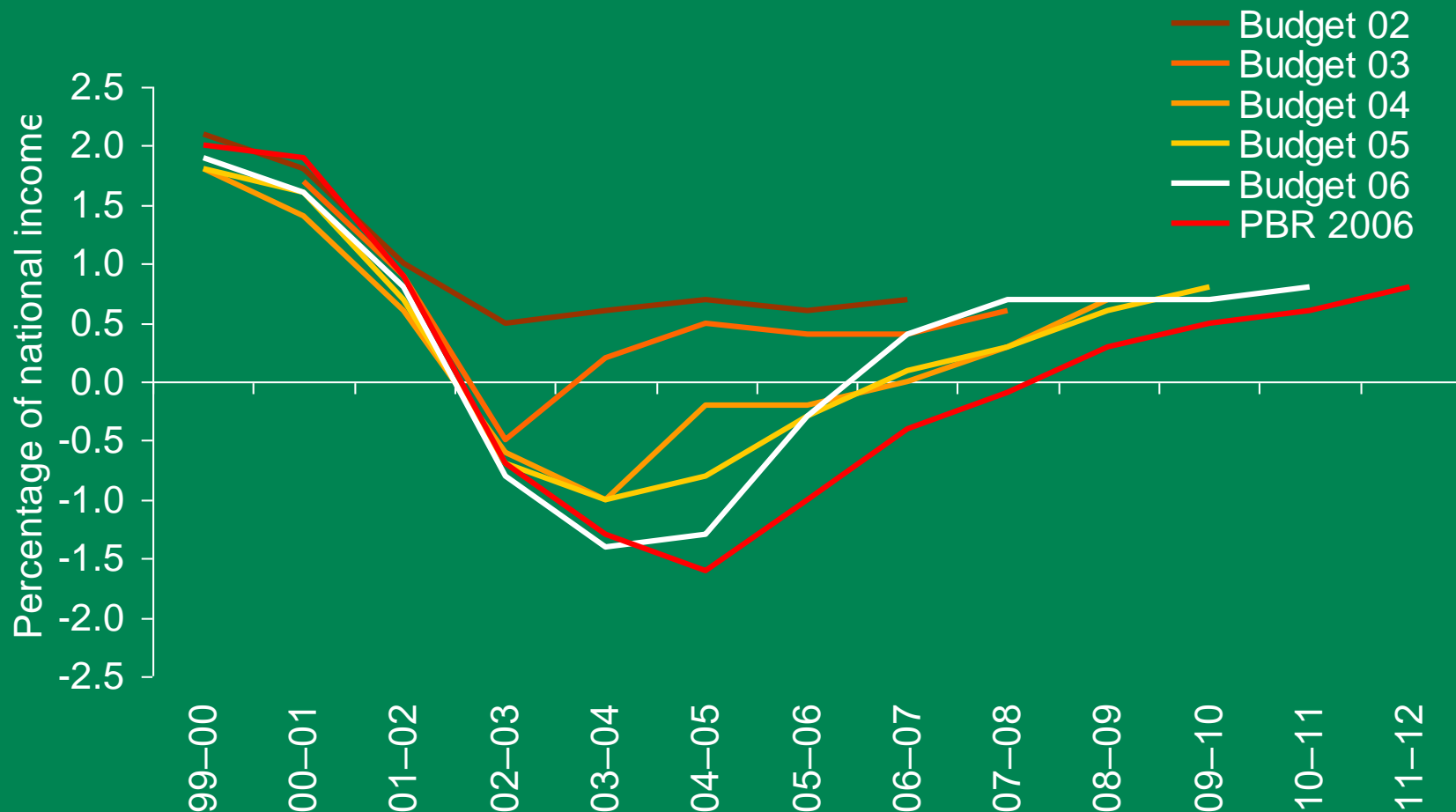
Revenues: new measures

| £billion | 2006– 07 | 2007– 08 | 2008– 09 | 2009– 10 |
|--------------------------|-------------|-------------|-------------|-------------|
| Air passenger duty | +0.2 | +1.0 | +1.1 | +1.2 |
| Fuel duty | –0.2 | +0.0 | +0.0 | +0.0 |
| ‘Avoidance’ and other | +0.2 | +1.2 | +1.2 | +1.0 |
| Total | +0.2 | +2.2 | +2.3 | +2.2 |

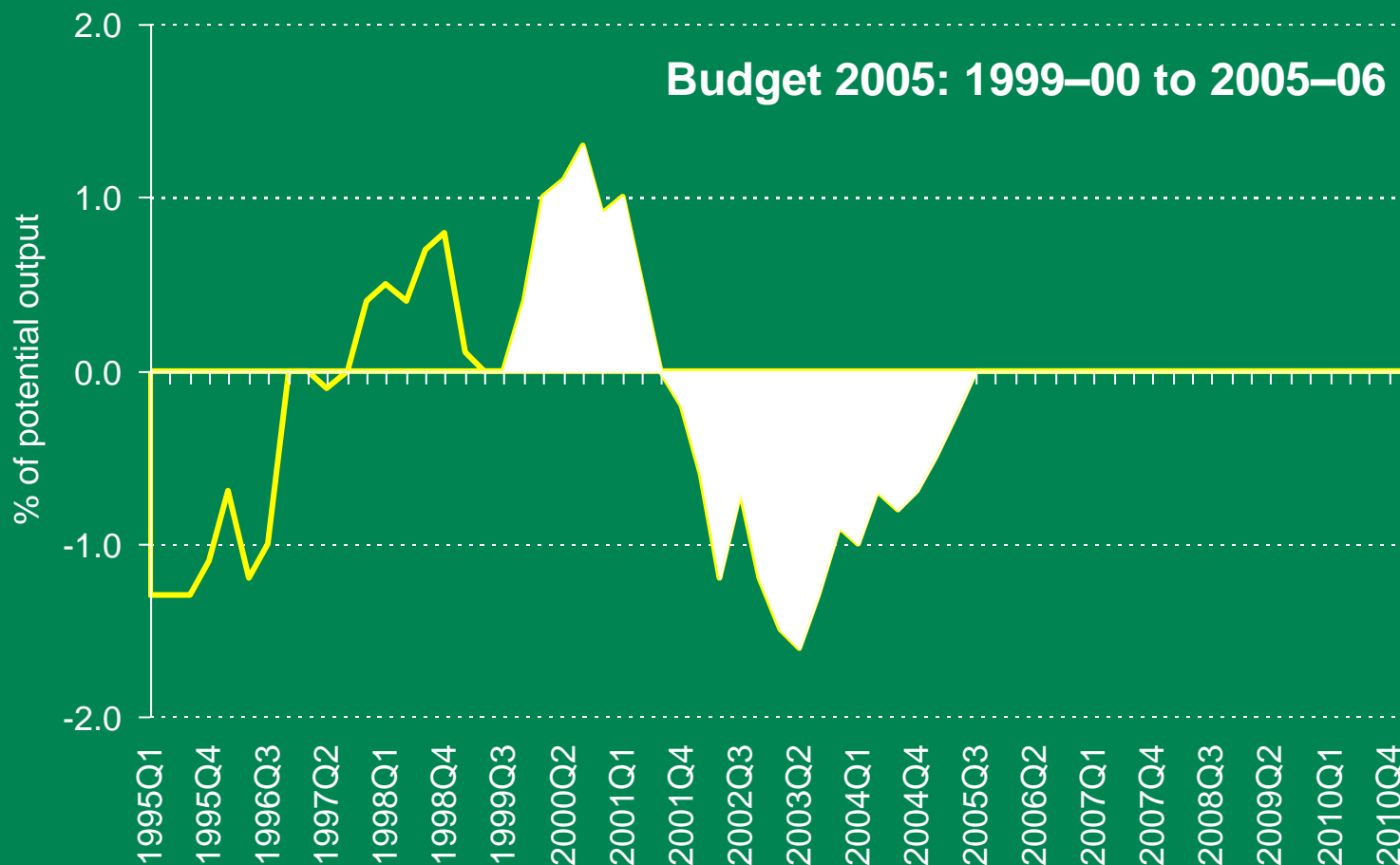
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| Total (no measures) | -8½ | -5½ | -1 | +1 | +2 |
| Higher trend growth | +0 | +1½ | +3 | +4½ | +6 |
| PBR measures | +0 | +2 | +2½ | +2 | +2 |
| Current budget | -8 | -1 | +4 | +7 | +10 |

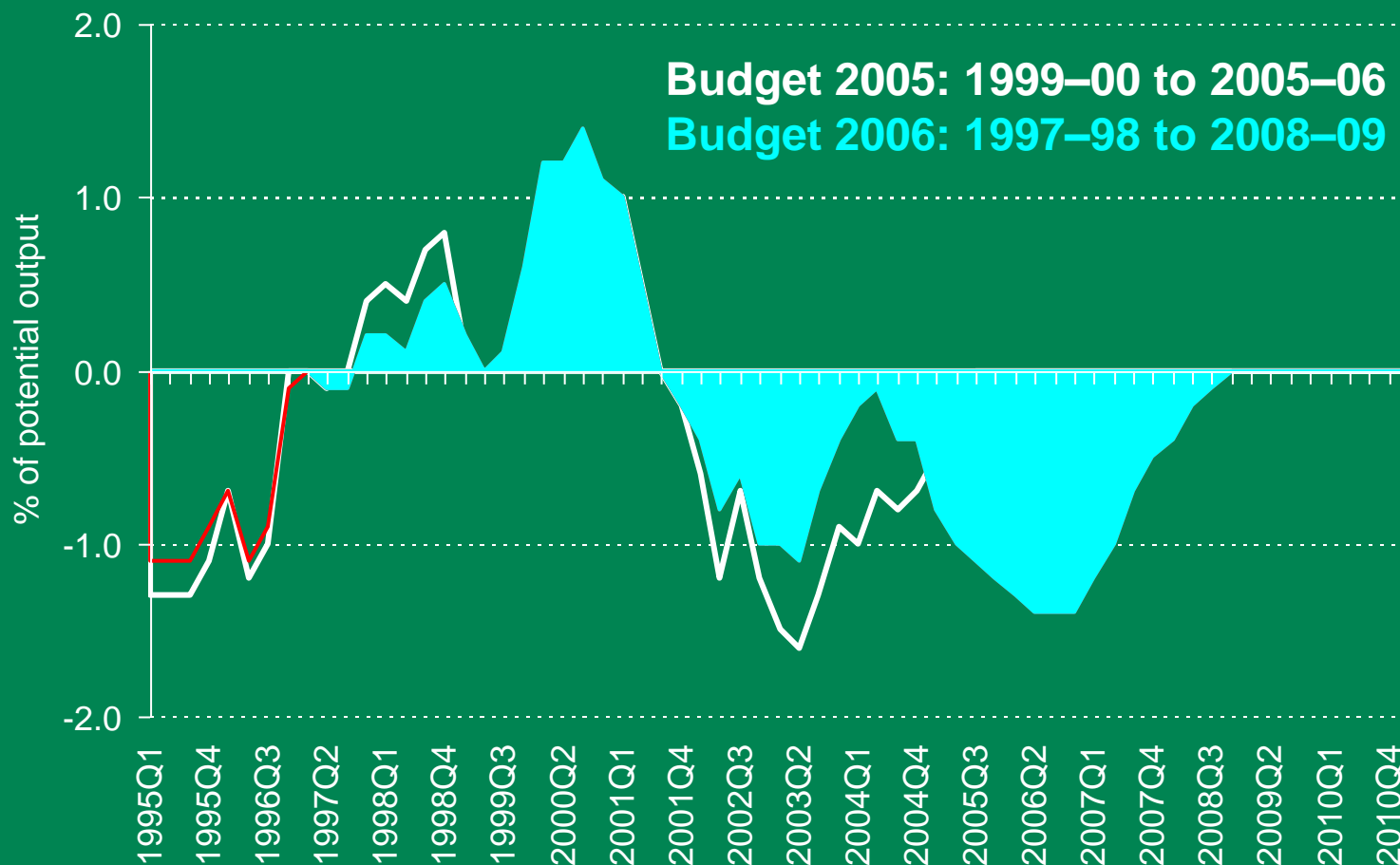
Structural current budget balances



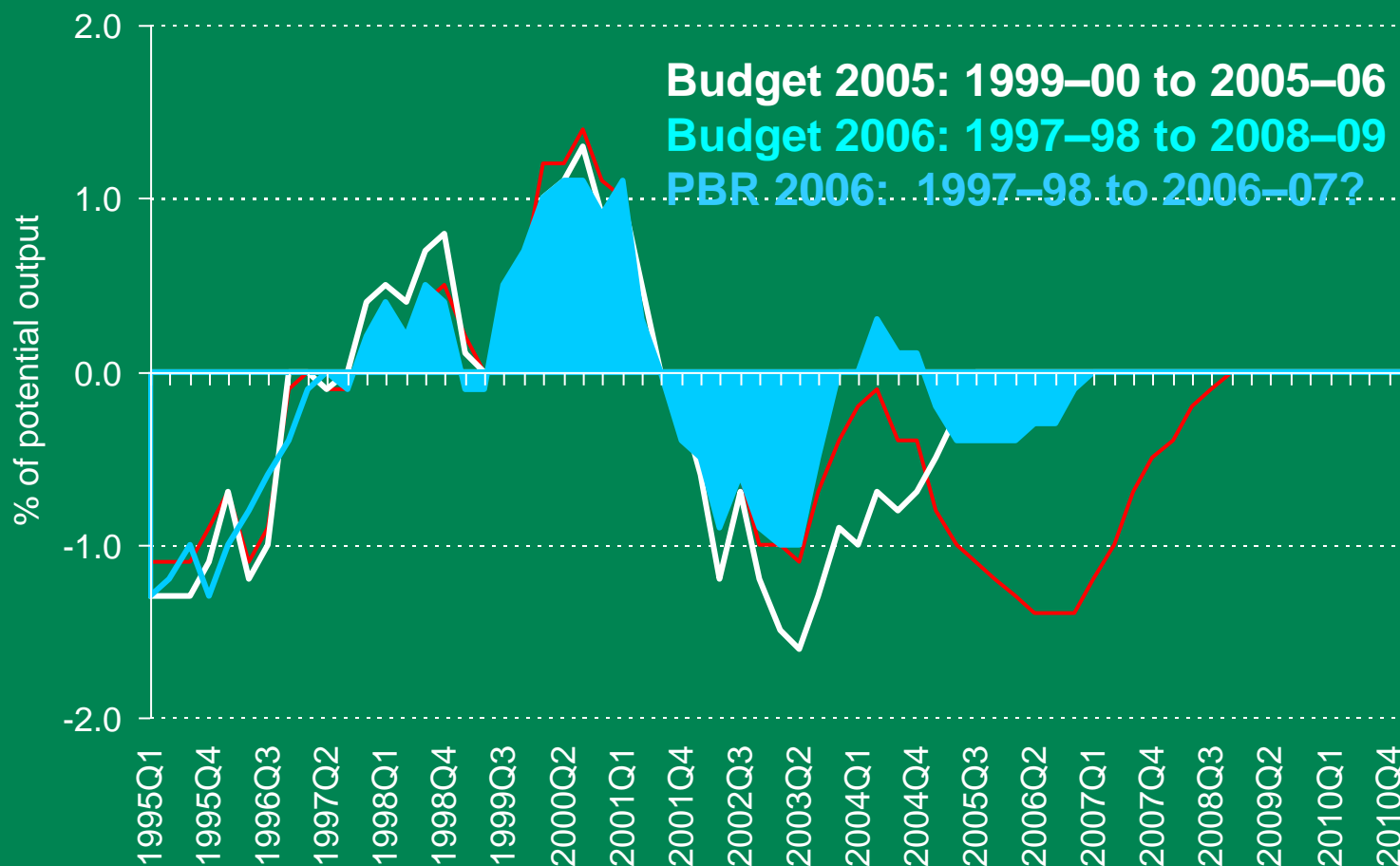
A seven year cycle?



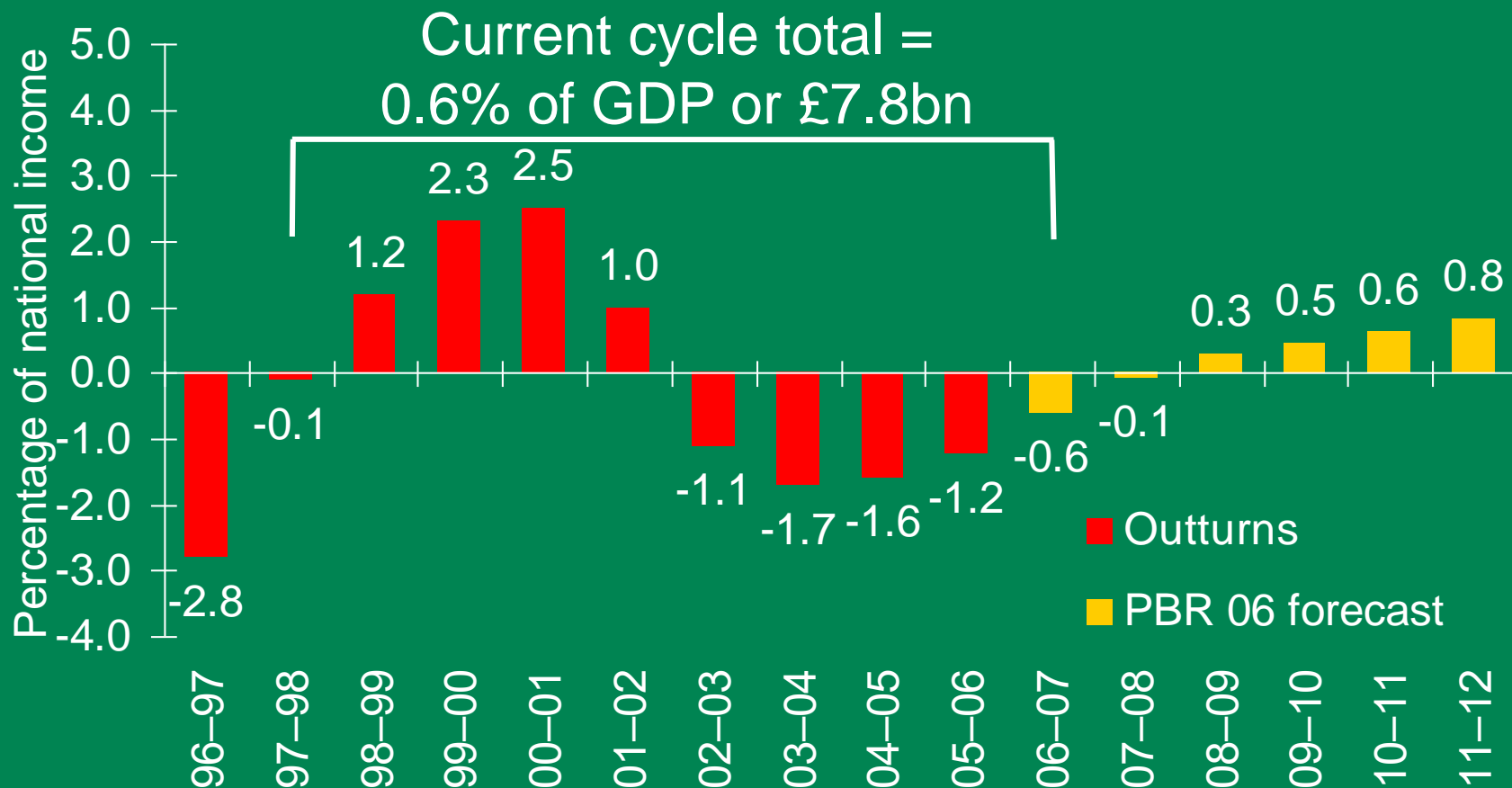
A twelve year cycle?



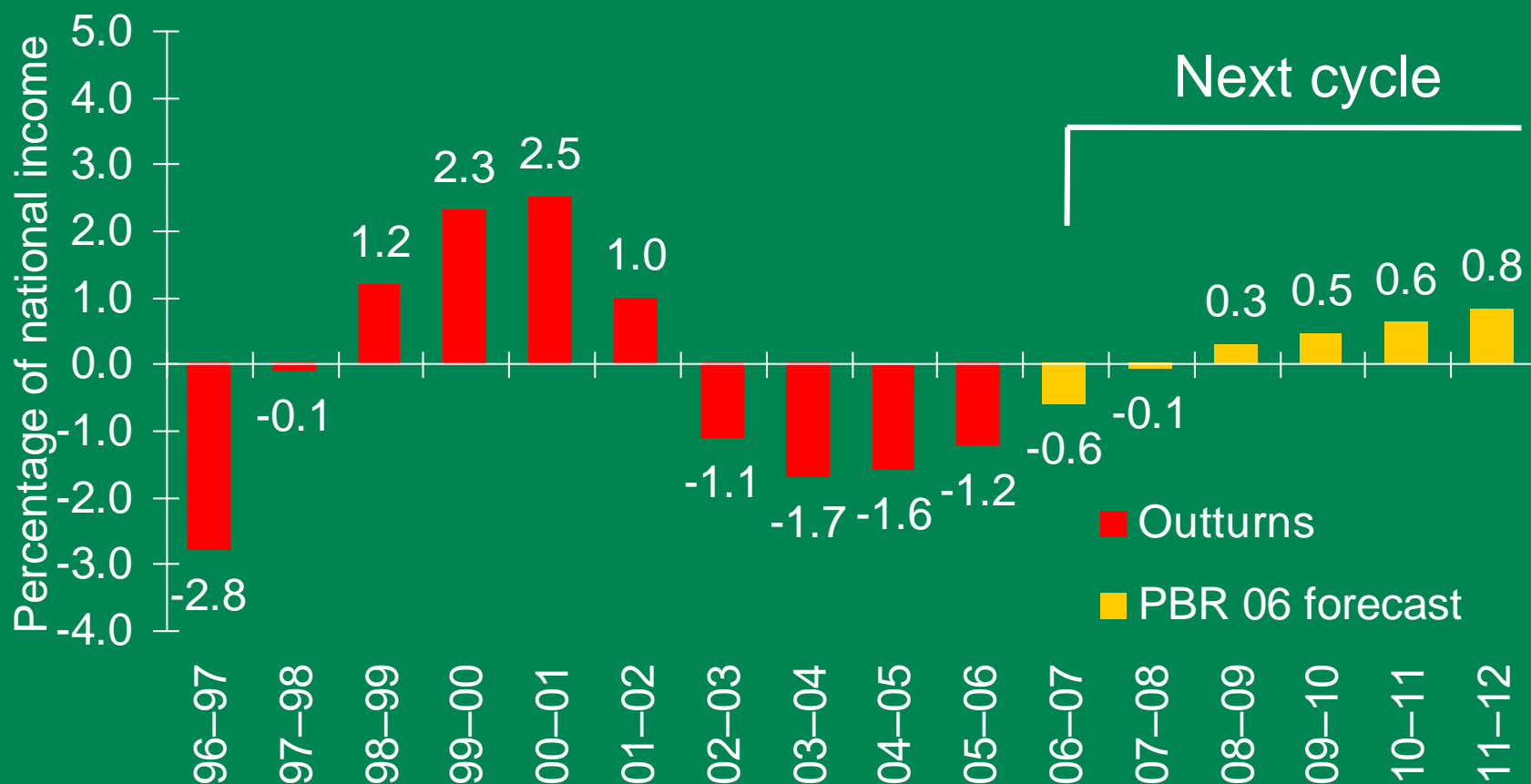
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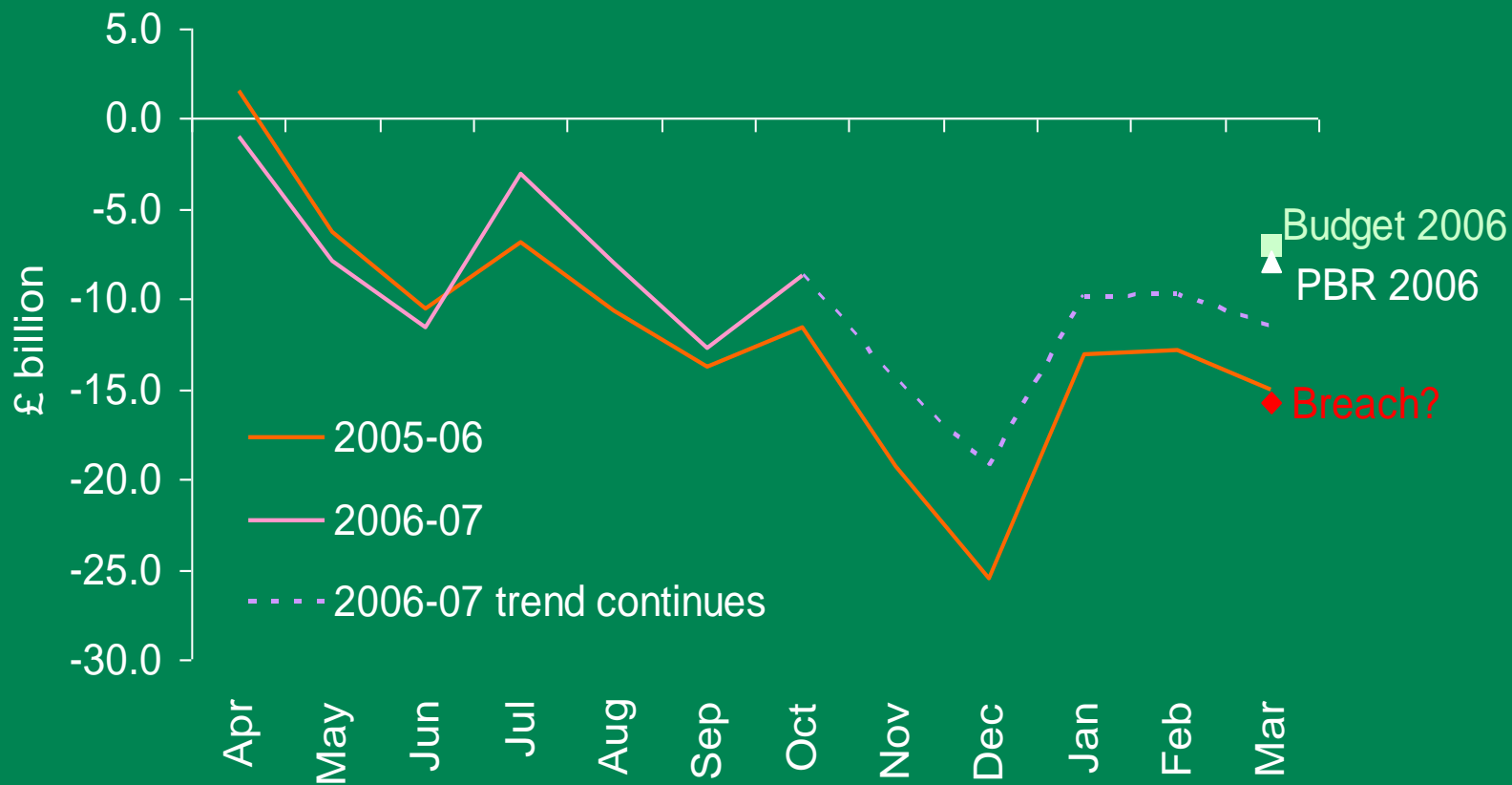
Current budget balance



Current budget balance

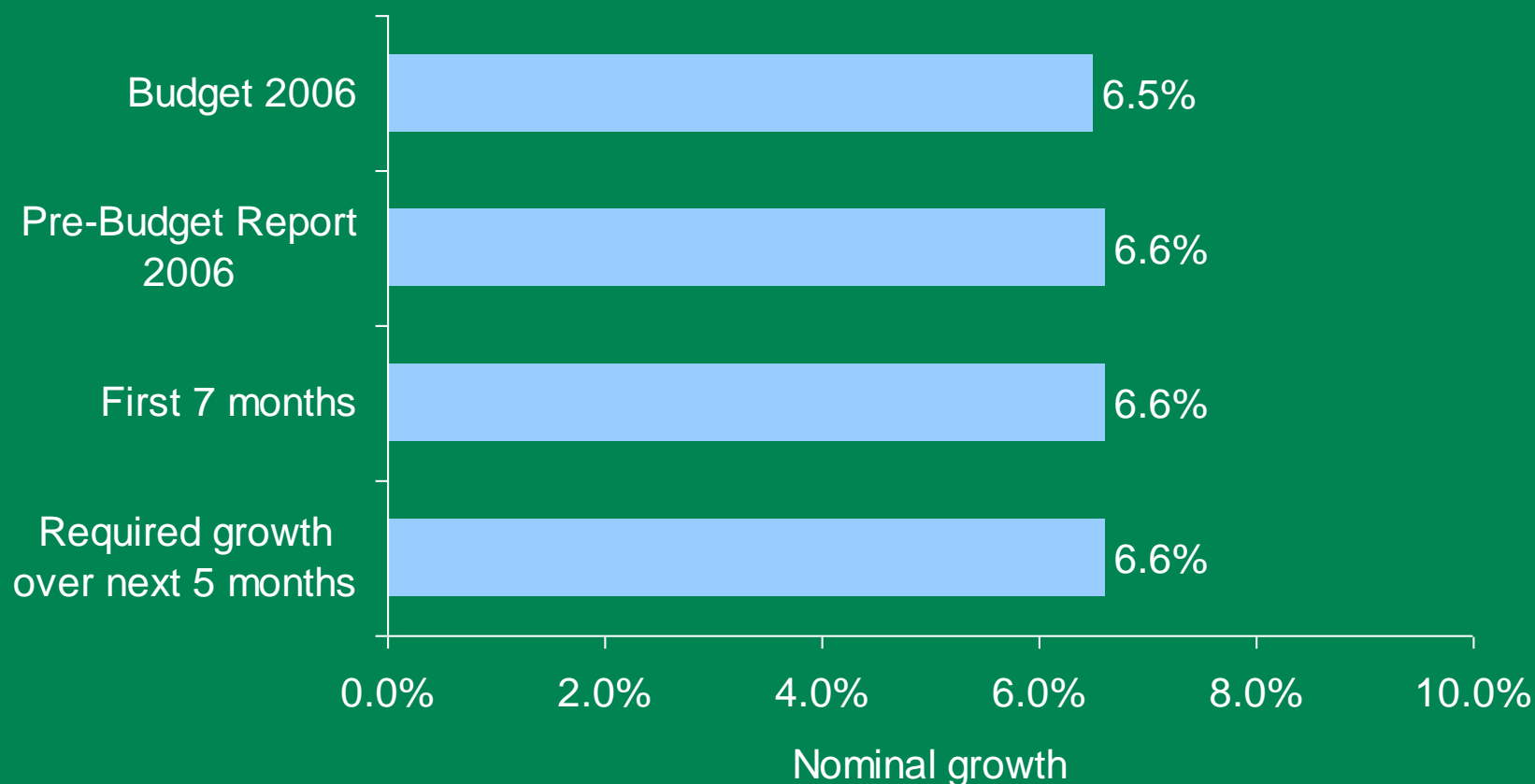


Monthly current budget surplus



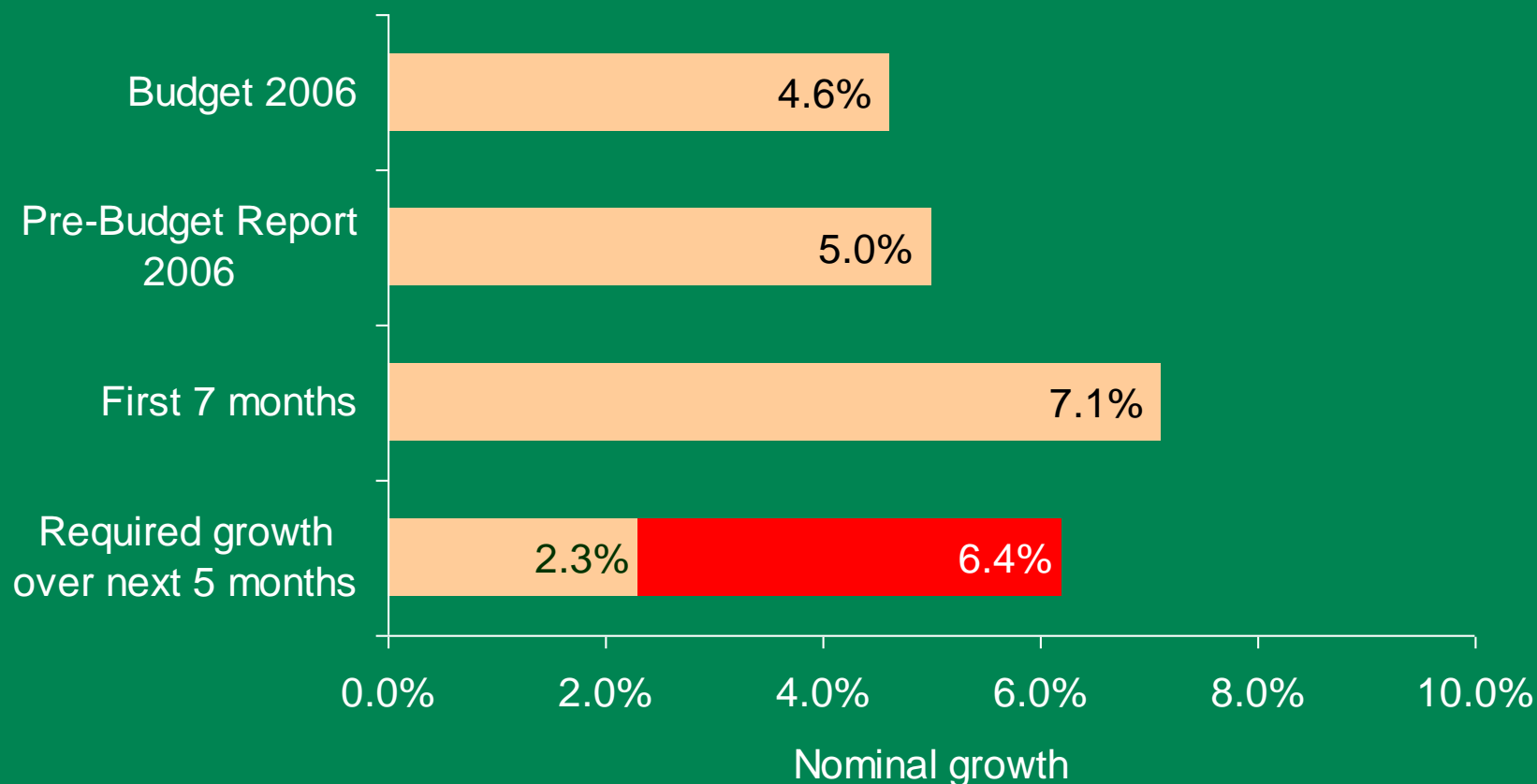
Receipts on track

Growth in net taxes and social security contributions in 2006–07



Current spending growth to slow?

Growth in central government current spending,
(including depreciation) in 2006–07



Spending in November–March



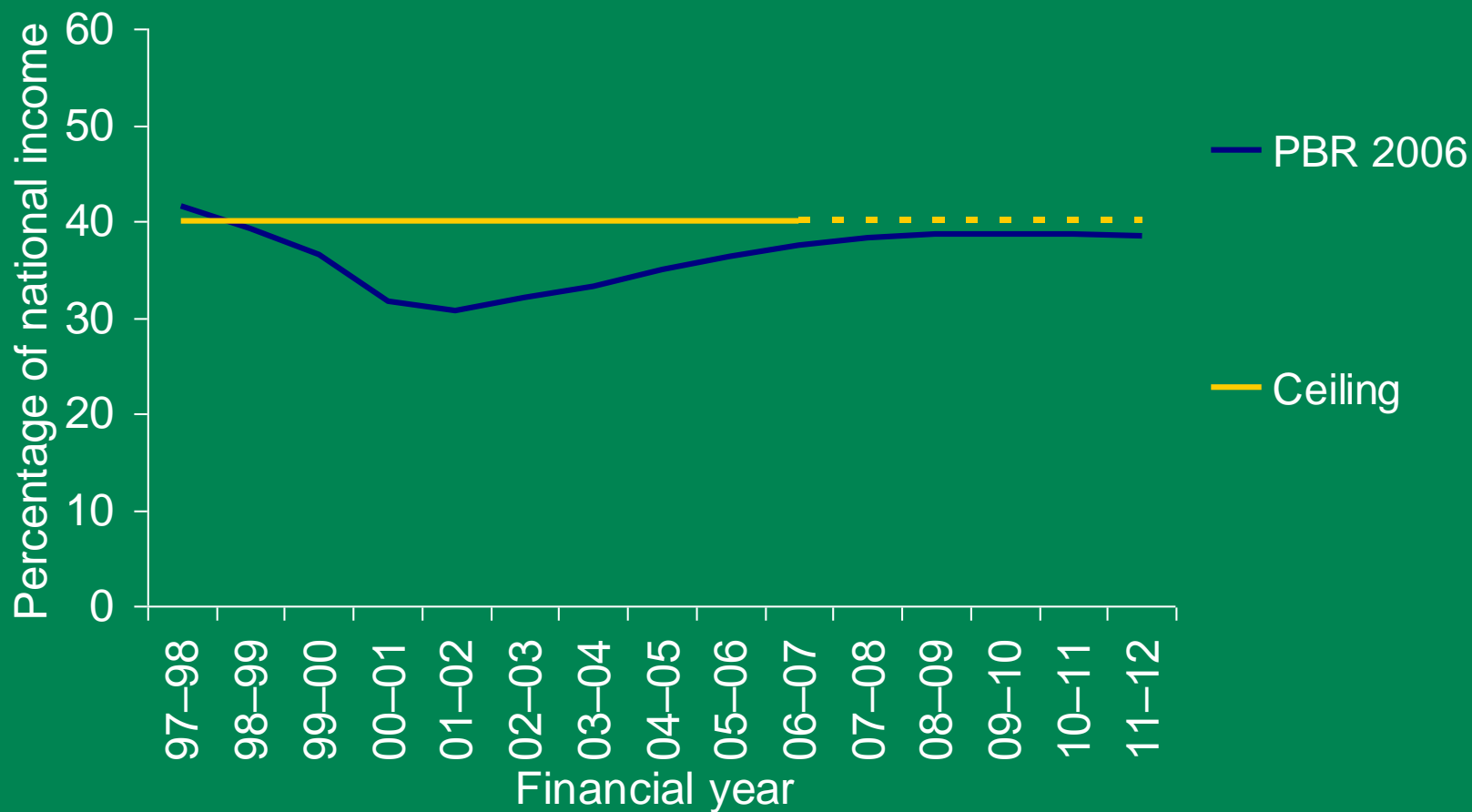
Spending in November–March



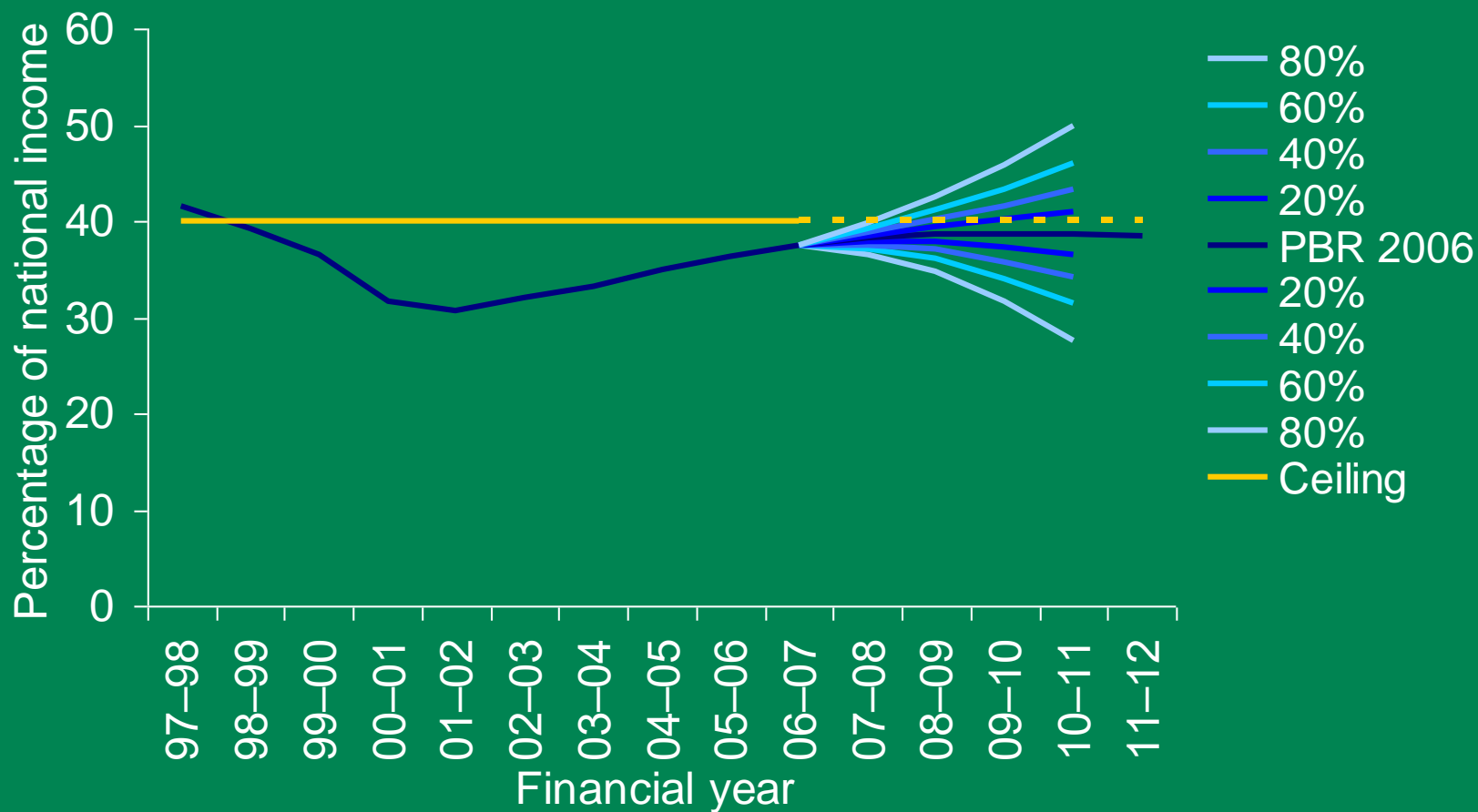
Spending in November–March



Will the investment rule be met?



Will the investment rule be met?



Debt could exceed 40%

