Failed by man with no plan

THE FAIL of the Century Budget confirms George Osborne’s status as a Triple-A dud.

Failing growth and soaring borrowing are a double disaster for a Chancellor who flunks every test he sets himself.

Payment for his catastrophe are the millions of Britain enduring lower living standards, reduced real wages and benefit cuts, while the richest in the nation are given a huge handout.

The fifth successive cut in the growth forecast means Mr Osborne is an expensive failure. His talk of an Aspiration Nation is empty spin when his bankrupt policies are making families poorer.

A penny off a pint or the jump in the income tax threshold does little to compensate those struggling under his austerity regime.

Where was the dash for growth? The Plan B to rebuild Britain? Economists across the globe have repeatedly warned Mr Osborne that he was wrong, as have the Coalition’s own Business Secretary Vince Cable and Labour Shadow Chancellor Ed Balls on numerous occasions.

Wrong

One of the few people in the world who doesn’t think Mr Osborne is wrong is the Chancellor himself.

But he is. Utterly and comprehensively, wrong, as terrible growth and borrowing figures showed in the Budget.

The few positive measures, including National Insurance breaks for new employers and a housing plan which could backfire spectacularly, are splitting into a hurricane when the country is crying out for a forceful Plan B to succeed the discredited Plan A for Austerity.

Mr Osborne’s ideological straitjacket leaves no room for manoeuvre. He must lie awake at night fretting over statistics which show he’ll borrow more in five years than Labour did in 13, missing his own target by a thumping quarter of a trillion pounds. The only thing he grows is the national debt.

Mr Osborne deserves the title of Worst Chancellor for a Century. But Britain doesn’t deserve a Chancellor who won’t learn from his own mistakes.

Infrastructure spending should be four times as big. This is a small beer Budget

prof John Van Reenen
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George Osborne delivered his fourth Budget yesterday. The backdrop is appalling – he slashed his growth forecasts for this year by half to just 0.8%.

This is the slowest recovery for more than 100 years, with low wages, high inflation and debt rising till 2017-18. Despite his lack of success, the Chancellor would not be budged from Plan A of severe spending cuts and tax rises.

This means the pain will continue with little prospect of decent increases in pay and jobs for many years.

The Chancellor refuses to admit the blindingly obvious (repeatedly by the Government’s own fiscal watchdog) that his policies have contributed to slow growth. He just goes on blaming Labour and the eurozone for all our woes.

The huge cuts in public investment after 2010 were a mistake that made a bad situation worse. The Budget promised increase in infrastructure spending of £3 billion a year is simply too small and won’t start until 2015.

It should be four times as big. We need to get moving on transport, energy and housing now, George, not in two years. Worse, the infrastructure financing is funded by yet another squeeze on the richest people in the country. An average tax cut in two weeks’ time of £100,000 for 13,000 millionaires, while millions pay more because of cuts to tax credits, child benefit and the bedroom tax.

Of course there were some welcome measures in the Budget. Labour called for a tax break for small firms taking on extra workers. The Government is now set to introduce a similar scheme - three years after we urged it to act.

We also said there had to be more support for people hoping to buy a home. But there was no major investment in building the thousands of affordable homes we need.

And despite small changes on beer and fuel duty families will be hundreds of pounds worse off at the next election overall than when the Tories and Lib Dems took office.

It was a more-of-the-same Budget. Because no matter how bad the situation gets and no matter what the long-term damage it is doing to the nation, George Osborne is determined to avoid the humiliation of admitting that he has got it wrong.

Britain deserves better than this.