ATT Welcome: The weird world of Budgets

Welcomes



20 November 2023

Hello and welcome to the Deputy President’s page for December.

I am submitting my article for print some time before the Autumn Statement takes place. I could make my own predictions as to what may be announced but so many conflicting stories in the press make it almost impossible to do so. Suggestions that the tax rates remain the same or increase appear one day then change to predictions that they will drop the next.

If I were forced to make one forecast, I would suggest that there will be an announcement on changes to inheritance tax. Further than that, I am not brave enough to commit.

I can, though, be absolutely sure that our technical officers and press officers will be working hard immediately after the statement to issue press statements and blogs on the changes announced, as well as considering the consultations announced by

the government to decide on ATT's responses. In addition, they will be reading through any proposals and feeding back to our members the implications for them and their clients.

As I can't give you any wise words on the Autumn Statement, I thought I would share a few interesting and odd facts on UK annual statements and budgets.

1. The first reference to a 'budget' is thought to have taken place following the collapse of the South Sea Company in the early 1720s when Sir Robert Walpole was prime minister.
2. The word Budget is thought to come from the old French word 'bougette' meaning small leather bag such as a coin bag.
3. An early edition of the Oxford English Dictionary notes that the phrase 'to open one's budget' meant to reveal a secret – perhaps an unwelcome one. So things haven't changed much.
4. We are used to seeing the Chancellor of the day holding up the famous red box. The box doesn't hold the budget, usually only the Chancellor's speech and notes.
5. William Gladstone's red box was made in around 1860 and used by every chancellor except Jim Callaghan and Gordon Brown, until George Osborne used it for the last time in June 2010. Gladstone's box can now be seen in the Churchill War Rooms.
6. In 1868, George Ward Hunt left the red box at home in 11 Downing Street and held up parliament for some time while the speech was retrieved. This may explain the ritual of holding up the red box to the public to reassure us that all is in order.
7. The longest continuous speech was given by Gladstone in 1853, lasting for four hours and 45 minutes. Disraeli's speech in 1852 lasted five hours but did include a break. Disraeli also holds the record for the shortest speech at 45 minutes in 1876 – perhaps his colleagues persuaded him that brevity was the way forward.
8. By tradition, the Chancellor of the Exchequer is permitted to drink whatever they want while delivering the budget, including alcohol (which is otherwise banned in the House of Commons). Gladstone chose sherry with a beaten egg (probably to sustain him during his record speech!). Many, including Kenneth Clarke, had whisky as their tipple, and Churchill favoured brandy, while others like Rishi Sunak stuck to water.

9. When Norman Lamont was chancellor in the early 1990s he carried a bottle of whisky in the red box and William Hague who was his aide at the time carried the speech in a poly bag. Hague has been quoted as saying: ‘It would have been a major disaster if the bag had fallen open.’
10. The first live televised budget was John Major’s in 1990.
11. Traditionally, the Chairman of Ways and Means (Deputy Speaker of the House) chairs the budget rather than the Speaker. This is because in the past the speaker was thought to be too close to the monarch.
12. Sir Geffrey Howe, Chancellor from 1979 to 1983 must have really enjoyed the post as he named his dog Budget.

Whatever oddities this Autumn Statement brings up you can be sure that the ATT will be on hand to guide you through the changes.

In conclusion, in addition to wishing you and your families compliments of the festive season when it comes, I will leave you with these ‘wise’ words from George W Bush: ‘It’s clearly a budget. It has lots of numbers in it.’