

# The Budget

## INTERNET ACCESS REQUIRED

In advance, check access to the recommended websites via your IT department.

SPECIFICATION LINK: THEME B, DEMOCRACY AT WORK IN THE UK – TAXATION AND GOVERNMENT SPENDING

## Objectives

**LO1** I can explore the role of the Chancellor of the Exchequer in making decisions about the allocation of public funding

**LO2** I can appreciate different views on how the government makes provision for welfare, health, the care of the elderly, education etc.

Class:	Date:	Last lesson:	
Extra challenge pupils:	SEN pupils:	M:	F:

## Connect

- Why are most adult citizens in the UK **expected to pay taxes**?
- Discuss with **another student** whether the Budget is relevant to people your age. Justify your opinion.

## Activate

Worksheet 1 The Budget: true or false?

Worksheet 2 The Budget: true or false? – Answer sheet

- Give students **Worksheet 1** and ask them to complete the true/false quiz about the UK Budget.
- Share answers with the class, first asking volunteers to say whether each statement is true or false. Answers are on **Worksheet 2**.

## Demonstrate

Worksheet 3 Why is a Budget needed and why do citizens always have different views on the most recent one?

- Put students into **groups of 3/4** and ask them to discuss the five questions on **Worksheet 3(b)**. Highlight the need to use the **key vocabulary** on **Worksheet 3(a)** during this activity.
- Students should also refer to [www.bbc.co.uk/news/uk-politics-42056452](http://www.bbc.co.uk/news/uk-politics-42056452) (**overview of Nov 2017 Budget**) in order to discuss the questions **in context**.
- Explain that a **spokesperson** from each group will be needed for feedback after the group discussion.

- Ask spokespersons for **brief feedback**.
- Examples of **good answers**:
  - A. Why does the role 'Chancellor of the Exchequer' exist? What does it involve?*  
"It is important to have someone in charge of the Treasury so that the country's economic growth can be monitored and prioritised. The job involves overseeing government expenditure (raised through taxation) on areas such as the public sector, anti-terrorism measures and supporting new businesses."
  - B. Which kinds of issue are discussed each year in the Budget?*  
"The cuts and increases in government expenditure with relation to the housing market, the price of food, wages for public sector employees, tax credits, NHS running costs, etc. Specific events from the previous year are mentioned too, e.g. in 2017 Philip Hammond announced funding for mental health support following the Grenfell Tower tragedy."
  - C. Why is the Budget held every year rather than just after every general election?*  
"As general elections are usually every five years, it is important not to wait until a new government is elected before making important decisions about the country's economy. For example, in the 2017 election, money was put aside for Brexit negotiations following the EU referendum in June 2016."
  - D. Why do citizens have different views on whether the latest Budget was a favourable\* one?*

*“Everyone has different personal circumstances and thus one individual might suddenly be significantly out of pocket following budget announcements whereas another might have more disposable income as a result. We also need to consider that, even putting aside their own finances, citizens have different ethical stances on how government spending should be prioritised. Someone might be very passionate about eliminating homelessness and also wish to see smoking abolished. How the Budget ties in with these issues would affect their judgement of whether new ways to spend the taxpayer’s money are fair and appropriate.”*

E. Which part of the 2017 Budget most surprised you and why?

*“Yasmeen was pleasantly surprised that there’d be nearly £3 billion extra spending for the NHS. Tommy was shocked to see £84 million was promised for computer science teachers, as he feels the money would be better spent on extra PE staff given childhood obesity rates. Amelie and I were surprised at how large the deficit is. We hadn’t realised the extent of our country’s debt.”*

## Consolidate

- Ask students to write down as many bullet points as they can to summarise their learning from the lesson. Emphasise that these bullet points should refer to the two lesson objectives.
- Also point out that the idea of the bullet points is to produce a **quick revision tool for the Budget/the role of the Chancellor of the Exchequer** for the exam. In other words, there is no point writing down facts that they have known for years and won’t need to revise: **focus on new learning!** Students should use **colours, underlining**, etc.
- Examples of **bullet points**:
  - \* Budget = **annual, Chancellor of Exchequer** (in charge = **Treasury**)
  - \* **11 Downing Street, red box**, how **taxpayer’s money** spent
  - \* **2017** Budget = **homelessness** task force, scrapped **stamp duty** (1<sup>st</sup>-time buyers), **clean air fund**
  - \* New **higher rate** tax threshold (£46,350) + **tax-free** personal allowance (£11,850)
  - \* Speech = **House of Commons**
  - \* **Diff views** on Budget = personal finances,

political views, does **spending meet election promises?**

## Extra challenge

**Demonstrate activity:** Ask Extra challenge students to **add five relevant key words and definitions** to the table on Worksheet 3. These should be taken from appropriate websites relevant to the Budget, with reference to a reputable online dictionary.

## Simplify

**Consolidate activity:** Encourage SEN students to use the **bullet point examples given above** (photocopied, then highlighted by them, if more conducive to learning than writing out).

## Recommended websites

[www.bbc.co.uk/news/uk-politics-42056452](http://www.bbc.co.uk/news/uk-politics-42056452)  
(Budget 2017 overview)

## Homework

Ask an adult to explain two ways in which the 2017 budget had an impact on them. Write their views down. Ask if they are comfortable about you sharing their thoughts in a brief class discussion next lesson.

# Worksheet 1: The Budget: true or false?

*Five statements are false and five are true. For the false statements, be ready to explain why!*

1. Every year on Budget day, the Chancellor of the Exchequer holds up a red box outside their home address, 9 Downing Street. The box contains the Budget speech and is taken to the House of Commons.
2. According to a very old tradition, the Chancellor is allowed to take alcohol into the House of Commons on budget day. Winston Churchill chose brandy, for example.
3. The Budget speech normally lasts roughly one hour. The longest, by William Gladstone (1853), lasted nearly three hours.
4. The Chancellor is one of the most senior Cabinet members. They decide upon levels of taxation across the country, announcing any changes in the yearly Budget.
5. The Chancellor heads HM Treasury. The Treasury is the government department which controls public spending. Its main aim is for the UK to maintain a strong economy (e.g. by reducing the deficit). The Treasury oversees banking regulations and public sector pay.
6. In the month leading up to the annual Budget, the government hold a referendum to find out whether voters are happy to pay higher taxes.
7. Philip Hammond presented the 2017 Budget in the month of November.
8. In the 2017 Budget, schools and colleges were promised £600 for each additional pupil taking maths/further maths A-level.
9. In the 2017 Budget, a large increase to the cost of alcohol was announced.
10. In the 2017 Budget, the Chancellor announced cuts in spending on homelessness.

# Worksheet 2: The Budget: true or false? – Answer sheet

Five statements are false and five are true. For the false statements, be ready to explain why!

1. Every year on Budget day, the Chancellor of the Exchequer holds up a red box outside their home address, 9 Downing Street. The box contains the Budget speech and is taken to the House of Commons.

**FALSE!** *The Chancellor's official residence is 11 Downing Street.*

2. According to a very old tradition, the Chancellor is allowed to take alcohol into the House of Commons on budget day. Winston Churchill chose brandy, for example.

**TRUE**

3. The Budget speech normally lasts roughly one hour. The longest, by William Gladstone (1853), lasted nearly three hours.

**FALSE!** *It lasted four hours and 45 minutes!*

4. The Chancellor is one of the most senior Cabinet members. They decide upon levels of taxation across the country, announcing any changes in the yearly Budget.

**TRUE**

5. The Chancellor heads HM Treasury. The Treasury is the government department which controls public spending. Its main aim is for the UK to maintain a strong economy (e.g. by reducing the deficit). The Treasury oversees banking regulations and public sector pay.

**TRUE**

6. In the month leading up to the annual Budget, the government hold a referendum to find out whether voters are happy to pay higher taxes.

**FALSE!** *The Chancellor and their government colleagues are not obliged to directly consult citizens about taxation levels.*

7. Philip Hammond presented the 2017 Budget in the month of November.

**TRUE**

8. In the 2017 Budget, schools and colleges were promised £600 for each additional pupil taking maths/further maths A-level.

**TRUE**

9. In the 2017 Budget, a large increase to the cost of alcohol was announced.

**FALSE!** *Duty on most alcohol (e.g. wine, beer and spirits) was frozen.*

10. In the 2017 Budget, the Chancellor announced cuts in spending on homelessness.

**FALSE!** *He announced funding for the creation of a new homelessness taskforce, with a commitment to ending rough sleeping by 2027.*

# Worksheet 3(a): Why is a Budget needed and why do citizens always have different views on the most recent one?

Use the key vocabulary below and [www.bbc.co.uk/news/uk-politics-42056452](http://www.bbc.co.uk/news/uk-politics-42056452) to discuss the five questions on the next page. Remember to choose a spokesperson to feed back your work to the class.

## KEY VOCABULARY

<b>1. Allocation of public funding</b>	How all the money raised from citizens (through taxes) is spent, e.g. how much is spent on children's education compared to looking after the elderly.
<b>2. Benefits entitlement</b>	When someone is allowed money from the government due to their circumstances (e.g. parents/carers get Child Benefit).
<b>3. Central government</b>	The group of elected politicians (MPs) who work in the House of Commons in London.
<b>4. Chancellor of the Exchequer</b>	Important politician on the Cabinet who oversees the Treasury and makes the annual Budget announcement.
<b>5. Corporation tax</b>	Money paid to the government by businesses (who pay a percentage of their profits).
<b>6. Deficit</b>	A type of debt when a government has spent more money than it received.
<b>7. Economics</b>	How employment, spending and international trading are organised.
<b>8. Expenditure</b>	Spending.
<b>9. Financial sector regulation</b>	Putting rules in place to ensure banks and other financial organisations (insurance companies, etc.) act fairly and in a transparent manner.
<b>10. Property market</b>	The buying and selling of buildings and land.
<b>11. Public sector</b>	Government-owned businesses/industries, e.g. schools and hospitals.
<b>12. Recession</b>	When a country's economy is unsuccessful, e.g. unemployment is high and profit from major businesses is low.
<b>13. Service provider</b>	An organisation providing a service (e.g. healthcare, education or transport) to citizens. Hospitals, schools, taxi companies, etc. are service-providers.
<b>14. Sustainable economic growth</b>	When businesses make more profit than the year before and when people have enough money left over (after bills) to spend in their own country.
<b>15. Taxation</b>	When the government takes money from workers, to spend for the greater good of society (on schools, defence, Disability Living Allowance etc.
<b>16. Tax credits</b>	When households on low incomes are encouraged to keep working, through additional payments from the government (e.g. workers with children).
<b>17. Treasury, HM/The</b>	The government department headed by the Chancellor that oversees the country's finances.
<b>18. Penalise</b>	To cause a disadvantage to individuals/groups, e.g. double the cost of cigarettes in the hope of reducing smoking.
<b>19. Welfare spending</b>	How much money the government spends on looking after people in need, e.g. people who are unemployed/have a disability/are ill/have addictions.
<b>20. Workplace productivity</b>	How well workers perform, e.g. how much profit they generate and/or how satisfied their service-users are (customers, patients, pupils, etc.).

## Worksheet 3(b): Why is a Budget needed and why do citizens always have different views on the most recent one?

### Questions (group discussion)

- A. Why does the role 'Chancellor of the Exchequer' exist? What does it involve?
- B. Which kinds of issue are discussed each year in the Budget?
- C. Why is the Budget held every year rather than just after every general election?
- D. Why do citizens have different views on whether the latest Budget was a favourable\* one?
- E. Which part of the 2017 Budget most surprised you and why?

**Our notes:**

*\*Favourable = something that you approve of, e.g. a teacher's decision to allow snacks in lessons*