

## Topic: Government spending and taxation

<b>Lesson: Public funding and decision making</b>	<b>KS or Year Group: KS3</b>
<b>Resources:</b> <ol style="list-style-type: none"><li>1. Resource 1 – Keywords</li><li>2. Resource 2 – Five factsheets</li><li>3. Resource 3 – Five factsheets with gaps</li><li>4. Resource 4 - Pie chart</li><li>5. Resource 5 - Quiz</li><li>6. Resource 6 - Prompt questions about budget</li><li>7. Resource 7 – Worksheet</li></ol>	<b>Outcomes:</b> <ul style="list-style-type: none"><li>• Students will understand about the ways in which decisions about public funding are made.</li><li>• Students will be able to explain who makes decisions about public expenditure and when.</li><li>• Students will be able to talk about the decisions made in the 2008 Budget.</li></ul>

### National Curriculum

Key Concepts: 1.1d, 1.2a & 1.2c

Key Processes: 2.1a, 2.2a, 2.2b, 2.2c & 2.2d

Range and Content: 3a & 3h

Curriculum Opportunities: 4a, 4b & 4c

### Lesson

This lesson looks at key issues surrounding government spending. Students will begin by looking at keywords and then explore five factsheets about government expenditure. They will then do a group-based written exercise to check that they have retained the relevant information, and study a pie chart based upon government decisions from the 2008 Budget. To round off the learning, there is a short quiz and a series of questions to discuss. A worksheet is then filled in to check that the key information from the lesson has been taken on board.

### Starter

- Share objectives and outcomes with students.
- Students are given a copy of **Resource 1 – Keywords** and are given two or three minutes to take on board the information. Students should be given the chance to ask questions if they are not sure about any of the concepts.
- Five copies of each of the factsheets in **Resource 2 – Five factsheets** (i.e. 25 in total) should be stuck up around the room in advance. These should all be mixed up and some should be placed in 'fun places' like at skirting board level or behind the TV! Students are told that they have six or seven minutes to locate a copy of each of the five different sheets and memorise as much of the information as they

can (leaving the sheet in place). They are also told that the information will be needed throughout the lesson. It will be useful for children with low literacy levels to be paired with children with high literacy levels.

- Students return to their seats and are asked to comment on how well the class worked as a group. For example, did taller people stand behind shorter people when reading the sheets? Did stronger readers help weaker readers? Did students move around the room safely? How did reading when standing up compare to reading at a table?

### Main activity

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#### Activity 1:

- Students are allocated in mixed groups of gender and ability into groups of three or four.
- Each group is given a copy of **Resource 3 – Five factsheets with gaps**. A ‘race’ then begins: the idea being that each group should fill in gaps A – Z as quickly as possible (the sheets will need removing from the walls at this point). Some students will probably need telling that the letter given in each gap does not represent the first letter of the missing word!
- The answers are gone through quickly orally (with as many children as possible being encouraged to put up their hand and offer an answer). A reward is given to members of the fastest group.

#### Activity 2:

- Each student is given a copy of **Resource 4 – Pie sheet** and it is explained that the pie chart was released by the government following the 2008 Budget speech.
- Students are encouraged to discuss the pie chart in pairs or threes. The discussion might revolve around points such as what particularly surprised them about the decisions made, why the pie chart is available online for British citizens, whether all people living in the UK contribute towards taxes, whether there have been any news stories at home recently that back up the decisions shown in the pie chart.

### Plenary

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- Students work in pairs to complete **Resource 5 - Quiz** (the questions are read out by the teacher). This quiz focuses upon the five factsheets that the students looked at earlier in the lesson. Any pair getting full marks should receive a reward. They should also be asked to explain the techniques that they used to (a) absorb and (b) retain the information.
- In their pairs, students are given a copy of **Resource 6 - Prompt questions about budget**. They should discuss these questions for four or five minutes. At the end of this time, several students should be given the chance to justify their opinion in front of the class about one of the issues raised.
- Students are given their exercise books and a copy of **Resource 7 - Worksheet**. The instructions at the top of the worksheet might need highlighting (i.e. that they should each choose ONE question to answer).

### **Aim high**

- During the starter activity, high-achieving students should be challenged to summarise to a friend the information on each sheet in less than twenty words.
- During the main activity, high-achieving students should be encouraged to be the scribe for **Resource 3 – Five factsheets with gaps**. This will mean that they automatically take on a 'group leader' role (within which they will need to take responsibility for ensuring that everyone agrees upon the answers and that everyone gets a chance to talk).
- During the plenary activity, high-achieving students should be asked to come up with at least two extra questions for **Resource 6 – Prompt questions about budget**. These could then be posed to other high-achievers in the class during the oral feedback time.

### **Assessment**

In order for students to achieve certain levels within the lesson, the following should be considered:

#### LEVEL FIVE:

Students can explain what they believe to be fair and unfair in terms of how the government spends its money.

Students can explain the role of the Chancellor and the Treasury in terms of the Budget.

#### LEVEL SIX:

Students can challenge the way in which the government obtains money and/or spends it.

Students can present a persuasive oral case about alternative ways in which the government could obtain money and/or spend it.

#### LEVEL SEVEN:

Students can debate about why there is perceived need for the Budget and for a Chancellor.

Students can empathise with the Chancellor about why certain decisions were made in the 2008 Budget (and thus justify those decisions) even if he/she does not agree with those decisions.

#### LEVEL EIGHT:

Through referring to current affairs issues, students can discuss whether the rights and responsibilities of citizens in this country are being successfully addressed through the tax system.

Students can explain ways in which different types of citizens are affected by decisions made in the 2008 Budget. For example (without any groups being suggested to them) they can formulate hypotheses about how different groups of people such as 'the elderly', 'petrol station owners', 'smokers', 'members of the army' and 'pub landlords' might have responded to/been affected by the latest Budget.

### **Check the web**

<http://news.sky.com>

[http://budget2008.treasury.gov.uk/where\\_money\\_is\\_spent.htm](http://budget2008.treasury.gov.uk/where_money_is_spent.htm)

### **Summary of key learning**

- Students can explain the role of the Chancellor
- Students can understand how the government gets its money and name at least three things on which the government spends money

## Resource 1 – Keywords



### trade:

1. **Buying and selling**  
(e.g. 'the UK often trades with America')
2. **A business or industry**  
(e.g. 'she has always worked in the restaurant trade')

### trader:

**A person who buys and sells things**  
(e.g. 'he is a famous trader in London')

### economy:

**The way we make, distribute and consume everything. It refers to a country's wealth**

(e.g. 'tourists visiting England bring money into the economy because they buy things')

### economist:

**Someone who has a special knowledge of economics**

(e.g. 'there is an economist on the news tonight')

## Resource 2 – Five factsheets

### What is the RED BRIEFCASE?



I have always wondered why the Chancellor carries a red briefcase on Budget day.

I thought that it was a fashion statement!

Have ever seen the Chancellor making the Budget speech on TV in March each year? You might have noticed that he is usually carrying a red briefcase.

The famous politician William Gladstone first used the original red briefcase in 1860.

It is a tradition for the red briefcase to contain the Budget speech.

In 1997, Gordon Brown (who was Chancellor at the time) had a new briefcase made. The other one was starting to look worn out!

## What is the BUDGET?



My step-mum talks about budgeting when she's trying to save up money for Christmas.

I suppose it's a bit like that but on a bigger scale.

In the same way that some children have to decide how to spend pocket money, the government has big decisions to make as far as spending the country's money is concerned.

You can probably think of plenty of services (such as hospitals, schools and the police) which need money. Part of the government's job is to work out how much money it can afford to spend on the country. Obviously this money has to come from somewhere.

Every year a statement is made about how the government is going to get its money. Complicated maths is involved and this is worked out by the Chancellor of the Exchequer (with help from a government department called the Treasury).

## Where does the money COME FROM?



This morning my sister called in at a petrol station on her way to work. She bought me some cigarettes and herself some wine. She also bought some jeans from the supermarket near her office.

I bet she doesn't realise how many times she has contributed to the government's piggy bank today. Even working costs money!

The government gets the money from three main types of tax. These are called income tax, VAT (value added tax) and duties.

**INCOME TAX:** Do most adults that you know earn money? People in the UK have to give some of their wage to the government. Most people pay about 25%. Richer people pay even more!

**VAT:** Did you realise that 17.5% of the price of lots of things that you buy goes to the government as VAT?

**DUTIES:** Do you know someone who buys cigarettes, alcohol or petrol? They will be paying duty on these products. A very high percentage of what people pay for these three things is given directly to the government.

**Does it affect ME?**



I sort of understand why my mum cares about the Chancellor's decisions.

She's got quite a lot of debt so she struggles with bills. Because of this she keeps an eye on the price of key items like petrol and food.

Most students do not give the Budget a second thought. Do you?

The Budget definitely does affect your life whether you hear about it or not. For example, the Chancellor might spend less money on youth clubs near you or more money on school facilities.

In addition, the adult(s) that you live with might suddenly find that money is tight or that life has become a little cheaper. Obviously this might affect their mood. It might also influence decisions about their job, pocket money, shopping and holidays.



## What happens on BUDGET DAY?



Now that I'm 15 I might try and make myself watch the Budget on TV next year.

It'll make it easier to be able to join in with conversations with the Y12s.

The Chancellor makes his/her speech to MPs about how the public's money will be spent.

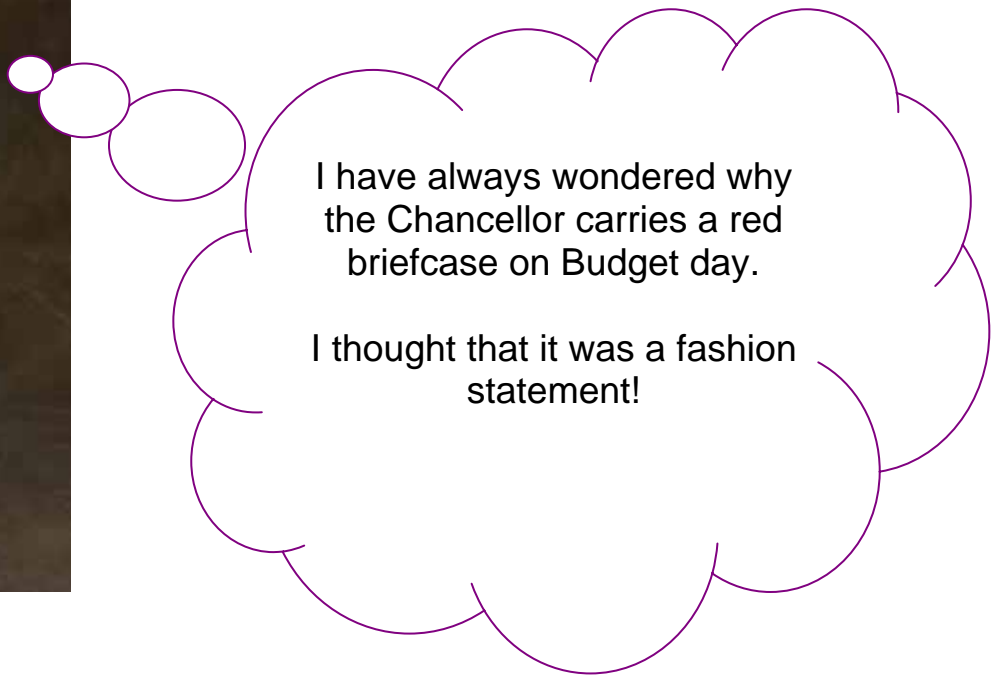
An explanation is given about why taxes are being raised or lowered on certain things.

The Budget speech lasts for approximately an hour (although the longest one lasted for nearly five hours in 1853!).

At the end of the speech, MPs discuss the Budget. They then vote on whether or not to accept it.

### Resource 3 – Five factsheets with gaps

#### What is the RED BRIEFCASE?



If you have ever seen the **(a)**..... making the Budget speech on TV (e.g. in March **(b)**.....), you might have noticed that he is usually carrying a red briefcase.

The famous politician William **(c)**..... first used the original red briefcase in 1860.

It is tradition for the red briefcase to contain the Budget **(d)**..... .

In 1997, Gordon **(e)**..... (who was Chancellor at the time) had a new briefcase made. The other one was starting to look worn out!

## What is the BUDGET?



In the same way that some children have to decide how to spend (f)....., the government has big decisions to make as far as spending the country's money is concerned.

You can probably think of plenty of services (such as hospitals, schools and the (g).....) which need money.

Part of the government's job is to work out how much money it can (h)..... to spend on the country.

Obviously this (i)..... has to come from somewhere.

Every year a statement is made about how the government is going to get its money. Complicated maths is involved and this is worked out by the Chancellor of the Exchequer (with help from a government (j)..... called the (k).....).

## Where does the money COME FROM?



This morning my sister called in at a petrol station on her way to work. She bought me some cigarettes and herself some wine. She also bought some jeans from the supermarket near her office.

I bet she doesn't realise how many times she has contributed to the government's piggy bank today. Even working costs money!

The government gets the money from three main types of tax. These are called **(l)**..... tax, VAT (value added tax) and duties.

**INCOME TAX:** Do most adults you know earn money? People in the UK have to give some of their wage to the government. Most people pay about 25%.

**(m)**.....people pay even more!

**VAT:** Did you realise that **(n)**..... of the price of lots of things that you buy goes to the government as VAT?

**DUTIES:** Do you know someone who buys cigarettes, **(o)**..... or petrol? They will be paying duty on these products. A very high **(p)**..... of what people pay for these three things is given directly to the government.

**Does it affect ME?**



I sort of understand why my mum cares about the Chancellor's decisions.

She's got quite a lot of debt so she struggles with bills. Because of this she keeps an eye on the price of key items like petrol and food.

Most pupils do not give the (q)..... a second thought. Do you?

The Budget definitely does (r)..... your life whether you hear about it or not. For example, the Chancellor might spend less money on youth clubs near you or more money on (s)..... facilities.

In addition, the adult(s) you live with might suddenly find that (t)..... is tight or that life has become a little cheaper. Obviously this might affect their (u)..... It might also influence decisions about their job, pocket money, shopping and holidays.

## What happens on BUDGET DAY?



Now that I'm 15 I might try and make myself watch the Budget on TV next year.

It'll make it easier to be able to join in with conversations with the Y12s.

The Chancellor makes his/her (v)..... to MPs about how the public's money will be spent.

An (w)..... is given about why taxes are being raised or lowered on certain things.

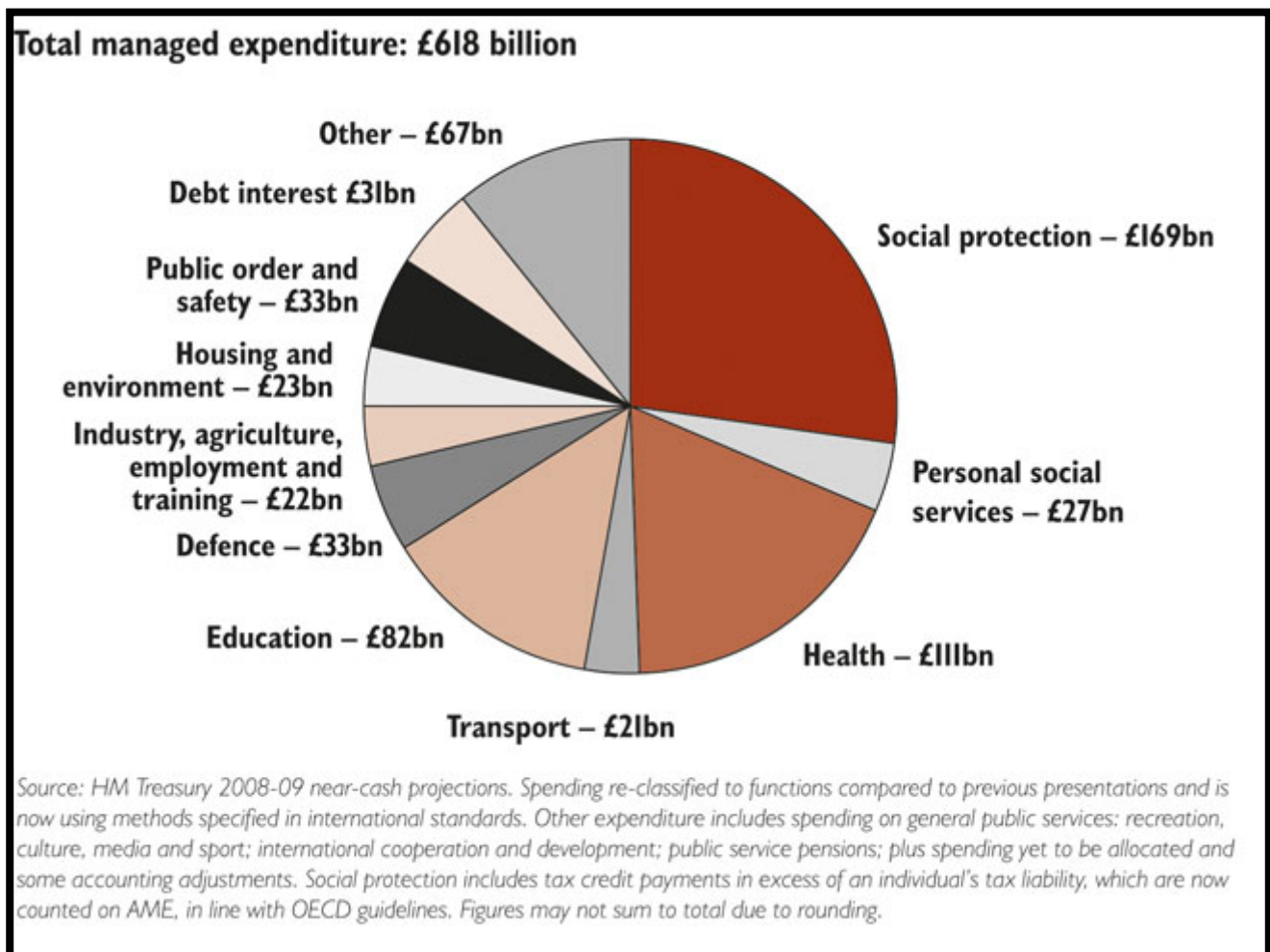
The Budget speech lasts for approximately an hour (although the (x)..... one lasted for nearly (y)..... hours in 1853).

At the end of the speech, (z)..... discuss the Budget. They then vote on whether or not to accept it.

## Resource 4 – Pie chart

In the 2008 Budget, how did the government plan to spend its money?

The answer to this question is found in the pie chart below (which was published by the government).



- **FACT 1:** After the 2008 Budget, the British government estimated that £618 billion would be spent on people in this country. You may be interested to hear that this works out at about £10,000 per person!
- **FACT 2:** you can access the latest information about government spending via [http://budget2008.treasury.gov.uk/where\\_money\\_is\\_spent.htm](http://budget2008.treasury.gov.uk/where_money_is_spent.htm)

## Resource 5 - Quiz

1. Who was the first politician to use the red briefcase? **William Gladstone.**
2. What is the name of the type of tax that is paid on cigarettes, alcohol and petrol? **Duty.**
3. Name the three services mentioned one of the sheets that the government spends money on. **Hospitals, school and police.**
4. What percentage of some purchases is VAT? **17.5%.**
5. What is traditionally inside the red briefcase on Budget day? **The Budget speech.**
6. When did Gordon Brown have a new red briefcase made? **1997.**
7. Roughly how much of their wage do most people give to the government? **25%.**
8. How long was the longest Budget speech (in 1853)? **Nearly five hours.**
9. Who makes the Budget speech? **The Chancellor.**
10. Which government department helps to make decisions about the Budget? **The Treasury.**
11. What do MPs do at the end of the Budget speech? **Discuss it and decide whether or not to accept it.**
12. Name the three main types of tax. **Income tax, VAT and duties.**



## Resource 6 – Prompt questions about budget

**Many items are mentioned during the Budget speech.  
Have a think about some of the most relevant issues...**

- **Should high-earners continue to pay higher taxes? Why or why not?**
- **Should the government continue to pay ‘child benefit’ to adults with families? Why or why not?**
- **Should elderly people continue to receive extra money at winter to put towards heating bills? Why or why not?**
- **Should the government continue to use a product as unhealthy as cigarettes to make profit? Why or why not?**
- **Should the amount of car tax paid continue to depend on the type of car that a person owns? Why or why not?**
- **Should citizens be charged for plastic carrier bags? Why or why not?**
- **If someone is left a house in their will, should the government continue to be able to tax that person if a large profit is made when that house is sold? Why or why not?**
- **Should people who have a job in this country continue to pay approximately 25% of their wage in income tax? Why or why not?**
- **Should people continue to have to pay towards their pension? Why or why not?**

## Resource 7 – Worksheet

Choose one of the questions and answer it in paragraphs.  
You do not need to copy out the question.

- 1. What has surprised you the most about what you learnt in today's lesson?  
Explain in detail.**
- 2. you know, the government gets most of its money by taxing citizens who live in Britain. Do you think that this is a sensible way to get money? Explain your answer in detail.**
- 3. Explain the different ways in which you and the person(s) that you live with have paid tax in the last few months. Don't forget to include things such as car tax and council tax!**
- 4. Look at the pie chart. What surprises you the most about the government's decisions about spending money? Explain your answer in detail.**
- 5. Look at the pie chart. If your job involved working closely with the Chancellor, which changes would you recommend for the next budget? Explain your answer in detail.**
- 6. How much difference do you believe that the decisions made in the Budget speech make to the lives of British people? Explain your answer in detail.**