Draft Order laid before Parliament under section 2(8) of the Fiscal Responsibility Act 2010, for approval by resolution of the House of Commons.

DRAFT STATUTORY INSTRUMENTS

2010 No.

FISCAL RESPONSIBILITY

The Fiscal Responsibility Order 2010

Made - - - - ***

Coming into force in accordance with article 1(2)

This Order is made in exercise of the powers conferred by section 2(1) of the Fiscal Responsibility Act 2010(**1**) as read with sections 2(4) to 2(6) and in compliance with the duty imposed on Treasury by section 3(7) of that Act.

A draft of this Order has been laid before Parliament in accordance with section 2(8) of that Act and approved by a resolution of the House of Commons.

The Treasury make the following Order:

Citation and commencement

1.—(1) This Order may be cited as the Fiscal Responsibility Order 2010.

(2) This Order comes into force on the day after the day on which it is made.

Duty to secure sound public finances

2.—(1) The Treasury must ensure that, for the financial year ending in 2014, public sector net borrowing expressed as a percentage of gross domestic product is 5.5% or less.

(2) The duty in paragraph (1) only applies if half of public sector net borrowing expressed as a percentage of gross domestic product for the financial year ending 2010 as set out in the Treasury's first report made to Parliament under section 3(3) of the Act is more than 5.5%.

Progress and compliance reports

3.—(1) The Treasury must make a report on the progress which has been made towards complying with the duty in article 2(1) whenever—

(a) an Economic and Fiscal Strategy Report, or

(b) a Pre-Budget Report,

(**1**) 2010 c.3.