

We won't balance the books, even by 2018. The Treasury ...

Published: January 13, 2026, 5:14 pm

As the [FT notes this morning](#) (because almost everything about this budget is being leaked in advance)

George Osborne will admit in Wednesday's Budget that it will take even longer than previously forecast for public sector debt to begin to fall.

His bleak message will further damage the government's reputation for economic competence.

Having originally committed to bring the burden of public debt down by 2015-16 at the latest, [the chancellor extended that target by a year in December](#) and is now preparing to concede another delay to 2017-18.

This has, in fact, been the pattern since 2011. Every time Osborne speaks about clearing the deficit the time scale from the time of speaking to the time of clearing remains fixed - but is therefore moved at a constant pace into the future.

There is in fact good reason for this. The budget is forecast in detail for two years and then from year three on moves onto a generic forecasting model that uses long term underlying growth assumptions. So the first two years are always problematic but because of the realistic assumptions used. Thereafter though the long term underlying growth trend in the UK is used and not the pattern of behaviour we now know to exist. That always means that from year three on the budget always says things will get better and so, five years out, we're always in balance, according to Osborne.

But we won't be. The model is wrong. But George is too dumb to have noticed as yet. And we're all paying the price for that.