

A budget for padding and missing the point

Published: January 13, 2026, 11:42 am

What a budget: Philip Hammond said he would consider measures to tackle the growth in the use of plastics during the budget and yet this was a budget that delivered more padding than substance. Perhaps he should impose a tax on that too.

But at its core there were deep and worrying messages within what Hammond had to say. The cost of Brexit is apparent: we are now going to have growth a lot lower than most of the EU. Growth is going to fall to 1.3% in two years time. And the investment in Brexit will, at an astonishingly small £3 billion, still be greater than the funding available for the NHS.

Included in that NHS funding was another interesting number: instead of the £350 million a week the NHS in England will get £350 million extra to see it through the whole winter.

But let's ignore the small numbers that proliferated throughout the budget statement. What they actually evidenced was three things. The first was a Chancellor out of ideas. His biggest cheer were probably for announcing that there will be no change in VAT rules and that there will be some tweaks to stamp duty in England and Wales which all the evidence shows (because the move has been tried before) do not help first time buyers.

Second, they evidenced a Chancellor who cannot do anything radical even though so much within the economy (including the growth figures) demands it. That's because this government has no political capital to spend on taking risk on behalf of the people of the UK when all the political capital it has is being expended on Brexit and keeping the Democratic Unionists happy.

And third, the small numbers were there to disguise the fact that the big numbers were never mentioned. And what are the big numbers? They are the cost of a Brexit divorce settlement; the cost of a hard Brexit; and the cost to growth of being outside the biggest free trade group of nations we can ever be a member of. None of those were mentioned precisely because Philip Hammond, like the rest of the government, still

pretends that Brexit is a cost free, risk free exercise when everyone knows that is not true, from the Office for Budget Responsibility onwards, despite which they also ignored it.

The result is that this whole budget really was an exercise in padding. It pretended something was happening for an hour or so in the parliamentary timetable when in truth Philip Hammond is sitting waiting for the economic time-bomb of Brexit to go off. That has not happened yet, but when it does almost nothing mentioned today will be of any consequence and every number that was spouted will prove to be spectacularly wrong.

Today's budget was probably the most inconsequential of those I have listened to for forty years, but there is trouble ahead, and we will have to face the music. Whether we'll dance is the question that's open to doubt.