

Whatever Hunt does today will be tinkering at the edges...

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It is Budget Day. As a consequence I will be in Jeremy Vine's BBC Radio 2 studio at about 13.30 today, discussing the budget as the Chancellor sits down.

I have done this for every budget, bar one when I was abroad, for more than a decade now. As usual, I will be sitting alongside Mark Littlewood from the Institute for Economic Affairs, who still has the cheek to turn up despite the fact that he was the person behind Liz Truss's disastrous budget last September.

The gig is never the easiest to do. We have to comment before seeing any of the budget documentation: there is only the speech to go on. And as has too often been the case, the budget speech can be quite misleading. It is the detail that makes many budgets unravel.

That said, budgets now leak so heavily that there is a good chance of guessing a lot of it.

We know there are few if any tax giveaways for people on average earnings. In fact, for most tax will increase significantly in real terms as allowances and tax bands are remaining fixed. The overall message is already set in that case: this is a day when things get worse for most people.

To counter that, I suspect that the leaked surprise in the budget will be continuing support for energy bills from April until July, whereafter market prices should be falling anyway. I doubt the Tories can afford to do anything else if they want to save their councillors in local elections in May.

For business the corporation tax rate will increase but they will get big tax allowances for investing in equipment. This is not as generous as it seems. The new allowances replace even more generous allowances. The more generous allowances did not deliver growth. Nor will these new ones.

Pension reliefs will go up, just adding to the near £60 billion subsidy to the savings of the wealthy in the UK that these tax reliefs already cost. This is much bigger than the

defence budget. Most is wasted as it is a simple subsidy to the City of London for their excessive costs for managing these funds rather poorly. It would be much simpler to change NHS and other employment contracts so people could stop contributing when limits were reached. What is certain is that this change will not lure people back to work. Clean air, better healthcare, decent pay and flexible working will do that and the government will do none of them.

And there will be a £4 billion package to support childcare for and one and two year olds. It was absurd that this did not exist already. But, again, this will only scratch at the surface of issues and will not solve problems for families on the lowest pay and who are stressed by mortgage and rent rises not covered by adequate pay rises, all of which are the result of deliberate government policy.

What will not be said will, as ever, be the most interesting aspect of the budget. Austerity and high interest rates will be offered, both crushing the supposed objective of growth. What will not be offered are the three essentials if there is to be any recovery.

They are, firstly, an end to austerity coupled with inflation matching pay rises for public sector workers plus spending to make good failings in so many public services. This has to happen now if we are to have any chance of growth.

Second, interest rates need to be cut now. There should be a 1% fall next week, with more to follow. This is what a policy for growth demands.

Third, the Bank of England plan to take £80 billion out of the economy by selling bonds it bought under the quantitative easing programme should be cancelled. This so-called quantitative tightening will be disastrous, sucking money needed for investment out of the economy and reducing bank liquidity when it is obviously required.

None of these essential policies will be offered by Hunt. That is why whatever he does today will be tinkering at the edges of a budget that will offer the continuation of the UK's economic decline.

Unless something quite extraordinary happens today that is what I am expecting from Jeremy Hunt. We will get more policy for failure. I will be taking the opportunity to say so on Radio 2 at lunchtime.

UPDATE: Energy cost support happened as I was writing this post. I got that it would be given right. I got the timing wrong.