

What we need is a plan - and there is none in sight

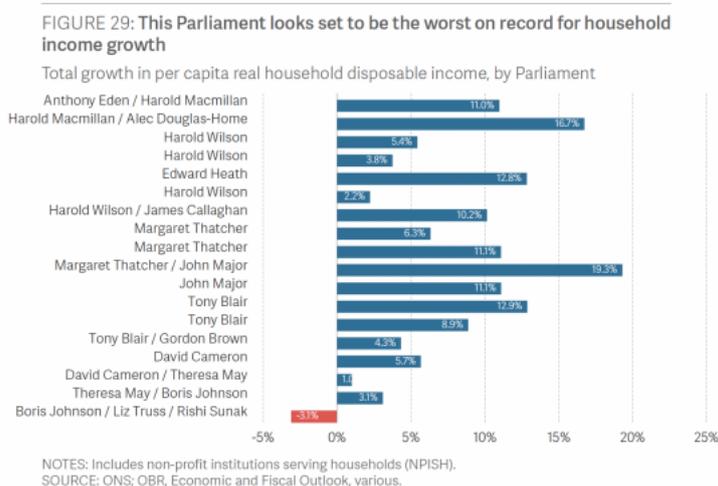
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Having had two opportunities to sleep on the autumn statement, I admit to having worked this morning in a state of greater despair than I did yesterday, and my mood was not good then.

As [the FT notes](#), this was a giant exercise in booby-trapping Labour and leaves them (and us) with a giant economic problem to address.

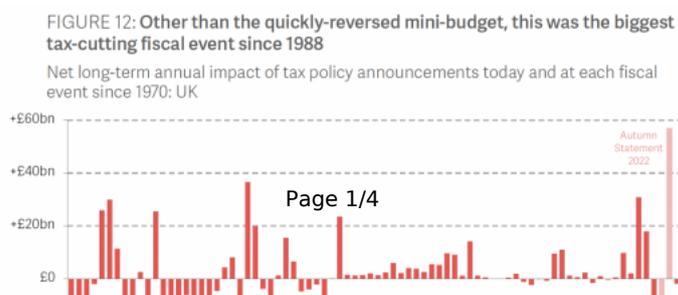
As the [FT also notes](#), the Resolution Foundation has reported that the average UK household is £1,900 worse off than it was as a result of the actions of this government.

The [Resolution Foundation itself](#) produced this chart:



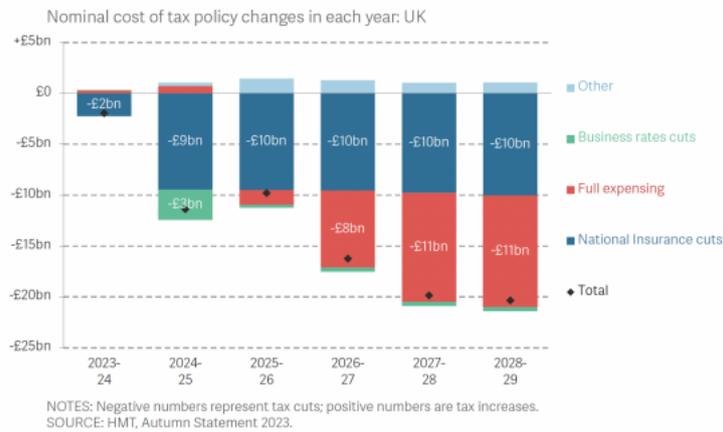
We are in unknown territory with this government.

This is despite the Resolution Foundation confirming this:



However, as they add

FIGURE 13: The total tax giveaway is £20 billion in 2028-29, with the biggest changes being full expensing and the NI rate cut

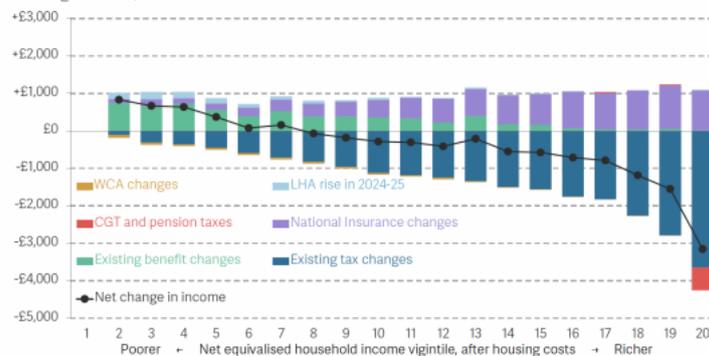


The biggest beneficiary was, then, big business - but not for several years to come as yet, to totally scupper the next government. You simply cannot make up stupidity of this sort.

This chart was also very good:

FIGURE 27: The tax and benefit changes announced at Autumn Statement have only a small effect on household incomes compared to previous policies in this parliament

Impact of permanent tax and benefit policies announced this Parliament, by income quintile: UK, 2027-28



NOTES: Data is shown in 2024-25 prices. National Insurances changes include cutting the main rate of Employee NI by 2p, cutting Class 4 NICs by 1p, and abolishing Class 2 NICs. LHA was increased to the 30th percentile of local rents. WCA changes refers to changes made to the Work Capability Assessment to make it harder for people with certain disabilities to access support. CGT and pension tax changes includes change to Capital Gains Tax entrepreneurs' relief, reduction in CGT exempt amount, and increase to annual allowance and abolition of lifetime allowance in pension taxes. Existing benefit changes includes the uprating of Pension Credit with CPI in 2023-24, the cut in the taper rate, increase in work allowances, increase in LHA rates to the 30th percentile of local rents in 2020-21, the 7 per cent uprating of social rents in 2023-24, benefit cap uprating in 2023-24, and higher caps for UC childcare. Existing tax changes includes Income Tax threshold freezes, National Insurance threshold rise and subsequent freeze, Income Tax additional threshold reduction, increase in dividend tax rates and reduction in dividend allowances.
SOURCE: RF analysis of DWP, Family Resources Survey using the IPPR tax-benefit model.

Changes have been progressive but, as ever that is only because benefit changes have helped the least well-off. The focus on tax does not help them nearly as much, and it is vital that this be recalled. Note, too, that the national insurance change is anything but progressive.

It is not, however, the detail that is troubling me about all this - troubling as it is. It is the absence of ideas that terrifies me.

The Chancellor treated the autumn statement as an opportunity to play games. That was the overriding message. There was nothing really of substance to tackle any known issue of concern in this budget. It almost totally ignored the green agenda, for example. Instead, it was just the chance to set up arrangements to make life difficult for Labour. To describe that as pathetic is to be overly generous to him.

And Labour's response has been dismal.

Rachel Reeves has backed the cruel attack on people with disabilities as if to signal that she, too, will be callous in office.

The £28 billion spending plan for a Green New Deal has been forgotten. It is rarely mentioned these days, and I very strongly suspect that is because it has been dropped and not just because the Tories love to attack it.

There has been no counter-attack from Labour that I have noticed, or which has achieved any news prominence. The attack lines have all been by think tanks and journalists.

And a great deal is still not being said. There will be terrible austerity if Labour sticks to these plans. I am sure Wes Streeting will be delighted. No wonder Labour has spent so much time sucking up to business.

Throughout it all, there is a horrible acceptance that paying out vast sums in debt interest to make the wealthy richer than they already were is a totally appropriate thing for the government to do, even though there is not a shred of economic justification for paying almost anything now (a subject I might get to in another post this morning if I have time).

That last point hints at my real concern. I feel deeply angry that throughout all this, there is an acceptance that this is how things must be. There is no demand for new thinking. There is no suggestion that there might be an alternative. What is very clear is that no one is trying to write one. There is a need for a new meta-narrative, based on theory, that explains that we can do so much better than this, and have to if we are to survive. And yet it is simply not out there.

As I wrote [in The National](#) yesterday, addressing this theme:

This morning I have an overwhelming feeling that Scotland needs another plan. To be candid, I think the UK as a whole shares that need. The trouble is, no one has got close to writing it. What I have, somewhat reluctantly, asked myself as a result is whether or not I can now avoid having a go at writing that plan. After all, how much worse do things have to get before I am left with no choice but give it a go?

I am inundated with work right now. The Taxing Wealth Report 2024 is not quite complete and needs to be pulled together. University demands are quite high at this

moment. There is a potential new tax project to work on. But is it time to write the plan to get us out of this mess? Have I produced enough thinking to suggest such a thing?

I have learned that I should only write books when I think there is a need to do so, having done one once to commission that I did not enjoy, and having tried to do so again a year or two ago. I have a feeling though that this might be the time to write a book of my choice. It may have no impact at all. But when we are in such a dire place, and there is no sign that anyone is suggesting we can do anything but sink ever deeper into the mire of neoliberal failure, doesn't it have to be worth a try?