

Funding the Future

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According [to the Guardian](#):

Keir Starmer vows to 'embrace harsh light of fiscal reality' ahead of budget

They are referring to a speech he is to make today.

Yesterday, Rachel Reeves was telling the Observer:

'My budget will match greatest economic moments in Labour history'

Today, [the Guardian thinks that](#):

Reeves will cut the day-to-day spending budgets for departments including the Ministry of Justice, the transport department and the housing department.

Failing to deliver justice or housing whilst not tackling the cause of climate emissions is not a great economic moment; it is a recipe for political disaster.

And as the Guardian [notes in its editorial today](#):

Any chancellor can unleash a barrage of numbers and forecasts, tarmac an A-road or scrap a tax relief - or discover both a huge black hole in funding alongside a handy new measurement of government debt. But the most consequential governments have also offered a big political narrative.

So, what is Rachel Reeves' story?

It embraces the existence and continuation of child poverty.

It thinks austerity is necessary.

Both are apparently required to 'balance the books' - although no one can explain why that is required.

She talks about investment but abandoned Labour's Green New Deal.

She has demanded that the private sector deliver this investment, and only in the last few days has she suggested that she might, after all, fund some spending by changing her so-called fiscal rules, which she need never have adopted as far back in history as July.

If there is a master plan behind the investment, it is not clear what it is unless the commitment to unproven carbon capture and storage indicates that it is the perpetuation of the old economy that delivered climate change.

Might a historic budget emerge out of this mess of messaging? It is hard to believe it could. To deliver change, you have to know what you are trying to achieve. Rachel Reeves does not, and nor does Labour, based on the fact that no one has yet explained what Starmer thinks his government is for, and he has dismally failed to do so.

What is more, in recent times, few Chancellors have delivered anything of consequence that has changed the economy or people's lives for the better, but many have managed to deliver political cock-ups. Osborne and Hammond turned that into an art form. I think it is much more likely that Reeves will follow in their footsteps than deliver anything momentous, except, maybe, the first step towards Labour's loss of the general election in 2029.