

What makes an epic budget?

Published: January 13, 2026, 1:15 pm

If Labour knew what it was for today's Budget could be the momentous event Rachel Reeves claims it is going to be. But she has no story to tell, and Keir Starmer stole half her lines in a speech earlier this week. All she's got left is half a plot with a lot of bad news in it.

https://www.youtube.com/watch?v=3vkF-XKl_m8?si=ygb9L-9tsnHUACII

This is the audio version of this video:

https://www.podbean.com/player-v2/?i=gfe29-1722892-pb&from=pb6admin&share=1&download=1&rtl=0&fonts=Arial&skin=c73a3a&font-color=&logo_link=episode_page&btn-skin=ff6d00

This is the transcript:

What makes an epic budget?

I've been reading about budgets since the 1970s. I've been listening to them since they were first broadcast and watching them since they first appeared on television.

I can remember the excitement of Budget Day when we never knew what was going to happen in advance, and I pored over the Financial Times and other newspapers the day afterwards to find out what actually went on because we did not know in detail because the budget commentary wasn't available for us to analyse on the day, largely because

the broadcasts did not take place live.

And now everything, like so much else in life, is very different.

Budgets are leaked massively in advance. We know that Rachel Reeves is going to increase national insurance. We know that there are going to be some announcements about investment. We know that carbon capture and storage is going to feature high on that list, meaning that the whole process will be utterly irrelevant because that is a disaster.

We know that she's going to change the fiscal rules because she's already said so.

We know that, as a consequence, she will claim she has more to spend and that she will say she will do so prudently.

We know that there is actually going to be austerity.

We know which ministries are going to be involved. We know that transport is going to take a hit, as is housing, as, we believe, is environment. Justice is not going to get the money it needs to maintain our system of prevention of crime.

We know that local authorities are also likely to be in the firing line, yet again. And therefore, we are not going to see the investment in social care that we need. We know, therefore, that real people are going to suffer.

And we know that children are on the losing end, yet again, because Rachel Reeves is not going to change the two-child cap. Poverty is, therefore, going to be maintained, as it will be for pensioners.

All of that, we know.

But let's also just think about what we don't know, because that's as important when you come to look at anything.

A long time ago, a very wise person said to me that whenever I read a policy document, I should look for what is not there. Don't worry about what's there; that's what the person wants you to think about. It's what is not there that always matters when you look at something. What is Rachel Reeves, therefore, not going to say in this budget, which she claims will be one of the most momentous Labour budgets of all time? Well, let's find out.

There won't be a story for a start, and without a story, a budget is nothing. There has to be a narrative inside a budget. A budget is a big-picture view of where she wants to take our economy.

As far as we know, she's going to say that she wants to create investment in our

economy because she wants growth and let's be clear, investment does help deliver growth, but if you are just going to blandly say you're going to encourage investment without knowing how why where or what, to achieve what outcome, then, frankly, it's a waste of time. You have to have an idea of what you're trying to do.

Let's go back to the 1940s. Labour then knew that it was going to nationalise the railways, the coal industry, transport in general. It was going to look at steel and other industries, which it was going to bring into the public domain.

Why? To provide a strong underpinning for the post-war economy that it wanted to build. Which is why, at the same time, it talked about investment in education, which it did, and investment in public housing, which it did, and investment in healthcare, which it did. There was a really strong narrative.

Is there any such similar narrative now, which tends to come out in the budget above all else? No.

We know that, for example, with regard to healthcare, West Streeting is going to be talking about involvement of private parties.

We know that when we talk about investment, we are talking about things like GB Energy, which is little better than a private equity fund when it comes down to it, which is never going to generate electricity or anything else of its own accord.

We know that there is no coherent plan to the carbon capture and storage strategy because carbon capture and storage is itself not logical because it doesn't work.

We know that there is no story about housing because the amount of spend on that is apparently going to go down in this budget.

We know that there is no story about how to transform society because poverty is being maintained.

There isn't, therefore, at least in advance, any more of a coherent strategy to what Rachel Reeves is saying than there was when people were challenging Labour on giving us a view of where they were going before the July 5th general election.

We didn't know what was going to happen before the general election.

We frankly have no more idea where Labour is going now.

How then can this be an epic budget, the momentous event in Labour history that Rachel Reeves likes to claim it will be? I don't think it can be. Because unless she has suddenly found a story for the modern Labour party which the rest of it is unaware of and which she hasn't previously shared - and I think that's pretty unlikely - then this cannot meet that standard of appraisal.

It is, in fact, much more likely that there will be some kind of disaster inside this budget, which will make it memorable for all the wrong reasons.

There was, for example, the takeaway pasty crisis that followed one of George Osborne's budgets when he tried to change the tax on takeaway food and had to reverse that pretty quickly. It was a disaster because it made him look incompetent.

Philip Hammond tried, when he was Tory Chancellor, to change the tax on self-employed people, and he had to reverse his strategy pretty quickly because it made him look stupid. He hadn't thought through the consequences of what he was doing.

Is it likely that there will be something that comes out of Rachel Reeves' hat on Wednesday which has that same status? Above all else, I think that is the one thing that we can predict from this budget. There will be another black hole into which Rachel Reeves can jump, which she will take the opportunity to do, willingly and without a forethought, because she wants to create disasters because that's all she's managed to do to date.

So I am not confident of this budget. Without a story, without a plan, without a vision, without a direction of travel - and she lacks all those things - I don't see how this can be a momentous budget.

I can see that this will be a budget for the fiddlers, a budget for those who are a little concerned about issues on the side, but there will be no vision for Britain when we need one.

And that's why I am expecting her to fail.