

# Funding the Future

Article URL

Published: January 12, 2026, 4:53 pm

---

As [The Guardian](#) notes this morning:

*Rachel Reeves is braced for revised forecasts by the Office for Budget Responsibility (OBR) to blow a £20bn hole in her tax and spending plans before the autumn budget.*

*Even without changing the totals the chancellor set out in her spending review on Wednesday, a weaker forecast from the the Treasury's independent watchdog could force her to find significantly more money at the budget to meet her "non-negotiable" fiscal rules.*

They add:

*Reeves has said repeatedly that flexing [her fiscal rules](#) – designed to provide certainty over UK public finances – is not an option even if the economic outlook deteriorates.*

At her spring statement, she left herself [on course to meet those rules](#) with less than £10bn of headroom to spare, on a total budget for day-to-day spending of more than £1.3tn.

What is so bizarre about this story is that everything about it is artificial.

There are no fiscal rules. They are just made up. Rachel Reeves does not need to comply with them, any more than she needed to create them.

And, the budgets that the Office for Budget Responsibility will submit to Reeves are just as artificial. They are, at best, a complete stab in the dark. No one knows what will actually happen. The OBR is possessed of little more insight on this issue than anyone else.

What is more, Rachael Reeves does not need to borrow if her books supposedly do not balance. She could just leave a deficit outstanding on the account that exists, all the time, between the government and the Bank of England. There is absolutely nothing that would stop her from doing so. She would not, as a consequence, create any form of fiscal crisis as a consequence of not meeting her wholly artificial rules.

Despite these facts, this story is presented as if it is real, when nothing could be further from the truth. The implication is that Rachael has a crisis to face when there is none.

If the Guardian was really interested in writing about what is actually happening in our economy, it could discuss the crises in private debt markets, which undoubtedly exist the present, and which may get worse if the Bank of England decides to keep interest rates too high, yet again, as a consequence of what is happen between Israel and Iran.

It could discuss the problem of child poverty.

Or of housing, and the lack of it for so many people in the UK.

It could discuss the failure of the government to meet needs.

It could discuss [the deliberately manufactured health crisis](#) that is threatening to overwhelm the NHS.

It could discuss why economics education is so bad that we think that things that aren't real are significant, when things that are decidedly real are not.

The Guardian could do these things, but it doesn't. And that makes it part of the problem.