

## Reeves really is doing her best to fail

Published: January 12, 2026, 9:19 pm

---

As [Sky News](#) has reported:

*Rachel Reeves has told Sky News she is looking at both tax rises and spending cuts in the budget, in her first interview since being briefed on the scale of the fiscal black hole she faces.*

*"Of course, we're looking at tax and spending as well," the chancellor said when asked how she would deal with the country's economic challenges in her 26 November statement.*

Both of these are admissions.

And both are, of course, unnecessary. There is no blackhole in Reeves' budget. Instead, she might break her own utterly meaningless fiscal rule. As a result, it is likely that she will:

- \* Reduce the spending power of people with average and lower incomes, which will shrink the economy.
- \* Cut government spending, which will shrink the economy.
- \* Reduce the impact of multiplier effects, which will shrink the economy.
- \* Leave the impacts of wealth and savings in the economy almost untouched, meaning she will not address the means available to grow the economy.

The sense that Labour's sole goal is to make everything as bad as possible so that Reform can deliver a home run in the next election grows by the day.

What is clear is that there is, at present, nothing that Rachel Reeves is planning that might in any way address the real black holes we have in and surrounding our economy, including issues such as:

- \* Lower income spending power

- \* Child poverty
- \* Inequality
- \* Job creation in essential sectors
- \* Lack of investment in:
  - \* Housing
- \* Green energy
- \* Flood defences
- \* Hospitals and schools that are falling down
- \* Sustainability

The consequence? I am anticipating dismal failure and worst outcomes.

It takes staggering incompetence to get as much wrong as Reeves is doing as Chancellor, but you have to give her full marks for effort in her endeavours: she really is doing her best to fail.