

Funding the Future

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Rachel Reeves plans to deliver a budget on 26 November — but how can she do that when the Labour government is falling apart? Cabinet briefings, internal plotting and collapsing confidence mean Labour has lost its coherence just when Britain needs leadership. A budget is a statement of belief and purpose. Right now, this government has neither.

In this video, I explain why Reeves' commitment to Tory fiscal rules leaves her unable to act, why Starmer cannot articulate a vision, and why Britain desperately needs investment, fair wages and a politics of care. Can a government with no conviction deliver a budget worth listening to?

https://www.youtube.com/watch?v=o0FsfWl1j9o?si=rcp73EijcWPiao_K

This is the audio version:

https://www.podbean.com/player-v2/?i=948zx-19c08fd-pb&from=pb6admin&share=1&download=1&rtl=0&fonts=Arial&skin=f6f6f6&font-color=auto&logo_link=episode_page&btn-skin=c73a3a

This is the transcript:

The Labour Party is unravelling, and that has serious consequences because Rachel Reeves is planning to deliver a budget on November 26th, and right now, I don't see how she can credibly do so.

When we know that Number 10 Downing Street has issued briefings against other

ministers inside the cabinet, and the Health Secretary has had to deny plotting to oust the Prime Minister, as he had to this week, it's very clear that the rot has set into this Labour government.

In my lifetime, and I've been around for a while now, no government has survived such a situation. It's reached the point where the end is nigh, and as a consequence, Rachel Reeves now faces an impossible task. You cannot deliver a credible budget from a government that has already lost its coherence.

And that's because a budget is not just about numbers. It's a statement of intent. It says, this is who we are, this is what we believe, and this is where we are going. But what happens when a government has no belief, no purpose, and no direction, because that's where Labour is now?

There's a vacuum at the top of the Labour Party and everyone knows it. Keir Starmer talks endlessly about stability, but in his language, stability means keeping the wealthy and the markets happy. Everyone else is bearing the cost of the instability that he and Rachel Reeves are creating. There is no vision, no plan, and no conviction. And in that situation, Rachel Reeves cannot present a meaningful budget because Starmer cannot say what Labour stands for.

And anyway, Rachel Reeves has tied herself up in knots in advance of this budget. She did so before she even got into office, after all, saying that she would comply with Tory fiscal rules. She said she wanted to deliver fiscal credibility, but fiscal credibility does not come from self-imposed constraint. It comes from using the state's resources to deliver wellbeing, full employment and ecological security. Instead, she has locked herself into failure, and she did so before she even reached office.

And what if Rachel Reeves can produce a budget? Who will believe it? The markets no longer trust her growth forecasts, and why should they? We have already seen, based upon data now published by the Office for National Statistics, that for most people there has been no growth at all under this Labour government. And, as a result, the public does not believe her promises either.

Nor do her colleagues now believe in her Prime Minister, to whom she is indelibly tied. A budget without belief is not an act of government; it's just an administrative ritual; something done because it has to be done because the parliamentary timetable requires it.

What are the consequences of this? Very obviously, public services will continue. The funding to do that will be maintained, but they will limp on under the illusion that stability is a substitute for proper funding, which they aren't getting. The economy will stagnate, and we've already seen that begin to happen. Rachel Reeves has delayed this budget already, and the consequence has been a slump in growth because business confidence has been lost. Reeves will insist that this is because the government's hands

are tied, when that's completely untrue. All the cards are in her hands if only she wanted to play them.

The result is that there remains a space for a real political alternative. A fair and sustainable economy could be delivered, but nobody is offering it. And Labour, meanwhile, is consuming itself in private briefings and cabinet rivalries. There must be a better way, and of course, there is.

First of all, Rachel Reeves must abandon Tory fiscal rules. They are, after all, the rules that broke Britain. Why she wants to adhere to them in that situation is very hard to understand. They haven't worked. They can't work. They never will work. She has to abandon them.

And secondly, she and Keir Starmer, if they want to have a political future - either of them - must rediscover purpose. After all, Labour was elected in July 2024 on a manifesto titled with one word, which was *Change*, and what they've delivered is continuity and unsurprisingly, people are fed up.

And third, Rachel Reeves has to recognise reality; the government's job is to spend first, tax second, and build confidence through action and not austerity. These are, of course, the exact opposites of what she thinks and understands and does, but nonetheless, that's what she has to do. She has to recognise that is the real job of a chancellor.

But there is a leadership vacuum in our government. No economy can function when its government has lost conviction. Starmer either needs to articulate a vision now or make way for someone who can. You cannot command an economy when you do not know why you are governing. And without belief, leadership collapses and with it the credibility of every budget.

That is the crisis that Labour faces, and we face crises too because, after all, Britain is crying out for investment. We need fair wages, we need energy security, and we need care and we need hope. Rachel Reeves could fund all of these tomorrow if she believed in the power of government to act. But she mistakes caution for competence and silence for strength.

A budget only works when it is built on belief - belief that the government can make a difference and belief that people matter more than bond yields, and belief that stability comes from social and economic justice are not deference to markets.

Until this government remembers that, it is already over, whatever the parliamentary calendar says. Rachel Reeves must now decide whether she wants to go down with it because that is what is looking very likely right now.

So what do you think? Do you think Labour has had its day, at least under Keir Starmer?

Do you think Rachel Reeves can deliver a credible budget? Do you think anyone will be persuaded by what she has to say on November 26th? Do you think it's time for a new chancellor before that even happens? There's a poll down below. Let us know.

Poll

[poll id="254"]

Taking further action

If you want to write a letter to your MP on the issues raised in this blog post, there is a ChatGPT prompt to assist you in doing so, with full instructions, [here](#).

One word of warning, though: please ensure you have the correct MP. ChatGPT can get it wrong.

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