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With little room to manoeuvre, Philip Hammond delivers a steady-as-she-goes Budget

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Philip Hammond outside Number 11 Downing Street

Having declared the Spring Budget redundant it would have defied logic, not to mention his own temperament, for Philip Hammond to use the last one to launch a display of fiscal pyrotechnics. True to form and extensive pre-event leaks, the Chancellor of the Exchequer did little more than wave a couple of rather lacklustre sparklers.

The Budget document was only 68 pages long - roughly half the length of last year's. Were the (admittedly rather good) jokes a sign that the Chancellor was at ease with himself, or an attempt to pad out his material?

Philip Hammond listens to Labour's response to his Budget

That said, the choice to do nothing - or, at least, very little - can itself be a decisive act. Most companies will be glad of it. Some politicians and commentators would like to use the UK's departure from the European Union, the barely mentioned elephant in the Commons chamber today, as an excuse to be radical, to deregulate the economy and fully embrace free trade. All this can come later.

As the man with his hand on the tiller as the UK begins to navigate Brexit, Hammond appears to be developing into an Oakeshottian Chancellor, adhering to the 20th century philosopher's observation that all political activity can be likened to sailing on "a boundless and bottomless sea".

"The enterprise," as Michael Oakeshott wrote, "is to keep afloat on an even keel."

As a former transport secretary, Hammond is probably minded to invest in the nation's infrastructure, like roads, railway lines, airports and superfast broadband. But the stubborn budget deficit of around £60bn a year and debt of £1.7 trillion keeps a lid on the largesse.

Opening the fiscal floodgates, as Donald Trump has promised to do in the US, could well lead to an increase in inflation. Over there, this would be mitigated by the strong dollar; over here it would be exacerbated by the weak pound. As it is, the Office for Budgetary Responsibility today predicted that inflation will hit 2.4pc this year.

Armed with the red box

With UK employment at a record high, stagnating productivity and low wage growth, any overshoot in inflation (and the British Chambers of Commerce, for one, thinks the OBR is being too optimistic) could really squeeze living standards. Given that all GDP growth in 2016 was driven by private consumption, that could have a disastrous knock-on effect.

So, the Chancellor spent rather a lot of time in a relatively short speech bigging up small measures - £16m for a new 5G hub; £200m for full-fibre broadband; £270m to invest in disruptive technologies.

There was some good news on business rates with a cap on what those coming out of small business relief will pay, a £1,000 discount for 90pc of the UK’s pubs and a discretionary support fund that will be controlled by local authorities. Overall, this adds up to $435m over the course of this parliament, according to the Chancellor. His ability to provide some relief without adding further complexity to an already Byzantine system will be welcomed. But, again, it was relatively small beer.

Companies received little further succour. The Chancellor promised to bring headline corporate tax down to 19pc this year and 17pc in 2020. But this was merely the renewal of a previous commitment. He also said the Government would do more to reform taxation of the digital economy and help the North Sea oil industry. However, there were no specific details.

Nearly, one in three firms say they’ve under-invested in the last five years, according to the Resolution Foundation, and nearly all of them put this down to high levels of uncertainty about the future. There’s only so much that the Chancellor can do about that.

Earlier this week a chorus of auto executives at the Geneva motor show reiterated the importance of tariff-free trade between the UK and the European Union for their industry, something that is unlikely to be conclusively resolved until late in the Article 50 process.

Not moving the goalposts on domestic issues like the living wage, apprenticeship levy, annuity schemes and bank levy (to name a few of his predecessor George Osborne's more eye-catching tweaks) was probably the best that could have been hoped for.

The most significant measure was a hit to the self-employed and business owners. The hike in National Insurance contributions and reduction in dividend exemption will not raise an enormous amount of money - £645m and £870m respectively in 2019/20.

However, there are signs that, in time, the small tweaks could morph into something more radical. In an age when the biggest companies are global and digital, a tax based on what property they own looks increasingly archaic. In an age when few have jobs for life, the fact that the employed, self-employed and company directors can pay vastly different rates of tax looks increasingly inequitable.

Hammond could have chosen to make the system fairer by reducing amount paid in National Insurance contributions by those in full-time employment. He didn't.

Now that he's embarked on this direction of travel, what might it mean for the gig-economy companies like Uber and Deliveroo whose business models rely on lots of self-employed workers? All eyes will now be on the review by Matthew Taylor, the head of the Royal Society of Arts, into employment practices.