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Burnham's First Fortnight

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Burnham's first fortnight: what's in, what's out

Two weeks is a long time in politics. Andy Burnham entered No 10 (South) on Monday 20 July promising a different style of government from his predecessor, while still keeping to the same 2024 Labour manifesto script. His elevation to Prime Minister helpfully came four days after the House of Commons started its summer recess, sparing him any parliamentary scrutiny until September.

His first fortnight in power has been marked by a daily stream of policy announcements, designed to hit the early morning headlines and focused on alleviating cost-of-living concerns. At the same time, some of the rumours, ideas and vague policy wish list items raised by a variety of actors, including fellow Labour MPs, the media and Burnham himself, have been quietly quashed. The fortnight ended with a Friday afternoon announcement of a Budget date for October.

So where are we now as we enter August and a likely summer holiday slowdown of the Burnham news flow?

What's coming

The list of announcements to date includes:

- ***5% VAT removed from domestic electricity bills*** This was Burnham's first cost-of-living announcement, cutting the average utility bill by £45 a year from 1 October 2026, when the next Ofgem price cap takes effect. It subsequently transpired that the removal of VAT is only for a period of six months. The £850 million cost will be met from the savings produced by scrapping the digital ID project. However, no specific funding has been set aside for that project because it was to be funded by savings "due to be identified from within existing budgets through reprioritisation".

- ***£2 bus fares*** In October 2024, Rachel Reeves increased the cap on bus fares from £2 to £3 to the end of 2025, subsequently extending it to March 2027. Burnham kept the cap at £2 in Manchester, using local funding. On his third day in office, the former Greater Manchester mayor announced an England-wide £2 cap for the 2027 calendar year, with corresponding additional funds to the devolved nations.

  The £454 million funding for the lowered cap proved controversial. Downing Street said that it came from "a reprioritisation of DESNZ's budget, switching funding that had been set aside for international climate finance projects into loans". This drew some criticism as it amounts to a cut in climate crisis aid.

- ***Business rate cuts for pubs and live entertainment venues*** In January 2026, Rachel Reeves responded to criticism of business rates changes for England in her Autumn 2025 Budget by giving pubs and all but the largest live music venues a 15% discount on their rates bills from April 2026, followed by a two-year real-terms freeze.

To this the new Prime Minister added a further 20% cut. The £100 million cost "will be fully funded, including through reviewing reliefs for businesses that do not make a positive contribution to local communities, such as vape shops', according to the government announcement.

- ***Adult social care*** The Prime Minister's interest in social care dates to his time as Health Minister under the Brown government, when Burnham's care reform proposals were condemned by the Conservatives as a death tax during the 2010 election. His latest announcement focused instead on the need for urgent change and improving terms for staff:

    - The final report of the Casey Commission into social care will be brought forward by a year to 2027. It is unclear whether an interim report, due in 2026, will now be dropped.

    - There will be an immediate focus on the social care workforce. Under the Starmer government, a fair pay agreement for social care staff was established, due to come into effect in 2028/29. Burnham said that he wants "to lift it closer to NHS standards".

    - Cross-party talks were initiated on the day of the announcement, although the short notice meant Kemi Badenoch sent her shadow health minister and Ed Davy's presence was via a Zoom call. Reform UK and the Greens were not invited.

  There was no indication of how any reform would be funded, although in his speech on the topic Burnham did making a passing reference to tax.

- ***Education reform*** Ten months ago, Kier Starmer broke with the Tony Blair goal of 50% of children attending university, replacing it with an aim for two-thirds either going to university or studying a technical qualification. Burnham's announcement headed in the same direction, promising Year 10 children (aged 14) "new technical education pathways". From September 2028, these would combine core academic subjects with technical education linked to locally available jobs.

  The summary headline was "Britain will value the hard hat as much as the graduation cap", a goal to which many of Burnham's predecessors have aspired, albeit with less media-savvy captioning. However, there were no funding details beyond a prioritisation of spending "towards high-quality technical education and practical routes into work".

- ***Devolution of tax*** Fittingly given his previous role, the final announcement of Burnham's first fortnight was about devolution. From next spring, English mayors will begin to retain "a greater share of locally generated revenues, starting with business rates". A share of income tax would follow, with more details to be revealed in the Autumn Budget.

What's not coming

Alongside the flood of announcements, there were three important denials:

- After a flurry of media attention on the subject, Burnham ruled out any change in the next Budget that would replace council tax and stamp duty with an annual tax based on residential property values.

- He also stepped back from increases to the personal allowance, having told the *Times* that it was a topic he had regularly encountered while campaigning in Makerfield.

- His new Housing Secretary, Angela Rayner, also poured cold water on the idea of a rent freeze. She said that Burnham was not considering the idea and that the recently introduced Renters Rights Act was "already having a significant impact on the market".

All eyes on the October Budget

The focus now turns to the Autumn Budget, which Chancellor John Healey announced (via video) will be on Wednesday 28 October, about four weeks earlier than Rachel Reeves' last Budget. In his letter to the Treasury Committee confirming the timing, Healey stressed that "…we will abide by the fiscal rules, ensuring we retain a buffer to protect us against uncertainty and the impact of instability in the Middle East". That buffer was £23.6 billion in March 2026 but is now reckoned to be about £8 billion by the Resolution Foundation.

Prepare for three months of tax rise speculation in the run up to the 2026 Budget.

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Head Office: Whitehall House, 35 Yeaman Shore, Dundee DD1 4BU
01382 797600 | enquiries@thorntons-wealth.co.uk