

POLITICAL ISSUE PROFILE:

What Challenges Await Andy Burnham?

THE NEW PRIME MINISTER'S SUMMER:

Andy Burnham became Prime Minister, replacing Sir Keir Starmer, on Monday, 20 July 2026, just as Parliament went on its summer break. Over the last six weeks, Andy Burnham has been travelling the UK and has made a number of announcements, including scrapping the digital ID scheme, removing tax from electricity bills, capping bus fares at £2, and slashing business rates for hospitality venues. He has also made statements that suggest bringing greater government control over energy, water, and transport companies and ending rough sleeping by building thousands more new homes. He has also stressed his commitment to spreading wealth and power across the UK, a process called “devolution”, symbolised by the creation of a “Number 10 North” in Manchester.



WHAT CHALLENGES AWAIT HIM NOW?

- The Chancellor, John Healey, must find £4.7bn to address a massive gap in the Defence Investment Plan, as well as the money for the ambitious social care plans when planning the October budget. The government has committed to honouring the strict tax and spend rules (called “the fiscal rules”) of former Chancellor Rachel Reeves, ruling out tax rises on income. Where is the money going to come from? John Healey resigned from Starmer’s government over a lack of funding, putting him in a now doubly tricky position.
- At the start of October, the government will release 5,000 violent prisoners early from prison due to overcrowding. While Burnham has instructed the Justice Secretary to explicitly block the early release of some violent offenders, this has sparked fierce pushback from domestic violence campaigners, who argue it penalises other vulnerable victims. This issue has the potential to be politically toxic.
- Official reports on welfare reform will shortly be published with their recommendations. Any proposed cuts to welfare spending will face severe resistance from within Labour's own MPs with over 100 threatening to rebel against them. It was welfare reform that spelled the beginning of the end for Starmer.
- The Energy Secretary, Miatta Fanbulleh, must make a highly sensitive legal decision on whether to approve new gas and oil drilling in the North Sea. While Burnham wants to take a “pragmatic” approach to secure energy, approving these directly goes against Labour's core pledge to freeze new fossil fuel licensing. Approving would likely cause a clash with Labour MPs and offer an opportunity for the Greens to take votes away from Labour.
- Burnham travels to the UN in September to meet US President Donald Trump for the first time. Burnham previously labeled Trump “poisonous” and Trump publicly dismissed Burnham as the “mayor of a town”.
- Burnham has inherited a delicate treaty to hand sovereignty of the Chagos Islands to Mauritius. The deal is stalled due to fierce opposition from Donald Trump, and its resolution will either upset India or the US.
- Sir Keir Starmer is stepping down as an MP, triggering a by-election that the Greens will likely target.

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