# The Burnham Government

# Hitting the ground running

**STEVE RICHARDS**
Chair of the WA Advisory Board

**In his first speech as Prime Minister outside No.10, Andy Burnham repeated his intention to be the biggest change maker for forty years.**

Contrary to the media orthodoxy that Burnham is close to a blank canvas we know quite a lot about what he means by this bold assertion. We also know already that he can be ruthless-again contrary to media orthodoxy – and pull off surprises. The new chancellor, John Healey, is a clever choice. His views are genuinely close to Burnham's. He is not the technocratic 'centrist' he might appear to be. Privately he has expressed concerns for a long time that Rachel Reeves had been captured by the Treasury.

In the new Labour era, Healey was much closer to Gordon Brown and Ed Balls than he was to Tony Blair. I predict his first budget this autumn will be as radical as it would have been had Ed Miliband been chancellor, but without the media and markets getting into anywhere near the same level of panic. As an added twist, Healey will have to find the money for defence that he regards as essential. When he resigned as Defence Secretary there was some private criticism even from Cabinet pragmatists that Healey had not explained where the money would come from to pay for the additional £15 billion that he sought. He will have to explain now.

In terms of Burnham's policy programme, he has reconfirmed that he plans to devolve power on the one hand and at the same time to take back control of what he calls 'the outsourced state'. As one example he has said – albeit vaguely – he will take privatised monopolies back into some form of public control. The many agencies that were established over recent decades, bodies such as the Environment Agency, will be made more accountable if they survive at all in their current forms.

But another theme is persistently repeated in Burnham's limited public comments. He wants to lead a pro-business Government. When he refers to 'Manchesterism' he means above all a new relationship between a more active state and the private sector. In Manchester the mayor and council set the terms of various construction initiatives and the transport network. The private sector delivered. Burnham wants to extend the model more widely across the UK.

One of the more significant Cabinet appointments is the return of Johnny Reynolds in a beefed-up Business department. Reynolds was Business Secretary before he was made Chief Whip in Keir Starmer's wide-ranging reshuffle last September. Reynolds was frustrated by the move for lots of reasons. One of them was that he had just published a detailed and ambitious industrial strategy and never got the chance to implement it. That document will be worth revisiting if its ministerial author is back in post.

Reynolds, a friend of Burnham's, survives even though he was Starmer's Chief Whip. But this was a brutal purge of those associated with Starmer. The Chancellor, Rachel Reeves and the Deputy Prime Minister, David Lammy, are gone along with others broadly loyal to the previous Prime Minister. If Burnham makes many missteps there are plenty of fuming former Cabinet Ministers on the backbenches.

In the coming days, expect announcements on help with energy bills as part of a wider attempt to address the cost of living, some form of public control for Thames Water, a slightly more expedient approach to North Sea oil and some more details over how he plans to speed up plans for a national care service. His team is gripped by the need to hit the ground running while conveying a sense of mission and optimism. Parliament is not sitting until September, so there are some constraints on what announcements can be made, but Burnham wants a narrative around his first hundred days. Already it feels like a new Government is in place.

# A clear sense of direction

**JENNIFER GERBER**
Senior Political Advisor and former
Special Adviser to Andy Burnham

**For those of us who know Andy well, it wasn't surprising that the moment that seemed to capture yesterday's mood the best was the long hug he gave his Mum. His evident emotion and tone of optimism were also not a surprise – Andy is unashamedly a politician who is unafraid of feelings, or of looking human and dare I say it, 'normal'.**

But yesterday was not a normal day and the country got its first real glimpse into the sort of Prime Minister Andy Burnham will be. In a speech made with no notes, Andy reiterated that this was a moment of change – a circuit breaker for the country, a turning point for a public that for too long has felt down on its luck and forgotten about by politicians. Bold policy pledges such as an end to rough sleeping and delivering on social care mingled with broad brush rhetoric about spreading power and opportunity to all parts of the country and a programme of reindustrialisation that will help do this.

And central to all of this is Andy's commitment to act definitively on the cost of living – expect a number of policy announcements starting today, fleshing out exactly what this will mean.

Surprisingly, the politician who will be at his side as he takes these challenges on is not Ed Miliband or Shabana Mahmood but John Healey, who not that long ago resigned as Defence Secretary under Keir Starmer. What this appointment shows is firstly, Andy's core team can keep a secret – not easy in SW1. But more importantly, Andy recognises in John, who served in the Treasury under Gordon Brown, someone who is both a safe pair of hands but also a radical thinker. And that combination is political stardust.

As other appointments come through, it's clear this is a sweeping of the decks with many of Starmer's Cabinet exiting – a sign that Andy meant what he said about a new start and a clear sense of direction. Ed Miliband at Foreign Secretary will feel like a consolation prize and a challenge for a department keen to build relationships with the US administration and across the wider US political landscape. Others may question if Yvette Cooper at Health will carry on with the reforms started by Wes Streeting, or will she take a more gradual approach. Continuity at the Department for Work and Pensions and the Home Office with the well-respected Pat McFadden and Shabana Mahmood shows that Andy also understands the need for continuity and experience when dealing with some of the trickiest political issues facing the country today, namely welfare and immigration reform.

For now, at least, the air of excitement across the Labour Party is real and some MPs even talk (quietly) of feeling optimistic. But political honeymoons do not last for long, even for kings of the north who now happen to find themselves PM of the UK!

# The challenges ahead

**SIR PHILIP RUTNAM**
Senior Advisor and former
Whitehall Permanent Secretary

**The state is vastly complex. It's got a £1.3 trillion budget, 6 million employees and a huge array of different responsibilities. What does Andy Burnham's arrival mean for running it? Let's look at three things the new PM has to get right.**

The first is running No10. No10 is one of the most important but also least stable British institutions – every Prime Minister remakes it in their own image. Burnham has made a good start by appointing James Purnell as Chief of Staff, and signalling he will keep Jonathan Powell as National Security Adviser. A key task for him and his team will be to manage his time. A huge chunk will be taken up with two things: security and foreign affairs; and unpredictable crises (domestic or foreign). Things come at No10 from all directions very fast and very hard.

Burnham and his team need to be good at handling all this – while keeping enough of his time to drive the things he really wants to achieve (like devolution). And at the same time run a No10 that is inherently frenetic as a stable, loyal operation with a minimum of factions. Given the right staffing, and the right leverage in Government, No10 North could be a major addition to his influence: but only if the PM really makes it a priority.

Next, he has to deal well with hard choices – and nothing is harder than the public finances. Burnham has committed himself to Reeves' fiscal rules, but growth is low, there is a defence funding black hole, and the Iran War just creates more uncertainty. At the same time his aspirations for 'good growth in every postcode' and sorting out social care (to name two) won't come cheap. His appointment of Healey as Chancellor is a surprise to markets which don't know him, but they are reassured by press commentary he is cautious and centrist. But his background is actually more Brown than Blair, and he may be an unexpected radical. At any rate he is unlikely to be a soft touch for No10.

An Autumn Budget-cum-Spending Review is definitely plausible: it would get any hard news on taxes out of the way, and bring forward a shift towards new priorities. But expect it to be very tough: tough fiscally on many departments and some taxes and tough in driving more public sector reform. Get the bad news out the way now, ready for better news by the Election. Watch for more interest in using regulation to achieve outcomes – and less in deregulation. Also scope for a major tussle over giving tax-raising powers to mayors: the official Treasury is sceptical. Let's hope the Burnham/Healey relationship survives.

Finally, Burnham has to get the tone right – and appeal to the financial markets and international opinion as well as Labour marginals. It's obvious that he sees his job as rebuilding support in all the areas that used to be Labour but were tempted first by Boris then by Reform, poorer, coastal, ex-industrial. But he'll need to combine that with appealing to those who invest in Britain for different reasons – like London, our strengths in AI or financial services, our top universities, or the narrative of reform from Thatcher to Blair. It's the success points of Britain that give us economic leverage and keep us going. Already we've seen some shift in tone (the Cabinet role on AI). I predict more of that broader narrative soon.

Three thoughts for business. Couch arguments in terms of growth, if possible, with emphasis on poorer places or groups. Show social responsibility at every opportunity. Look for meaningful partnerships – and avoid being adversarial.

# The team around Burnham

**Burnham has appointed a team made up largely of trusted allies known to him through his time as Mayor of Greater Manchester and his previous career in Westminster. In assembling his Cabinet, he has moved quickly to remove a number of figures closely associated with Sir Keir Starmer and promote MPs with whom he has established political or personal relationships.**

This reflects Burnham's preference for governing through a close-knit team united by a shared political outlook. He has surrounded himself with advisers and ministers who broadly agree with his diagnosis that the machinery of Government requires a significant reset and that the state must take a more active role in shaping economic growth, improving public services and supporting communities.

Many of those around Burnham are influenced by his experience in Greater Manchester, where devolution, long-term strategic planning and closer collaboration between public bodies have been central to his approach. They are likely to favour stronger political direction from the centre, combined with greater freedom for mayors and local leaders to design and deliver policy. This could produce a Government with a clearer sense of purpose and greater internal discipline than its predecessor.

Burnham's team is therefore likely to be highly aligned around an active-state agenda, institutional reform and devolution. Its success will depend on whether that shared outlook translates into effective delivery across Whitehall.

## Key Cabinet allies

**LOUISE HAIGH MP (First Secretary of State, Chancellor of the Duchy of Lancaster, and Minister for the Cabinet Office)** – Haigh became a key Burnham ally during his leadership bid, helping revive the Tribune group and organise parliamentary support for his return to Westminster. As First Secretary of State and Cabinet Office lead, she will serve as a central cross-Government coordinator and troubleshooter.

**MIATTA FAHNBULLEH MP (Secretary of State for Energy Security & Net Zero)** – Fahnbulleh advised Burnham throughout his leadership campaign, developing a policy "prospectus" for his Government. An ally of Foreign Secretary Ed Miliband, she has consistently advocated a more interventionist economic model, arguing that growth should be judged by whether it improves living standards rather than pursued as an end in itself.

**LUCY POWELL MP (Secretary of State for Education)** – Powell has been one of Burnham's closest political allies for more than two decades. A neighbouring Greater Manchester MP and longstanding confidante, she first worked with him as a political adviser when he was Culture Secretary, before becoming MP for Manchester Central in 2012 and later Deputy Labour Leader.

**ANNELIESE MIDGLEY MP (Chief Whip)** – Midgley has become one of Burnham's most trusted political organisers, leading his successful Makerfield by-election campaign and return to Westminster. A northern MP and former Unite director, she is regarded as an effective operator capable of connecting Labour's grassroots activists, trade union movement and parliamentary party.

## No.10 team

**JAMES PURNELL (Chief of Staff)** – Former Secretary of State for Work and Pensions in the Brown Government, Purnell has a decades long relationship with Burnham having worked with him as a Special Adviser in the Blair era. He will play a central role in translating Burnham's political agenda into action across Whitehall.

**CAROLINE SIMPSON (Deputy Chief of Staff)** – Burnham has appointed Simpson as Deputy Chief of Staff and head of the new No.10 North unit, leading devolution across the UK. The pair worked closely at Greater Manchester Combined Authority, where Simpson became known as his "right-hand woman" and helped translate his vision of "Manchesterism" into practice.

**GRAEME COOKE (Director of No.10 Policy Unit)** – Close friend of Purnell and former Adviser to the current Chief of Staff during his time as Work and Pensions Secretary. Previously in place in No.10 as an Adviser to Keir Starmer, Cooke will oversee the direction of the powerful No.10 Policy Unit.

**HAYDEN MUNRO (Political Director)** – Munro formerly worked as campaign director for former New Zealand PM Jacinda Ardern. He joins from Arden Strategies where he was Managing Director.

**MATTHEW MCGREGOR (Director of Political Strategy)** – McGregor will be Burnham's Director of Political Strategy, overseeing the long-term narrative of Burnham's Government. Previously Chief Executive of 38 Degrees, he also worked for the anti-racism group, Hope Not Hate and held a role on Barack Obama's 2012 re-election campaign.

## Advisors and influencers

**KEVIN LEE** – Burnham's long-serving Chief of Staff during his time as Mayor and closest political aide, Lee has worked alongside him for more than 15 years. He will remain one of Burnham's most trusted advisors.

**LORD JIM O'NEILL** – Lord O'Neill has advised Burnham since the Makerfield by-election and remains a key economic sounding board. He has focused on increasing infrastructure investment while preserving fiscal credibility, including proposals to make the National Infrastructure and Service Transformation Authority independent and strengthen its scrutiny of major rail, road and energy projects.

**RICHARD HUGHES** – Hughes is understood to have been advising Burnham on economic policy since the Makerfield by-election. Currently a senior economic adviser at the London-based fund manager Taula Capital, his presence in Burnham's circle is likely to reassure businesses and financial markets that economic policy will be informed by a strong commitment to fiscal discipline and institutional credibility.

**ANDY HALDANE** – The former Bank of England Chief Economist and current British Chambers of Commerce President adds business insight and economic credibility to Burnham's team. He has advocated simplifying the tax system, reducing regulation, controlling public spending and using tax incentives to encourage pension funds to invest more in the UK economy.

**NEAL LAWSON** – Founder of the Labour grouping Compass, Lawson has emerged as one of Burnham's most prominent intellectual supporters. He is the co-founder of Mainstream, a network of broadly centre-left Labour figures established to promote pragmatic, electorally successful centre-left politics. The organisation has been consistently supportive of Burnham's leadership.

**MATHEW LAWRENCE** – Director of the think tank, Common Wealth, Lawrence has helped shape Burnham's emerging economic agenda. His 2026 paper, The Productive State, argued for reversing privatisation by bringing essential services under greater public control through selective public ownership, state-backed competitors and "bonds for shares", rather than pursuing blanket nationalisation.

# Influencers and ideology

**Over the past two months, and during his time as Mayor of Greater Manchester, Andy Burnham has delivered a clear picture of the principles behind his approach to Government. He has argued that the UK's political and economic model has become too centralised, unequal and detached from the everyday experiences of communities.**

At the heart of Burnham's analysis is the belief that the past four decades have seen political power concentrated in Westminster while economic power has increasingly moved into private hands. The result, he argues, has been widening regional inequalities, declining trust and a loss of public control over the essential services on which people depend.

The central tenets of "Burnhamism" can therefore be understood as fairness, increased devolution of power and a more active state. Burnham's emphasis on fairness reflects his belief that Government must protect living standards and ensure access to "life's essentials". His support for devolution is based on the principle that decisions should be taken closer to the people and places affected by them. Driving this will be an interventionist Government that is at the centre of efforts to improve public services, support investment and strengthen regional economies.

This should not be mischaracterised as an anti-business agenda, but it does mean that there will be an expectation on business to play its part in driving "responsible growth", and an intolerance of commercial practices that are deemed to be damaging to the people and communities that rely on them.

Burnham presents his record in Greater Manchester as evidence a more assertive public sector can work alongside business, trade unions and civic institutions to improve services, develop communities and support reindustrialisation.

The following section outlines Burnham's key principles and the ideas shaping Burnham's agenda and those around him.

# What will an active state look like?

**When Andy Burnham argued that Britain took "a series of wrong turns in the 1980s" under Margaret Thatcher, "surrendering control" of housing, water, energy and transport was one of the key examples he provided.**

Some of the most well-developed – and most ambitious – thinking around returning these essential services to public control was set out earlier this year by Mathew Lawrence and Alex Williams of Common Wealth, for the centre-left think tank, Mainstream, who envisaged a "Productive State".

Backed by many who are close to Burnham – including Josh Simons, Lord Stewart Wood, and the newly appointed Energy Secretary Miatta Fahnbulleh – The Productive State doesn't merely regulate markets or redistribute their profits, but directly owns, invests in and provides essential infrastructure. Public corporations would borrow more cheaply, plan over longer time horizons and prioritise affordability and resilience over shareholder returns. It's a vision for a state that proponents say invests rather than extracts, coordinates rather than fragments, and provides for use rather than pricing for profit.

While much of the public ownership debate has focused on privatised utilities (notably housing, transport, energy, and water) – the "criteria for intervention" in a Productive State would encompass a wider range of sectors.

Social work and education, healthcare and the provision of medical equipment, the water sector and energy industry, housing, transport, and strategic manufacturing, are all diagnosed as meeting the conditions under which "private ownership fails on its own terms".

These are extremely complex sectors, and extending the role of the state in any of these areas (with the exception of a potential public takeover of a failing company such as Thames Water) would take time and could be subject to lengthy legal challenges. Delivering it would require substantial legislation, investment and institutional reconstruction, and most of the agenda would need a fresh general election mandate.

But there are early steps noted across them, that could relieve pressure on households, while creating the political space for deeper institutional reform – including a social tariff for energy, controls on excessive rent increases and subsidised bus fares.

The proposed method of delivering a Productive State – the public corporation ("operationally independent, commercially mandated, and borrowing in its own name") – also chimes with thinking set out by other Burnham advisors, notably Andy Haldane's suggestion that greater devolution could be funded through the public financial institutions such as Homes England, the National Wealth Fund, and the British Business Bank.

Even if better understood as a statement of ambition than a ready-made plan for implementation, this in-depth diagnosis provides a detailed perspective on the country's problems and an ambitious, distinct, vision of the role of the state.

# Devolving decision making across the regions

**For Andy Burnham, devolution has become a defining feature of his political outlook. Beyond transferring powers from Westminster, he sees it as a different model of governing Britain – based on local knowledge, place-based leadership and the belief that economic growth and public service reform are best delivered by institutions rooted in communities rather than Whitehall. Following the Makerfield by-election, Burnham said that the "Makerfield Test" would be the principle behind his approach to policy – it must be grounded in the lived experiences of people across the UK, with success measured by its impact on communities.**

After nearly two decades in Westminster, Burnham came to believe that central Government is structurally ill-equipped to respond to local challenges. His time as Mayor of Greater Manchester, particularly through clashes with central Government during Covid-19 and by forcing through reforms such as the Bee Network, has reinforced his view that locally accountable institutions deliver better outcomes.

As he argues in his book co-authored with Metro Mayor Steve Rotherham, *Head North: A Rallying Cry for a More Equal Britain*, Britain's regional inequalities are not simply the result of economic change, but of an overly centralised state that has repeatedly failed to trust places outside London.

This philosophy has increasingly drawn on a wider body of place-based economic thinking. Burnham's approach shares much with Centre for Cities' emphasis on fiscal devolution, arguing that England's cities need greater fiscal autonomy to drive long-term growth across regions. Rather than relying on short-term competitive funding pots, mayors should retain greater control over locally generated tax revenues to invest in infrastructure, transport and skills. The underlying premise, that local growth should finance local investment, closely mirrors Burnham's longstanding calls for greater fiscal autonomy for city regions. However, this model also carries a risk of creating winners and losers, particularly where local economies have a weaker tax base or lack the established structures needed to take advantage of greater fiscal freedom.

There is also a concern that a model shaped primarily by the experience of large northern city regions could overlook the intricacies in areas such as the South West and South East, rural, coastal and non-metropolitan communities that do not have the same institutional capacity. Burnham needs to demonstrate that devolution would extend opportunity across the country, rather than simply transferring influence from Westminster to a small number of powerful mayoral areas in the North and Midlands.

Burnham's conception of devolution extends beyond economic policy. A significant influence has been ThinkLabour's work on public service reform. Sam Freedman has advocated that metro mayors should coordinate health, policing, employment, skills training and education. Rather than treating transport, housing and public services as separate silos, this approach argues that integrated local institutions are better placed to tackle the interconnected drivers of economic inactivity, poor health and low productivity, with Greater Manchester frequently cited as the leading example of this model. Under this model, the devolution of skills policy would align local labour markets more closely to their local environment and economies.

This wider ecosystem increasingly points towards what has been dubbed as "Manchesterism" – a governing philosophy centred on empowered local institutions, long-term place leadership and development rooted in local strengths. It also reflects a broader strand of Labour thinking, articulated by figures such as Polly Billington MP, which argues that Britain's centralised policymaking has produced one-size-fits-all solutions that fail to reflect the differing needs of places. Instead, local leaders should have greater flexibility to shape investment, regulation and industrial policy around their own economies.

Consequently, devolution has become the organising principle of Burnham's politics, shaping his approach to economic growth, public service reform and democratic renewal through a belief that power and decision-making must shift from Westminster to local communities.

# Ensuring fairness and affordability

**Andy Burnham has made fairness and the cost of living central to his emerging programme for Government. This means fairness in terms of wider prosperity and opportunity, levelling the economic playing field across the regions. Burnham has said he will judge his own success by whether a "clear majority of people feel hopeful about the future", arguing that after a decade in which life has become progressively harder for many, Government needs to restore confidence that living standards can improve.**

His immediate priority is to put the cost of living "front and centre" of his programme for Government and when conditions allow, provide households with "breathing space". Upon entering Downing Street he announced the removal of VAT on electricity bills, with the intention that families feel a tangible difference within the first months of his premiership, emphasising fast, visible improvements in living standards.

Secretary of State for Energy Security and Net Zero, Miatta Fahnbulleh MP, has played a key role in shaping Burnham's early policy agenda. She has argued that people, especially those on the lowest incomes, need immediate respite from stagnant living standards. Her reported economic blueprint focuses on reducing the cost of essentials, including energy and transport, while also supporting small businesses, high streets and housebuilding.

Burnham has advocated for 10-year plans across the economy, intended to bring down costs for both households and businesses. He has also argued that stronger public control is necessary to reduce costs and ensure essential services operate more clearly in the public interest. This links to his wider promise of delivering "good growth in every postcode", with fairness understood not only in terms of income but also geography. Where people live should not determine their access to affordable services, investment and economic opportunity.

His proposed No.10 North, an expanded Prime Minister's Office in Manchester, is intended to support this agenda by moving decision-making closer to regions and communities, overseeing regional growth and acting as the "nerve centre of a rewired Britain".

Burnham's approach to dealing with the cost of living has already attracted early criticism. Commentators have argued that the more Burnham makes the cost of living his defining test, the more difficult delivery becomes. Reducing the cost of living was a key part of Starmer's Plan for Change, and yet he found it difficult to meaningfully deliver visible improvements for households. Many living costs are outside a Prime Minister's direct control, while meaningful support for lower earners would be expensive and require credible funding to avoid renewed concerns about public spending and market confidence. This also raises a politically difficult question about who would ultimately pay. Greater support for lower-income households and regions could require higher taxes on wealthier individuals or more prosperous parts of the country, particularly in London and the South East, creating a risk that Burnham's fairness agenda is perceived as redistributing costs between places rather than reducing them overall. As Starmer has warned his successor, global events may also constrain Burnham's ability to deliver on his fairness agenda. With the wars in Ukraine and the Middle East continuing, events beyond his control could quickly reshape his domestic priorities.

# Rewiring economic decision making

**Andy Burnham may be intent on setting a "new direction" for the UK, but in some key respects he will follow the path set by Rachel Reeves and Keir Starmer. Burnham has stated that the key 2024 manifesto commitments not to raise Income Tax, National Insurance or VAT will remain, as will the 'triple lock' on the state pension. Burnham has stated that the fiscal rules, which limit how much the Government can borrow, will also stay in place – although allies and influencers such as the Resolution Foundation are urging Burnham to use flexibility to boost investment.**

As Chancellor, John Healey will need to look beyond the 'big three' taxes if they want to raise revenue in the short term. Figures around Burnham have floated reforms to Capital Gains Tax, so that it is brought closer to Income Tax, as one option. His team is also looking at changes to compensate for the more regressive elements of Council Tax, alongside the potential introduction of a land tax. While these measures could be presented as making the tax system fairer, their distributional impact would be significant. In practice, they would be likely to raise more revenue from higher-value properties, assets and incomes concentrated in London and the South East, with the proceeds used to support public services and investment in less prosperous parts of the country. Politically, this could reinforce the perception that Burnham's economic model involves an explicit redistribution of resources.

Another way to find some more breathing space would be to amend how spending, and its benefits, are calculated. Key Burnham ally Louise Haigh has argued in favour of extending the OBR's forecast horizons. The intention would be to provide some more flexibility against the fiscal rules, so that the longer-term savings and revenue generated by spending are fully captured. Ministers will be open to conversations on the preventative value of investments in public health, skills provision and housing.

Longer term, a central pillar of the new Government's economic approach will be structural reforms to where responsibility for fiscal policy sits.

Burnham has been clear that he wants more decisions on investment, skills policy and industrial priorities to be made locally – by local leaders who understand the priorities for local people. It seems likely that Burnham's devolution drive will see some form of revenue raising powers delegated to Mayoral Strategic Authorities.

The other side of that coin is that the fiscal powers remaining in Whitehall could be firmly held by the Prime Minister, not by HM Treasury. Haigh has been critical of the economic institutions' ability to promote growth, and of a decline in the state's capacity to actively shape economic development. The proposed solution is a beefed-up and more powerful No.10, to act as a counterweight to an "imperial" Treasury. For the Prime Minister, this will allow him to set departmental budgets according to his political priorities, and to cut through the Treasury's short-termism and timidity.

For businesses, these reforms would significantly alter the locus of decision-making, and the most effective routes for engagement. Organisations will still need to build strong relationships with central Government, but they will also need to engage more systematically with mayors, combined authorities and other regional leaders whose influence over economic development, infrastructure and public services is likely to grow. Power will not simply move out of London wholesale, but businesses will have more stakeholders, institutions and routes of influence to manage. If No.10 really is intent on driving economic policy, then in the lead-up to the Budget the key decision-makers will likely be in 10 Downing Street, as well as 1 Horse Guards Road.

# Energy

## An active state

Burnham's Government will intervene more readily where utility markets, regulation or infrastructure are seen to be failing consumers or constraining responsible growth.

GBE will be expected to do more than co-invest in generation. It is likely to be used to accelerate projects, support UK supply chains and align energy investment with regional growth plans. Ofgem, meanwhile, will face pressure to tighten delivery incentives and intervene faster where network companies miss investment or connection milestones.

Similarly, networks and utilities will face pressure to show that increased investment delivers faster connections, more reliable infrastructure and better outcomes for customers. Generators and suppliers will face the same test – commercial returns will need to be justified against bills, delivery and wider public value.

Government backing will also come with clearer conditions. Access to public funding, favourable regulatory treatment or priority in infrastructure planning will increasingly depend on commitments to UK supply chains, workforce development, community benefit and affordability.

## Devolution

Mayors and combined authorities will become more important energy decision-makers, particularly on things like retrofit, heat networks, skills, industrial clusters and the coordination of energy infrastructure with regional growth plans.

Regional leaders will have more influence over the pace and political viability of projects. Generation, network and major demand schemes will need a clear regional proposition, showing what value they deliver locally – how they support high quality jobs, supply chains and regional priorities.

For business, engagement with mayors, combined authorities and local delivery bodies will need to begin earlier. National approval may no longer be sufficient, where regional leaders or host communities are unconvinced by the local value of a project.

## Fairness and affordability

Affordability will become a hard test for energy policy. Network investment, Clean Power 2030 and low carbon heat will face demands for slower cost recovery, greater taxpayer support or clearer near-term bill benefits where costs reach consumers first.

Government will scrutinise more closely how costs are shared between billpayers, taxpayers and investors. That could mean shifting policy costs away from electricity bills, tougher scrutiny of network returns, or redesigning low carbon heat support around affordability, finance and consumer confidence.

Major electricity users, including data centres, will face a higher threshold for political support. Where grid capacity is constrained, they will need to show clear economic value through investment, jobs, local benefit and contribution to the wider system.

## Fiscal constraints

Limited public spending will force Government to choose between subsidising household adoption, supporting industrial investment and accelerating energy infrastructure. Private capital will remain essential, but Government backing will concentrate on projects that mobilise investment quickly and deliver visible gains on bills, jobs or system capacity.

Businesses will need to show why their project should receive scarce grid capacity, public funding or ministerial intervention ahead of competing schemes. Deliverability, additional private investment and measurable regional value will matter more than wholesale investment commitments.

## Policies to watch

Three important policies to watch and their prospects under a Burnham Government.

**Likely to go ahead:** Clean Power 2030 Mission

**Likely to go ahead:** Warm Homes Plan delivery

**At risk:** Opposition to new North Sea oil and gas drilling likely to be softened, but policy not substantively reversed

## Who is shaping thinking?

**ANDY HALDANE**, former Chief Economist at the Bank of England

**MATHEW LAWRENCE**, Founder of Common Wealth

**LORD JIM O'NEILL**, Former Conservative Treasury Minister under Cameron

# Education and Skills

## An active state

The Burnham Government is likely to take a more active role in shaping the education and skills system around wider economic and social objectives. Reducing the number of young people not in education, employment or training (NEET) is expected to be a central priority.

Burnham has argued that vocational and technical education has been undervalued and has called for a "complete rethink" of how young people are supported beyond the traditional university route. This could mean a stronger role for Government in coordinating employers, education providers and local authorities. Businesses will need to demonstrate that their role in public service delivery supports better outcomes, value for money and wider access to opportunity.

## Devolution

Devolution is likely to be a defining feature of Burnham's education and skills agenda. His core argument is that local leaders are better placed than Whitehall to understand labour market needs, identify regional skills gaps and connect young people with growth sectors.

The Greater Manchester Baccalaureate provides the clearest indication of this approach, directing students towards career pathways aligned with the region's fastest-growing industries. In Government, Burnham will push for greater mayoral control over skills funding and more freedom to design employment and training programmes. For businesses, this will increase the importance of engaging with mayors and local skills bodies, with a clear regional offer linked to jobs, investment and upskilling.

## Fairness and affordability

Burnham is likely to frame education policy around fairness, access and ensuring every young person can succeed regardless of background or geography. Addressing the rise in NEETs will sit at the centre of this agenda, alongside measures to improve outcomes for disadvantaged children.

He is unlikely to reverse existing reforms without a clear alternative, particularly where proposals have broad support across the PLP. SEND reform through the Education for All Bill is therefore likely to continue, although there may be greater scrutiny of whether families can access appropriate support and whether public money is delivering fair outcomes. Businesses should position their contribution around widening access, reducing inequality and creating credible routes into employment.

## Fiscal constraints

The main constraint on Burnham's education agenda will be limited public finances. Pressure on school budgets and teacher pay is likely to intensify demands for additional spending, while Burnham will also face pressure to improve relationships with teaching unions.

The requirement for schools to fund the first 1% of the recent teacher pay award has already raised concerns over affordability. Children's social care could become an early focus, particularly where private residential placements impose high costs on local authorities. This is likely to strengthen the case for preventative spending and local commissioning, although significant funding increases may remain difficult. Businesses able to demonstrate measurable savings, improved outcomes and reduced pressure on public services will be best placed to gain political support.

## Policies to watch

Two important policies to watch and their prospects under a Burnham Government.

**Likely to go ahead:** SEND reform and the Education for All Bill

**Likely to go ahead:** Skills reform and addressing the rise in NEETs

## Who is shaping thinking?

**THEO BERTRAM**, Director of the Social Market Foundation

**KATE GREEN**, Deputy Mayor of Greater Manchester, former Shadow Education Secretary and former Chief Executive of the Child Poverty Action Group

**LUCY POWELL MP**, new Secretary of State for Education and Deputy Leader of the Labour Party

# Financial and Professional Services

## An active state

A Burnham Government is unlikely to abandon the pro-growth financial services agenda. It is more likely to recast it around a different political test: what is financial services delivering for the real economy? Financial services already sits inside the UK's Industrial Strategy, with a ten-year Growth and Competitiveness Strategy covering capital markets, Open Finance, AI, payments and skills. Burnham's own "No.10 North" pitch is similarly activist and place-based. For financial services, that points to support for innovation and investment, but also greater pressure on firms to demonstrate that they are financing productive growth, supporting businesses and creating jobs, not merely extracting returns.

## Devolution

On devolution, this is where financial services could gain most. The sector employs nearly 2.5 million people across financial and related professional services, with two-thirds of jobs outside London; Government already highlights Leeds, Manchester and Edinburgh as core clusters. Burnham's push to redistribute power and resources, create "Good Growth Funds" and make place-based collaboration the new operating model would strengthen the argument for regional investment vehicles, locally aligned pension capital and more policy attention on the big non-London hubs. The main watch-out is that devolution should mean more local demand-shaping and capital allocation, not a patchwork of local regulatory regimes.

## Fairness and affordability

Burnham's language is explicitly about costs, ordinary households and fair outcomes, which suggests retail-facing firms will stay under political scrutiny. The FCA says embedding Consumer Duty remains a priority, while APP fraud reimbursement, targeted support and the National Payments Vision all keep consumer protection, choice and trust at the centre of reform. For banks, insurers, wealth managers and payments firms, the message is that growth arguments will only land if matched by better consumer outcomes on scams, support, complaints and value.

## Fiscal constraints

The harder edge is fiscal. The OBR says the public finances are on an unsustainable long-term path unless pressures are addressed, while the OECD says growth remains subdued and fiscal pressures are rising. That makes a large, debt-funded state expansion difficult and increases the importance of private capital. For financial services, this should preserve the drive to unlock bank balance sheets, pensions and capital markets for housing, infrastructure and business investment. At the same time, it leaves less political space for policies that could be portrayed as City-friendly giveaways or that weaken accountability too far.

## Policies to watch

Three important policies to watch and their prospects under a Burnham Government.

**Likely to go ahead:** National Payments Vision

**At risk:** Taxation

**Unlikely to go ahead:** FOS reforms

## Who is shaping thinking?

**JAMES PURNELL**, Chief of Staff

**LORD JIM O'NEILL**, External Economic Adviser

**ANDY HALDANE**, former Chief Economist, Bank of England

# Transport

**Transport will be a key test of the Burnham Government as it seeks to balance a more interventionist state with the practical realities of delivery.**

Although Burnham has said relatively little about national transport policy beyond introducing free bus travel for all 16–18-year-olds and a £2 fare cap, his record in Greater Manchester provides an indication of the direction he is likely to take. His approach, including reappointing Heidi Alexander as Transport Secretary, will build on existing reforms, combine stronger public leadership, greater devolution and continued partnership with the private sector.

## A more active state

Burnham's record points to a more interventionist approach, with transport viewed as an enabler of wider socioeconomic outcomes. The state is likely to take a stronger role in setting priorities and shaping outcomes, while private capital and expertise remain central to delivery, particularly given constrained public finances.

Rail reform reflects this model. Burnham will inherit a Railways Bill that closely aligns with his instincts – Great British Railways directing the network and passenger services moving into public ownership. The focus will be on implementation rather than structural reform, with business continuing to play a significant role in infrastructure, rolling stock, ticketing and technology.

## Greater devolution

Burnham has consistently argued for more transport powers and funding to be devolved. This will make transport policy increasingly place-based, with investment priorities varying between regions.

For businesses, engagement with regional Government will become as important as engagement with Whitehall. Success will depend on demonstrating how investment supports local priorities such as growth, regeneration, housing and access to opportunity.

## Affordability first

As we've seen from the outset of his premiership, tackling the cost of living is a key priority. Previous measures in Manchester, fare caps, integrated ticketing and his decision to abandon the Clean Air Zone as well as this week's energy bill VAT cut demonstrate his commitment to cutting costs for households and businesses.

Investment in rail, buses, active travel and EV infrastructure is likely to continue, but affordability will remain a defining test. The Government's review of the ZEV Mandate and the planned introduction of e-VED for electric vehicles from April 2028 will be an early signal of this approach.

## Fiscal reality

Despite a more active state, fiscal constraints will continue to shape policy. Burnham's support for a lower-cost Birmingham-to-Manchester rail link, backed by private investment, suggests a pragmatic approach that prioritises deliverability over ambition.

His long-standing opposition to Heathrow expansion could also create tension with wider economic growth objectives. Overall, projects with a credible funding model, clear public benefits and broad political support are most likely to proceed.

## What this means for business

The Burnham Government will rely on private investment to modernise the transport network, but expectations of the private sector will increase. Businesses will need to engage earlier with devolved authorities, align proposals with priorities, and demonstrate not only commercial value but wider socioeconomic benefits too. Those able to show affordability, deliverability and long-term public value will be best placed to succeed.

## Policies to watch

Three important policies to watch and their prospects under a Burnham Government.

**Likely to go ahead:** The Railways Bill

**At risk:** ZEV mandate

**At risk:** Heathrow Expansion

## Who is shaping thinking?

**TOM WHITNEY**, former Burnham adviser and DfT Special Adviser

**VERNON EVERITT**, Transport Commissioner for Greater Manchester and Chair Transport for Wales

**LOUISE HAIGH MP**, influential decision-maker and former Transport Secretary

# Health and Life Sciences

## An active state

While the shift to greater ministerial control through the abolition of NHS England sits somewhat uneasily with Burnham's focus on devolved decision-making, the wider direction of NHS reform is broadly consistent with his agenda. Measures to integrate services and deliver more care closer to home align closely with his long-standing vision, and the NHS Modernisation Bill could provide an opportunity for Burnham to drive greater integration across health and wider public services through clearer lines of accountability. While the Bill as it stands would abolish Healthwatch England, there are suggestions Burnham may seek to amend these plans. Burnham's appointment of Yvette Cooper as Health Secretary – one of the Cabinet's most senior and experienced figures – may also signal a diversion from the approach taken by Wes Streeting.

An area where an emphasis of state intervention is likely to be most visible is social care – where he is most likely to seek a lasting political legacy. Burnham has consistently supported the creation of a National Care Service, viewing care as a core public service rather than a residual safety net. The ongoing Casey Review provides an obvious vehicle for change, although he may want to pursue action sooner than 2028 (when final recommendations are due).

## Devolution

Burnham's decade as Mayor of Greater Manchester, where he led England's most advanced experiment in health devolution, offers the clearest indication of what his Government may mean for health. While the centre may continue to set clearer national priorities, Burnham's commitment to local empowerment suggests he would seek to push greater responsibility and flexibility down to local integrated care systems and newly formed Neighbourhood Health Teams.

## Fairness

Burnham's record in Greater Manchester demonstrates a focus on integrating health with housing, employment and local Government to improve outcomes for disadvantaged communities, reflecting a broader 'Health in All Policies' approach that health outcomes are shaped by decisions made across Government, rather than through the NHS alone. As Prime Minister, this would suggest a potential prioritisation of policies that reduce health inequalities, through a prevention and public health approach.

There is uncertainty as to how a focus on 'fairness' will shape Burnham's approach to the life sciences sector, including in relation to NHS affordability and equitable access to medicines. While Burnham has already faced pressure from some health organisations to reconsider the UK-US Pharmaceutical Deal, given its operational significance – this is unlikely to be changed.

## Fiscal constraints

The principal constraint on the health ambitions of a Burnham Government is unlikely to be policy but affordability. While prevention and integrated care promise longer-term savings, they require upfront investment at a time of limited fiscal headroom. This is likely to be felt most acutely in social care. Although the Casey Review provides a ready-made vehicle for reform, it is already operating within the Spending Review envelope – limiting the scope for ambitious recommendations without additional Treasury funding and compromises in other areas. Alongside difficult spending choices, the challenge for Cooper will be turning an already crowded reform agenda into tangible improvements, with an approach more likely to focus on implementation than new announcements.

### Policies to watch

Three important policies to watch and their prospects under a Burnham Government.

**Likely to go ahead:** 10-Year Health Plan for England

**Likely to go ahead:** NHS Modernisation Bill (Health Bill)

**Likely to go ahead:** UK-US Pharmaceutical Pricing Agreement

### Who is shaping thinking?

**OLIVER COPPARD**, Mayor of South Yorkshire

**SIR RICHARD LEESE**, Co-chair, Greater Manchester Integrated Care Partnership

**RACHAEL NIELSEN**, Strategic Lead for Population Health, NHS Greater Manchester

# A new approach to communications

**Andy Burnham arrives in Downing Street with a communications style that has been central to his political success: direct, conversational and deliberately personal.**

Rather than relying solely on traditional media, he has sought to build an authentic relationship with audiences through engaging social media content and face-to-face contact. In recent weeks this has included a Reddit Q&A and an impromptu "Ask me Anything" session in Cardiff, which reinforced his willingness to engage directly with the public and answer questions in an informal setting. By contrast, he has largely avoided taking questions from journalists after recent set-piece speeches.

As Prime Minister this approach will become harder to sustain. While Burnham's communications strategy has been effective to date, governing from No10 brings greater scrutiny, and carefully curated content will need to sit alongside regular engagement with political journalists, international media and financial markets. As Prime Minister, he must communicate with several audiences at once – voters looking for visible action, businesses seeking policy certainty, and international investors assessing the UK's economic credibility.

The task for the **new No.10 communications team**, therefore, is translating Burnham's campaigning style into communications that reassure markets, while retaining his personable trademark. They will also be responsible for enforcing Burnham's pledge to end Westminster's "insidious briefing culture" and ensure message discipline across a newly appointed Cabinet.

The new team includes:

- Former Special Adviser **GRACE PRITCHARD**, who brings extensive experience of Labour Government communications and understands how to navigate Whitehall, Cabinet and Westminster media.
- **DONJETA MIFTARI**, who as former Chief Communications Advisor to the President of Kosovo and foreign policy advisor to Keir Starmer, will be particularly valuable as No.10 seeks to communicate with global audiences as well as domestic ones.
- **ABBY TOMLINSON**, who is widely credited with helping shape Burnham's relatable, personality-led social media content to date.
- **ALI MILANI**, an author, podcaster and political commentator, who likewise brings a strong understanding of digital campaigning and online communities, particularly among younger audiences.

## Our advice for business engagement

As with any new Government, there will now be a flurry of organisations seeking to influence future policy. To stand out, businesses will need to demonstrate how they are helping deliver Burnham's priorities around place-based growth, devolution, reindustrialisation, jobs, skills and reducing regional inequalities.

That means moving beyond policy asks to focusing on the opportunities these asks can bring. Factory visits, skills academies, regeneration projects and innovation hubs can all provide tangible proof of delivery, strong visual content and clear political value.

For a Government under pressure to show early progress, businesses that can demonstrate real economic impact while telling a compelling story will be best placed to build relationships with the new administration.

**We are a strategic communications consultancy helping organisations achieve policy and reputational outcomes.**

We’re specialists in areas where Government action, media interest and public impact are interlinked – including energy, education, financial services, healthcare and transport – and experts in navigating these complex communications environments.

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