

Funding the Future

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<https://www.taxresearch.org.uk/Blog/2025/05/22/starmers-j-turn/>

Published: January 12, 2026, 7:40 pm

Some say Starmer has U-turned on the winter fuel allowance (WFA).

I disagree. I prefer the idea put forward by Richard Bergon MP on Channel 4 News last night that he has J-turned. In other words, what he will give back will be much less than what he has taken away. We do not know the details as yet, but I strongly suspect that this will be the case.

So why has he changed his mind?

It is not because the economy is better. It is no better now than it was last July. In many ways, it is worse, with GDP still nearly flat once the reaction to Trump is taken out of account. Inflation is worse. The tariff threat remains. Wars are worse. There is a need for more defence spending. Nothing in the news from that front suggests that there is any more slack than there was last summer, when the WFA was announced by prime ministerial decree, without prior warning, but with disastrous consequences for Labour, most especially in proportion to the £ 1.6 billion it supposedly saves.

So what has changed?

Public opinion has.

The voter share of Reform has.

The media have: they know this is a disaster for Labour and push the point.

Labour backbench opinion on the issue has, and they are willing to express it.

And relations between Starmer and Reeves have.

Of all of these, which matters most? In the small-minded world of Starmer and McSweeney, I have no doubt that the last does. Rachel Reeves might be the only woman in the Cabinet that No. 10 has not briefed against, but give it time, and they will.

McSweeney has a problem with women. As a consequence, Starmer has the same

problem, since he cannot think for himself. That we know.

But, we also know that, supposedly, Reeves and Starmer were joined at the hip. There was going to be no stress between these two. The age-old No. 10 / No. 11 rivalry that has dominated so many administrations in the history of UK politics was not going to be an issue here. Except it now is.

Starmer messed up on WFA. Now, someone has to be blamed for that fact. Who might that be? Who was the awful influence who let this happen?

Sue Grey (remember her?) could be, but everyone has forgotten her brief period in power in Downing Street.

So, there is only one target available, and much as the whole Starmer team would love that to be Angela Rayner (where do you think that leak to the Telegraph came from, after all?), the reality is that she had nothing to do with this, and Rachel Reeves did.

I sense, very clearly, that Reeves' days are numbered. She won't go just yet, I suspect. But, go she will.

Labour backbenchers are demanding a change in tack.

Balanced budgets are not working on the doorstep.

Nobody gives a damn whether or not borrowing is a few billion up or down, which is all the control Reeves seeks to have over the issue by imposing the form of callous indifference within policy making that Liz Kendall has turned into a sadistic art form.

What matters are people. They are hurting, and will do so even more when the plan to cut personal independence payments really comes to the fore, which is going to make the WFA kickback look like a flash in the pan.

So, there will need to be a sacrificial lamb, and Starmer has one, ready and waiting. When a reshuffle comes, as surely it will, Reeves will be out. So, incidentally, will be Kendall. Starmer will slash and burn to avoid the claim that he was responsible for these mistakes, and there is no doubt that these two ministers do bear a significant share of the blame for what is happening. They are utterly incapable of apparently imagining the consequences for people struggling to make ends meet of what they are doing. So, they need to go.

The problem for Starmer is that the blame will not stick to them.

Nor are their obvious heirs apparent. Yvette Cooper would love to be Chancellor and would do anything to be out of the Home Office (who wouldn't?). But she would, quite probably, be worse than Reeves.

And after her, who might it be? The spineless Darren Jones, putting him in line to be the next leader when Wes Streeting's career crashes and burns with his rejection by the people of Ilford at the next election? I think that most likely. But he has the economic sense of a first-term undergraduate, in history.

Starmer is deep in trouble.

Reeves is in even more trouble.

And nothing gets Starmer out of this mess.

There is good reason for that. He made the decision on WFA. He should have known it was wrong. Nothing will remove his responsibility for destroying his own party's chance of re-election during his first month in Downing Street. He will have to carry the can, and a J-turn will not get him off the hook.