

Burnham told to make welfare and pension cuts to pay for UK rearmament and prepare war with Russia

Robert Stevens
3 July 2026

UK Prime Minister Keir Starmer published his long-delayed Defence Investment Plan (DIP) on June 30, committing an additional £15 billion to the armed forces over four years.

It leaves Starmer's successor-in-waiting, Andy Burnham, having to find tens of billions of pounds in cuts to social spending to pay for a hike in military funding.

The DIP was meant to fund the Labour government's 10-year Strategic Defence Review (SDR), published in June last year, but its funding commitments extend only to the four-year spending review period ending in 2029/30.

The plan takes total military spending to £298 billion in the period to 2029/30—almost £80 billion a year by the end of the decade. Speaking at a drone factory in Berkshire flanked by Chancellor Rachel Reeves, Starmer hailed “the biggest sustained increase in defence spending since the 1980s”, raising spending from 2.3 percent of GDP in 2024 to 2.7 percent. However, he added, this would only put “us on a trajectory to reach 3 percent in the next Parliament [after a scheduled 2029 general election]”.

Every line of the 80-page DIP is directed at preparing for war with Russia, declaring that “President Putin's aggression is growing around our shores, in the High North, across Europe, and in Ukraine.” Ramping up military spending is required as “NATO is now warning that Russia could be ready to use military force against the Alliance by the end of this decade.”

More than £63 billion over four years goes to the nuclear weapons programme—Dreadnought submarines, a new warhead and 12 nuclear-capable F-35A jets—alongside £11 billion for munitions and six new weapons factories, more than £5 billion for drones and autonomous systems, and £8.6 billion for the Tempest

fighter programme.

To secure massive future profits for UK arms manufacturers such as BAE Systems, Babcock and MBDA, the government announced a taxpayer-backed £50 billion export finance facility—the largest allocation in UK Export Finance's history—to underwrite foreign purchases of British weapons.

The £15 billion includes £1.5 billion prised from the Treasury in the three weeks since Defence Secretary John Healey and Armed Forces Minister Al Carns resigned over the earlier £13.5 billion settlement proposal. However, only £11.6 billion of the £15 billion is new money.

For the military cabal and their backers in the media, who determine the policies of governments, the DIP confirms their verdict that the Starmer government had to go for refusing to stump up far more than £15 billion and pay for this by slashing welfare.

Military chiefs had demanded at least £28 billion to fund a “black hole” in the Ministry of Defence's budget—without which all 62 recommendations of last year's Strategic Defence Review could not be met.

Starmer's critics wasted no time in denouncing the final settlement as inadequate. Healey told Parliament, “Britain will still be spending just 2.7 percent of GDP in 2030, the date when NATO has warned we could face a Russian attack”, demanding a “clear, credible funding plan” to reach 3 percent and NATO's 3.5 percent target by 2035.

The head of the UK's armed forces, Chief of the Defence Staff Sir Richard Knighton, told the *Times* that the SDR was only deliverable if the 3.5 percent target is met.

It was leaked to journalist Andrew Marr that “[Defence Secretary] Dan Jarvis had [a] sentence saying that the chief of staff [Knighton] backed the plan but, because it's

not properly funded, they told him he had to take the sentence out”.

Reeves confirmed that only £10.3 billion of the £15 billion has been identified, “primarily by reallocating budget from across government departments”, with “a further £4.7 billion over four years” to be “confirmed at Budget 2026”—£1.8 billion of it in the current financial year.

Every department was instructed by Reeves to hand over 1 percent of its capital budget. Health and Social Care must cut £570 million against current plans, and education £314 million. Up to 18 hospital building projects could be delayed or scrapped, with the National Health Service maintenance backlog at nearly £16 billion and a £13.8 billion shortfall for schools repair. The Department of Transport will cut around £1.5 billion, including foregoing £700 million in road schemes. Ed Miliband’s Energy Security and Net Zero department will lose £2.3 billion.

Fuelling the ire of the military, the MoD itself must deliver £10.7 billion in “efficiencies” by 2030, including a 10 percent cut in civil service workforce costs.

Such sums only scratch the surface of what is required.

Following Starmer’s resignation, Burnham is expected to be formally declared Labour leader on July 17 and to enter Downing Street on July 20.

The *Times* reported that Burnham had to find “almost £7 billion of cuts to schools, hospitals, road and energy projects to pay for increased defence spending in one of his first acts as prime minister.” This was “on top of the £4.7 billion of savings or tax rises that Burnham’s chancellor will have to find at the next budget to pay for the unfunded element of the defence investment plan.”

According to the *Financial Times*, Burnham was “blindsided” by the initial DIP funding gap of £4.7 billion, including the £1.8 billion in savings that must be allocated in the coming financial year.

The *Times*’ editorial Wednesday put Burnham on his marching orders. Headlined, “Defence plan is Andy Burnham’s call to arms on public finances”, it described the £4.7 billion shortfall as a “poison pill” administered by the outgoing premier while denouncing the £15 billion uplift as “half of what they need”.

The need to vastly increase the arms budget and the funding deficit “should spur him to take radical action on pensions and welfare.”

Referring to Burnham’s comment last year that the UK economy should not be “in hock” to the bond markets, the editorial warned “what the bond markets will care about

(sorry Mr Burnham but Britain is indeed in hock to them) is welfare.”

The paper denounced the £320 billion spent on social security in 2025-26, including £145 billion on working-age and child welfare and £146 billion on the state pension, protected by a “triple lock”—on course to double its cost by 2070. The lock “must be picked”, it demanded, with Burnham as “the locksmith”.

“Pensions, welfare and the higher debt interest that stems from them... destroyed the room for manoeuvre of the Starmer government and its predecessors”. For Burnham, therefore, “That means going after the really big money, soon,” meaning the welfare budget.

The *Financial Times* editorialised that the DIP funding gap risked Britain becoming “a mid-tier country behind Poland, Germany, and the Baltic and Nordic nations”. Burnham’s job was to raid “the soaring welfare budget.” Succeeding where Starmer failed “will be a defining test of the Burnham premiership”.

In his speech Monday outlining his agenda, Burnham spoke of a 10-year plan to raise living standards. But such boilerplate was blown apart within a matter of 48 hours, as the military had their say.

Last year, under pressure from US President Trump, NATO members pledged to devote 5 percent of GDP to the military by 2035. On publication of the DIP, the Resolution Foundation calculated the cost of this at an additional £25 billion every year.

In a *Telegraph* article accompanying the DIP’s release, Chancellor Reeves warned Burnham against borrowing to pay for further military spending as “A Britain spending beyond its means is a weak Britain”.

Burnham has got the message. Asked about the DIP by Marr on LBC Radio, Burnham said of hiking military spending: “I regard it as something that the country has to face up to very seriously. We’re in a changing world. The nature of the threat is changing... I will take my responsibilities fully to fund the defence investment plan...”



To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact