



TOP STORY • UNITED KINGDOM

Healey Delivers His First Budget With Little Room to Spend

A 'steady-as-she-goes' Budget is expected, with help on energy bills and a fuel duty freeze.

Written and fact-checked by AI • News Pebbles

A Budget is the Chancellor's statement of how the government will raise and spend money. Chancellor John Healey, 101 days into the job, presents his first on 28 October to the House of Commons. The Office for Budget Responsibility (OBR), the official forecaster, publishes its economic and fiscal forecast the same day.

The mood music is steady rather than dramatic. Headtopics reports the Budget is meant to give 'breathing space' to hard-pressed households. Expected measures include energy bills support for poorer households, a freeze on fuel duty, action to help first-time buyers and tax relief for smaller businesses. To pay for some of it, Healey plans a new raid on banks and a crackdown on online retailers such as Amazon, eBay and Temu. The personal allowance, frozen at 12,570 pounds since 2022, is not expected to change in any major way.

The limit is money. Higher government borrowing costs linked to the Iran war have reduced Healey's room for manoeuvre. The OBR forecast a buffer of about 24 billion pounds in March; the Resolution Foundation estimates it has roughly halved to 12 billion pounds. A new tax allowance is planned for low-income pensioners who would otherwise be pulled into the tax system for the first time, though experts have called the proposal 'messy' and warned of 'cliff edges'.

Healey has said the Budget will move money and power out of Westminster and into every postcode around Britain, and that it will meet the government's fiscal rules, the self-imposed limits on borrowing.



WHY THIS MATTERS

A Budget sets what people pay in tax and how much help the government can afford, and this one has to work with half the cushion forecast in March.

WORLD • UKRAINE

Three-Way Ukraine Talks Are Set for Next Month, Without a Pause in Fighting

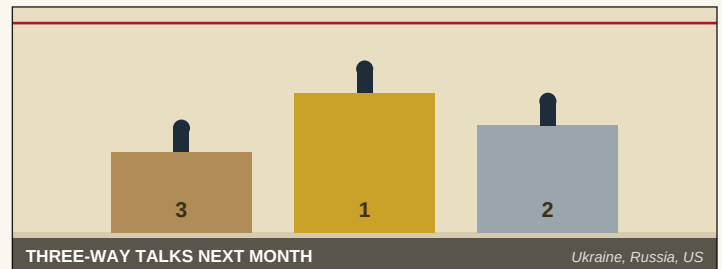
For Europe, the talks decide a security question on its own doorstep.

Ukraine, Russia and the United States have agreed to hold three-way talks next month, Ukrainian President Volodymyr Zelenskyy said on 26 October. Al Jazeera's report gave no date or venue. Europe is not named as a party in this report, even though the war is on the European continent.

Russia's President Vladimir Putin said on 23 October that renewed talks must focus on security for Russia, Ukraine and Europe overall, according to The Moscow Times. That wording matters to European governments, because it puts Europe's own security on the agenda.

But there is no truce attached. Russia has said it has no intention of halting hostilities during the talks, Ukrainska Pravda reported, and Putin has said he wants final agreements rather than a short-lived ceasefire. Zelenskyy, for his part, has renewed his call for a meeting with Putin on territorial issues.

What is still unknown is practical: the date, the venue and who will sit at the table for each side. Until those are announced, what Europe has is an agreement in principle between three parties, one of which says the fighting will carry on.



No date or venue has been announced.

CONNECT THE DOTS

Putin's phrase 'security for Europe overall' links the Ukraine talks to every European capital.

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UNITED KINGDOM • PRICES

UK Inflation Climbs to 3.5% as Fuel Costs Rise*The figure for September lands a week before the Budget.*

Inflation is the rate at which prices rise over a year. In September UK consumer price inflation rose to 3.5%, up from 3.1% in August, driven mainly by fuel, according to the figures reported by ITV News.

Motor fuels cost 30% more than a year earlier, up from a 23% rise in August. Average petrol reached 169.5p a litre, the highest in around four years, and diesel hit 192.5p, its highest since July 2022. Reports attribute the rise to the Iran war, which has squeezed global oil and gas supplies.

Some economists think the rise could prompt the Bank of England to raise interest rates next month.

WHY THIS MATTERS

Fuel is a cost for nearly every journey and delivery, so a big rise at the pump can lift prices in shops as well.

Also in United Kingdom

- Fuel duty: The Budget is expected to freeze fuel duty, according to Headtopics.
- Pensions: A new allowance for low-income pensioners is planned, with experts warning of 'cliff edges'.

ONE-LINE BRIEFS

- United States: The Federal Reserve decides on its key rate on Wednesday at 2 pm Eastern Time; traders put about an 11% chance on a rise.
- India: Cyclone Arbab is forecast to reach the Andhra Pradesh coast between 2 am and 4 am on 28 October.

VOCABULARY BUILDER**Words that unlock today's news****Budget**

A government's plan for raising and spending money. Today: John Healey presents his first on 28 October.

Headroom

The gap between what a government plans to borrow and the limit it set itself. Today: It was forecast at 24 billion pounds in March and may have halved.

Fuel duty

A tax charged on each litre of petrol and diesel. Today: The Budget is expected to freeze it.

Inflation

The rate at which prices rise over a year. Today: UK inflation rose to 3.5% in September.

DID YOU KNOW?

The International Astronomical Union recognises five dwarf planets: Pluto, Ceres, Eris, Haumea and Makemake.

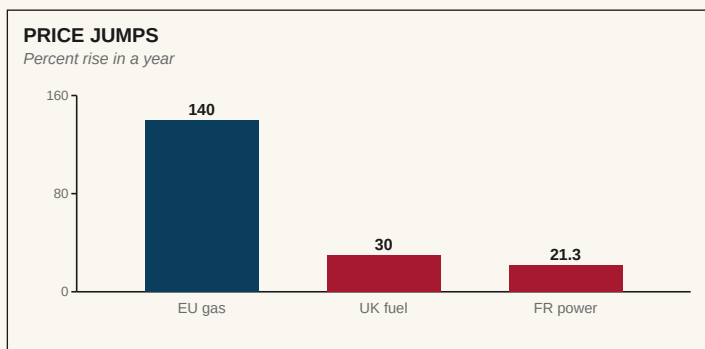
EUROPE • COST OF LIVING

Europe's Cost-of-Living Anger Spills Into the Streets*Protests in France, Italy and Portugal follow sharp rises in fuel and energy bills.*

Across Europe, higher fuel and energy bills have set off protests. In France, weekend unrest led to 2,400 arrests, France 24 reports; President Emmanuel Macron said the protesters' demands were legitimate while condemning violence and looting. In Milan, police clashed with protesters over poor public services and rising living costs, and thousands marched in Portugal against housing costs, according to CNBC.

The numbers are large. The European Commission estimates the Iran conflict has cost Europe roughly 100 billion euros through disrupted trade and energy markets. Gas prices have jumped about 140% and diesel prices have doubled. In France, energy prices rose 21.3% year on year in September, according to the statistics office INSEE.

Politics is shifting too. In Germany, the AfD is pushing to restore energy ties with Russia, and in Poland energy-bill concerns are helping the far-right Confederation of the Polish Crown, France 24 reports.



Different measures: EU gas (Commission), UK motor fuels to September (ITV), French energy to September (INSEE).

WHY THIS MATTERS

When essentials cost more, anger can turn into protest and change how people vote.

THINK LIKE AN ANALYST

Why might fuel and energy prices trigger protests faster than other price rises? Why do the three bars measure different things, and why does that limit comparison? Which governments have most room to help?

SPORTS CORNER**FOOTBALL: PSG BEAT LYON 2-0**

In the French league, **Paris Saint-Germain** beat Lyon 2-0, according to Sky Sports' scores for 26 October. In Spain, **Sevilla** beat Osasuna 2-0 in La Liga.

WHAT TO WATCH NEXT

- The UK Budget and the OBR forecast on 28 October, and the US Fed's decision the same day.
- The date and venue of the three-way Ukraine talks, and Israel's official election results.

"A bridge is only as useful as what crosses it." — The Editor

You are not just reading the news — you are learning to think about it. See you in two days.