

## Reeves Faces Criticism Over Pension Reform Misstep

July 29, 2025

– Categories: Finance



Download IPFS

Chancellor Rachel Reeves has been sharply criticised for a factual error in her description of a £425 billion reform of the Local Government Pension Scheme (LGPS), raising fresh concerns about her command of policy details. The blunder, made during a session with the Lords Economic Affairs Committee, has drawn ire from political opponents who question her competence in overseeing one of the largest pension restructuring plans in recent years.

During the session, Reeves incorrectly stated that the LGPS is managed by “96 different administering authorities” when the actual number is 86. She also misstated that the scheme’s investment pools would be reduced to “eight,” when the reforms will consolidate the existing eight pools into six. These changes, set to conclude by March 2026, will see two pension pools primarily covering Conservative-led shire counties in southern England either wound up or merged.

The error was seized upon by Shadow Business Secretary Andrew Griffith, who remarked, “Astonishingly, the Chancellor’s grip on the numbers is so shaky. When handling billions in taxpayers’ money, such carelessness is unacceptable.” Griffith’s comments echo earlier criticism of Reeves, who faced scrutiny for allegedly inflating her tenure at the Bank of England on her professional profile.

The questioning came from former Conservative Chancellor Lord Lamont, with Reeves supported by two Treasury officials and detailed briefing notes. She has until 6 August to correct the record in Hansard, the official parliamentary transcript.

The LGPS overhaul is a cornerstone of the Government’s push to channel pension funds into UK infrastructure and economic growth initiatives. By consolidating the pension pools, Reeves aims to enhance efficiency and unlock significant investment to bolster domestic projects. The LGPS, one of Europe’s largest defined-benefit schemes, serves millions of public sector workers, including teachers, council staff, and civil servants.

However, the reforms have sparked unease. In a recent interview with *Pensions Age*, pensions expert Dr. Helen Carter warned, “Forced consolidation could lead to short-term disruption and increased costs for some funds, potentially offsetting the intended benefits.” Critics argue that the restructuring risks unsettling a system that affects the retirement security of countless public sector workers. The Treasury, when approached for clarification, confirmed the correct figure of six pension pools but offered no further comment on the Chancellor’s misstatement. As the Government presses ahead with its ambitious economic agenda, this misstep has intensified scrutiny on Reeves’ ability to deliver on complex reforms without error.