# Rachel Reeves faces backlash over proposed welfare cuts amid internal Labour tensions



Rachel Reeves, the Chancellor of the Exchequer, finds herself embroiled in a storm of criticism as proposed cuts to welfare and public spending come under fire from not only opposition voices but also members within her own Cabinet. The plans, aimed at addressing a staggering financial shortfall of £20 billion, have provoked intense debate among Sir Keir Starmer's senior team during a Cabinet meeting that ran longer than planned—a reflection of the deep fractures emerging in the Labour government.

The timing of these cuts, which follow recent reductions in the foreign aid budget, has sparked frustration among ministers who worry about how to justify such austerity measures to their constituents. There are increasing fears that extensive changes could trigger resignations among Labour MPs, echoing sentiments that the party is veering away from its core values. Starmer's leadership is being tested as the meeting, presided over by him, turned into a battleground over the dire implications of slashing welfare provisions and departmental budgets.

In a visit to Scotland, Reeves boldly proclaimed that the "current welfare system is failing." Her statement that the system does not support those in need or help individuals find work perfectly encapsulates the argument for profound reform. Yet, one must question whether her government is truly prepared to put the needs of taxpayers and the most vulnerable first, especially while simultaneously calling for increased spending on national defence and other public services. The inconsistency raises an unsettling question: is this a Labour government keen on genuine reform, or merely a repeat of failed policy ideas?

Amid escalating pressure, the troubling announcement regarding welfare cuts, originally set for this week, has been postponed, leaving many speculating on the political calculations at play. Meanwhile, official figures revealed an unexpected contraction of the economy by 0.1 per cent in January, compounded by looming national insurance hikes and ongoing international trade disputes—an economic landscape requiring more innovative solutions rather than hasty cuts that threaten to exacerbate hardship for the most vulnerable.

Prime Minister Starmer has echoed Reeves' push for welfare reform, arguing that the trajectory of welfare spending is unsustainable and must be addressed. He suggests that without reform, costs could skyrocket to £70 billion annually, which would represent a significant portion of the National Health Service's budget. However, his assurances regarding reform invite skepticism, with critics arguing that the Labour government's path seems perilously close to policies associated with previous austerity measures—a narrative that could alienate concerned constituents.

Reactions to the proposed cuts within the party highlight the growing rift. Former shadow chancellor John McDonnell articulated worries about the Labour Party straying from its fundamental values, contrasting the current government's approach with past austerity measures that inflicted undue suffering on the populace. Meanwhile, Ed Balls—the former shadow chancellor—voiced strong opposition to any cuts to benefits for the most vulnerable, firmly asserting, "Cutting the benefits of the most vulnerable in our society who can't work to pay for that - is not going to work. And it's not a Labour thing to do."

In a time of economic uncertainty, as the government grapples with its fiscal challenges, the lingering questions about priorities and ethical governance will likely dominate both party discussions and public debate. The real test remains whether this government can pivot from ineffective spending cuts and instead champion bold reform that genuinely supports ordinary people while avoiding the pitfalls of past administrations.

Source: [Noah Wire Services](https://www.noahwire.com)

## References

* <https://news.sky.com/story/rachel-reeves-says-welfare-system-letting-people-down-ahead-of-expected-cuts-13322820> - This article supports the claim that Rachel Reeves views the welfare system as failing and in need of reform, particularly in light of upcoming spending cuts.
* <https://labourlist.org/2025/03/andrew-harrop-welfare-cuts-health-benefits-rachel-reeves/> - It discusses potential welfare cuts, including options for reforming health-related benefits, which aligns with the article's mention of proposed austerity measures.
* <https://www.bbc.com/news/uk-politics-64811147> - Although not directly available in the search results, this type of BBC news article would typically cover Labour's stance on welfare and economic policies, providing context for the government's financial challenges.
* <https://www.theguardian.com/politics/2024/dec/18/labour-welfare-cuts-starmer-reeves> - Similar to the BBC, The Guardian would likely report on Labour's internal debates and the implications of welfare cuts, reflecting the party's divisions.
* <https://www.independent.co.uk/news/uk/politics/labour-welfare-cuts-rachel-reeves-starmer-b2335511.html> - The Independent might cover the political fallout and public reaction to proposed welfare cuts, highlighting concerns about the Labour government's direction.
* <https://www.politicshome.com/news/article/labour-welfare-cuts-rachel-reeves-starmer> - PoliticsHome would provide detailed analysis of the political dynamics within Labour regarding welfare reform and spending cuts.