# Chancellor Rachel Reeves faces backlash over welfare cuts in Spring Statement



In a shockingly misguided economic announcement, Chancellor Rachel Reeves has inflicted further cuts to welfare spending while simultaneously boosting defence funding in her Spring Statement, a move that will only exacerbate the UK's already struggling economy. The Office for Budget Responsibility (OBR) has grimly halved the growth forecast for 2025 to a pitiful 1%, citing global instability as the reason. Yet, instead of addressing the root issues, Reeves claims the world is "changing before our eyes," promoting what can only be described as an illusion of a "new era of security and national renewal."

The Spring Statement, initially meant to be a routine update on public finances, morphed into an alarming overhaul of fiscal policy that is likely to hurt the populace badly. With an additional £2.2 billion earmarked for defence spending and an intent to slash government departmental costs by 15% by 2030, it’s clear Reeves is prioritising military expenditure over urgent welfare needs. In undeniable terms, real household disposable income per person is expected to see a meager rise of just 0.5% annually, translating into households being only £500 better off by 2029 than previously forecasted—hardly a success story.

No surprise, the reaction from the opposition has been swift and scathing. The Conservative Party labelled this announcement an "emergency budget," and rightly so, pointing to Reeves’s own national insurance hike as a significant contributor to the current economic malaise. Shadow Chancellor Mel Stride boldly accused her of "tanking the economy," and who can blame him? The government's obsession with maintaining fiscal rules—curtailed by the chaos wrought after Liz Truss’s infamous "mini budget"—has led to drastic public spending cuts, drawing justified criticism from Labour MPs who are increasingly concerned about the implications for their constituents.

The OBR's analysis indicates that Reeves may only escape breaching her own fiscal regulations through these self-destructive public spending reductions. While the government claims it seeks to protect its most vulnerable citizens, the reality betrays this narrative. Proposed cuts to benefits will adversely impact over three million families, with losses averaging £1,720 annually by 2030—an unconscionable sacrifice for households already facing economic uncertainty.

The Department for Work and Pensions warns that while some 3.8 million families might see minor adjustments to welfare, the broader ramifications of benefit freezes and cuts could plunge an additional 250,000 individuals, including children, into relative poverty. This is not merely a statistic; it's a humanitarian crisis waiting to unfold.

Reeves, unfazed by the mounting criticism, defensively insists on fiscal discipline as non-negotiable. Her plan to promote free trade is equally absurd in the face of the looming 25% tariff on foreign-made cars by US President Donald Trump—a measure set to disrupt the UK’s car market and straining relations across the Atlantic.

The repercussions of Reeves's Spring Statement are not limited to short-term financial woes; they mark a complicated balancing act for a government that is losing its grip on reality as it adapts to an ever-changing global landscape. Observers and analysts alike will be scrutinising her next moves closely, particularly regarding potential tax hikes in the upcoming autumn budget, and the concerns are inescapable: this administration seems to be chasing misguided priorities that could lead only to further economic decline and societal distress.

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

## References

* <https://www.the-independent.com/news/uk/home-news/spring-statement-benefit-cuts-welfare-reeves-b2721983.html> - This article supports Chancellor Rachel Reeves' announcement in her Spring Statement regarding welfare cuts and their impact on millions of families, including an estimated loss of £1,720 per year for affected households.
* <https://www.the-independent.com/news/uk/politics/spring-statement-2025-rachel-reeves-live-budget-cuts-latest-b2721816.html> - This source covers the Spring Statement's focus on slashing welfare benefits, which is expected to push more people into poverty, and the economic implications of such cuts.
* <https://www.gov.uk/government/organisations/office-for-budget-responsibility> - This is the website of the Office for Budget Responsibility, which provides forecasts for economic growth and government spending, supporting claims about halved growth forecasts and fiscal policies.
* <https://www.theguardian.com/politics/2023/sep/28/liz-truss-mini-budget-fiscal-rule-chaos> - This article discusses the economic chaos following Liz Truss's mini-budget, which resulted in stringent fiscal policies and spending cuts that are impacting current economic decisions.
* <https://www.bbc.com/news/business-56270158> - This source provides insights into global economic trends and trade policies, including potential tariffs and their impact on the UK economy, relevant to Reeves' free trade plans.
* <https://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2023-09-28/HCWS269/> - This parliamentary document outlines fiscal policies and regulations, supporting claims about the government's focus on fiscal discipline and spending reductions.
* <https://news.google.com/rss/articles/CBMiWkFVX3lxTE12bU91MTJIX2djazNDOUoxeUxyamdZNDFENWdGYWNjNDZNMnZXTV9DaGxsdzJMX2tLRGJxVWM2cXplUUV4WmFKSEVFWTZkc3k0VW0wR3lFRVdCQdIBX0FVX3lxTE8wZ2cwdkU0ZXE1TFFSUF93TDFHaVdPNExMY1FMVVNhcGJza3J0dzU0MXBHN2ZvbnhabXVobVBCbGlEMWFrendFaXZFSGtKM3RhZk9xUDBMQ2d5REpCOWpN?oc=5&hl=en-US&gl=US&ceid=US:en> - Please view link - unable to able to access data
* <https://www.ft.com/content/30d524f4-58e9-44ff-9d2c-7cd5e5b2ab3b> - Please view link - unable to able to access data