Pensions minister Torsten Bell can make an impact – if he lasts

Torsten Bell is the latest in a procession of pensions ministers. Let's hope he stays long enough to fulfil the potential he brings to this vital job.

Bell took over from Emma Reynolds on 14 January when Reynolds replaced Tulip Siddiq, who resigned as City minister. As a policy heavyweight with knowledge of pensions, he looks like a good appointment.

The change was to some extent forced on Keir Starmer, and it made sense to promote Reynolds, though some critics argue she is too close to the financial industry. But the move marks yet another short-lived tenure for a pensions minister – and comes partway through a review of the pensions market.

Reynolds lasted just 189 days, and Bell is now the 18th pensions minister since the job was created in 1998. The full list is in this article by Professional Pensions.

Pensions policy needs long-term thinking

Ministerial turnover is a barrier to effective government and undermines efforts to enact long-term reform, the Institute for Government says. If any policy area needs long-term thinking to solve complex problems, it's pensions.

Gus O'Donnell, the former head of the civil service, highlighted pensions last year when he called for ministers to stay in their jobs for longer:

"*During my time, I had nine ministers of pensions in five years. Pensions turns out to be quite a long-term issue … and it's a complicated subject.??*"

"*How much does this minister know about pensions? Are they going to understand all the complexities – about tax allowances, lifetime allowances, all those sorts of things?* "

The two exceptions in recent years were Steve Webb and Guy Opperman, who each stayed for about five years. Both took their jobs seriously, with Webb now very active in the industry.?

Reynolds's tenure was the third shortest after John Denham (155 days in 1998) and Alex Burghart, who lasted just 38 days during Liz Truss's government.

Gaps between the Treasury and DWP seem persistent

Like Reynolds, Bell's job spans the Treasury and the Department for Work and Pensions, a dual role introduced by the Labour government. This looked like a good move at first, raising hopes that she might bridge the disconnect that has often existed between the departments.

But there are signs that this hasn't happened, including:

- Chancellor Rachel Reeves's widely criticised announcement to link pensioners' winter fuel payments to receipt of other benefits
- Chaotic communication before the budget that prompted some pension savers to withdraw tax-free lump sums

- Reeves ordering an indefinite delay to the second phase of the government's pensions market review

Bell is a high-flying economist who advised former Chancellor Alistair Darling during the financial crisis and was Labour's head of policy under the leadership of Ed Miliband. He then ran the Resolution Foundation thinktank for nine years before becoming an MP in July.

Bell has a heavy, important workload

Bell's experience and connections raise concerns that pensions minister will be a stepping stone on the way to a more senior brief. He certainly has plenty on his plate, including:

- Overseeing the government's pensions market review – and reviving the second phase with its focus on the vital issue of retirement adequacy
- Balancing the government's push for pension schemes to invest in "productive" UK assets with scheme members' need for a comfortable retirement
- Making sure pensions dashboards launch successfully to give pension savers a clear view of their pension pots and help them plan for retirement
- Addressing persistent poverty among pensioners, with 1.9 million retired people suffering financial hardship, according to the Labour-affiliated Fabian Society

His appointment should at least avoid the problem of lack of pensions knowledge highlighted by Gus O'Donnell. At the Resolution Foundation, Bell oversaw several reports into pensions, including a paper in February calling on the government to extend auto-enrolment.

The pensions industry supports extending auto-enrolment to get people saving more for retirement – particularly the 12.5 million people who the government says aren't setting aside enough for a comfortable standard of living when they stop work.

Bell has also argued against the triple lock, which uprates the state pension in line with average earnings, CPI inflation or 2.5% – whichever is higher. Instead, he called for the state pension and working-age benefits to rise at the same rate.

The government has so far committed itself to the triple lock, and Bell's ideas will inevitably come up against the realities of electoral politics. But if he can carve out a role, he could provide the policy heft to challenge his colleagues at the Treasury.

We wish Bell luck and look forward to seeing what he achieves as pensions minister. And we urge him to stick around for enough time to make a difference.

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Insights

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