

Funding the Future

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As the [Guardian notes](#) this morning:

Rachel Reeves has said she “can’t leave welfare untouched” this parliament, with the Treasury understood to be considering axing up to £1bn in tax breaks for a scheme providing cars for disabled people.

They added this:

“We can’t leave welfare untouched,” she told Channel 4 News when asked about changes to the benefit system. “We can’t get to the end of this parliamentary session and I’ve basically done nothing ... We have to do reform in the right way and take people with us.”

The Guardian then noted

It is now understood to be considering removing tax breaks for the Motability scheme, under which disabled people are exempt from VAT and insurance premium tax on cars subsidised by the government.

So, we are in for another round of the austerity blame game, where it is suggested that the blame for what is wrong in the UK lies with the disabled, the poorest, and reckless librarians in Wolverhampton who have overstocked their shelves, as well as those profligate nurses on the night shift at your local hospital who have the temerity to expect to be paid for turning up to work whilst also having to pay at extortinate rates for carparking on site for the privilege of doing so.

That narrative needs to be challenged head-on.

First, this is not "reform in the right way." It is an attack on some of the most vulnerable people in society under the cover of fiscal responsibility. The notion that removing tax breaks for disabled people will meaningfully improve public finances is absurd. The total saving is trivial in the context of the £1.3 trillion government budget. But the signal it sends, which is that those already marginalised must "share the burden", is politically convenient for those unwilling to confront the real causes of the UK's malaise.

Second, the idea that welfare must be “touched” at all reveals a deep ideological bias. The welfare state is not the problem: it is the lifeline keeping millions afloat after fifteen years of wage stagnation, housing crises, and crumbling public infrastructure. To attack it is to admit that the government has no vision for investment, productivity, or structural reform, but only a tired return to austerity logic.

Third, this announcement exposes the dishonesty of Labour’s supposed fiscal prudence. Reeves insists that she must “do something” to prove her economic seriousness, but seriousness would mean addressing the vast subsidies flowing to the wealthy via tax breaks and to landlords, fossil fuel companies, oligopolist supermarkets whose staff have to rely on benefits as the wages they are paid are insufficient to live on, and, of course, our banks who continue to reap the rewards for interest being paid on central bank reserve accounts wholly unnecessarily to the extent that it is. It would also mean [reforming the tax system](#) so that income from wealth, capital gains, and corporate profits are all appropriately taxed. Instead, she is proposing to go after disabled people’s cars.

Fourth, the language of “doing reform in the right way” is Orwellian. Reform has become a euphemism for cuts. In this framing, the state is never too small to prop up private equity and offshore investors (like JLR, which recently received a £1.5 billion loan guarantee because its own management was incompetent at managing its risks), but always too generous to those who depend on it to live.

The consequences of this kind of policy are clear:

- * It normalises the idea that welfare is a problem to be fixed rather than a cornerstone of a civilised society.
- * It pushes disabled people further into isolation, stripping away mobility and dignity in the name of balancing the books.
- * It shifts public anger away from corporate power, wealth concentration, and systemic underinvestment — and towards the people least responsible for any of them.

This is not about fiscal necessity; it is about political choice. Reeves’ statement shows that Labour has chosen to continue the austerity narrative rather than challenge it. The choice to “touch welfare” is simultaneously a decision to leave wealth untouched.

A genuinely courageous government would say that social security is not a drain but a duty; that mobility for disabled citizens is not a privilege but a right; and that the real reform this country needs is of a tax system rigged in favour of the wealthy and corporations.

If Rachel Reeves wants to “take people with her,” she might start by standing with those people, and not by taking away their cars.

Taking further action

If you want to write a letter to your MP on the issues raised in this blog post, there is a ChatGPT prompt to assist you in doing so, with full instructions, [**here**](#).

One word of warning, though: please ensure you have the correct MP. ChatGPT can get it wrong.

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