



Hutton replaces Blunkett in swift move



Just six months after work and pensions secretary, David Blunkett last month resigned from his post to be quickly replaced by John Hutton MP (pictured) in a surprise move that has raised concerns among an already frustrated pensions industry.

Blunkett's decision followed numerous allegations surrounding him, share dealings and the ministerial code. Speaking after the announcement was made, Blunkett explained his reasons for resigning, saying that he had made mistakes and was stepping down to protect the government from diversion from the reforms it was bringing in.

Pensions experts have since insisted that this unexpected turn of events does not adversely affect a crucial stage in pensions reform.

John Philpott, chief economist at the Chartered Institute of Personnel and Development, said: "The immediate priority in the wake of David Blunkett's resignation is for the government to ensure that the necessary reforms of incapacity benefit, pensions and retirement are not allowed to drift.

"The green paper on reform of incapacity benefit must not be delayed any longer. Neither must the government allow itself to be distracted from the urgent need to

tackle pensions deficits and to address issues surrounding retirement ages that do not reflect the demographics of Britain today."

Ray Young, CEO of 3Q Solutions, agreed that pension reform needed to be taken seriously. "The new Cabinet minister should use this opportunity to instil faith back into pensions.

"Rather than just treading water, the government needs to take real action to resolve the savings deficit in the UK."

David Trenner, technical director at Intelligent Pensions, argued that the appointment of yet another work and pensions secretary further exacerbated an already messy situation. "Whilst the ministerial merry-go-round seems to spin ever faster, the lack of consistency in personal responsibility is reflected in an ineffectual and inconsistent tinkering of pension policy exposing a distinct lack of 'joined-up thinking' just when an in-depth and comprehensive understanding of all the issues involved is most needed.

"This government seems to think that issuing countless reports and constantly changing ministers will somehow solve the pensions problem."

Time will soon tell whether Hutton is capable of addressing the numerous shortcomings and complexities of both State and private pensions. His first major challenge is likely to come at the end of November when the

long anticipated Pensions Commission report, led by Adair Turner, is expected to be published.

Speaking about his new appointment Hutton said: "The Prime Minister has made clear that my job is to press ahead with the government's radical welfare reform agenda so that rights are properly matched with responsibilities. I am very much looking forward to that challenge.

"We will address the challenge of creating a pension system that allows people to enjoy a secure retirement in a country where there will soon be more people over the age of 80 than under the age of five."

John Hutton entered the Cabinet as chancellor of the Duchy of Lancaster in May 2005. He was previously minister of state with responsibility for social care at the Department of Health in 1999. He took on responsibility for Health in June 2001.

Before his election to Parliament he was a senior law lecturer at the University of Northumbria. From 1994 to 1997 he served on the Select Committee for Home Affairs.

He was PPS to Margaret Beckett, both while she was president of the board of trade and secretary of state for trade and industry and in her role as president of the Council and Leader of the House of Commons. Hutton was appointed Parliamentary under-secretary of state for health and social care in October 1998.