Pensions expert



# Act now to address ‘systemic failure’ in UK investment, PIC urges govt

By Nick Reeve | 2 February 2026

**The government must address a “systemic failure” in domestic investment and enable greater support in housing and infrastructure to boost economic growth, according to one of the country’s biggest pension insurers.**

Pension Insurance Corporation (PIC) has set out a series of policy reform proposals in a new report, published this week, aimed at expanding the pipeline of investable assets for institutions in the UK seeking to invest closer to home. They include enabling more public-private partnerships, expanding government guarantees, and involving institutional investors earlier in planning processes.

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>
> *Rob Groves, Pension Insurance Corporation*

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It also called for developers to incorporate “social value” considerations to ensure projects include feedback from local communities – although PIC also said the government should introduce a fee for “non-local organisations” that raise objections to planning applications “to limit the ability of activists to impose high and disproportionate costs on the wider community”.

Rob Groves, PIC’s chief investment officer, said: “Institutional investors, like PIC, want to invest more in UK infrastructure and have plenty of available funding to do so. The challenge is that we are not presented with enough viable, investable projects domestically. We believe this can be addressed through the policy reforms outlined in this report.

“Our industry should invest hundreds of billions of pounds in UK housing and infrastructure over the next decade. This is a historic opportunity to address decades of underinvestment and start to turn things around this year and for decades to come.”

## Lack of opportunity, not risk appetite

In the report, PIC pushed back on suggestions from some commentators that pension schemes and insurance companies were unwilling to take sufficient risk, arguing instead that there were not enough suitable assets available. The insurer stated that “until we can tackle the problem of the pipeline, this investment can never be unlocked in the timeframe the UK needs”.

“In PIC’s experience, the issue is not an aversion to risk by UK institutional investors – it is the UK’s aversion to prioritising economic growth and the infrastructure to achieve it,” the report said.

It also highlighted that infrastructure development cycles often do not align with political or election cycles, meaning there are fewer incentives for policymakers to act on major developments.

While acknowledging recent reforms such as the government’s 10-year Infrastructure Strategy and the Planning Bill, as well as the establishment of the National Wealth Fund and National Housing Bank, PIC said “the machinery of government still acts to delay development and increase its cost”. It called for better coordination between government departments and regulators to ensure policy “backs the builders and not the blockers”.

## Policy reforms to kickstart domestic investment

PIC’s report – titled ‘Planes, trains and regulatory gains’ – called for more public-private partnerships between local government entities and institutional investors to fast-track investment opportunities.

Among its 28 recommendations are greater collaboration between regional mayors to promote infrastructure connecting different areas of the UK.

PIC is among a number of institutions, including pension funds, that have invested in the Haweswater Aqueduct refurbishment project.

Mayors could also be given the power to label developments as "regionally significant infrastructure projects", the insurer said.

Elsewhere in its report, PIC urged the government to review international conventions and planning regulations with a view to downgrading commitments and stripping out rules that may negatively affect developments

"Each rule that adds extra costs makes more sites unviable, so it's important to reassess the costs and benefits of these rules to help close the regulatory gap that is rendering projects non-viable," the insurer stated.

PIC was among several insurance companies and pension funds that invested in the Haweswater Aqueduct Resilience Programme last year. The development is set to overhaul a crucial piece of water infrastructure serving Cumbria, Lancashire and Greater Manchester, with building work expected to begin this year.

PIC manages more than £51.5bn in assets and pays pensions to more than 399,000 people who have been transferred from corporate defined benefit pension schemes.

The full report is available on PIC’s website.