

News story

Chancellor: "We will build a Britain where those who can work, will work"

Ahead of Budget later this week, the Chancellor pledges work and welfare overhaul so people who can work, do work.

From: **HM Treasury**
(</government/organisations/hm-treasury>) and **The Rt Hon Rachel Reeves MP**
(</government/people/rachel-reeves>)

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- £240 million Get Britain Working package to include work, skills and health support for disabled people and long-term sick.
- Benefit reform to be accelerated from this autumn to give more people access to employment support.

Ahead of the Budget, the Chancellor has unveiled a £240 million cash-injection to accelerate the rollout of local services to help people back into work and drive down inactivity.

The intervention comes as stark figures show that the UK remains the only G7 country that has higher levels of economic inactivity now than before the pandemic, with 2.8 million people out of work due to long-term sickness, which is holding back productivity and stunting growth.

The funding is partly set to go towards boosting the rollout of Get Britain Working “trailblazers” in local areas, which will bring together and streamline work, health, and skills support to disabled people and those who are long term sick.

These trailblazers will focus on reaching people who are not normally in touch with the system, by enabling local areas to help them access existing support in skills, education, employment, or health but also testing new early interventions targeted at the specific barriers they are facing to work.

Recognising that poor health is a key driver of economic inactivity, these trailblazers will also ensure work and skills support is better integrated with the health service, to ensure people get the joined-up health and employment support they need to get back into work and stay in work.

The government will also work in close partnership with mayors to develop these trailblazers, to ensure these local services are tailored to meet the unique employment and inactivity challenges in different areas.

Benefit reform is also set to be accelerated this year, with 800,000 people on the old Employment and Support Allowance (ESA) benefit to be moved onto Universal Credit (UC) from this autumn instead of 2028.

This move will bring more people into a modern benefit regime, continuing to ensure they are supported to look for and move into work.

It comes ahead of the Get Britain Working White Paper - set to be unveiled later in the Autumn - which will set out the government's ambitious plans for reform to break down barriers to work.

The reforms will be underpinned by an approach of high expectation and high support as well as a belief in mutual obligations: the responsibility to work if you can, backed up by proper support and real opportunities to get a decent job.

Chancellor of the Exchequer, Rachel Reeves said:

“ Due to years of economic neglect, the benefits bill is ballooning. We will build a Britain where people who can work, will work, turning the page on the recent rise in economic inactivity and decline and towards a future where people have good jobs and our benefits bill is under control.”

Work and Pensions Secretary, Liz Kendall said:

“ Millions of people have been denied the opportunity to build a better life. This includes one-in-eight young people who have had their hopes of a brighter future dashed and written off before they've even begun.

“ Through our Get Britain Working plan, we will ensure every young person is supported to find earnings or learning, while our new jobs and careers service will transform opportunity for all, as we deliver the fundamental reforms needed to tackle spiralling inactivity, grow the economy, and take our first steps to our ambitious 80 per cent employment rate.”

Unlocking barriers to work and tackling inactivity is at the heart of plans to improve living standards for everyone across the country and delivering on the central mission of driving growth.

By creating more good jobs through investment, reforming employment support, fixing our NHS, making work pay through our Employment Rights Bill, and devolving power out of Westminster as set out in our forthcoming English Devolution White

Paper, we will ensure many more people can benefit from the dignity and purpose that comes with work.

These reforms will support more people into jobs alongside the Plan to Make Work Pay, that will make sure that those jobs provide security, a decent wage, and the genuine two-sided flexibility needed so people can thrive at work.

This plan is central to the Government's efforts to repair the damage done to the economy, fix its foundations, and rebuild Britain so it becomes a country of growth, not decline.

Shevaun Haviland, Director General of the British Chambers of Commerce said:

“ The high number of working age people who are economically inactive is a real and daily concern to employers. Many firms are struggling to fill job vacancies, and this is constraining their operations and profitability.

“ We welcome further cash investment into tackling economic activity. Businesses will be pleased to hear about plans to improve skills, health and employment support for people who want to work – alongside support for young people to start and build their careers.

“ It's important these changes are delivered quickly to help firms develop thriving workforces, so they can grow and invest further in the years to come.”

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