

## Get Britain working again

*We will reduce youth unemployment and reduce the number of children in workless households as part of our strategy for tackling poverty and inequality.*

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Under Labour, youth unemployment has reached over 900,000, with one in five young people unable to find a job. We are at risk of creating a lost generation of young people without the skills to participate in the workforce, without hope for the future. At the same time, economic inactivity is rising, and more than five million people are out of work and on benefits.

This tidal wave of worklessness is making it hard for many families to make ends meet. In recent years, the number of people living in severe poverty has risen. One in six children in the UK now lives in a workless household – the highest proportion of any country in Europe – and child poverty has gone up in recent years. Getting people back into work is an essential part of realising the goal of eliminating child poverty by 2020, and ensuring that everyone benefits from economic growth.

## Reduce welfare dependency

We will scrap Labour's failing employment schemes and create a single Work Programme for everyone who is unemployed, including the 2.6 million people claiming Incapacity

Benefit who do not get enough help from existing programmes. We will reassess all current claimants of Incapacity Benefit. Those found fit for work will be transferred onto Jobseeker's Allowance. Recipients of Incapacity Benefit who are genuinely disabled will continue to receive the financial support to which they are entitled. Our Work Programme will:

- offer people targeted, personalised help sooner – straight away for those with serious barriers to work and at six months for those aged under 25;
- be delivered through private and voluntary sector providers, which will be rewarded on a payment by results basis for getting people into sustainable work;
- draw on a range of Service Academies to offer pre-employment training for unemployed people – our first Service Academy, for hospitality and leisure, will provide up to 50,000 training places and work placements; and,

- involve the development of local Work Clubs – places where people looking for work can gather together to exchange skills, find opportunities, make useful contacts and provide mutual support.

Our plans will give unemployed people a hand up, not a hand out. Unemployed people must be prepared to take up job offers. So, with the Conservatives, long-term benefit claimants who fail to find work will be required to ‘work for the dole’ on community work programmes. Anyone on Jobseeker’s Allowance who refuses to join the Work Programme will lose the right to claim out-of-work benefits until they do, while people who refuse to accept reasonable job offers could forfeit their benefits for up to three years. This will create a welfare system that is fair but firm.

## Boost small business

In the end, it is not the state that creates sustainable employment – it is business people. And small businesses are especially important to the UK’s economic recovery and to tackling unemployment. Government can help boost enterprise by lowering tax rates, reducing regulation and improving workers’ skills.

As well as stopping Labour’s jobs tax, for the first two years of a Conservative government any new business will pay no Employers National Insurance on the first ten employees it hires during its first year.

To support small businesses further, we will:

- make small business rate relief automatic; and,
- aim to deliver 25 per cent of government research and procurement contracts through SMEs by cutting the administrative costs of bidding.

We will support would-be entrepreneurs through a new programme – Work for Yourself – which will give unemployed people direct access to business mentors and substantial loans. We need to make work pay, so we will keep the minimum wage and work to reduce the very high marginal tax rates faced by many people on low incomes who want to return to work or increase their earnings. We will look at how to abolish the default retirement age, as many older people want to carry on working. And we will force equal pay audits on any company found to be discriminating on the basis of gender.

## Improve skills and strengthen higher education

Developing economies are able to provide highly-skilled work at a fraction of the cost of British labour. The only way we can compete is by dramatically improving the skills of Britain’s workforce, yet thousands of young people leave school every year without the skills they need to get a good

job. A Conservative government will not accept another generation being consigned to an uncertain future of worklessness and dependency.

We will promote fair access to universities, the professions, and good jobs for young people from all backgrounds. We will use funding that currently supports Labour's ineffective employment and training schemes, such as Train2Gain, to provide our own help for people looking to improve their skills. This will allow us to:

- create 400,000 work pairing, apprenticeship, college and training places over two years;
- give SMEs a £2,000 bonus for every apprentice they hire;
- establish a Community Learning Fund to help people restart their careers; and,
- create a new all-age careers service so that everyone can access the advice they need.

To meet the skills challenge we face, the training sector needs to be given the freedom to innovate. We will set colleges free from direct state control and abolish many of the further education quangos Labour have put in place. Public funding will follow the choices of students and be delivered by a single agency, the Further Education Funding Council.

Universities contribute enormously to the economy. But not all of this contribution comes directly – it can come from fundamental research with no immediate application – and universities also have a crucial cultural role. We will ensure that Britain's universities enjoy the freedom to pursue academic excellence and focus on raising the quality of the student experience. To enable this to happen, we will:

- delay the implementation of the Research Excellence Framework so that it can be reviewed – because of doubts about whether there is a robust and acceptable way of measuring the impact of all research;
- consider carefully the results of Lord Browne's review into the future of higher education funding, so that we can unlock the potential of universities to transform our economy, to enrich students' lives through teaching of the highest quality, and to advance scholarship; and,
- provide 10,000 extra university places this year, paid for by giving graduates incentives to pay back their student loans early on an entirely voluntary basis.