Full Employment and Welfare Benefits Bill

“Legislation will be brought forward to help achieve full employment and provide more people with the security of a job. New duties will require my ministers to report annually on job creation and apprenticeships...

“To give new opportunities to the most disadvantaged, my Government will expand the Troubled Families Programme and continue to reform welfare, with legislation encouraging employment by capping benefits and requiring young people to earn or learn.”

The purpose of the Bill is to:

• Deliver the Government’s commitment to freeze the main rates of a number of working-age benefits, tax credits and Child Benefit, and to reduce the level of the benefit cap.

• Create duties to report on:
  o Progress towards our commitment to achieving full employment.
  o Progress against meeting our target of 3 million new apprenticeships
  o Progress on the Troubled Families Initiative.

The main benefits of the Bill would be:

• To ensure that it pays to work rather than to rely on benefits; and deliver fairness to the taxpayer while continuing to provide support for those in greatest need.

• To help create two million new jobs and help move young people into paid employment by giving them the support, skills and experience they need to fulfil their potential

The main elements of the Bill are:

Working-age benefit freeze
• The new legislation would freeze the main rates of the majority of working-age benefits, tax credits and Child Benefit for two years from 2016-17.

• Pensioners would be protected, as would benefits relating to the additional costs of disability.

• Statutory payments, such as Statutory Maternity, Paternity, and Adoption Pay would also be exempted.

Lowering the benefit cap

• The new legislation would lower the benefit cap so that the total amount of benefits a non-working family can receive in a year would be £23,000.

• A cap at £23,000 is equivalent to gross family earnings of up to £29,000.

• Households are exempt where someone is entitled to Working Tax Credit or is in receipt of benefits relating to additional costs of disability, or War Widow’s and Widower’s Pension.

Statutory duties to report on progress

The Bill includes statutory duties to report on:

• Full employment: The Bill includes a statutory duty to report on progress towards our objective of achieving the highest employment rate in the G7. The details of how we would measure this would be set out when the Government produces the first annual report on progress.

• Apprenticeships: The Bill includes a duty to report annually on progress against meeting our target of 3 million new apprenticeships.

• Troubled Families Programme: The Bill includes a duty to report annually on progress of the Troubled Families programme. The Bill also seeks to place a
requirement on public bodies to provide information to the Secretary of State in order that he may fulfil that duty.

In addition, our future youth offer will:

• Put in place a new Youth Allowance for 18-21 year olds with stronger work related conditionality from Day 1. After 6 months they will be required to go on an apprenticeship, training or community work placement;

• Remove automatic entitlement to housing support for 18-21 year olds;

• Provide Jobcentre Plus adviser support in schools across England to supplement careers advice and provide routes into work experience and apprenticeships.

**Related documents:**

Benefit Cap Evaluation:
https://www.gov.uk/government/publications/benefit-cap-evaluation

Benefit Cap statistics:
https://www.gov.uk/government/collections/benefit-cap-statistics

Labour Market Statistics:

**Existing legislation in this area is:**

• The Universal Credit Regulations 2013
• The Benefit Cap (Housing Benefit) (Amendment) Regulations 2013

• Welfare Benefits Up-rating Act 2013

• Welfare Reform Act 2012

• The Benefit Cap (Housing Benefit) Regulations 2012

• The Apprenticeships, Skills, Children and Learning Act 2009 (amended by Schedule 1 to the Deregulation Act 2015)

• Social Security Administration Act 1992

**Devolution:**

For the benefit freeze and the benefit cap:

The Bill’s provisions would apply to England, Scotland and Wales with Northern Ireland expected to make mirroring arrangements.

For the statutory duties to report:

• The duty will apply to the Secretary of State for Work and Pensions. We will work with the devolved administrations to consider how it interacts with their responsibilities.

• The duty to report on apprenticeships would apply to England only.

• The duty to report annually on the progress of the Troubled Families programme would apply to England only.