

Budget will 'break down barriers' to work, chancellor tells Sky News

The budget will “break down the barriers” to getting people back into work in the face of more than a million vacancies and a sluggish economy, the chancellor has told Sky News.

With more than half a million people having disappeared from the UK workforce since the outbreak of COVID-19, tackling economic inactivity will be a central part of Jeremy Hunt's [tax and spending plans](#).

He is due to announce a shake-up of the benefits system aimed at encouraging claimants to move into work or increase their hours.

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This will include a rise in the maximum universal credit childcare allowance – which has been frozen at £646-a-month per child for years – by several hundred pounds, according to the Treasury.

The government will also start paying parents on universal credit childcare support upfront, rather than in arrears, in a move to help those struggling to take on a job or getting into debt under the current system due to the hefty upfront costs.

In addition, the chancellor will set out plans to encourage over-50s to return to work through an expansion of skills training.

And the system used to assess eligibility for sickness benefits will be scrapped, enabling claimants to receive payments even after they return to employment.

There will also be a ramping-up of sanctions for claimants who do not look for or take up work.

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Separately, the chancellor is expected to announce [households on prepayment meters will no longer pay more for their energy than those on direct debits.](#)

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Speaking to Sophy Ridge On Sunday, Mr Hunt said: “We still have over a million vacancies in the economy.

“And the Brexit decision was a choice – the right choice, in my judgement – to say we shouldn’t fill those vacancies from unlimited migration.

“We need to break down the barriers that stop people here in the UK from working, whether that’s parents who have obstacles because of childcare costs, whether it’s older people who feel they need to retire earlier... whether it’s long-term sick who find there are barriers to working.

“We need to break down those barriers and this is a budget in which I will be systematically going through all the areas where there are barriers that stop people working who want to, so that we can help people get back to work, fill those vacancies for our businesses.”

‘We won’t run out of money’

Mr Hunt also said he wanted to cut taxes in the long term but signalled he would not be making any major announcements in Wednesday’s budget statement.

He told Ridge: “A Conservative government will always cut taxes when we can, but we won’t run out of money. We will be responsible with the public finances.”

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Labour: Clarity on public spending

However, Labour's shadow chancellor Rachel Reeves highlighted the financial "mess" caused by the Tories under former prime minister [Liz Truss](#) and vowed to have "an iron grip" on the public purse in office.

'Never put public finances in peril'

Highlighting the economic turmoil triggered by Ms Truss's unfunded tax cut plans, Mr Reeves said: "You saw what happened last year when the Conservatives mini-budget crashed financial markets, putting pensions in peril and resulting in that long-term Tory mortgage penalty where anybody remortgaging this year is looking at paying thousands of pounds more a year.

"Any announcement that I make about spending and about

priorities will say where the money's going to come from.”

She added: “But it does also mean that there are some things that a Labour government might not be able to do as quickly as it wants because of those constraints.

“But I would never put the public finances in peril in the way that the Tories did just a few months ago, because it is ordinary people and businesses that pay the price for that sort of mess.”