

Labour's 'progressive but not punitive' plans to remove some benefits for Neets

Ed Miliband to announce radical changes to encourage young jobless back into work or training

ANDREW GRICE
POLITICAL EDITOR

Jobless young adults would lose their automatic right to some state benefits under a Labour government in a bid to encourage them to find work, Ed Miliband will announce today.

The 18-21 age group would no longer qualify for Jobseeker's Allowance (JSA) and income support if they have skills below Level 3 on the National Qualifications Framework – which includes A-levels, AS-levels, and their vocational equivalents.

If they undertook training to try to reach that level, they would qualify for a £57-a-week allowance, the JSA rate for under-25s.

Even then, it would be means-tested and paid only if their parents' joint income was less than £42,000 a year.

In addition, unemployed young adults would normally be expected to live with their parents rather than claim housing benefit.

The "tough love" plan is aimed at tackling the problem of almost one million "Neets" – young people not in education, employment or training. It would affect about 100,000 people, seven out of 10 of the 18-21 group claiming JSA. Current benefit rules prevent them training while looking for work. Labour claims the move would save at least £65m a year in lower benefit payments and much more in the long run because a "Neet" costs the Government more than £2,000 a year for the rest of their working lives.

Although denying benefits is bound to cause controversy, Mr Miliband will describe the move as "progressive not punitive".

It would not apply to peo-

WHAT'S GOING WRONG MILIBAND'S HEADACHES

Lack of a big offer Measures, such as a 20-month energy price freeze, are popular in themselves but have not been knitted into a positive vision.

The economy, stupid Labour's lead in the opinion polls is being eroded as the economy improves. Some Labour MPs fear Miliband's "cost of living" agenda is past its sell-by date.

His personal ratings Voters do not yet see Miliband as a Prime-Minister-in-waiting. The Tories will present next year's election as "a choice between two PMs".

Unforced errors Critics are worried his inner circle lacks experience and political nous – and that there is too much internal rivalry.

ple with young children or disabilities that prevent them preparing for work. He will say the present system is unjust for young people not at university because they get no state support if they do more than 16 hours a week of training or further education. The proposal forms part of a blueprint published today by the IPPR think tank on how to create a fairer society in an age of austerity. The *Condition of Britain* report will shape the policies on which Labour will fight next year's general election.

Mr Miliband will also endorse the IPPR's plan to restore the contributory principle to the heart of the welfare system. Under Labour, the higher rate £71-a-week JSA, currently paid to people who have been in work for two years, would kick in only after five years in work, but the level would be raised by between £20-£30 a week.

The Labour leader will also back the IPPR's proposal to switch spending from housing benefit to house building. Local authorities would keep some of the savings from negotiating lower rents with landlords to spend on building new homes, bringing down the £24bn annual housing benefit bill in the long term.

Labour hopes the new policies will tackle its image as "the welfare party" and boost its economic credentials.

Launching the report, Mr Miliband will commit Labour to "big changes" without "big spending". He will say: "We face an economy where inequality is rising, year after year, and where so many people feel locked out of the chances that previous generations enjoyed. Turning that round is the mission of the next Labour government."

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Clegg finds new gears

Nick Clegg greeted Sheffield schoolchildren at a Tour de France reception in London yesterday. The race starts in Yorkshire next month. **TOLGA AKMEN/LNP**



NEWS IN BRIEF

POLITICS Lib Dem MP admits he harassed constituent

Mike Hancock, the MP for Portsmouth South, is facing expulsion from the Liberal Democrats after he admitted sexually harassing a vulnerable constituent who came to him for help.

There were also calls for Mr Hancock, 68, to resign

his seat immediately instead of staying on until next year's general election.

Mr Hancock wrote in a published apology to her yesterday: "I came to your home on several occasions... and conducted a friendship with you that was inappropriate and unprofessional."

I made you feel deeply uncomfortable... and I crossed the line."

MILITARY

RAF fighters intercept 'multiple Russian aircraft'

RAF Typhoon fighters were scrambled to intercept "multiple Russian aircraft" as part of the Nato mission to police the Baltics, the Ministry of Defence has said. Four groups of aircraft were detected in international airspace on Tuesday. The MoD said the aircraft seemed to be carrying out "training".

EUROPE

Ukip forms alliance with French far-right MEP

Ukip has formed a new group in the European Parliament, including an MEP elected as a member of France's far-right Front National. Joëlle Bergeron, now an independent, was elected as a member of Marine le Pen's party in May but quit days later, claiming "their philosophy is no longer mine".

Poverty doubles in 30 years as work fails to cover costs

CHRIS GREEN
SENIOR REPORTER

The proportion of impoverished households has more than doubled in the 30 years since Margaret Thatcher was Prime Minister, the largest study of deprivation ever conducted in the UK has concluded.

The research found that rises in the cost of living mean a full-time job is no longer enough to prevent some people from falling into poverty. One in every six adults in paid work is now defined as poor.

Last night, the Government's poverty tsar, Frank Field, said the study's stark findings proved the Coalition's approach to the problem "isn't working" and called for the leaders of all political parties to make manifesto pledges to reverse the rise.

The Poverty and Social Exclusion project, based on interviews with more than 14,500 people in Britain and Northern Ireland carried out by eight universities and two research agencies, reported: ● More than 500,000 children live in families who cannot afford to feed them properly; ● 18 million people cannot afford adequate housing; ● 12 million people are too

poor to engage in common social activities; ● About 5.5 million adults go without essential clothing.

The survey showed that the percentage of UK households which lacked "three or more of the basic necessities of life" has increased from 14 per cent in 1983, the year that Margaret Thatcher was re-elected, to 33 per cent (around 8.7 million) in 2012, despite the size of the economy doubling in that period. Researchers used the "three or more" formula as it is directly comparable with methods used to study poverty and deprivation in 1983.

Academics said the findings dispelled the myth that poverty is caused by a lack of work or by people shirking work. Almost half the "employed poor" were clocking up 40

hours a week or more. According to separate research by the Joseph Rowntree Foundation, around half of the UK's 13 million people in poverty are in a household where someone works. Between 2008 and 2014 the cost of essentials such as childcare, rent, food and energy have driven up the amount needed by almost a third.

Professor David Gordon, of the Townsend Centre for International Poverty Research at the University of Bristol, which led the project funded by the Economic and Social Research Council, said the Government's strategy of tackling the root causes of poverty had "clearly failed".

Mr Field, the Labour MP who was asked by David Cameron to examine poverty in 2010, said the study "sadly emphasises that working doesn't now eliminate a family's poverty".

A Department for Work and Pensions spokesman said: "There is strong evidence that incomes have improved over the past 30 years, despite the misleading picture painted by this report. The statistics are clear, there are 1.4 million fewer people in poverty since 1998, and under this Government we have protected the poorest from falling behind."

POVERTY IN THE UK IN NUMBERS

33%

Households living below the poverty line

500,000

Children whose families cannot feed them properly

18 million

Cannot afford adequate housing

They say banking online is easier.
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