



The Rt Hon Richard Holden MP
Chairman of the Conservative and Unionist Party

The Rt Hon Richard Holden MP
Chairman of The Conservative
and Unionist Party
4 Matthew Parker Street
London SW1H 9HQ

Dear John,

13 March 2024

Once more, I wish to thank you all for such a detailed and structured CPF report, this time presenting the members thoughts on 'the Future of the Welfare State'. It is uplifting to see so many of our core supporters engaging in such an important discussion, with nearly a quarter of you contributing for the first time. Seeing over 700 members from 123 constituencies having detailed conversations about policy that effects all of us embodies the Conservative message; that it is hard working people like yourself who can truly shape Britain.

Hard work, self-reliance, and family values are the cornerstones to the Conservative Party. We are committed to building a country where hard work is rewarded, and independence is encouraged. That is why in the Autumn Statement, we announced DWP's Back to Work Plan alongside a suite of other measures to reduce economic inactivity. That way, we can encourage individuals back into the workplace to support both their families and the British economy. These measures included doubling the number of places on the Universal Support employment programme, to aid 100,000 people per year when fully rolled out. Further, we are formally launching WorkWell, which will bring together the NHS, local authorities and other partners, in collaboration with jobcentres, to provide light-touch work and health support in approximately 15 pilot areas. This way, those who are struggling to return to work, or are facing long term unemployment, due to physical or mental health issues, will be able to access the support they need.

This, in addition to pre-existing support such as the Midlife MOT which was rolled out in Job Centres from January 2023 will encourage individuals to optimise re-skilling prospects and improve health and longer-term financial resilience. The Midlife MOT acts as a vital prompt to engage more people in planning proactively for later life - both for work and retirement.

As part of the Back to Work Plan, the Restart Scheme will be extended for two years, and eligibility will be expanded to those who have been on Universal Credit in the Intensive Work Search regime for more than 6 months rather than 9 months. Restart provides customers with up to 12 months of intensive, tailored employment support. The expansion of the Restart Scheme means that people will be able to benefit from the support offered by Restart earlier in their journey. The extended Restart Scheme will provide support for around 500,000 UC customers in the IWS regime, getting them back into work and levelling up their skills. This also provides assurances to those concerned the benefit system is one that perpetuates reliance. Instead, it pushes people to become self-reliant.

This report rightly highlights that the welfare state is not all about unemployment, but also how our citizens are taxed to fund national support schemes and projects. This report raises justified

concerns about the cost of living, and how this is being affected by taxation. The Government is committed to keeping taxes low to support individuals and families to keep more of what they earn.

To encourage the Conservative values of independence and hard work, the British public must be able to feel the reward. This is why the Government has nearly doubled the income tax Personal Allowance since 2010 (30% higher in real terms), ensuring some of the lowest earners do not pay income tax. Thanks to the Personal Allowance, around 30% of individuals do not pay tax.

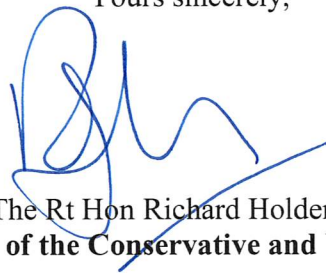
Furthermore, at the Autumn Statement, the Government announced a National Insurance Contributions cut for 29 million working people by reducing the main NICs rate from 12% to 10%. This came into effect on 6 January and will result in a £450 annual tax cut for the average worker earning £35,400. Upon seeing the real-life differences this made, the Chancellor again in the budget committed to a further 2% decrease, bringing the NI contributions to only 8%, with the goal of removing this unfair tax completely in the future.

This means the hardworking public have more money in their pocket, easing their financial burdens and allowing more access to savings or investments. I was especially interested in the CPF proposal to offer a Help to Save scheme to any 16-25-year-olds in full time education or training. This, coupled with encouraging the implementation of further educational opportunities like home economics, citizenship, or social care into the schooling system, will ensure our young people are prepared for the world of work. I shall take this proposal to the relevant advisers for their keen consideration.

Finally, the Government also has a responsibility to make choices for the betterment of our people. There is a fine line between sensible government regulation of markets, and that which may be perceived as bureaucracy. Which is why we need to make sensible choices that are for the betterment of all. Some examples of this include our recent crackdown on smoking, a preventative healthcare measure that will see the use of cigarettes and tobacco phased out of use over the next few decades. This decision means more than simply seeing smoking reduces, but it will also ensure preventative measures to reduce NHS waiting lists and complex health conditions directly related to smoking such as pneumonia and cancer.

These kinds of topics are never easy to debate, so I thank all the members of the CPF for their contributions. I look forward to seeing the next report, filled with thought-provoking content and policy suggestions.

Yours sincerely,

A handwritten signature in blue ink, appearing to be 'R Holden', written over a horizontal line.

The Rt Hon Richard Holden MP
Chairman of the Conservative and Unionist Party