

Macmillan Cancer Support Briefing Welfare Reform and Work Bill



Briefing for:	MPs
Purpose:	To outline Macmillan's priorities for the Welfare Reform and Work Bill in relation to people affected by cancer.
Contact:	Grace Brownfield – Public Affairs Officer, gbrownfield@macmillan.org.uk , 0207 091 2072

Overview

There are over 700,000 people of working age currently living with cancer in the UK.¹ In addition to the physical and emotional effects, cancer brings with it a significant risk of falling into financial hardship; with 83 per cent of people living with cancer experiencing an average financial impact of £570 a month, as a result of loss of income and increased costs.²

Ahead of the budget, the Government made a welcome commitment that their welfare reform programme would be underpinned by a commitment to ensuring that the disabled and vulnerable 'should always be protected'. However, Macmillan Cancer Support is concerned that some proposals within the Welfare Reform and Work Bill risk leaving people living with cancer without crucial financial support at a time when they need it most.

In particular, we have concerns that:

1. Proposals to reduce the amount of support new claimants receive within the Employment and Support Allowance (ESA) Work Related Activity Group (WRAG) from £102.15 a week to £73.10 will cause significant financial difficulties for people living with cancer and, consequently, have a negative impact on their ability to return to work and their health and wellbeing.
2. The cumulative impact of wider reforms included in the Bill will significantly reduce the support available to people living with cancer and weaken their ability to cope with the financial impact of their diagnosis, treatment and recovery.

1. Clause 13: Employment and Support Allowance - Work Related Activity Group

Employment and Support Allowance (ESA) is designed to support people who have been medically assessed as having limited capability to work and is an essential support for many people affected by cancer who are unable to work.

Macmillan is therefore concerned about plans in Clause 13 of the Bill to reduce the amount of support new claimants of ESA (WRAG) receive from £102.15 a week to £73.10 – a reduction of approximately 30%.

There are two elements to ESA, the Support Group and the Work Related Activity Group (WRAG). Many people with cancer undergoing chemotherapy and radiotherapy will be placed in the ESA Support Group – a vital and welcome protection brought in by the Welfare Reform Act 2012 - and hence are unaffected by this change. However, we know thousands of others, who may be in recovery or experiencing progressive conditions or long term side effects from treatment, are

¹ Macmillan Cancer Support (2013) The Rich Picture: People of Working Age with Cancer

² Macmillan Cancer Support (2013) Cancer's Hidden Price Tag

currently in the WRAG, and will therefore experience a significant drop in support at some point during their cancer journey.

We welcome the Government's commitment to closing the disability employment gap and improving support to help those who are able to work to do so. Macmillan believes it is absolutely right that people with cancer are supported to return to work when they wish to do so.

However we are concerned that reducing the rate of ESA to equal that of Job Seekers Allowance (JSA) at £73.10 does not recognise the clear distinction between people on JSA and those on ESA. Claimants in the WRAG have, by definition, been assessed to have only a 'limited capability' for work and cannot be reasonably required to work. We are therefore keen to understand the Government's rationale for the change. We are concerned that the change will not help to achieve the Government's ambition of moving more people into work and, indeed are concerned that it could have a number of unintended consequences such as:

- Weakening people's ability to deal with the financial impact of cancer, thus increasing the likelihood of them falling into financial crisis, and negatively affecting their wellbeing:
 - As stated above, Macmillan's research shows that 83% of people living with cancer are £570 worse off per-month as a result of their diagnosis.³ Many fall into debt and face significant long term financial difficulties. We are therefore concerned that reducing the financial support available to those in the WRAG will lead to yet more people living with cancer facing such difficulties.
 - Furthermore, Macmillan's research shows that this financial impact can adversely affect individual's emotional and mental health, with 41% of people feeling more stressed as a result.⁴
 - Reducing the financial support available to them will place additional pressure on people with cancer at a time when they should be focusing on their treatment, recovery and rebuilding their lives.
- Reducing people with cancer's ability to find, or return to, sustainable and suitable employment:
 - We are concerned that the reduction in financial support could lead to people with cancer returning to work before they are ready to do so.
 - This could risk their ability to maintain employment, as well as having a detrimental impact on their health and wellbeing.
 - Macmillan believes that people with cancer must be properly supported to return to work when they are well enough and ready rather than because of financial circumstances.

Case study

Having worked for 40 years, a gentleman had to stop work when he was diagnosed with cancer of the throat and underwent successful surgery followed by chemoradiation therapy. Unfortunately it left him with severe fatigue as he was unable to eat food for many months. He also had physical disabilities as a result of the treatment. He had used up his sick pay and, whilst he was still employed, his company could not afford to pay him any additional pay so he had to claim ESA. He was later placed in the WRAG. He found himself struggling with the additional costs of a special diet and travel, especially to attend the work related activity he was expected to. He became reliant on credit cards to make ends meet. After being placed in the WRAG he felt pressured to return to work due to his finances. His health quickly deteriorated and he had to stop work and return to ESA. He is now being treated for depression and his contract has been terminated.

³ Macmillan Cancer Support (2013) Cancer's Hidden Price Tag

⁴ Macmillan Cancer Support (2012), Counting the Costs of Cancer

Suggested questions

- *Can the Minister explain the Government's rationale for equalising payments for WRAG and JSA, when the two are paid for different reasons - one being paid to people who have been deemed unfit to work and the other to for people who are fit to find work?*
- *What assessment has the Government made of the impact of reducing the WRAG element of ESA on people affected by cancer's a) ability to return to work and b) health and wellbeing?*

2. The Cumulative Impact of Welfare Reform on People with Cancer

Macmillan welcomes the exemption of Personal Independence Payment (PIP) and Disability Living Allowance (DLA) from the freeze on working age benefits, reflecting the fact that people with disabilities face significant extra care and mobility costs.

However, with over 700,000 working age people currently living with cancer in the UK, we are concerned that proposals in the Bill relating to other working age benefits could have a significant negative effect on people with cancer as well as their families and carers. For example, two in five (39%) people who rent a home or have a mortgage struggle with their payments and almost half say this is at least partly as a result of their diagnosis.⁵ Many are already struggling to cope with the financial impact of cancer diagnosis, treatment and recovery or palliative care, further reductions are likely to exacerbate this.

Ahead of the Budget, the Government made a welcome commitment that their welfare reform programme would be underpinned by a commitment to ensuring that the disabled and vulnerable 'should always be protected'. It is essential that the Government comprehensively assess the impact of changes to working age benefits on people with cancer and their carers and, where necessary, put in place safeguards to ensure they are not negatively impacted.

Suggested questions

- *Can the Government outline what plans it has to assess the cumulative impact of the changes to welfare contained within the Bill on people with disabilities and long term conditions, such as cancer, and their carers?*
- *Ahead of the Budget, the Government made a welcome commitment to protecting the vulnerable and disabled from future welfare changes. Could the Government set out how they will ensure this is the case for all disabled and vulnerable people, given the changes to working age benefits contained in the Bill?*

**For further information, please contact Grace Brownfield; gbrownfield@macmillan.org.uk
020 7091 2072**

⁵ Macmillan Cancer Support/YouGov online survey of 2,011 UK adults who have ever been diagnosed with cancer. Fieldwork conducted 7-11 November 2014.