

# Welfare Reform Bill Commons Report Stage Briefing



Purpose: **To brief MPs on Macmillan's priorities for the Welfare Reform Bill in advance of Report Stage**

Contact: **Geoff Heyes, Public Affairs Officer,**  
[GHeyes@macmillan.org.uk](mailto:GHeyes@macmillan.org.uk), 020 7840 4843

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## Introduction

This briefing sets out Macmillan Cancer Support's position on the Welfare Reform Bill in advance of the Bill's Commons Report Stage on Monday 13 June and Wednesday 15 June. While we welcome some aspects of reform – including measures to simplify the benefits system – we remain very concerned that the proposals as a whole will leave far too many people living with cancer without critical financial support at a time when they need it most. We hope the Government will take this opportunity to provide the necessary reassurances and changes to the Bill.

## Macmillan's priorities for the Welfare Reform Bill

1. Ensure people with cancer continue to receive critical financial support for as long as their disability limits their ability to work
2. Ensure people with cancer can receive financial support to help with the extra costs of being disabled as soon as their support needs arise
3. End the current unjust system where the type of cancer treatment someone receives affects how they are treated in the welfare system.

### **1. The majority of people with cancer need ESA for longer than 12 months before they can return to work successfully**

The Government is proposing to limit the length of time someone placed into the Employment and Support Allowance (ESA) Work-Related Activity Group (WRAG) can receive ESA – without being means-tested – to 12 months. The means-testing threshold is so low that a cancer patient could lose all their ESA benefit if their partner earns more than just £7,500 per year.

Macmillan understands the need to tackle the national deficit and to encourage those who are able to work. However, we believe savings should not be made at the expense of vital support for the most vulnerable who cannot work because of their health condition.

- The Government's own statistics show that 94% of disabled people, including people with cancer, will be in the WRAG for longer than 12 months.

People with cancer face a range of barriers that impact on their ability to return to work:

- They can experience debilitating physical and psychological effects from cancer and its treatment, including severe pain, fatigue, nausea, fever and diarrhoea

- The majority (53%) are not advised by medical professionals about the impact of their cancer diagnosis on their working life and how they can manage their condition
- They are not routinely offered the range of back-to-work services they need such as counselling, re-training and work-placed advocacy
- They are less successful in securing workplace adjustments that they are legally entitled to, which help them return to work. This is likely linked to the fact that just 43% employers know that people with cancer have legal protection against discrimination.

Macmillan estimates that nearly 7,000 cancer patients will be affected by this change.

### **What happened in Committee?**

Macmillan, along with the rest of the disability sector, argued that:

- Time-limiting of the ESA benefit should be removed or, at the very least, the time extended to at least two years
- The 13-week assessment phase should not be counted as part of the time-limit
- The time-limit should restart if someone moves back into the support group (to avoid penalising someone with a fluctuating condition)
- The time-limit should not be imposed retrospectively when the measure comes into force in April 2012. If it is it would mean that cancer patients who were placed in the WRAG before April 2011 will lose their ESA immediately.

In response, Ministers said:

- the proposal is a cost-saving measure, and that the 12 month time-limit is not based on an assessment of need
- the existing six month time-limit for Job Seekers Allowance (JSA) provides a precedent for time-limiting contributory benefits
- people who lose their ESA after 12 months will have alternative means of support.

### **Macmillan's on-going concerns**

We feel it is inappropriate for the Government to make a policy decision on the financial support disabled people should receive irrespective of need and solely on the basis of the amount of money the Department has.

It is also inappropriate to compare the support requirements of disabled people, who have satisfied a stringent eligibility test and are found to not be fit for work, with those of claimants of JSA who are work-ready.

We also disagree with the Government's assessment that cancer patients who lose their ESA will have sufficient alternative means of financial support, when some cancer patients whose partner's income is as low as £7500 per year may not be eligible for alternative means-tested benefits.

## **What can MPs do to show their support for vulnerable people with cancer at Report Stage?**

While we oppose time-limiting of contributory ESA in principle and would prefer to see clause 51 removed entirely, we would ask MPs to support any amendments that extend the amount of time people in the WRAG have before their benefits are cut.

### **2. DLA reform must take into account the specific needs of people with cancer**

With the introduction of the new Personal Independence Payment (PIP), which will replace Disability Living Allowance (DLA), the Government is proposing to extend the period that someone must demonstrate need for the benefit from three to six months.

For people with cancer, where treatment and its debilitating effects can begin very quickly after diagnosis, support needs are often immediate. The types of costs that can arise soon after diagnosis are:

- **Travel and parking costs** for hospital appointments – low immunity often forces people to rely on taxis rather than use public transport
- **New clothes** – many people experience dramatic weight loss or gain or find it difficult to wear particular clothes
- **Extra fuel costs** – increased need for heating, and increased use of the washing machine due to hygiene requirements
- **Aids, adaptations, wigs, shoe inserts, special diets.**

Macmillan believes people with sudden-onset, long-term conditions should be able to claim support as soon as their support needs arise. We are flatly opposed to increasing the qualifying period from three to six months.

### **What happened in Committee?**

Macmillan supported amendments for the qualifying period to be waived for people with sudden-onset, long term conditions.

Ministers said short term support for people with sudden-onset conditions could be met from other sources of support such as the NHS travel costs scheme or social care support.

### **Macmillan's on-going concerns**

Alternative financial support is severely means-tested whereas DLA and the PIP are not. Alternative forms of support also often take weeks or months to process anyway.

The outcome of delaying payment by another three months is that cancer patients who are struggling to pay their bills or mortgage payments will face even more debts and stress at a time when they are already dealing with a life-threatening illness.

*Karen Davies, 51, a breast cancer patient, said: "I needed help straight away but I had to wait three months before I could get my DLA. Waiting yet another three months for DLA would have given me a nervous breakdown. I think I'd have gone back to work and not had the operation for fear of going into debt."*

## **What can MPs do to show their support for vulnerable people with cancer at Report Stage?**

Macmillan is asking MPs to support amendments that:

- ensure the qualifying period is waived for people with sudden onset needs so they can apply, and be assessed, for PIP immediately
- maintain the current three month qualifying period for the new PIP

### **3. End the current unjust system where the type of cancer treatment someone receives affects how they are treated in the welfare system**

As part of the Welfare Reform Act 2007, the Government agreed that people with cancer who are receiving *non-oral* chemotherapy (e.g. via an intravenous drip) should not have to undergo a medical assessment in order to receive financial support. Instead they are placed directly in the Employment Support Allowance (ESA) Support Group.

However, people with cancer receiving *oral* chemotherapy or radiotherapy must still undergo a medical assessment to determine if they are eligible for ESA. They can still be placed in the ESA Work-Related Activity Group where they must take part in work related activities in order to receive their benefit.

This system is failing cancer patients and is creating sharp inequities. The main problems are:

- **The physical and psychological side effects can be equally debilitating whether the patient has non-oral or oral chemotherapy or radiotherapy** – these can include severe fatigue – consistently reported by patients as the most disruptive side effect – reduced immunity, vomiting and diarrhoea
- **Cancer treatment is changing with oral chemotherapies being prescribed more often and for more aggressive cancers** – figures from the USA show that in 2007 10% of cancer chemotherapy was prescribed in oral form but by 2013 this is expected to rise to 25%. In short, the current system is not ‘futureproof’
- **Cancer patients can now often be given the choice of taking the same chemotherapy drug either orally or non-orally.**

We have been calling on Professor Harrington to make recommendations to include all cancer patients undergoing treatment in the ESA Support Group as part of his ongoing Independent Review.

### **What happened in Committee?**

We welcome Chris Grayling, Employment Minister’s comments during Committee that ‘*if Professor Harrington comes back and says, “put everyone who is going through any form of chemotherapy into the support group,” we will.*’ Macmillan is working closely with Professor Harrington and we are hopeful the Government can confirm improvements to the current system as the Bill goes through the Lords.

**Further information: Geoff Heyes, [GHeyes@macmillan.org.uk](mailto:GHeyes@macmillan.org.uk), 020 7840 4843**