

Macmillan Welfare Reform Bill Briefing



Purpose: **To brief Peers ahead of Welfare Reform vote on changes to Employment and Support Allowance**

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On Wednesday, Peers will have the chance to vote on proposed changes to the Employment and Support Allowance (ESA) contained within the Welfare Reform Bill. Macmillan are asking Peers to support amendments tabled by Lord Patel and to speak out against measures that risk leaving thousands of people undergoing a potentially life-threatening illness without critical financial support at a time when they need it most.

1. Opposition to imposing a time-limit on how long an individual can claim Employment & Support Allowance (ESA)

Clause **51**, Page **36**, line **34**, leave out “365 days” and insert “a prescribed number of days which must be at least 730”

ESA is a benefit for people who are out of work because of illness or disability. Following an assessment, if eligible for ESA, people are either placed in the Support Group or the Work Related Activity Group (WRAG). In the WRAG the claimant is expected to do certain work-related activities in order to receive the benefit. However, it needs to be stressed that a person in the WRAG has been rigorously assessed as being **not fit to work**.

There is currently no limit to the amount of time a person can remain in the Work Related Activity Group. The Welfare Reform Bill would limit eligibility on a contributory basis to 12 months. Thereafter, irrespective of how much someone has paid into the system, a means-test would apply. **12 months is simply not enough time for many cancer patients to successfully get back into work.**

In Committee, Ministers presented no evidence to demonstrate that this measure reflected a suitable amount of time for a disabled person to be able to return to work. In fact the Government’s own evidence shows that **94% of people in the WRAG will need support for longer than one year**. It is unacceptable for the Government to justify taking away vital support from people simply because they have not recovered quickly enough. **Macmillan estimate that 7,000 vulnerable cancer patients will lose up to £94 per week because of this measure.** The time-limit would also apply retrospectively meaning many cancer patients would lose their benefit when the provisions came into force in April.

Stephen Townend started claiming ESA in March 2011. His partner earns roughly £160 per week. Under the Bill he will lose his ESA in April 2012: *“I can’t believe the Government is planning to take away all my ESA after just 12 months because my wife works more than 24 hours a week. I had renal cancer and have had a kidney removed. I’m still in a lot of pain, I need a stick to walk and get awful pins and needles down my legs. Without my ESA we would find it really difficult to get by. We have used up virtually all our savings already. I have worked all my life and paid into the system but this doesn’t seem to mean anything.”*

Why is Macmillan supporting an amendment calling for means-testing after no less than two years?

Macmillan, along with the rest of the disability sector, strongly opposes the principle of time-limiting. There is already more than enough incentive for disabled people and those with long term illnesses to get back into work. They need enough time and the right support – not to be penalised for not recovering quickly enough.

However, given the Government’s clear opposition to removing time-limiting altogether, Macmillan and the wider disability sector understand the need to find a compromise that meets the Government’s priority to find savings but crucially gives disabled and sick people a more realistic time-frame to return to work.

Macmillan is therefore supporting an amendment that would introduce a means-test after no less than two years. This represents a significant improvement on the Government’s proposals and would give thousands of cancer patients the time they need to complete their journey back to work.

A time-limit of no less than two-years would improve the proposal in line with the vote taken by the Liberal Democrats at their Party Conference in September to oppose an ‘arbitrary time-limit’ to ESA. It also is supported by Labour and Crossbench peers.

Peers can show their support for cancer patients at Report Stage by voting for Lord Patel’s amendment.

2. Exempting cancer patients from the ESA time-limit

Page 36, line 36, at end insert “except—

- (a) where a person is receiving treatment for cancer when entitlement shall continue for so long as the person has (or is treated as having) limited capability for work; or
- (b) a person has (or is treated as having) limited capability for work as a consequence of a cancer diagnosis.”

Macmillan also support a second amendment tabled by Lord Patel which would exclude cancer patients from the proposed time-limit. While we continue to urge the Government to improve the proposal for all sick and disabled people, Macmillan want to ensure those cancer patients requiring support from the benefit system are able to continue to receive that support for as long as they are unable to work because of their illness.

Lord Patel’s amendment would ensure that people with cancer who are recovering from their treatment would not be affected by the time-limit. **Macmillan estimates that this amendment will prevent 7,000 cancer patients from losing up to £94 per week in vital support.**

Professor Jane Maher, Macmillan’s Chief Medical Officer: *“In my experience one year is simply not long enough for many people to recover from cancer. The serious physical and psychological side effects of cancer can last for many months, even years, after treatment has finished. It is crucial that patients are not forced to return to work before they are ready.”*