



Craig Whittaker MP

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Response to Employment and Support Allowance WRAG Changes – February 2016

Thank you for contacting me about Employment and Support Allowance (ESA).

In the Summer Budget 2015, it was announced that, from April 2017, new ESA claimants who are placed in the work-related activity group (WRAG) will receive the same rate of benefit as those claiming Jobseeker's Allowance (JSA). This change only affects new claims made after that date and there will be no cash losers among those who are already in receipt of ESA.

The record employment levels and strong jobs growth in recent years have benefitted many, but these benefits have yet to reach those on ESA. While 1 in 5 JSA claimants move off benefit every month, this is true of just 1 in 100 of ESA WRAG claimants. Those with health conditions and disabilities deserve better than this.

It is important to tackle this as, in addition to providing financial security for individuals, there are economic, social and moral arguments that, for those who are able to, work is the most effective way to improve the well-being of individuals, their families and their communities.

Those in the WRAG currently receive additional cash payments but little employment support. This fixation on welfare treats the symptoms, not the causes of poverty; and, over time, it traps people in dependency as, in the current system, the additional cash payment acts as a disincentive to moving into employment. That is why the Government has now legislated to recycle some of the money currently spent on cash payments, which are not actually achieving the desired effect of helping people move closer to the labour market, into practical support that will make a genuine difference to individual's life chances.

This new funding will be worth £60 million in 2017/18 rising to £100 million in 2020/21. It will support those with limited capability for work to take steps to move closer to the labour market, and when they are able, back to work. This additional practical support is part of a real terms increase that was announced at the 2015 Autumn Statement. How the support will be spent is going to be influenced by a Taskforce of representatives from disability charities, disabled people's user-led organisations, employers, think tanks, provider representatives and local authorities.

It is important to improve what is on offer for these individuals because we know that most people with disabilities and health conditions want to work, including 61 per cent of the WRAG, and there is a large body of evidence showing that work is generally good for physical and mental wellbeing.

In order to do more, the Government published a Green Paper on 31st October which explores ways to improve the system of support for people with health conditions and disabilities. In addition to these reforms there is an emerging package of support which will strengthen the offer to claimants with a health condition or disability:

- Universal Credit (UC) is already beginning to transform people's lives by introducing earlier support and putting claimants in the best possible position to move into and stay in work. Under UC, claimants with health conditions and disabilities will gain more support earlier in their claim to take steps towards work with their dedicated Work Coach working alongside health professionals to ensure they receive personalised, integrated support;
- The DWP and Department of Health have created the Work and Health Unit to help support people with health conditions and disabled people back into employment. This Joint Unit has at least £115 million of funding, including at least £40m for a work and health innovation fund, to pilot new ways to join up across the health and employment systems;
- In the 2015 Autumn Statement the DWP announced that they will introduce a new Work and Health Programme to focus on providing the best possible support for claimants with health conditions or disabilities, as well as those who are long-term unemployed;
- We know that returning to suitable work can improve mental health, and that is why the Government is committed to ensuring that people with mental health conditions receive effective support to return to, and remain in, work. £43 million is being invested over the next three years in trialling ways to provide specialist support for people with mental health conditions;

These reforms are aimed at improving the quality of life of those in greatest need. It is worth noting that we spend around £50 billion every year on benefits to support people with disabilities or health conditions, this is over 6 per cent of all government spending. The Government can be proud of that and is determined to ensure that those in need get the support they require.

Thank you for taking the time to contact me.

Kind regards,

A handwritten signature in black ink, appearing to read 'Craig Whittaker', with a stylized flourish at the end.

Craig Whittaker MP