



Department
for Work &
Pensions

Ministerial
Correspondence
Caxton House
Tothill Street
LONDON
SW1H 9DA

0207 340 4000

www.gov.uk

ministers@dwp.gsi.gov.uk

George Howarth MP

Our ref: POS(2)10077/443

21st October 2015

In Guze

Thank you for your email of 5 October on behalf of a number of your constituents regarding welfare reform and Employment and Support Allowance (ESA). I am replying as the Minister for Employment.

It might be helpful to bring to your attention the principles behind the welfare measures announced at the 8 July Budget and also to detail our on-going work to support people with disabilities.

The Chancellor recently announced a series of measures to reform welfare, and the four principles that have underpinned these reforms. First, the welfare system should support the elderly, vulnerable and disabled people; second, those who can work should be expected to look for work, and take work when it is offered; third, the working-age benefit system has to be more sustainable and fourth, the system should not support lifestyles or rents not available to the taxpayers who pay for that system.

Based on the above principles the Chancellor announced a number of protections for the most vulnerable in our society: exempting benefits for the additional costs of disability and Carer's Allowance from the Working-age Benefits freeze; maintaining the State Pension triple lock; exempting the most vulnerable disabled people from the Benefit Cap; and exempting the disabled/severely disabled child elements in Child Tax Credits (and their Universal Credit equivalent) from the Tax

Credits/Universal Credit payment limits. These exemptions show that safeguarding the vulnerable is at the very heart of our reforms.

The Chancellor also announced a new National Living Wage at the Budget. This will be set at £7.20 an hour from next April, and will rise to £9 by 2020. This will benefit over two million workers and by 2020 a full-time worker will see their earnings rise by over £5,000 a year.

I note your constituents' concerns about the reform of ESA and those who have been diagnosed with cancer.

A key aim of this Government is increasing employment levels amongst people with disabilities and health conditions. 61 per cent of ESA claimants in the Work-Related Activity Group (WRAG) want to work and I believe that it is only fair that those who are capable of taking steps to prepare for work, and who want to work, receive the same rate of income-replacement benefit as out-of-work claimants.

We therefore announced this reform to ESA and new funding for additional practical support for this group to ensure the right incentives and support are in place to help those with limited capability for work to take steps to move closer to the labour market, and when they are able, back to work.

From April 2017, new ESA claimants who are placed in the WRAG will receive the same rate of benefit as those claiming Jobseeker's Allowance. 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.

I can also confirm that claimants in the ESA WRAG will not be required to carry out the same job-seeking activities as a Jobseeker's Allowance claimant as a result of this change. However, claimants in the WRAG will continue to be required to undertake work-related activity. There is a great deal of flexibility in the types of work-related activity that claimants may be asked to participate in and activities must be appropriate and reasonable for each individual claimant taking into account their circumstances.

