

# MACMILLAN CANCER SUPPORT – WRITTEN EVIDENCE (EUC0044)

## The economics of Universal Credit

### Introduction

1. Macmillan Cancer Support is a registered charity providing information and support for people with cancer. This includes specialist support to help manage the financial impact of a person's diagnosis.
2. Alongside the physical and emotional impact of cancer, a diagnosis also brings with it a substantial risk of financial hardship. Four in five people with cancer are, on average, £570 a month worse off as a result of their diagnosis.<sup>1</sup>
3. Extra costs can range from paying for travel to and from hospital to increased energy bills due to feeling the cold more. More than half (54%) of people with cancer experience increased day-to-day living costs of, on average, £63 a month. In addition to the extra costs brought on by a cancer diagnosis, one in three people with cancer also experience a loss of income from employment, losing on average £860 a month.
4. Macmillan's submission draws upon our expertise in the welfare system. Macmillan's Welfare Rights Advisers provide specialist support to people with cancer accessing support from the benefits system, including making claims for Universal Credit (UC). In 2018, Macmillan's face-to-face benefits advisers reached 140,982 people affected by cancer, and our Support Line Service welfare rights team supported 25,152 people with cancer.<sup>2</sup>
5. Macmillan Cancer Support welcomes the opportunity to respond to the Economic Affairs Committee's inquiry into The Economics of Universal Credit. Macmillan will answer the following questions laid out in the call for evidence:
  - How well has Universal Credit met its original objectives?
  - Were the Original Objectives and assumptions the right ones?
  - How should they change?
  - What have been the positive and negative economic effects of Universal Credit?

### Executive Summary

6. Over 750,000 working-age people are diagnosed with cancer every year and more than half have long term side effects.<sup>3</sup> The objective of moving people from the welfare system into work creates tension when delivering support for people who are out of work because of a health condition.

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<sup>1</sup> Macmillan Cancer Support, *Cancer – A costly Diagnosis*, 2019

[https://www.macmillan.org.uk/\\_images/cancer-a-costly-diagnosis-report-2019\\_tcm9-354186.PDF](https://www.macmillan.org.uk/_images/cancer-a-costly-diagnosis-report-2019_tcm9-354186.PDF)

<sup>2</sup> Macmillan Cancer Support, *The Reach of Macmillan's Services*, 2019

<https://be.macmillan.org.uk/Downloads/FactSheets/The-Reach-of-Macmillans-Services-fact-sheet-2019.pdf>

<sup>3</sup> Macmillan Cancer Support website, *Work and Cancer*, 2020:

<https://www.macmillan.org.uk/about-us/what-we-do/we-make-change-happen/we-shape-policy/work-and-cancer.html>

7. A clear example of this tension is the five-week wait for the initial payment of Universal Credit (UC). Macmillan's Welfare advice services have supported people with cancer who have had to cut back on household essentials or have struggled to keep up with rent or mortgage while waiting for their first payment.<sup>4</sup> That's why Macmillan is calling for an end to the five-week wait for the initial payment.
8. The 'digital by default' nature of UC can mean that people with cancer can struggle to make a claim, particularly if they are in hospital having treatment, or at the end of their lives. Macmillan believes the Government should proactively offer home visits and guarantee that everyone who needs a home visit can access one. The government should also ensure that adequate resource is committed to matching the demand. To improve transparency and accountability, the Department for Work and Pensions should carry out and publish an audit of home visit requests, which includes reasons for refusal.
9. Explicit consent has restricted the ability of advisers to provide support to people with cancer applying for and managing their UC claims. The Government must enable consent to be provided more easily. There needs to be greater flexibility in the way consent is provided, length of time consent is provided for, and the issues that can be discussed between third parties and the Department. This could be done through the accreditation of third-party organisations such as Macmillan.

### **How well has Universal Credit met its original objectives?**

10. Universal Credit's original objectives were to make work pay, smooth the transition into work by offering a single benefit, simplify the system and tackle poverty. The fundamental objective of Universal Credit (UC) is to move people out of the welfare system back into the workforce. The focus on delivering work as an outcome can be identified in decisions made about the design of the UC system. For example, monthly assessment periods, the requirement to attend Jobcentre Plus appointments and to engage with a work coach as part of the application process. For many people with cancer, these requirements are not appropriate and can cause undue stress and anxiety.
11. *"It just felt like the system wasn't set up to support anyone living with cancer. All I was asked for was my medical records and every time I went into the jobcentre; I was speaking to somebody different; explaining my situation all over again. But even that didn't help. The more I visited the jobcentre, the more I explained my situation, the more letters I received telling me I hadn't provided the right information. It was a vicious cycle. The whole process just seemed so clinical, I kept thinking 'where's the compassion in this system?'"*  
**Person living with cancer**

### **Were the original objectives and assumptions the right ones?**

<sup>4</sup> Macmillan survey of Macmillan Benefits Advisers, Jun-Oct 2018. Of 30 advisers who responded to the survey, 86% had supported people with cancer who experienced financial hardship during the 5-week wait, 80% had supported people with cancer who had struggled to pay their mortgage or rent, and 76% had supported people with cancer who had cut back on household essentials while waiting for payment.

12. Macmillan feels that there are barriers that people with disabilities and health conditions such as cancer face when applying for Universal Credit (UC).
13. The 'digital by default' nature of UC can mean that people with cancer can struggle to make a claim. If they are in hospital having treatment or at the end of their lives, this can be even more challenging. The lack of signposting or easy access to alternative routes can create situations where people with cancer are faced with having to attend multiple appointments at the Jobcentre Plus to make and manage their claim.
14. Attending appointments at the jobcentre can be very challenging and inappropriate for people with cancer, particularly those who are suffering from fatigue, or who are undergoing treatments which can impact their immune system and put them at risk of picking up infections.
15. Currently, people living with cancer who require support with their claim are expected to provide explicit written or verbal consent for a specific person or organisation to act on their behalf to resolve a specific issue. Many people have multiple, and often complex, issues with their claim and it can be difficult for people who are unwell to provide consent every time. It also increases the pressure, stress and anxiety people with cancer can feel when trying to access UC.
16. *"It's more difficult because she has so much going on that she hasn't been able to provide consent for me to act on her behalf. I feel stuck in the middle. My role should be to help because sorting all this out should be the least of her worries at the moment."* **Macmillan Welfare Rights Adviser**

### **How should they change?**

17. Emerging evidence from Macmillan's Welfare Rights services indicates that a focus on simplification within system design can fail to accurately reflect the diverse needs of the people accessing support from the social security system.
18. The Department of Work and Pensions home visiting service can be vital for people who need support to complete their Universal Credit (UC) application. However, Macmillan's Welfare Rights Advisers report that many people with cancer are not aware of the service and are not signposted to it during their application. There is also regional variation in the availability of home visits meaning people can have long delays before receiving one. There are also no mechanisms in place for claimants to appeal or escalate their case when they are not able to access a home visit.
19. Macmillan believes alternative application channels such as telephone claims and home visits should be easily accessible from the beginning of a UC claim. People living with cancer should be able to access multiple channels at different points in their claim where this is beneficial or appropriate for their needs.

## **What have been the positive and negative economic effects of Universal Credit?**

20. Macmillan's Support Line Service has received calls from people living with cancer. Stating that, even if they would be financially better off by moving to Universal Credit (UC). They want to avoid making a claim due to not having the savings to support themselves and their families during the five weeks wait for the initial payment. While advanced payments are available, people with cancer do not want to take these out due to the fear of accruing further debt.
21. As stated above, Macmillan's Welfare advice services have supported people with cancer who have had to cut back on household essentials or have struggled to keep up with rent or mortgage while waiting for their first payment. Over a quarter of people with cancer don't have savings to fall back on when they stop working, and most will face increased costs related to their diagnoses, such as travel to hospital appointments and higher heating bills.<sup>5</sup>
22. ***'One of my clients has now fallen into rent arrears due to the waiting time for Universal Credit to be processed.'* – Macmillan Welfare Rights Adviser**
23. People living with cancer who claim under Special Rules for the Terminally Ill, which means a clinician has judged that they may have six months or less to live, are still required to wait five weeks before receiving their first payment.
24. The Government offers Advance Payments to those who may struggle during this wait. Around 60% of new claimants take out an advance.<sup>6</sup>
25. For people with cancer, being forced to accrue debt can cause additional anxiety and stress. Particularly as it is possible for any outstanding debts from advances can be passed on to their family and friends when they pass away.

28 February 2020

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<sup>5</sup> Macmillan Cancer Support, *No Small Change*, 2017

<sup>6</sup> Parliamentary Questions [190996](#), November 2018