

No one written off: reforming welfare to reward responsibility

Carers UK response to the Welfare Reform Green Paper

October 2008

1. About Carers UK

- 1.1 Carers UK represents the views and interests of the six million carers in the UK who care for their frail, disabled or ill family member, friend or partner. Carers give so much to society yet as a consequence of caring they experience ill health, poverty and discrimination. Carers UK seeks to end this injustice and will continue to campaign until the true value of carers' contribution to society is recognised and carers receive the practical, financial and emotional support they need.
- 1.2 Carers UK is an organisation of carers, for carers, with a reach of around 1,500 organisations, including many run by carers, who are in touch with around 950,000 carers between them. Including Carers Week our reach extends to around 4,000 groups and 2.5 million carers.
- 1.3 Carers UK runs an information and advice service and we answer around 16,000 queries from carers and professionals every year. We also provide training to over 2,600 professionals each year. Our website is viewed by nearly 300,000 unique visitors and nearly 1000 carers are members of our website forum.
- 1.4 Carers UK has offices in England, Wales, Scotland and Northern Ireland. This response reflects the views of the organisation, UK-wide.
- 1.5 From 2001 until 2007, Carers UK was the lead partner in a European Social Fund EQUAL programme, Action for Carers and Employment (ACE National) which worked to support the inclusion of carers in training and work. It was a highly innovative partnership which was successful in putting carers and employment issues on the policy agenda, as well as looking at practical solutions to the barriers facing carers who want to work.

2. Introduction and summary

- 2.1 Carers UK welcomes the opportunity to respond to this Green Paper as it is of critical importance to our members and other carers across the UK. Ensuring better support for those carers who are able to combine caring with paid work is one of our key objectives, since remaining in work has huge benefits for carers' income, confidence and social inclusion. Many carers want to work and we have carried out extensive research on the barriers to work and the support that would make a real difference.

These include removing disincentives from the benefits system, providing access to training in basic or advanced skills, assistance with finding and paying for appropriate care services and the right to, and support to access, flexible working.

2.2 Of equal importance is ensuring that, for those carers who are not able to undertake paid work, whether because of the extent of their caring role, their own disability or ill health, the benefits system provides a decent standard of living and recognises carers' important contribution to society.

2.3 Around 3 million of the 4.5 million working age carers in the UK are in paid work, leaving around 1.5 million who are relying solely on benefits. One in five carers gives up work to care¹ and Carers UK research found that they had lost out on an average of £11,000 each year as a result of giving up work, reducing their hours or taking a more junior position².

2.4 The proposals contained in the Green Paper will affect all carers who are claiming Incapacity Benefit (IB), Income Support (IS) and Jobseeker's Allowance (JSA). Some of these people will also be claiming Carer's Allowance (CA) or have underlying entitlement to it, but not actually receiving it.

2.5 Key points from this response:

- **Carers are expecting a full review of carers' benefits.** On several occasions during the consultation on the National Carers Strategy, Ministers, officials and even the Prime Minister promised a review of Carer's Allowance and fuelled public expectation that it would be changed. Carers feel let down and angry and changes like the ones proposed in this Green Paper make it worse. We call on the Government to carry out a full review of benefits immediately.
- The Green Paper makes greater reference to carers than previous welfare reform documents, but this is still a **simplistic analysis**. A thorough review of carers' benefits is needed and should take place **alongside** wider welfare reform discussions. We need a new approach to welfare reform which recognises the unique position of carers. They should not be 'bolted on' to discussions about other groups.
- **We reject the proposal to require carers currently claiming Income Support to claim Jobseeker's Allowance.** Even though this would be a modified version of JSA without conditionality, **the name is insulting to carers** and it does not provide recognition of carers' contribution to society. We have received a significant amount of correspondence on this matter.
- Whilst simplification is needed, and the complexity of the current system is a barrier to carers accessing financial support, this must be balanced with the need to recognise carers' unique circumstances and contribution to society. We do not believe that carers can be properly supported in a single benefit for all working age people. **There should be a separate stream of benefit which applies to all carers** and can take into account of their different circumstances and needs, allowing them to opt into employment support if they wish.

¹ Equal Opportunities Commission survey, 2004

² Out of pocket: a survey of carers' lost earnings, Carers UK, 2007

3. Reforming welfare to reward responsibility

- 3.1 The subtitle of the Green Paper is particularly relevant to carers who already carry significant levels of responsibility. Arguably they are amongst the most responsible members of society, often sacrificing their own needs to support someone who could not otherwise manage. However the detail of the Green Paper makes clear that no further rewards are being offered to carers, despite the warm words from Government and the obvious injustices in the current benefits system.
- 3.2 For carers, being out of paid work is not a choice. Rather, their ability to undertake paid work is restricted by their association with disability. They would love to return to employment but this is not possible because of the level and complexity of their caring responsibilities. Many carers see caring as already being 'in work', particularly those carers who are claiming Carer's Allowance who must be caring for more than 35 hours per week. For others, paid work would be possible with extra support. We must remember at all times that carers are in many different circumstances and the benefits system must be able to treat them differently and not make assumptions about which group they fall into.
- 3.3 In contrast to previous welfare reform documents, in particular David Freud's report in 2007, carers are mentioned in the Green Paper and their different circumstances acknowledged. This is a welcome development since previously carers were absent from welfare reform discussions.
- 3.4 The Green Paper states that not everyone can work and that severely disabled people and those with full time caring responsibilities will not be required to look for work. This confirmation that no additional conditionality is being considered for carers is welcome as it provides a clear statement that carers should be treated differently to unemployed people. However we were disappointed that this greater recognition of carers is not accompanied by a proper understanding of the support that carers need or the importance of recognising their contribution, nor by commitments to wider reform of carers' benefits.

4. Carers' benefits need a radical and urgent overhaul

- 4.1 The Green Paper does not intend to open up discussion on Carer's Allowance or on carers' benefits more broadly, but by making a proposal about Income Support for carers, it raises a number of questions.
- 4.2 In a letter from the then Minister for Welfare Reform Stephen Timms MP to a carer which was passed to Carers UK, he wrote: "The proposals set out in the Green Paper do not include any changes to Carer's Allowance, which will remain as it is, in recognition of the fundamental contribution carers make to strong families, and stable communities." Whilst this was intended to reassure the receiver of the letter that Carer's Allowance is not going to be abolished imminently, it is somewhat at odds with earlier Government statements about the need to review Carer's Allowance.

- 4.3 In the National Carers Strategy which was published in June 2008, Government acknowledged that the current structure of benefits for carers need to be reviewed³. It also agreed that the current system does not reflect the diversity of carers' responsibilities and support needs. This fairly weak commitment was in contrast to some of the statements given by Ministers, officials and even the Prime Minister when they said at public meetings that Carer's Allowance was being looked at and gave the impression that changes would be made in the Strategy.
- 4.4 The Income Task Force for the Strategy had wide-ranging discussions about the inadequacies of Carer's Allowance and the need to reform it, and considered several options in detail. This did not come across in the final Strategy report although we were pleased that the Task Force's report was published on the DH website. Our call for an urgent and radical review has recently been backed by the Work and Pensions Select Committee who agreed that the system needed major reform⁴.
- 4.5 We believe that the current discussions about welfare reform, and the proposals contained in this Green Paper, cannot be separated from the need for a radical review of carers' benefits. We are concerned that by making small changes to carers' benefits in advance of wider reforms, the system is further complicated and we risk confusing carers and advisers and causing them unnecessary anxiety. For carers who feel let down that the Government has failed to deliver the changes they expected, the suggestion that they will be forced to claim Jobseeker's Allowance feels like a retrograde step.
- 4.6 We would therefore welcome clarity about when the promised review of carers' benefits will take place. Carers are struggling during the current economic conditions, particularly with the increased fuel and food costs.
- 4.7 Many changes have been suggested in the last ten years, some of which would be straightforward to apply and relatively low cost - for example the 21 hour study rule which prevents carers from taking university courses to improve their earning potential. Carers are impatient for changes like these which are unjust and unnecessary in the 21st century.
- 4.8 We believe that Government is yet to be clear about the purpose of Carer's Allowance and whether it is an income replacement benefit or a reward to recognise the contribution of carers. Currently, it fails on both counts.
- 4.9 Since this Green Paper was published, the Work and Pensions Select Committee has published its report *Valuing and supporting carers*. We hope that the Government will seriously consider adopting many of the proposals within the report. In particular the Committee's recommendation to replace Carer's Allowance with a two-tier benefit was a welcome contribution to the debate. It was clear that the Committee's evidence-gathering convinced them that carers do face costs from caring which are not covered by disability benefits. Carers UK has consistently made this argument which has not been accepted by Government to date. We hope this position can be reconsidered and that Government will work constructively with

³ Carers at the heart of 21st century families and communities, HM Government, June 2008.

⁴ Supporting and valuing carers. Work and Pensions Select Committee, August 2008.

carers and those who represent them to find the best way to support families coping with illness or disability.

5. Carers on Income Support

5.1 In this section we will address the issues raised in Question 23 of the Green Paper: *Would moving carers currently on IS onto JSA be a suitable way of helping them to access the support available to help combine caring with paid work or preparing for paid work?"*

5.2 Firstly we would like to express concern that Carers UK had not been involved in discussions about this proposal before the Green Paper was published and received little warning of what was to be proposed. This would have allowed us to be prepared to answer carers' questions about the proposal and the inevitable concern that they would be subject to greater conditionality and even potentially be forced into paid work.

5.3 Following discussion with carers, colleagues across the UK and other organisations representing carers and disabled people, we believe that the proposal to transfer carers currently receiving Income Support to Jobseeker's Allowance is unnecessary and does not meet the objectives that Government itself has set for the system of carers' benefits.

5.4 The fact that we are talking about the poorest group of carers, those without any other major source of income and very little buffer against extreme poverty, has led to particular concern.

5.5 At a time when carers are recognised at the very top of Government and have a higher public profile than ever, it is concerning that policy seems to be developing in the opposite direction. This proposal appears to be a downgrading of carers' status at a time when carers are looking for policies to improve their status.

5.6 Our opposition to this proposal is based on a number of concerns:

- a) If carers are not required to look for work or be available to start work immediately, it is misleading and insulting for them to be receiving a benefit called Jobseeker's Allowance. It does not recognise that they are already doing a job which is valued by society. They are not inactive and are not available for work. Government says that carers are already contributing to society and therefore should not be subject to the same requirements as other people who are not in paid work. They should therefore not undermine this principle by forcing carers onto a benefit which labels them incorrectly and is not specifically structured to meet their needs.
- b) Jobcentre Plus advisers will need to ensure that carers receive the modified version of JSA, rather than the alternative form(s) which require claimants to be actively looking for work and available to start immediately. Carers will be anxious that adviser or system error could mean they are not identified as a carer and are forced to look for work or risk losing their benefit. If carers had a separate benefit the risk of this would be lower. Our experience of Jobcentre Plus

to date is that advisers do not understand carers' needs and do not have much to offer them to support them to return to work. Whilst we welcome the Government's commitment to introduce Care Partnership Managers and to improve training for advisers, we have yet to see progress on the implementation of these policies. In addition it is essential that Government addresses the failings in the social care system which restrict carers' opportunities. Whilst Government does recognise that improvement is needed in care services, this agenda should be explicitly linked to welfare reform. Links must also be made at a local level so that advisers are able to help carers find social care services in the same way they do with parents who need support to access childcare.

- c) Abolishing Income Support for carers does not simplify the system or reduce the number of benefits, as there would instead be (at least) two types of JSA – the original one for which people are required to look for work and the proposed modified version for carers. The same problem would be faced with a single benefit for all working age people. There would need to be so many different strands for different groups, many of the benefits of simplification are lost.
- d) In paragraph 6.13 Government implies that since many carers care for a short time, JSA is most appropriate. However a significant minority are caring for a very long time. 40% of Carer's Allowance recipients have been receiving it for more than 5 years⁵ and many of these will be caring for decades. We do not believe it is appropriate for this group to claim JSA. We also do not believe that those caring for a short period of time should be subject to a different regime during that time to someone with a long-term caring role. If they foresee that they will be caring for a short time they may wish to voluntarily engage with employment support, but since it is often difficult to predict how long an illness or disability will last, the benefit system should not seek to prejudge the support someone will need.
- e) Likewise, the argument that many carers want to work does not mean that all low income carers should receive JSA. The Green Paper talks about giving carers the same opportunities as others within the benefits system. We believe the system should be designed with the most vulnerable in mind, not those most able to comply. Offering support to those who wish to take it up should not come at the expense of those who are not able to. Currently the proposal to require carers to claim JSA risks alienating and insulting those carers for whom work is not a possibility, whilst not making it any more likely that those who are able to will take up the support available. Removing the protection of a specific carers' benefit is likely to increase the stress and worry carers face about being forced into paid work.
- f) Finally we do not accept the argument that it makes more sense to put carers on JSA and keep ESA as a benefit for supporting disabled people to return to work. Firstly, carers are themselves out of work because of illness or disability: that is the reason for their changed circumstances and for a reduction in their family income. Arguably therefore they would be better placed in ESA rather than JSA. However we believe that shoehorning carers into one of two categories which are not designed with their needs in mind will not work.

⁵ DWP Statistics, August 2008

g) We have been told this change is about administrative simplicity and the DWP's own systems. We do not believe this is a strong enough reason for the insult and worry it has already caused to carers and the lack of recognition of their contribution that carers would face if they were forced to claim JSA.

5.7 We therefore reject this proposal and will continue to represent those carers who feel they have been let down by the Government and who need urgent improvements to their benefits. As an alternative we propose that the Government keep Income Support for carers until the full review of carers' benefits is carried out. This may be untidy but it is better than making an administrative change which carers find negative and which may well be changed again in a few years.

5.8 Government should focus resources on improving the level of benefits for the carers most in need, and in improving and promoting the support available to carers on a voluntary basis.

6. Carers' reaction to the proposals

6.1 There has been a strong negative reaction from carers to this proposal. Carers UK has received phone calls and emails from carers and the subject has generated a wide discussion on our internet forum. In addition a grassroots carer petition on the Number 10 website has received nearly 1120 signatures to date (<http://petitions.pm.gov.uk/caringiswork>).

6.2 Many of the concerns expressed by carers are based on a worry that Carer's Allowance will be removed altogether or that wider changes are being planned but not communicated at this stage. This is understandable in the context of having been promised a review and reform as part of the National Carers Strategy which did not materialise. Carers do not have faith in the system.

6.3 Since the Green Paper did not provide much detail on what the modified JSA would consist of, many carers assumed that it was intended to replace Carer's Allowance. They also looked to the existing rules around JSA and were extremely worried that they would be forced into accepting a job. As stated above Government needs to clearly recommit to reviewing Carer's Allowance but in the light of our experience around this Green Paper we would urge Government to communicate that any future changes are made with the intention of improving carers' benefits rather than cutting them.

6.4 Many carers also commented on how moving onto JSA would remove their identity as a carer and that they would not feel their contribution to society is recognised.

6.5 Comments from carers included the following selection:

"Carers need their identity and being in receipt of JSA does not allow them that."

"Some working age carers will be on modified JSA and others on carers allowance. Yet their situations are essentially the same and neither will be required to look for work. How is this a simplified system?"

“In this climate we need to stress that caring is WORK...and should be paid appropriately...not just seen as a legitimate reason excuse not to find work and to stay on the same benefit as someone looking for work.”

*“I'm not overly impressed as [being] classed as **unemployed and a job seeker** - I'm **not**, I already work darned hard as a carer and also a few hours as a support worker (under the I.S. permitted amount for earnings). I'm clearly **NOT** a Job Seeker and probably never **CAN** be. Carers fought long and hard to be recognised and don't want to be dump in with the mass unemployed!”*

“The biggest shift in carers being moved onto JSA is that there is a whole new interpretation of what being a carer is.”

7. Views on single working age benefit

- 7.1 In this section we will address Question 22: *Is a system based on a single overarching benefit the right long-term aspiration? How could a simpler system be structured so as to meet varying needs and responsibilities?*
- 7.2 Carers UK supports the simplification of the benefits system as this will make claiming much easier for carers. We know that carers miss out on millions of pounds worth of benefits per year in benefits so simplification should ensure that they get their entitlements more easily. It will also help advisers working with carers to inform carers of the benefits they could claim.
- 7.3 However carers would need to be convinced that any benefit recognised their unique circumstances – both in the language used and the conditions attached to the benefit. Currently our view is that it is not possible to meet carers' specific needs and recognise their contribution whilst requiring them to claim the same benefit as those who are required to look for work. The reporting requirements are likely to be very different, as well as the support needs.
- 7.4 As stated above, we believe that shoehorning carers into one of two categories which are not designed with their needs in mind will not work. Carers UK therefore believes that there should be a distinct stream of support for carers, alongside ESA and JSA.
- 7.5 This could provide support for those who are able to work, along with a decent level of income for those who can't, whilst at the same time giving those carers the recognition they deserve. The Work and Pensions Select Committee proposal for a Carer Support Allowance and a Caring Costs Payment is a sensible way of offering flexibility which can recognise different circumstances.
- 7.6 Whilst more discussion on the detail of such a benefit is clearly needed, there is the potential for this to work on similar principles as ESA with different tiers for different levels of caring responsibility and income. Whatever system of carers' benefits is designed, it should clearly be based on a principle that those caring for more than 35 hours per week should have no conditions attached to their benefit. However in

future the benefit could also be extended to those caring for fewer hours per week who could benefit from additional targeted support.

7.7 This model could also provide a transition period for former carers who may require intensive support to return to work. Currently former carers find it hard to get access to New Deal style support.

8. Carers claiming Incapacity Benefit

8.1 Our views above on the need for a separate benefit for carers reflects concerns we have about the impact of ESA on carers. We anticipate that most carers will be placed in the Work Related Activity Group, meaning that they are required to attend Work Focused Interviews and medical assessments. This means that disabled carers will face tougher requirements than non-disabled carers, in order to access a higher level of benefit.

8.2 Although they are able to defer the Work Focused Interviews we are concerned that carers may have difficulty securing a deferral through a lack of adviser awareness. Even attending one interview could be extremely difficult for some carers and could require them to use precious respite time that is supposed to be a break from their responsibilities.

8.3 We are concerned that if the regime is too onerous for disabled carers they will choose to claim Carer's Allowance instead which would mean they are £24 per week worse off and lose the recognition of their own disability. Other carers may struggle to meet the conditionality and fail – and so be sanctioned – losing between £12 and £24 per week. Whilst there are appeal rights and safeguard procedures, our concerns is that the conditionality, when applied to carers, will act as a disincentive to claiming ESA and that the safeguard procedures will not be applied with the consistency that they should and that carers will therefore be subject to sanctions.

8.4 Many of the problems carers and their families face are caused by the lack of appropriate social care services, particularly those which will enable them to work. This leaves them trapped on benefits and even introducing conditionality will not make a difference if the services are not available. Jobcentre Plus must therefore improve its contact with local social services departments to ensure that families get a coherent package of benefits and support.

9. Supporting carers in work

9.1 It is essential that policies to support carers to remain in work are prioritised alongside the welfare reform agenda. Many other factors affect whether carers are able to work, such as the support from their employer and the care services available to them.

9.2 The commitment by Government to review the definition of carer in the legislation on the right to request flexible working is welcome, but we would like to see much more promotion of flexible working from Government and Jobcentre Plus and efforts to highlight the benefits of employing carers. Many discussions took place on these

topics in the Employment Task Force for the National Carers Strategy and it is important that this policy is taken forward.

10. Wider issues about disabled people

- 10.1 Carers support the principle that people who are able to work should do so and should be given the appropriate support to make this possible. However many of our members are caring for people with severe and long-standing disabilities. Any changes to the requirements placed on them may simply translate to more responsibilities for the carer. For example, if someone with a mental illness is required to attend regular interviews which they cannot attend alone, alternative arrangements should be made to take account of their needs without assuming that their carer will be available to attend with them.
- 10.2 Any changes must therefore take into account the support that the disabled person receives from their family and friends and the implications were these support needs to increase.
- 10.3 There are also concerns that these proposals will lead to cuts in disability benefits and carers would welcome recognition from Government that there will not be any changes to disability benefits.

11. Older carers

- 11.1 The Green Paper proposes a new regime for people aged 60-65. Previously they have not been required to look for work, however the Government is now proposing that they are.
- 11.2 We know that many people with caring responsibilities are forced to retire early. Others have caring responsibilities which start in their late forties and fifties and end after a few years, but they find it very difficult to return to the labour market after missing such critical years in their career paths.
- 11.3 In making these changes, the Government needs to ensure that older carers and former carers are given sufficient support.
- 11.4 For those with low level caring responsibilities, who wish to work, there need to be social care services available which give them the back up they need. When assessing these carers, local authorities need to take just as much notice of these carers' wish to work as they would a younger carer. For those who are unable to work, the system must recognise them as carers and ensure that they can access tailored support.

12. Lone parents

- 12.1 Another major proposal in the Green Paper is that lone parents with a child aged over 7 will be required to look for work and they will be required to move from IS to JSA.

12.2 It is essential that the special circumstances of parents of disabled children are recognised and it is disappointing that the Green Paper does not address the need of parents of disabled children specifically. Many would not be able to return to work because of the additional support their children need. We know that around half of disabled children do not receive DLA and therefore their carers will have difficulty claiming CA. There also needs to be more of a focus on services for disabled children to ensure that parents have a genuine choice about whether to work.

For further information, contact:

Kate Groucutt
Senior Policy and Public Affairs Officer
Carers UK
Kate.Groucutt@carersuk.org
020 7378 4936

Emily Holzhausen
Head of Policy and Public Affairs
emily.holzhausen@carersuk.org
020 7378 4935