SUBMISSION FROM CARERS SCOTLAND

Carers Scotland is a charity set up to support the thousands of people who care for an elderly partner, sick friend or disabled family member. Carers Scotland is the Scottish nation office of Carers UK. Caring is part of life. Three in five of us will provide unpaid care for someone at some point in our lives. However, without the right support the personal cost of caring can be high with many carers experiencing poor health, poverty and disadvantage. Carers Scotland helps carers and campaigns to make their lives better.

Background
There are 660,000 million carers in Scotland. 72% of are worse off financially as a result of becoming carers because of the combined pressure of low-level benefits, reduced earnings, higher disability related living costs. Many carers’ family finances rely on income from carers and disability benefits, changes or reductions to which could have a serious impact on their capacity to carry on caring.

Despite contributing an estimated £10.3 billion to Scotland with the unpaid care they provide, carers receive the lowest benefit of its kind and are often in a financially precarious situation. A Carers Scotland and Carers UK survey of over 1,700 carers showed:

- 79% were struggling to pay essential utility bills
- 53% were cutting back on food to make ends meet.
- 69% were using their own income to pay for care for the person they cared for
- 57% were in debt as a result of caring.

It is clear that carers will be affected directly or, indirectly through the impact of welfare reform on the disabled people for whom they care. This response in its first pages provides background to these impacts.

Carers, Carers Allowance and Universal Credit
There was discussion that Carers Allowance would be wrapped up in Universal Credit and means-tested. However, following campaigning by Carers UK, Carers Scotland and many other organisations, the Government announced last year that Carer’s Allowance would be preserved as an independent benefit.

Because Carers Allowance is staying outside Universal Credit, around 49,200 carers who are in receipt of Carers Allowance in the UK and who receive no means-tested benefits, will be unaffected by Universal Credit.

A further 25,000 carers in the UK receive the carer premium to means-tested benefits like Income Support, as well as their entitlement to Carers Allowance. These carers will be moved onto Universal Credit, but the Government has said that their

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1 Carers in Crisis: Summary results for Scotland. (2008) Carers Scotland and Carers UK
2 Of 1,734 carers responding to the survey Carers in Crisis (2008) Carers UK
3 DWP 2008 in Caring in Scotland: Analysis of Existing Data Sources on Unpaid Carers (2010) Scottish Government
4 Approximate based on DWP figures for the UK
carer premium will be mirrored by a similar ‘additional amount’ in Universal Credit, so these carers should not lose out.

However, some carers will lose out. The earnings disregard for carers will not be protected under Universal Credit. This is the amount of money that benefits claimants can earn before their benefits are affected. For Carers Allowance this is £100 a week and this level will not change. But, for carers in receipt of Income Support, the earnings disregard is currently £20 a week. Our analysis showed that, because of the way the earnings disregards are set up in Universal Credit around 50,000 carers in the UK would see their disregard reduced to £13.50 a week if they were able to juggle work and care.

**Household benefit cap**

Whilst households including a DLA/PIP claimant will be exempt from the proposed household benefit cap this does not protect all carers. The definition of a ‘household’ in the benefits system includes partners and children under 18, but adult children and other adult relatives are considered to be in a different ‘household’ for the purposes of the benefits system, even if they live together.

As a result, whilst parents of disabled children and carers caring for a disabled partner would be exempt from the carers caring for adult disabled children or other working-age or older relatives could have their benefits capped. The cap would apply to couples or single parents receiving £500 a week or more, or single people in receipt of £350 or more in benefits. A new impact assessment from the UK Government estimates that 5,000 of around 550,000 carers on benefits in the UK would see their benefits capped, each losing an average of £87 a week.

With Carers UK, we have argued that carers’ contribution and the challenges they face in trying to meet the additional costs of caring, set them apart as particularly deserving of exemption from cuts to welfare support. However, whilst acknowledging the contribution made by carers, the UK Government was not willing to accept these amendments, arguing that the number of carers affected would be relatively small and that these reforms were always going to produce ‘winners and losers.’

**Outstanding issues with Universal Credit**

The Welfare Reform Bill states that carers with ‘regular and substantial’ caring responsibilities will be eligible for the ‘additional amount for caring responsibilities’ within Universal Credit, and uses the same description when setting out which claimants will be exempt from work-related conditionality. These details will be set out in regulations later this year and Carers UK will be working with the Government and Parliamentarians to ensure that these regulations to not reduce the numbers of carers entitled to the premium or who are protected from conditionality.

In addition, the UK Government has pressed ahead with plans to time-limit claims for the contributory sickness benefit Employment and Support Allowance (ESA). Many people being looked after by carers will be in receipt of ESA as well as DLA. Carers Scotland shares the deep concerns of disability organisations that cutting off support for people recovering from a serious health condition or disability after a year, will not give many people anywhere near enough time to recover sufficiently to start looking for work and will have a significant financial impact on disabled people and carers.
Working Tax Credit
As part of changes to Working Tax Credits, the Government had announced that, from April 2012, couples with children would have to work 24 hours a week between them, rather than the current level of 16 hours a week, in order to qualify for Working Tax Credit. If they were unable to find more work, the benefit would be removed.

At the start of the year, Carers Scotland and Carers campaigned with others to encourage carers to write to the Prime Minister, calling for a rethink on the policy and arguing that carers should be exempt from these changes. Given the unique barriers to work faced by families juggling full-time caring responsibilities for an older or disabled relative along with childcare, we argued many would find it impossible to work the additional eight hours needed and would simply lose the £3,870 tax credit.

In March, the UK Government announced a change to exempt couples with at least one dependent child and where one partner is entitled to Carers Allowance, will continue to be able to receive Working Tax Credit if one parent is working for at least 16 hours a week. This includes people with an ‘underlying entitlement’ to Carers Allowance. Carers Scotland welcomes this decision but, as the decision was not made until the middle of March many carers will find that they will be required to reclaim if they had not informed the Tax Credits office of their entitlement to Carers Allowance by 6 April 2012.

New entitlement to childcare costs
As well as protecting carers from this change, the Government has announced that couples receiving Working Tax Credit which include someone receiving Carers Allowance will now be able to claim extra tax credits for childcare if they pay for registered/approved childcare. Again this is to be welcomed. However, carers must inform the Tax Credits office by 6 May 2012.

Personal Independence Payment
The UK Government’s plans to introduce Personal Independence Payment (PIP) to replace Disability Living Allowance (DLA) are of significant concern. Alongside changes to the structure of the benefit, all existing and new claimants will be reassessed through a new face-to-face assessment, and there will be significant reductions in the budget as DLA is replaced by PIP.

We have deep concerns about the devastating impact of planned cut to the budget which impact assessments show will lead to 500,000 fewer disabled people being entitled to benefits when Personal Independence Payment replaces Disability Living Allowance. We believe this reduction of 23% in the number of people eligible for disability benefits will have a devastating impact on the lives of disabled people and their families. Members of the House of Lords echoed our disappointment at the lack of a carer impact assessment – as there is the risk that people currently in receipt of the higher and middle rate care component of DLA will lose their benefits as PIP is introduced, and that carers looking after them will lose Carer’s Allowance as a result.

However, we welcome the decision in December following campaigning from Carers UK and pressure from all parties, to bring forward a decision on how Carer’s Allowance would be linked to Personal Independence Payment and that both rates of PIP “daily living” component would act as ‘gateways’ to Carer’s Allowance. Carers
UK had raised strong concerns that only the highest rate of Personal Independence Payment would be linked to Carer’s Allowance, meaning that fewer carers would be entitled to support. This decision helps to maintain carers’ existing rights to Carer’s Allowance.

**Welfare Reform (Further Provisions) (Scotland) Bill – Stage 1**

Carers Scotland welcomes this opportunity to respond to the Bill at Stage 1. In the first instance we recognise the necessity of the Bill and the need to provide Ministers with the relevant powers before comprehensive information is available on Universal Credit and Personal Independence Payment. We believe this is necessary to ensure that families, particularly those with disabled people and carers are not further disadvantaged through losing out on other “passported” benefits by delays beyond the control of the Scottish Parliament.

Carers Scotland has been sought to provide a perspective on the issues that will impact upon carers in the Welfare Reform Scrutiny Group and in its subgroup on disability and has welcomed the partnership approach taken by the Scottish Government, Scottish Parliament and statutory and voluntary partners. The impact on carers and their families has been considered throughout the process and we urge the Scottish Parliament to continue this to mitigate some of the negative effects of welfare reform on carers in the areas where the Scottish Parliament has these powers.

Carers Scotland strongly urges the Scottish Parliament to ensure that Carers Allowance and those with an underlying entitlement to Carers Allowance remains a benefit passport to existing support. This includes support currently available through eligibility to income support (for those carers with an underlying entitlement) which includes legal aid, 100% of approved expense for disability adaptations and help with health costs and for support where receipt of Carers Allowance is the qualifying criteria, for example, individual learning accounts and a gateway to support in Stages 3 and 4 of the Scottish Energy Assistance Package ⁵.

Furthermore, in order to support carers to provide care, it is also vital that existing passported benefits available to those receiving Disability Living Allowance whose allowance continues under Personal Independence Payment. Carers Scotland recommends that all current support continues to be passported but in particular, support for transport and mobility (e.g. the blue badge scheme and concessionary travel).

We would also urge the Scottish Government to consider examining the merits and costs of developing transitional arrangements for passported benefits for those disabled people and carers who lose their entitlement through the introduction of Personal Independence Payments.

**Successor arrangements for Council Tax**

Carers Scotland again would recommend that carers existing entitlements and those of disabled people are protected within successor arrangements. These

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⁵ The entitlement to Stages 3 and 4 of the Scottish Energy Assistance Package to those in receipt of Carers Allowance was not included in the list detailed within the Financial Memorandum (para 64).
entitlements are currently linked to caring responsibilities and the disability or disability benefits of the person they care for rather than through the benefit system.

At present, some carers can qualify for a council tax reduction if they live in the same property as the person they care for, provide at least 35 hours of care each week and the person they care for is receiving one of the following:

- higher rate of the care component of Disability Living Allowance
- higher rate of Attendance Allowance
- an increased Disablement Pension
- an increased Constant Attendance Allowance

However, the person they are caring for cannot be their spouse, partner or child under 18 years old.

This can make carers and the person they care for invisible for council tax purposes and be eligible for a reduction of up to 50% of council tax.

In addition, people who are severely mentally impaired can also be deemed invisible for council tax purposes and, if they live alone, would be exempt from paying Council Tax. Furthermore, carers who leave their own property to care for someone, leaving it unoccupied can be exempt from paying Council Tax on the empty property.

The successor arrangements should also incorporate the current disabled band reduction. This is available to disabled people whose home as been adapted to provide an additional room, bathroom or kitchen to meet the needs of that disabled person or where extra space is required to allow for the use of a wheelchair. If one or more of these requirements are in place, the Council Tax Band is reduced in recognition that the person (whether they are a child or an adult) requires a larger property because of their disability.

**Successor arrangements for Community Care Grants and the Social Fund**
Carers Scotland urges the Scottish Parliament to ensure that successor arrangements continue to provide support and work for disabled people and their carers and, that future regulations developed reflect aim to improve outcomes for both.

As outlined on page one of this response, carers (and often therefore carer/disabled person households) face real financial hardship. These households on low incomes (including those over relevant means tested thresholds) often have little flexibility to be able to purchase disability or household items. Many carers are in debt (57%), with over half (59%) reporting debts between £1,000 and £10,000 and more than a third (34%) having debts of more than £10,000. Most carers (69%) have used savings or income to pay for care and over a third report having difficulty paying for normal household costs including rent or mortgage (34%), the cost of essential repairs (79%) and utility bills (79%).

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6 Carers in Crisis: Summary results for Scotland (2008), Carers Scotland and Carers UK
Moreover, with increasing charges for social care services, this lack of financial flexibility has meant that 48% of carers report cutting back on caring support services or supplies (such as respite or equipment) because they cannot afford them. This does little to prevent crisis or to improve outcomes for carers and disabled people.\textsuperscript{7}

With this in mind, Carers Scotland recommends, as outlined as a potential option the Scottish Government consultation “Devolution of Community Care Grants and Crisis Loans" that it would support carers and disabled people more effectively and mitigate the financial impact of caring to extend eligibility to include those in receipt of non-contributory benefits e.g., Carers Allowance and Disability Living Allowance. We recognise that there are financial constraints on the Scottish Government and local authorities and suggest that this recommendation could be particularly focused to those on low incomes that are above the current income support or pension credit guarantee element levels. Consideration should be given to the role of social work departments in delivering support to disabled people and their carers and tightening eligibility criteria. Utilising reformed community care grants could help deliver better outcomes by enabling low level interventions to reduce the likelihood of crisis that currently do not meet authorities eligibility criteria.

Conclusion
Carers Scotland hopes that consideration of the Welfare Reform (Further Provisions) (Scotland) Bill at Stage 1 recognises that key role that carers play in supporting disabled and older people to remain in their homes and communities, preventing more costly interventions such as admission to hospital or residential care. In recognising this role, it is essential that devolved provisions seek to mitigate the impact of welfare reform on carers and those they care for by ensuring, at a minimum, that they are not further disadvantaged by loss of support from passported benefits and in successor arrangements for council tax benefit, community care grants and the social fund.

CARERS SCOTLAND
22 APRIL 2012

About Carers Scotland
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Carers Scotland achieves this by:
• campaigning for the changes that make a real difference for carers.
• providing information and advice to carers about their rights and how to get support

\textsuperscript{7} ibid
• mobilising carers and supporters to influence decision makers.
• gathering hard evidence about what needs to change.
• transforming the understanding of caring so that carers are valued and not discriminated against.
• providing carer awareness and specialist training for staff in health, social care and the voluntary sector
• promoting training for carers to maximise their skills and experience.