



## **Carers Scotland Submission: Carer Support Payment Regulations**

### **Introduction**

Carers Scotland is a carer-led organisation working with an on behalf of unpaid carers. There are an estimated 800,000 unpaid carers in Scotland who save the Scottish economy £13.1 billion every year. Carers provide support to family and friends who have disabilities, long term conditions or frailty associated with older age to enable them to live independently in their own homes and communities.

We welcome the Scottish Government's commitment to increase the number of carers who will benefit from Carer Support Payment when it launches nationally in 2024 and to continue to provide the Carer's Allowance Supplement in the interim to sustain this improvement in value introduced in 2018. It is vital that more carers have access to financial support.

### **Extending payment to those in full-time study**

We are pleased that Scottish Government intends to extend entitlement to Carer Support Payment to most unpaid carers in full-time education from launch. We have been calling to extend entitlement to Carer's Allowance to unpaid carers in full-time education for a number of years.

However, we do not share Scottish Government's concerns that extending eligibility to 16- to 19-year-olds in full-time non-advanced education would incentivise young people taking on significant caring roles. Instead, we believe this proposed rule adds unnecessary complexity, confusion and will further disadvantage many unpaid carers aged 16 to 19 years old who are already fulfilling the required 35 hours of caring each week. The proposal also creates a distinction between those in advanced and non-advanced education of the same age. *This could result in those unpaid carers aged 16 to 19 in non-advanced education to feel that their study level is regarded inferior and their caring roles are undervalued in comparison to unpaid carers aged 16 to 19 years old in advanced education.*

Extending eligibility of Carer Support Payment to 16- to 19-year-olds in non-advanced education could also improve life chances for these young people, encouraging them to sustain and progress in education, and reducing pressures to leave education to secure employment to contribute financially to the household. This proposal could have a more adverse impact on those unpaid carers aged 16 to 19 years old in non-advanced education who are living in low-income households and in some of the most economically deprived communities.

### **Earnings Threshold and Overpayments**

The earnings threshold and rules around earnings are far too complex. Much of the challenge around these issues are simply because of the complexity of the

calculation of earnings, the low level of the earnings threshold and the cliff edge of the benefit.

Carer Support Payment on launch will not address these underlying issues. For example, the earnings threshold for Carer's Allowance (and thus Carer Support Payment on introduction) is not sufficiently high or consistently updated annually to reflect increases in the National Living Wage. In 2023 it will fall even further behind, rising by 5.5% whilst the National Living Wage rises by 9.7%.

Added to this is, as we explore in overpayments, Carer's Allowance has such a significant cliff edge where a matter of pennies can remove all entitlement. This means that unpaid carers can lose out on thousands of pounds worth of support because of small changes to their earnings.

Until the Scottish Government sets in place a realistic and fair earnings threshold, updated annually and sets out its regulations for addressing the cliff edge within Carer Support Payment, we cannot fully respond. But, needless to say whatever is brought forward must be fair, understandable and reflect wider Scottish Government policy to reduce poverty and support unpaid carers to have a life outside of caring.

*We would however, at this point wish to raise one point of significant concern. We are concerned that if the UK Government chooses not to increase the threshold in 2024-25 or within the "safe and secure" transfer period, unpaid carers will continue to be disadvantaged and face ongoing confusion, loss of benefit and risk of overpayment.*

Whilst we understand the Scottish Government's concern about equity during this transfer period, it cannot be right that a poor system for calculating earnings is embedded into the early days of Carer Support Payment. We urge the Scottish Government to seek to find a resolution to uplift the earnings threshold for Carer Support Payment in 2024/25 and in subsequent years until full transfer; even if the UK Government chooses not to do this for Carer's Allowance.

We also support the intention to set the rate of Carer Support Payment to £0 where an unpaid carer has exceeded the earnings limit and where there is an overlapping benefit. This was supported by the majority of unpaid carers (99%) polled as part of our wider national carer organisations' response. However, we believe that this must be aligned with effective information on ensuring that unpaid carers are informed about all options for reducing their earnings below the threshold, including adding additional amounts to their occupational/personal pensions where possible and how to correctly apply rules on "care charges" that can be deducted.

We believe that the Scottish Government's duty to increase benefit take up should extend to ensuring that unpaid carers can be actively supported to continue eligibility to the full amount of Carer Support Payment and that awareness is raised of and carers are offered a full "better off" calculation by Social Security Scotland to understand what options are best for them and their household to claim, including options within reserved and devolved benefits.

## Choice of Payment Frequency

Carers Scotland is of the view that carers must have a choice of payment frequency. In the national carer organisations survey of carers on this matter, the majority (89%) felt that carers should have option of weekly or four weekly payments. We also believe that carers should have the option also to be able to switch between these payment options should their personal and financial circumstances require this.

## Next Steps

Carers Scotland welcomes the commitment to introduce a new payment for those caring for more than one person – the Carer’s Additional Person Payment – and increasing the run on of financial support when the person who is being cared for dies. However, there is a need for a fuller timetable for these to be introduced and for further urgent improvements needed.

There is a need for a timetable that sets out:

- Case transfer process and completion date
- Date for introduction of each improvement including, but not limited to:
  - Changing to earnings threshold
  - Introduction of carer additional person’s payment
  - Extension of run on

Carers have made their views clear on what needs to change and the Scottish Government thus has the opportunity to develop regulations *as case transfer continues* to ensure that, subject to Parliamentary approval, there is a timetable for introduction for each improvement.

In addition, the Scottish Government have also indicated an intention to explore a longer-term carer payment for those who cannot receive Carer Support Payment due to overlapping benefit rules. Carers Scotland would welcome a *clear process* for consulting with carers and developing this payment.

In our State of Caring 2022 report<sup>1</sup>, nearly a quarter (23%) of older carers were struggling to make ends meet, with 16% struggling to afford the cost of food and a similar proportion (15%) to afford the cost of energy. Recent research by Carers Trust Scotland also found significant levels of financial challenge.<sup>2</sup>

As a first step, it is vital that in developing Carer Support Payment for new claims, that better ways are developed to communicate and support unpaid carers to claim “underlying entitlement” to reserved benefits such as Pension Credit. Given that such income related benefits open up access to support with, for example housing costs, council tax reduction and, more recently, additional cost of living payments, a simple tool to support this alongside raised awareness is critical.

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<sup>1</sup> State of Caring: A cost of living crisis for unpaid carers in Scotland, Carers Scotland, 2022

<sup>2</sup> Experiences of Older Adult Unpaid Carer research, Carers Trust Scotland, 2023

Secondly, whilst proposals to date for Carer Support Payment have prioritised working age carers from this evidence it is clear that older carers also face significant challenges. It is important therefore that the Scottish Government develop promptly plans for a payment for those affected by the overlapping benefits rule (primarily older carers) to recognise the value of their caring role and the financial strain that so many live with *because of* their caring role.

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