SOCIAL SECURITY COMMITTEE

BENEFIT TAKE-UP

SUBMISSION FROM THE NATIONAL CARER ORGANISATIONS

1. What do we know about how much is unclaimed and why?

Carers Scotland and Carers UK took evidence from carers across the UK in the Family Finances Survey. Estimates at that time showed that around 360,000 carers in the UK may be missing out on a total of £1.1 billion in Carer's Allowance[1]. This equates to over 28,000 carers in Scotland missing out on nearly £100 million each and every year. Updated estimates from the poverty charity, Turn2Us in 2018, found that the numbers of those missing out could be as high as 400,000 across the UK.

Not only does this mean that carers do not have the weekly income of £66.15 each week and indeed the new Carers Allowance Supplement, but they also miss out on National Insurance contributions, leaving them at risk of receiving only a reduced pension in retirement.

Carers (depending on their household's income and/or capital) may also be entitled to means-tested benefits such as Income Support, Pension Credit and Housing Benefit. Carer's Allowance acts as a "passport" to the carer premium/addition in means-tested benefits, which is currently £36.85 per week. Receipt of one of these benefits may also open up other passported benefits such as help with health costs and council tax reduction.

A significant number of carers are also losing out additional state pension. Carer's Credit was designed to help people who spend between 20-35 hours a week caring but who do meet the 35 hours of caring per week needed to qualify for Carer's Allowance (which would automatically trigger National Insurance credits). When the scheme was launched, it was thought that around 160,000 carers would benefit, however, Department of Work and Pensions in 2017 found that only around 3% of that number are claiming the Credit. According to insurer Royal London[2], this could amount to a £4,700 loss in state pension over the course of a typical twenty-year retirement. Assuming over 155,000

[1] Caring & Family Finances Inquiry: UK report https://www.carersuk.org/for-professionals/policy/policy-library/caring-family-finances-inquiry. These figures were based upon the numbers of existing Carer's Allowance claimants at that time, the existing total value of Carer's Allowance claimed, the estimated number of carers who are eligible and the total value of the estimated eligibility. In the final two columns are the estimates for the number of carers missing out (based on an estimated take-up of 65%) and the total value of Carer's Allowance missed out on, by nation, region and local authority. Based on Department of Work and Pensions Carer's Allowance takeup figures from May 2013.

[2] Following Freedom of Information request by the company. https://www.royallondon.com/media/press-releases/2018/january/new-foi-reply-reveals-97-of-eligible-carers-do-not-claim-carers-credit-royal-london/

carers in the UK each year are missing out, this creates a total loss in excess of £700m.

Why?

Carers often do not identify themselves as carers. First and foremost, they see themselves as a parent, a friend, a daughter. Carers Scotland and Carers UK research has consistently shown that carers may take years to recognise their caring role. For example, in State of Caring 2016[3], over half of carers (54%) took over a year to recognise their caring role, almost one in four carers (24%) took over 5 years to identify as a carer, and nearly one in ten (9%) took over 10 years.

This means that in not recognising themselves as a carer, they miss out on benefits to which they are entitled and this impacts significantly on their lives. Research[4] has found that over a third of carers (36%) said they were struggling to make ends meet, and over in five (22%) have been in debt because of their caring role. This struggle impacts on all aspects of carers' lives with:

- 1 in 10 (12%) falling into arrears with utility bills
- Almost half (46%) cutting back on essentials like food and heating
- 1 in 10 (13%) cutting back on support services
- Three quarters (75%) cutting back on hobbies and leisure activities, and
- Almost two thirds (61%) cutting back on seeing friends and family.

Any delay in recognition as a carer and support to claim financial entitlements is important as the financial struggle increases as years of care increase. Comparing carers' financial situation with how long they have been caring reveals the cumulative financial hit that carers take over time. The levels of those struggling financially increases the longer the period someone is caring for:

- 38% of carers who have cared for less than a year report that they cannot afford their bills without a struggle.
- 45% of those with a caring role of between one and four years report struggling financially.
- 50% people caring for more than 15 years report that their financial difficulties mean having to cut back on essentials like food or heating.

Similarly, the number of carers who are or have been in debt because of caring increases from 12% of people who have had a caring responsibility for a year or less to 14% of those who have cared for between one and four years. For those caring between five and nine years the proportion who are in debt rises steeply to 19% and to 25% of those who have been caring for over 15 years.

[3] State of Caring 2016, Carers UK
[4] Caring for your future The long-term financial impact of caring, Carers UK 2018

We have run out of money, all savings are gone and we are still overdrawn at the bank, we don't eat every day as we have to spread the food out, we cannot afford repairs on the house and I sleep on a broken bed and sit on a broken settee... we are getting further into debt. – someone caring for between 10 and 14 years

In addition, some carers do not claim Carer's Allowance because they are concerned it may affect the benefits of the person they care for. This can happen when the person is receiving a severe disability premium or an extra premium for severe disability paid with Pension Credit and the carer then receives Carer's Allowance. However, this leaves a carer with no financial support for their caring role. The rules are often not made clear or well explained nor is the fact that they may still be able to claim Carers Credit to protect their pension entitlement.

2. What are the gaps in knowledge/research and how can they be improved?

There is more detailed and up to date research needed on both the take up of Carer's Allowance and the take up of Carer Addition/Carer Premium. This should include identifying key systematic barriers.

3. How can the administration of benefits be improved to maximise take-up? Specific examples would be welcomed.

Digital sources of information are key in providing widespread information that is easily accessible, backed up by more personal interventions through face to face support from Social Security Scotland (including its local delivery officers).

We would recommend a more proactive approach to take up of carers' benefits. Navigating the maze of benefits and entitlements alongside trying to work out the complex health and social care system can be extremely difficult. The NHS and local authorities could really maximise early help for carers as they may be the first organisation (and the most frequent one) that carers come into contact with.

In developing a proactive approach, Social Security Scotland and DWP advisers supporting disabled and older people to claim a disability benefit should always ask whether there is an unpaid carer who may be eligible for Carers Allowance **and** where this is the case support and administer a claim alongside this disability claim.

There is also a role for the Pension Service and the DWP in developing a more seamless and simple process for older carers claiming pension credit who have an underlying entitlement to Carer's Allowance. The current system is overly bureaucratic and means that many older carers are missing out on pension credit and passported benefits to which they are entitled.

4. How far is it possible for technology to create a more automated system, that uses information gathered for other reasons to award benefits automatically? What would the advantages/disadvantages be of greater automation?

There would be some sense in examining whether it is possible to trigger a claim for Carer's Allowance on a successful claim of disability benefits.

5. What can we learn from previous campaigns to increase take-up? Specific examples of projects or approaches that improved benefit take-up, particularly those that were evaluated, would be welcomed.

Information needs to be clear, targeted and specific. Generic campaigns are less likely to be successful in reaching the people they need to reach.

6. Are different approaches required for different benefits and different client groups?

Different approaches for different benefits is important, specifically for benefits like Young Carer Grant as young people may not have any experience of the Social Security process and the targeted information should reflect a youth perspective.

7. What kinds of eligibility criteria ensure better take-up?

Clear concise eligibility criteria is needed, written in plain English and tailored criteria for specific groups e.g. in the case of the Young Carer Grant, that reflects their specific needs. Criteria should be clear enough that individuals can quickly identify whether or not they could be eligible.

8. How might the development of Scottish social security impact on take-up of both reserved and devolved benefits?

Two systems can create both complexity and opportunity. The new Scottish social security system should at its heart develop in a way that enables people to be supported to claim other benefits within the reserved system, and wider benefits including passported benefits

9. Are there other questions you think the Committee should consider as part of this inquiry?

How to best reach hidden carers: we know that it can take years for carers to recognise themselves as carers. This means they can miss out on the financial and practical support available.

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