

National Carer Organisations response to: Scottish Government's request for views on Minimum Income Guarantee

Introduction

The National Carer Organisations welcome the opportunity to share views on Scottish Government's consultation on Minimum Income Guarantee. We are very supportive of Scottish Government's commitment to introducing a Minimum Income Guarantee. We believe this has the potential to combat the financial barriers and tackle poverty experienced by many unpaid carers. A Minimum Income Guarantee also goes some way of continuing to recognise the immense contribution of Scotland's estimated 1.1 million unpaid carers to the people they provide care for and to Scottish society each and every day.

Questions

1. What do you see as being the key elements of a Minimum Income Guarantee?

Key elements of a Minimum Income Guarantee should be a universal guarantee to everyone in Scotland which aims to achieve a minimum acceptable standard of living – while recognising personalisation and differing needs -, and reduces poverty, insecurity and inequalities and delivered through a targeted payment.

That level/s of support must be at a meaningful level to help tackle financial barriers and poverty experienced by many people in Scotland. Minimum Income Guarantee should set out to create a fairer economic society, creating more equal opportunities for people in Scotland. A Minimum Income Guarantee should kick in for any household that falls below an income floor, ensuring no household's income falls below a minimum amount to support a decent standard of living for all. These income floors would need to differ to take account of the differing household costs, including for example for unpaid carers who have responsibilities for people requiring care. The system must be adaptable and quickly be able to address changes in circumstances, such as if a cared-for person's care needs intensify, resulting in additional costs for unpaid carers and households. These costs could also be even greater for some unpaid carers and also specific communities (for example Gypsy/Traveller community) where living costs and utilities can be much higher due to how heat and power are supplied to homes.

It is vital that Scottish Government consults directly with unpaid carers to have a clearer understanding on the financial difficulties they can experience, and the additional costs unpaid carers may have by caring for people with care needs and what level of support is required to help combat this. If developed in the vision of dignity, fairness and respect and at appropriate financial levels that will alleviate financial difficulties, a Minimum Income Guarantee could significantly change the quality of life for many unpaid carers and create a financial safety net which could also result in unpaid carers perhaps being able to access more breaks from caring in the form of culture, leisure and recreation which otherwise might be unaffordable.

2. What do you see as the main benefits, challenges and risks of a Minimum Income Guarantee in Scotland?

Even before the COVID-19 pandemic, around one million people in Scotland were already living in poverty including one in four childrenⁱ.

Recently, the Joseph Rowntree Foundation 2020/21 Poverty Report estimated that in the UK in 2019/20, more than a quarter of unpaid carers were living in relative poverty. For women of working age, the rates of poverty were higher; 28% of female carers living in poverty (26% male). For those under 35, this gender poverty gap is even greater with nearly 40% of young women who care in poverty versus 25% of young male carers.

The DWP's Family Resources Survey reports that over half of adult unpaid carers were in employment in 2019/20 (including unpaid carers aged 65 and over). 36% of unpaid carers were working full-time and 17% were working part-time. We know that during the pandemic from researchⁱⁱ by Carers Scotland and Carers UK, 9% of unpaid carers reported that they had had to give up work and a further 11% having to reduce their working hours.

At a UK wide level, the number giving up work to care has increased. Over the past two years nearly 500,000 people across the UK have given up work to care. This equates to around 600 people every day. With loss of employment or reduced hours and living on reduced incomes, many unpaid carers cannot save for a pension and thus poverty follows them into retirement, often well after their caring role has ended.

Ultimately a main benefit of a Minimum Income Guarantee is that it should reduce poverty and inequalities. Minimum Income Guarantee has the potential to provide preventative support for unpaid carers. It could help improve health outcomes for unpaid carers, which could result in longer term health savings.

It is imperative that Scottish Government policy is joined up when considering a Minimum Income Guarantee. Any additional support that unpaid carers would receive through Minimum Income Guarantee must not impact unpaid carers' entitlement to wider support, such as social care support and carer benefits.

Equally in understanding what a Minimum Income Guarantee looks like for certain groups, consideration must also be given to the costs of care and disability. Carers UK carried out a 12-month investigation into the financial situation of unpaid carers and their families, the results of which were published as a report, "Caring & Family Finances"ⁱⁱⁱ. The inquiry found there were significant additional costs associated with caring for loved ones who are older, disabled or seriously ill. For example:

- 77% faced higher utility bills
- 52% spent more on cleaning products
- 49% spend more on shopping
- 24% spent more on specialist foods and 18% on incontinence products.

A challenge for Scottish Government to deliver the aspirations of an impactful Minimum Income Guarantee scheme is that it would need further devolved powers over tax and social security which it doesn't currently have. Another challenge would be that in order to introduce Minimum Income Guarantee is that there would need to be an assessment process and ultimately a level of means testing. Depending on how this assessment process is designed and implemented, this

could be a barrier to access. Especially for unpaid carers and the people they care for who many have previously reported negative experiences while trying to access financial support^{iv}. These assessment procedures are also usually costly to administer. However, a Minimum Income Guarantee may result in cost savings associated with not requiring to run such a complex social security system, which may be viewed more positively by unpaid carers and the people that they care for who often report finding the current social security complex and stressful; it would also help move from a deficit model to more of a human rights approach.

Arguably the Scottish Government should not rule out explore a UBI in Scotland, which could amongst other things, promote more societal cohesiveness, reduce stigma and be less costly to administer. However, similarly to our points on Minimum Income Guarantee, it must recognise the costs of caring and disability to meet the needs of disabled people and unpaid carers.

3. Are there certain groups of people that you think should be given particular attention when thinking about how a Minimum Income Guarantee in Scotland should work?

Unpaid carers are at a higher risk of living in poverty^v and should be given particular attention in Scottish Government's thinking about how a Minimum Income Guarantee in Scotland should work. Particular focus should also be given to intersectional groups of unpaid carers who may experience multiple layers of inequality – such as BAME, LGBT+, disabled etc unpaid carers. Unpaid carers in these communities may be disproportionately worse off – within the overall context of unpaid carer poverty – and a Minimum Income Guarantee could go some way to addressing this inequality.

Minimum Income Guarantee has the potential to transform the lives of many unpaid carers. At present unpaid carers who undertake full-time further or higher education are unable to claim Carer's Allowance; they may need to make the decision between their education and claiming Carer's Allowance, which often results in many unpaid carers unable to progress their education aspirations and limits their career prospects.

Scottish Government needs to continue to recognise the value of the work provided by unpaid carers and recognise that caring often creates a barrier to entering paid work for many unpaid carers. Unpaid carers save the Scottish economy £10.9 billion^{vi} – close to the cost of providing NHS services in Scotland. The rest of the economy relies on the work of unpaid carers, and yet current financial support through social security entitlement for unpaid carers means their incomes are below the current minimum income standards. As the majority of unpaid carers are women, the undervaluation of unpaid care work is deeply gendered – which impact women's career aspirations and opportunities in the labour market^{vii}. Tackling wealth inequality would provide dignity and security to unpaid carers who are too often undervalued and overlooked by current support provision. Unpaid carers should have access to social security income that supports a decent standard of living as a point of principle.

Current social security provision does not provide enough financial support for unpaid carers to meet a minimum income standard, nor should they be expected, or it be possible for them to pursue additional paid work to boost their income. Carer's Allowance Supplement, Young Carer Grant and additional temporary support provided as a result of the pandemic have been welcomed by unpaid carers, but Scotland Government must still go much further to allow unpaid carers to have a decent standard of living. Statham, Parkes and Gunson^{viii} (2021) highlight that a priority for unpaid carers in Scotland is meeting the minimum income standard. For this to be possible they note:

“We estimate that for carer’s allowance supplement to close the gap to the minimum income standard it would need to increase from £38 per month to £241 per month. We estimate this would cost approximately £200 million in additional social security spending in the next financial year.” (Stathan, Parkes and Gunson, 2021).

The pandemic has had a massive impact on unpaid carers. Research by Carers Scotland^{ix} found that 87% of unpaid carers were providing more care and this was further evidenced by a recent report from Carers Trust Scotland^x who found 90% of unpaid carers were providing more care. Not only have unpaid carers been providing more care, but the care they have provided has been more demanding with 8 in 10 saying the care needs of the person they care for have increased.

This increase in care and levels of care provided has continued throughout the pandemic, placing significant demands on unpaid carers’ physical and mental health, finances and employment. For example, 29% of unpaid carers in Caring Behind Closed Doors^{xi} said that they were struggling to make ends meet and 7% had had to give up work to care:

“After having to give up my semi-professional career 2 years ago to look after my son the drop in my finances has been huge and debilitating!”

“I’m a carer for an 83yr old parent with chronic heart failure almost blind and deaf and he’s disabled. I am unable to work because of this. There’s only 1 wage comes in to our house and we sometimes get universal credit every other month. We are up to our eyes in debt and are robbing peter to pay Paul. There are no other benefits we can apply for. Carers allowance weekly just isn’t fair I worked my whole life. £67.60 does not even meet my family shopping bill, I have a 12 Yr old son whose missed out on so much because I’m caring for his grandfather.”

There are also additional barriers for unpaid carers in receipt of the full State Pension, as due to current overlapping benefit rules, they are not entitled to Carer’s Allowance:

“How many pensioners care for loved ones without any support and not entitled to benefits, living on basic pension and the majority in fuel poverty. The costs of caring include heating, adjustments to home, beds/mattresses, transport, special diets and incontinence products just as basic requirements, if not assessed for social care, carers have to meet costs themselves as well as toll on own health. The majority of elderly carers, are not entitled to carers allowance and miss out. A great proportion of Scottish unpaid carers are the elderly.”

Scottish Government have powers now to make transformative changes to unpaid carer finances as they move forward in consulting on the future of Scottish Carers Assistance. Through our recent survey work, unpaid carers highlighted the need to reform Carer’s Allowance by expanding eligibility, increasing the level of the benefit, recognising those unpaid carers with more than one caring role and providing support for those who are not currently eligible.

This is echoed in the National Carer Organisations Manifesto for Unpaid Carers and Young Carers^{xii} (developed from the views of unpaid carers). This calls for a full reform of Carer’s Allowance, in order to support unpaid carers better, including those in employment or education. The new benefit should recognise that caring impacts on health, employment etc at 20 hours per week or more and it should seek to address the overlapping benefit rule that disadvantages unpaid carers receiving other entitlements, such as State Pension:

“Remove the rule that if you work and earn over a certain amount you can’t claim carers allowance. I work so excluded from claiming. My child’s needs don’t magically disappear because I work. As soon as I leave work, I deliver care to a child with complex physical disabilities and rather unstable diabetes day and overnight. Having more than one child it’s easy to compare the additional support that is required when disabilities are present. Of course, I do it because as a parent that’s what you do however it is all consuming and expensive to manage. I genuinely believe that should be recognised and supported and may keep more parents in the situation in work which would not only benefit them and their family but society as a whole.”

“I wish students could claim carers allowance. I am a student nurse. Yes, I get a bursary but it does not cover the care I need to pay for, for my autistic daughter.”

“I think it ought to be given to pensionable age carers because caring gets harder with age as do cared for people’s disabilities. I see how my mum has no choice but to neglect herself. She doesn’t get to spend time with her grandchildren like normal granny’s - she is taking care of my dad 24/7. And in the time, she has cared for him he has progressively got more disabled and more difficult to manage while she has aged and grown frail and thin. She will be worked to death looking after him. And it won’t be long. She is only 66.”

“Most carers are also on benefits; your standard carers allowance is subtracted from the benefit leaving no financial difference for the job you do. Carers need to be properly recognised and paid a living wage equivalently.”

For those unpaid carers who are not currently eligible for Carer’s Allowance, there is also an opportunity to develop, for example, a Carers Recognition Payment with the Carer’s Allowance Supplement providing a model for delivery.

A small proportion of unpaid carers responding to our survey raised the issue of having no access to benefits or cannot access Carer’s Allowance due to residency conditions. This can occur, for example, where an individual or the person they care for has not been habitually resident in Scotland for a sufficient time or is subject to certain immigration controls. The unpaid carer quoted below provides an example of this:

“They should consider the unpaid carers, who are not eligible for Carer’s Allowance, due to the fact, that the disabled person they care for (in my case-24-hour care, by myself -no respite- for my adult severely disabled son), has No Recourse to Public Funds (NRPF). Hence, he has no disability award letter. Albeit the unpaid carer is a British citizen, and the cared for is here legally, I struggle every day to put food on our table, and keep our utilities on. Both my son and myself had COVID. I still had to care for him despite having COVID, I had no choice and no money. Carer’s Allowance along with a supplement would have allowed me to bring someone in to help us. We are both still suffering from the effects of having COVID.”

A Minimum Income Guarantee would greatly assist the additional costs these unpaid carers face. There are greater financial pressures faced by people with no recourse to public funds and by association, any unpaid carers caring for them. Other examples include where someone has returned to Scotland to provide care to an elderly parent. They may not be entitled to Carer’s Allowance, despite saving the public purse considerable amounts of money by providing care until they have been resident for a period of time. The Scottish Government and Scottish Parliament should consider measures to address these issues.

Scottish Carer's Assistance should be a passport to other support. The unpaid carer below makes the suggestion of free dental treatment and we are aware the Scottish Government is expanding eligibility, beginning with young people. We would suggest that there is an opportunity to include unpaid carers in the early tranches of expansion. Furthermore, unpaid carers have also highlighted examples where help could be provided such as council tax reductions, free glasses and leisure access and concessionary travel:

"Free dental included with Carer's Allowance. It's so expensive and would help us stay healthy in order to ensure we are at our best to fulfil our caring role."

The National Carer Organisations are in support of Scottish Government's efforts to introduce a Minimum Income Guarantee. But also calls on Scottish Government to use the powers it currently has now to reform social security support for unpaid carers to ensure they are able to have a decent standard of living and are recognised and valued for all that they do.

4. What steps should we take first to deliver the Minimum Income Guarantee in Scotland? You may wish to think about public services, employment and employers, and social security.

The National Carer Organisations recommends that Scottish Government engages and consults directly people who has lived experience of being an unpaid carer and with carer centres/services that support these people in Scotland as a matter of priority in its plans for delivering a Minimum Income Guarantee.

Conclusion

In conclusion, we welcome a Minimum Income Guarantee and it is vital that the experiences and voices of unpaid carers are central in future policy planning. The National Carer Organisations would be happy to offer to help Scottish Government to meet and engage directly with unpaid carers as part of this work.

Contacts:

- Claire Cairns, Coalition of Carers in Scotland: coalition@carersnet.org
- Fiona Collie, Carers Scotland: fiona.collie@carerscotland.org
- Kate Hogarth, Shared Care Scotland: kate.hogarth@sharedcarescotland.com
- Paul Traynor, Carers Trust Scotland: ptraynor@carers.org
- Suzanne Munday, MECOPP: suzanne@mecopp.org.uk

The National Carer Organisations are Carers Scotland, Carers Trust Scotland, the Coalition of Carers in Scotland, Crossroads Caring Scotland, MECOPP, Shared Care Scotland, and the Scottish Young Carers Services Alliance.

Together we have a shared vision that all Scotland's unpaid carers will feel valued, included and supported as equal partners in the provision of care. The NCOs aim to achieve this through the representation of unpaid carers and giving them a voice at a national level.

We believe we can deliver more for unpaid carers by working together to share our knowledge and experience, and by focusing our collective efforts on achieving improvements in areas of policy and practice that are of greatest concern to unpaid carers.

ⁱ McCormick and Hay (2020) Poverty in Scotland 2020y: <https://www.jrf.org.uk/report/poverty-scotland-2020>

-
- ii Caring Behind Closed Doors, Carers UK, 2020
- iii Caring and Family Finances Inquiry, Carers UK, 2014 <https://www.carersuk.org/for-professionals/policy/policy-library/caring-family-finances-inquiry>
- iv The most concerning aspect of the feedback gathered from the Scottish Government’s Experience Panels is the level of stress and worry that the process of claiming disability benefits can cause. Some participants suggested that the stress from the process can leave people feeling “suicidal”. One participant said: “I spend from the time I write any form to the time I get the response on my knees mentally with fear, anxiety and stress.”
<https://www.gov.scot/publications/welfare-reform-report-impact-welfare-reforms-disabled-people/pages/4/>
- v New Policy Institute (2016) Informal carers & poverty in the UK: An analysis of the Family Resources Survey: http://www.npi.org.uk/files/2114/6411/1359/Carers_and_poverty_in_the_UK_-_full_report.pdf
- vi Unseen and Undervalued, Carers UK 2020 <https://www.carersuk.org/for-professionals/policy/policy-library/unseen-and-undervalued-the-value-of-unpaid-care-provided-to-date-during-the-covid-19-pandemic>
- vii Engender (2020) Gender and unpaid work: the impact of Covid-19 on women’s caring roles: https://www.engender.org.uk/content/publications/1594974358_Gender--unpaid-work---the-impact-of-Covid-19-on-womens-caring-roles.pdf
- viii Statham, Parkes and Gunson (2021) Securing a Living Income in Scotland: Towards a Minimum Income Guarantee: <https://www.ippr.org/publication/securing-a-living-income-in-scotland>
- ix Carers UK/Scotland (2020) Caring Behind Closed Doors: https://www.carersuk.org/images/News_and_campaigns/Caring_Behind_Closed_Doors_Oct20.pdf
- x Carers Trust Scotland (2021) Covid-19 in Scotland: The impact on unpaid carers and carer service support workers, Carers Trust Scotland: <https://carers.org/downloads/scotland-pdfs/covid-19-in-scotland.pdf>
- xi Carers Scotland/UK (2020) Caring behind closed doors: six months on The continued impact of the coronavirus (COVID-19) pandemic on unpaid carers
http://www.carersuk.org/images/News_and_campaigns/Behind_Closed_Doors_2020/Caring_behind_closed_doors_Oct20.pdf
- xii National Carer Organisations (2021) A Manifesto for Unpaid Carers and Young Carers: <https://carers.org/downloads/scotland-pdfs/nco-carers-manifesto-for-scottish-parliament-election-2021.pdf>