

# Minimum Income Guarantee for unpaid carers

Developing a pilot programme



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# Foreword

**Richard Meade**  
Director, Carers Scotland



With an increasingly ageing population, the number of unpaid carers in Scotland continues to grow. Alongside this, the reliance the state and its stretched public services place upon unpaid carers has risen significantly, with too many unpaid carers left to provide care with little or no support.

Despite saving Scotland £15.9 billion each year<sup>1</sup>, caring can come at a great cost – with greater poverty and poorer health than non-carers, and damaged earning and career prospects. This damage to earning potential also impacts pensions and retirement and can continue long after a caring role has ended.

Although some legislative and policy improvements for carers and greater recognition of their role have emerged over the 25 years of devolution, support to prevent the poverty they face, in both devolved and reserved social security systems, has remained limited. The main benefit for carers, Carer's Allowance, which was introduced in 1976, has changed little in 50 years and is the lowest income replacement benefit. Some greater change has emerged with the devolution of carer benefits to the Scottish Parliament, resulting in the introduction of a Scottish Carer's Allowance Supplement in 2018 and the extension of the new Carer Support Payment (replacing Carer's Allowance in Scotland) to those in full-time education in 2023.

Employment is one of the key drivers in keeping unpaid carers out of poverty. For those able to juggle paid employment and caring responsibilities, legislative change to support employment began only around a decade ago with more rights to flexible working, time off for emergencies and to prevent discrimination of carers in the workplace. However, the first dedicated right to unpaid carers leave was only introduced in 2024.

The Minimum Income Guarantee (MIG) offers an opportunity to provide a good quality of life for all our citizens. It allows us to ensure that everyone has secure and stable incomes, and access to quality, person-centred services, built around the needs of individuals and communities. For unpaid carers, this means recognising their unique and vital role, and building financial and practical support that enables them to continue to care (if that is their wish) without detriment to their wellbeing, incomes and opportunities. Delivering a pilot MIG for unpaid carers offers the chance to begin building this aspiration, and we hope the Scottish Government will grasp this chance with both hands.

A handwritten signature in black ink, appearing to read 'Richard Meade'.

**Richard Meade**

<sup>1</sup> Valuing Carers 2022: Scotland, Carers Scotland and Centre for Care (November 2024)

## Stephen Boyd IPPR Scotland



Over a quarter (28%) of unpaid carers in Scotland live in poverty. That figure is not just a statistic; it represents the daily struggles of thousands of individuals who selflessly dedicate their time and energy to caring for others, often at great personal cost.

The Scottish Government has already demonstrated its commitment to addressing this issue through the introduction of the Carer's Allowance Supplement. It has also recognised the argument for going further, setting out a commitment to explore a Minimum Income Guarantee for unpaid carers in the 2023/24 Programme for Government as a route to supporting this vital group.

This report responds to that commitment, and builds upon the groundwork laid by the Minimum Income Guarantee Expert Group. By exploring the potential impacts and outlining a viable model of implementation, we aim to contribute to the development of a more equitable and supportive system for unpaid carers in Scotland.

As we move forward, it is essential to recognise that addressing carer poverty is not just a matter of social justice, but also an investment in the economic and social fabric of our nation. By supporting carers, we strengthen families, communities, and ultimately, our entire society.

*Stephen Boyd*

**Stephen Boyd**



# Executive summary

An unpaid carer is someone who is providing unpaid care and support to a family member, partner, friend, or neighbour who is disabled, has an illness or long-term condition, or who needs extra help as they get older. This support could be a few hours a week, or it could be round the clock care.

Poverty amongst unpaid carers is deeply entrenched and affects significant proportions of the carer population, with unpaid carers more at risk of poverty than non-carers<sup>2</sup>. Research in 2024 showed that more than a quarter (28%) of unpaid carers live in poverty in Scotland, 56% higher than those who do not provide unpaid care (18%). The rate of deep poverty is 60% higher for unpaid carers compared to those who do not provide unpaid care in Scotland (8% vs 5%)<sup>3</sup>.

Some groups of unpaid carers live with higher levels of poverty, including those providing more hours of care, caring for more than one person and carers who are in poor health, alongside those who are female, from a minority ethnic group and those in receipt of Carer's Allowance/Carer Support Payment or an income-related benefit such as Universal Credit.

Current social security payments are inadequate and do not meet unpaid carers' needs, and financial support is failing to keep pace with rising costs. In addition, costs can be exacerbated for unpaid carers in rural and island communities. This inadequacy and rising costs are leading to an erosion of current and future financial security and increasing debt amongst unpaid carers. It has also led to unpaid carers experiencing a lack of dignity and respect, no life beyond caring and living a life less than their peers. For some, it also means financial dependence on others. A Minimum Income Guarantee must recognise and respond to the financial and opportunity costs experienced by unpaid carers.

Furthermore, the current challenges facing the health and social care system are leading to insufficient service provision for older and disabled people and unpaid carers themselves. This impacts upon unpaid carers' health and wellbeing, and upon their ability to remain in or return to employment, career choices and therefore incomes. Increasing capacity of services and support will be important enablers and therefore action by government, nationally and locally, is needed to complement the improved financial security intended through a Minimum Income Guarantee.



<sup>2</sup> Research including the Poverty in the UK series, most recently *UK Poverty 2024*, Joseph Rowntree Foundation (2024) and *The Caring Penalty*, Thompson et al., Joseph Rowntree Foundation (2023)

<sup>3</sup> *Poverty and financial hardship of unpaid carers in Scotland*, Carers Scotland, WPI Economics and abrdn Financial Fairness Trust (2024)

## Developing a pilot Minimum Income Guarantee (MIG) for unpaid carers

This project by Carers Scotland and IPPR Scotland explored the challenges unpaid carers face, bringing the knowledge and lived experience of unpaid carers and the expertise of stakeholders, including the third sector and academia, to develop a proposal for a pilot MIG for unpaid carers. The work of the project has been funded by The Robertson Trust.

This pilot MIG for unpaid carers will aim to respond to some of the challenges unpaid carers face, seeking to deliver enhanced and tailored support with the aim of bringing carers on low incomes to an agreed income standard. The University of Loughborough has developed and calculated a Minimum Income Standard (MIS). The Minimum Income Guarantee Expert Group (2023) has argued that a MIG should ensure an income level at some point between the poverty line and the MIS<sup>4</sup>. Accordingly, we have estimated the scale of payments that would be needed if based on the poverty line, the MIS, and an intermediate level. Our intermediate level, 90% of the MIS, is the income standard already used by the Scottish Government in its definition of fuel poverty.

The pilot would be offered to unpaid carers as part of an enhanced Adult Carer Support Plan. This would include benefits maximisation and identifying other forms of help for which the carer may be eligible.

- The pilot would set out an income standard and provide an additional benefit payment (a “MIG pilot payment”) which would aim to lift unpaid carers’ incomes to the proposed income standard.
- Carers would qualify for the additional payment if they receive means-tested benefits (Universal Credit [UC] or Pension Credit) after being supported to access these and any other benefits they are eligible for.
- Unpaid carers would be eligible for the MIG pilot payment if they care for 20 hours per week or more.

- The aim of the payment would be to bring the carer’s *household* income to the proposed income standard. As such, the amount each carer would be eligible for would be determined by their household composition, including the number of children and adults in the household. Basing the payment amount on household composition does not necessarily imply that it should be paid as a household benefit.
- The starting point should be for the MIG pilot payment to be paid to the unpaid carer whether or not the qualifying benefit is paid to them. The Scottish Government should continue to pursue flexibility in how benefits are paid, including its intention to allow flexibility in splitting UC awards<sup>5</sup>.
- Pilot participants would receive support for the duration of the pilot’s main phase. We recommend this payment support continues for 24 months, with reassessment midway through, alongside additional time built in for recruitment and evaluation. Provision would also be built in to continue to support a carer for an appropriate period if the person they care for dies during the pilot.

The purpose of the pilot will be to:

1. track the impact on unpaid carers’ wellbeing of supporting their incomes in-line with a MIG;
2. integrate the pilot with existing support, both financial and non-financial, to provide a holistic approach to supporting unpaid carers;
3. understand the diversity of situations and contexts for unpaid carers so that reform of benefits in Scotland and progress towards a MIG takes account of all their needs.

Carers Scotland and IPPR believe that, not only should this support the Scottish Government to deliver a pilot for a limited number of unpaid carers, but once implemented, it will function as a proving ground for the full rollout of a MIG for unpaid carers and beyond at a national level.

<sup>4</sup> *The Minimum Income Standard for the United Kingdom*, Loughborough University (2024) [www.lboro.ac.uk/research/crsp/minimum-income-standard](http://www.lboro.ac.uk/research/crsp/minimum-income-standard)

<sup>5</sup> Letter from Cabinet Secretary for Social Justice (2024) [www.parliament.scot/-/media/files/committees/social-justice-and-social-security-committee/correspondence/2024/cabinet-secretary-for-social-justice-split-payments-universal-credit.pdf](http://www.parliament.scot/-/media/files/committees/social-justice-and-social-security-committee/correspondence/2024/cabinet-secretary-for-social-justice-split-payments-universal-credit.pdf)

# Background



## 1. Unpaid carers in Scotland

The most recent estimate of unpaid carers in Scotland found that there are 627,715 people providing care, including 13,652 of whom aged under 16<sup>6</sup>. This is an increase of 27.5% since Scotland's Census was last carried out in 2011.

However, many unpaid carers do not recognise themselves as unpaid carers, instead identifying first as a partner, son or daughter, relative or friend. Research by Carers Scotland<sup>7</sup> found that more than half (58%) of unpaid carers take a year or more to recognise themselves as a carer, with 26% taking five years or more. Therefore, the level of caring shown in Scotland's Census is likely to be a significant underestimate.

Caring is also gendered, with 59% of the unpaid caring population being female. Across the Scottish population, there are a higher percentage of females providing unpaid care (13.5%) than males (10.1%).

This is reflective across most age groups, but the difference between genders is greatest in people aged between 35 and 64<sup>8</sup>; a time when managing the demands of caring, often alongside parenting, can significantly impact upon the ability of individuals to earn, build their careers and save for retirement.

These statistics reflect the trend that caring will affect most of us. Research by Carers UK found that two thirds (65%) of us can expect to become an unpaid carer at some point in our life and that 70% of women and 60% of men in Scotland had already held a caring role. For women, the impact of caring was likely to begin earlier, with women taking on a caring role on average 12 years earlier than their male counterparts – at aged 45 and 57, respectively<sup>9</sup>.

<sup>6</sup> Scotland's Census 2022 – National Records of Scotland (October 2024)

<sup>7</sup> State of Caring, Carers Scotland (2024)

<sup>8</sup> The gap between females and males was highest in the 50 to 64 age group (23.9% vs 16.7%). The 35 to 49 age group had the next largest gap between females and males (17.9% vs 11.8%). Scotland's Census 2022 – National Records of Scotland (October 2024)

<sup>9</sup> Will I Care? The likelihood of being a carer in adult life, Carers UK and CIRCLE (Centre for International Research on Care, Labour and Equalities), University of Sheffield (2019)



## 2. Scottish Government commitment to Minimum Income Guarantee (MIG) and a pilot for unpaid carers

The Scottish Government committed to working to deliver a MIG in 2021<sup>10</sup> to provide everyone in Scotland with a minimum acceptable standard of living, ensuring people have enough money for housing, food and essentials to allow them to live a decent, dignified, healthy and financially secure life. It has the potential to deliver transformational change, and reduce poverty and inequality.

To take this work forward, the Scottish Government established a cross-party Steering Group and an Expert Group<sup>11</sup> with representation from academia, the trade unions, poverty and equality organisations. This group includes the authors of this report – Carers Scotland and IPPR Scotland.

The Scottish Government set up an Independent Expert Group to advise on the design of the MIG. The Expert Group has also been supported by an Experts by Experience Panel made up of people with experience of poverty and social security. A full report<sup>12</sup> from the Experts by Experience Panel was published in April 2024.

The Minimum Income Guarantee Expert Group published an Interim Report<sup>13</sup> in March 2023. This report outlined the work carried out, the key principles that should be the foundation of a MIG and high-level findings on the design and delivery. It also set out the outstanding questions and recommended initial actions to consider for year two of the Expert Group's work to form the basis of the full report.

In the 2023/4 Programme for Government<sup>14</sup>, the Scottish Government outlined a commitment to work with the Minimum Income Guarantee Expert Group to consider the Social Renewal Advisory Board's recommendation, "to model a MIG for unpaid carers, the majority of whom are women, and who have been hard hit by the cost-of-living crisis."

The Minimum Income Guarantee Expert Group is expected to publish its final report in early 2025.

## 3. Carers Scotland and IPPR Scotland

This research on developing a pilot MIG for unpaid carers has been developed by Carers Scotland and IPPR Scotland.

### Carers Scotland

Carers Scotland is a charity set up to help the hundreds of thousands of people in Scotland who care, unpaid, for family or friends and is a membership organisation of carers for carers. Carers Scotland is the Scottish nation office of Carers UK. The charity provides information and advice about caring alongside practical and emotional support for carers. Carers Scotland campaigns and influences policymakers, employers and service providers, using carers' insights and lived experiences, to help improve carers' lives.

[carersuk.org/scotland](https://carersuk.org/scotland)

### IPPR Scotland

IPPR, the Institute for Public Policy Research, is an independent charity working towards a fairer, greener, and more prosperous society. IPPR consists of researchers, communicators, and policy experts creating tangible progressive change, and turning bold ideas into common sense realities. Working across the UK, IPPR, IPPR North, and IPPR Scotland are deeply connected to the people of our nations and regions, and the issues our communities face. IPPR Scotland works to shape public policy in pursuit of a fairer, greener, more prosperous Scotland. Since 2015, we have delivered significant impact, successfully influencing decision-making in Scotland across a range of topics, from tax and spend, to education and skills.

[ippr.org/scotland](https://ippr.org/scotland)

## 4. Research funding

This work by Carers Scotland and IPPR Scotland to explore and develop options for a MIG for unpaid carers has been funded by The Robertson Trust.

The Robertson Trust is the largest independent grant-making trust in Scotland and are here to prevent and reduce poverty and trauma in Scotland, funding, supporting, and influencing solutions to drive social change.

[therobertsontrust.org.uk](https://therobertsontrust.org.uk)

<sup>10</sup> *Programme for Government*, Scottish Government, P37 (2021)

<sup>11</sup> MIG Steering Group and Expert Group: [www.gov.scot/groups/minimum-income-guarantee-steering-group](https://www.gov.scot/groups/minimum-income-guarantee-steering-group)

<sup>12</sup> *MIG Experts by Experience Report* (2024) [www.gov.scot/publications/minimum-income-guarantee-experts-experience-panel-report](https://www.gov.scot/publications/minimum-income-guarantee-experts-experience-panel-report)

<sup>13</sup> *MIG Expert Group: Interim Report* (2023) [www.gov.scot/publications/minimum-income-guarantee-expert-group-interim-report](https://www.gov.scot/publications/minimum-income-guarantee-expert-group-interim-report)

<sup>14</sup> *Programme for Government 2023/24*, Scottish Government



# The project



## 1. The project and what we hope to achieve

The Scottish Government commitment to develop a Minimum Income Guarantee (MIG) is important and would represent a significant and radical proposal to tackle poverty and financial insecurity. However, it is also a substantial undertaking. Even with government appetite, existing legislative powers, fiscal position, and social security infrastructure mean a ‘full’ MIG could be many years away.

This long-term ambition cannot come at the expense of short-term and incremental progress and there is a significant opportunity to explore the feasibility of applying the principles of a MIG to a smaller,

well-defined, and priority population group through a ‘pilot’ approach. Unpaid carers represent one such important, and often overlooked, group.

This project aimed to develop and appraise options for the delivery of a MIG for unpaid carers, across work, services and social security, through an approach of quantitative analysis of existing evidence, and with the voice of lived experience at its heart. This project report provides evidence to support the thinking and policy priorities of both the Minimum Income Guarantee Expert Group and the Scottish Government for the development, rollout and potential piloting of a MIG, and wider policy on unpaid carers.

## 2. Methodology

The aim of this project is to develop a proposal for a MIG pilot for unpaid carers which is:

- implementable by the Scottish Government;
- insightful in what it tells us about how a MIG could operate;
- ultimately delivers increased financial security for unpaid carers.

This complete recommendation for the Scottish Government to pilot a MIG for unpaid carers is the product of research, analysis, and modelling by Carers Scotland and IPPR Scotland. The methodology which guided the project was a mixed method approach, which made use of both quantitative and qualitative methods.

The quantitative portion of the project firstly helped to identify the scale of the financial challenge unpaid carers, as a group, experience. It also built a full picture of recipients of carer benefits, which helped inform the size and profile of the carer population a proposed pilot would target.

As well as providing initial insights, quantitative methods were utilised to model the costs, and anti-poverty impacts, of initial pilots devised by Carers Scotland and IPPR Scotland. This was possible through IPPR's tax-benefit model. Using this tax-benefit model, initial prospective pilots were then developed and tested with experts and carers to ascertain their validity and raise questions about how a prospective and robust MIG pilot for carers could be developed and implemented by the Scottish Government.

Qualitative work, which sat alongside quantitative work, gave depth and nuance to the research to help understand carer experiences and the practical policy considerations that helped formulate a robust plan for a MIG pilot. As such, this project was characterised by regular engagement with carers with lived experience, experts in MIG from academia and government, and representatives of carer organisations, at every stage.

Carers Scotland and IPPR Scotland each assumed responsibility for hosting and shaping qualitative sessions. These included:

- three focus groups with unpaid carers to discuss issues relating to cost of care, minimum income needed, proposals for a MIG for unpaid carers, enablers and barriers;
- two focus groups, including a Policy Lab, with expert stakeholders considering the design and delivery of a pilot.

These sessions provided the platform to hear from participants, and test our pilot proposals and delivery options which helped inform the final design of the pilot.

Altogether this was the work necessary to develop a robust and implementable MIG pilot for unpaid carers to propose to the Scottish Government.

## 3. Steering group

Carers Scotland and IPPR Scotland established a steering group of experts in unpaid caring, public policy and social security to support this work, and provide expertise and feedback on actions and proposals as the project developed.

- Salena Begley MBE, Family Fund
- Ruth Boyle, Poverty Alliance
- Lindsay McCurley, unpaid carer
- Professor Angela O'Hagan, in personal capacity
- Dr Juliet Stone, Loughborough University
- Ellie Wagstaff, Marie Curie Scotland
- Heather Williams, Scottish Women's Budget Group
- Richard Meade, Fiona Collie and Joe McCready from Carers Scotland
- Dave Hawkey and Casey Smith, IPPR Scotland.

## 4. Quantitative work

Carers Scotland undertook additional analysis of State of Caring 2024 – an annual survey of unpaid carers – alongside the findings of *Poverty and financial hardship of unpaid carers in Scotland*<sup>15</sup> and *in the UK*<sup>16</sup>. This is set out in the context of the levels of poverty amongst unpaid carers in both background sections of this report and in the modelling of recommendations.

<sup>15</sup> *Poverty and financial hardship of unpaid carers in Scotland*, Carers Scotland, WPI Economics and abrdn Financial Fairness Trust (2024)

<sup>16</sup> *Poverty and financial hardship of unpaid carers in the UK*, Carers UK, WPI Economics and abrdn Financial Fairness Trust (2024)



## 5. Qualitative work

### Focus groups with unpaid carers

Carers Scotland held three focus groups for 16 unpaid carers. These groups represented a mix of caring situations, ages and geographic locations, including from rural and island communities. The discussions focused on two questions: the current challenges unpaid carers face and their views of a MIG and how this approach could seek to meet these challenges. These discussions are set out in Section 2 of the findings.

### Focus groups with stakeholders

IPPR Scotland hosted one focus group with experts from academia in the research of a MIG, and representatives from carer and other relevant third sector organisations. An initial focus group was held with participants to identify what circumstances carers face and what a MIG pilot for unpaid carers needs to address in its design to maximise impact. The outcome of that discussion helped IPPR Scotland and Carers Scotland devise initial MIG pilot proposals set out in a briefing paper which was used in the subsequent Policy Lab with stakeholders.

### Policy Lab

Carers Scotland and IPPR Scotland held a Policy Lab on 25 October 2024 and explored three initial models developed as an outcome of the engagement with unpaid carers, stakeholders and the advice of the steering group alongside the key themes that had emerged from focus groups and the evidence of unpaid carer poverty. The Policy Lab explored the purpose of a pilot, modelling assumptions and three initial proposals for a MIG for unpaid carers. Options considered spanned benefit top-up payments, an extended version of Carer Support Payment, and bespoke help to access support, discounts and services.

The Policy Lab proposed that the MIG pilot for unpaid carers could fulfil several different purposes, with different pilot designs adhering to different objectives. Some of those objectives include testing the impact of a MIG on unpaid carers' quality of life; exploring the practical pros and cons of different approaches; and testing what impact a MIG might have on enhancing employment prospects for unpaid carers.

Questions discussed with stakeholders can be found in Appendix 2.





# Findings



## 1. Quantitative analysis – poverty and unpaid carers

Poverty amongst unpaid carers is deeply entrenched and affects significant proportions of the carer population, with unpaid carers more at risk of poverty than non-carers<sup>17</sup>. Research in 2024 showed that more than a quarter (28%) of unpaid carers live in poverty, 56% higher than those who do not provide unpaid care (18%). The rate of deep poverty is 60% higher for unpaid carers compared to those who do not provide unpaid care in Scotland (8% vs 5%)<sup>18</sup>.

This poverty rate is even higher for some groups of unpaid carers (based on UK-wide analysis)<sup>19</sup>.

- Unpaid carers providing high levels of care – 35 hours a week or more – have a poverty rate that is more than double (43%) that of people who do not have a caring role (18%).
- Unpaid carers who care for more than one person have a higher rate of poverty than those who care for one person (35% vs 26%).
- Female carers have a higher rate of poverty than male carers (28% vs 25%).

- Unpaid carers from minority ethnic groups were more likely to be living in poverty, with the highest rates of poverty amongst “mixed/multiple ethnic groups” (48%) and “other ethnic groups” (53%).
- Unpaid carers aged 25-44 have the highest rate of poverty of any other age group (38-39%).
- Almost half (47%) of carers in bad or very bad health are in poverty. This compares to around 40% of the rest of the population who are in poor health.

The major drivers of unpaid carer poverty include: long hours of care which make it difficult to stay in employment; high and inescapable costs<sup>20</sup> such as housing, heating, petrol and food bills; and lack of support and access to formal care services, including breaks from caring<sup>21</sup>. This can lead to debt, and energy and food poverty. Carers Scotland research showed that one in seven (13%) unpaid carers are in debt, with 20% struggling to afford mortgage or rent costs, 65% gas and electric costs, 41% the cost of transport and 30% struggling to afford the cost of food<sup>22</sup>. These drivers of poverty can be exacerbated for those unpaid carers living in rural and island communities<sup>23</sup>.

<sup>17</sup> Research including the Poverty in the UK series, most recently UK Poverty 2024, Joseph Rowntree Foundation (2024) and *The caring penalty*, Thompson et al., Joseph Rowntree Foundation (2023)

<sup>18</sup> *Poverty and financial hardship of unpaid carers in Scotland*, Carers Scotland, WPI Economics and abrdn Financial Fairness Trust (2024)

<sup>19</sup> *Poverty and financial hardship of unpaid carers in the UK*, Carers UK, WPI Economics and abrdn Financial Fairness Trust (2024)

<sup>20</sup> *State of Caring in Scotland – The financial impact of caring in 2023*, Carers Scotland

<sup>21</sup> *State of Caring in Scotland 2023 – A health and social care crisis for unpaid carers in Scotland*, Carers Scotland

<sup>22</sup> *State of Caring analysis*, Carers Scotland (2024)

<sup>23</sup> *The cost of remoteness: Reflecting higher living costs in remote rural Scotland when measuring fuel poverty*, Scottish Government (2021)

This is underpinned by the inadequacy of social security payments. With challenges in juggling work and care, many unpaid carers rely on social security as their only or main source of income – but Carer Support Payment (CSP), which is replacing<sup>24</sup> Carer's Allowance (CA) in Scotland, the main benefit for unpaid carers, is little compensation for caring<sup>25</sup>. Unpaid carers receive just £81.90 each week (at 2024/25 rates) alongside a twice-yearly lump sum – the Carer's Allowance Supplement (CAS) – which is equivalent of £11.10 per week. Reliance on carers' benefits is gendered; 69% of CA claimants in Scotland are female<sup>26</sup>.

Social security support for unpaid carers means that their vital contribution is valued at just £93 per week<sup>27</sup> – just over £2.50 per hour for a minimum of 35 hours a week. There are also restrictions on the ability to earn through paid employment alongside receipt of CSP/CA. Unpaid carers can earn no more than £151 per week after deductions and there is a “cliff edge” meaning earnings of 1p over the threshold would mean loss of the whole weekly payment.

For those in receipt of this benefit and receiving support through the reserved benefit system, the full amount of CSP/CA is considered as income and deducted from the Universal Credit (UC) award, with a carer element paid instead. This amounts to just £45.76 a week more than someone who is able to work but is unemployed (2024/25 rates).

Nearly six in 10 unpaid carers in receipt of CA are in poverty, and the rate of poverty is also high for unpaid carers receiving income related benefits such as UC, with 65% living in poverty<sup>28</sup>.

“Overlapping benefit rules”, where a person may meet eligibility for two or more earnings replacement benefits but cannot receive more than one benefit at the same time, means that CA/CSP is removed completely from most unpaid carers when they reach retirement age and receive their State Pension.

Additional analysis of State of Caring 2024<sup>29</sup> found that those receiving carer benefits are more likely to experience considerable financial challenge. For example, 41% of those in receipt of CSP/CA were struggling to make ends meet and 38% were forced to cut back on essentials, such as heat or food. For those in receipt of a carer element or addition in the reserved benefit system, this rises further, with 50% of these unpaid carers struggling to make ends meet and 46% cutting back on essentials.

## 2. Unpaid carer focus groups

Findings from unpaid carers are in two sections, one which relates to the current challenges unpaid carers face and the second on their views and thoughts on a MIG.

A number of key themes emerged from their experiences of caring and their thoughts on a MIG. These are outlined below and expanded upon in more detail in this section.

- Current social security support is inadequate.
- Current financial support is failing to keep pace sufficiently with rising costs, including housing costs and the costs of care. This is leading to greater erosion of future financial security, including retirement income, and increasing debt amongst unpaid carers.
- There were additional challenges and costs for unpaid carers in rural and island communities.
- Unpaid carers experienced a lack of dignity and respect and feel undervalued; this included, for some, being financially dependent on others. This also included the feeling of having no way to have a life beyond caring and living a life less than their peers.
- The current health and social care system is inadequate, with insufficient service provision for the person they care for and in services for unpaid carers themselves. This lack of support has an impact on their ability to remain in or return to paid employment and, for those in employment, impacts upon their career choices.



<sup>24</sup> Carer Support Payment has, at the time of writing, replaced Carer's Allowance for all new claims in Scotland. All current claimants of Carer's Allowance will be transferred to the benefit by Spring 2025.

<sup>25</sup> *Statistical release, Family Resources Survey: financial year 2021 to 2022*, Department for Work & Pensions (23 March 2023)

<sup>26</sup> *Carer Support Payment: equality impact assessment*, Scottish Government (2023)

<sup>27</sup> This is based on Carer's Allowance/Carer Support Payment weekly amount and the Carer's Allowance Supplement value of £288.60 paid twice per year, calculated as a weekly equivalent.

<sup>28</sup> *Poverty and financial hardship of unpaid carers in the UK*, Carers UK, WPI Economics and abrdn Financial Fairness Trust (2024)

<sup>29</sup> *State of Caring analysis*, Carers Scotland (2024)

- Caring is having a significant impact on the health and wellbeing of unpaid carers.
- The optimum guarantee would be a minimum wage for unpaid carers, but there was also recognition of the costs of this and the difficulty of a MIG recognising the multiplicity and complexity of caring roles.
- Any system for a MIG should be built upon trust and simplicity and, at its heart, should seek to deliver recognition of caring and dignity and respect for unpaid carers.
- Services and support remain an integral part of delivering the policy intentions of a MIG, including to enable unpaid carers to have choices around paid employment. Alongside this, unpaid carers need support for their own health and wellbeing and occupational support should be developed.

## A. Current challenges

### Social security payments and financial support are inadequate.

Unpaid carers who were in receipt of Carer's Allowance (CA) or Carer Support Payment (CSP) spoke of social security payments being completely inadequate, not supporting their financial needs and failing to replace even a fraction of the income they had lost from giving up paid employment or reducing their hours. They felt that the size, scale and complexity of their caring roles are now so large that it is a full-time job, and one that they do not feel is recognised or supported financially by governments. The support of unpaid carers saves the Scottish Government £15.9 billion<sup>30</sup> every year; however, unpaid carers in the focus groups felt that this contribution is not reflected in social security support. Many felt insulted and undervalued by the level of financial support offered by the CA and CSP.



<sup>30</sup> Valuing Carers 2022: Scotland, Carers Scotland and Centre for Care (November 2024)

“*The Carer's Allowance, I mean, let's be honest – it's £3.40 [an hour] or something and what's the minimum wage nowadays?*” **Carer A**

Although some expressed interest in being in employment, including part-time employment, alongside their caring role, they felt that CA and its rules were a barrier, highlighting the low earnings threshold and the lack of a tapering system. These barriers have been replicated in CSP. Although the Scottish Government plans to increase the threshold to £196 per week from April 2025, which amounts to 16 hours of work at the National Living Wage (NLW), and have committed to ensuring the threshold rises annually at the same time as the NLW, this is still at a low level and continues to restrict unpaid carers to low wage work.

“*I don't do part time work because... I would lose my Carer's Allowance, which is all that I have now.*” **Carer D**

For those in receipt of income benefits such as UC, CA/CSP is treated as income and taken off the value of these benefits, instead providing a Carer Element/Premium or Addition. Whilst this does increase overall incomes, the Carer Premium and Carer Addition are worth just **£45.60** a week (2024/25) and the Carer Element (paid with UC) is worth **£198.31** a month (2024/25).

Neither CA nor CSP offer much protection for unpaid carers once the person they are caring for dies. Under the current rules, when a caring role ends in bereavement, these benefits can be paid for a further eight weeks. Whilst the Scottish Government has set out plans to increase this time to 12 weeks for CSP in this parliamentary term, this additional time may do little to protect unpaid carers from the coming financial shock. Unpaid carers in the focus groups spoke of great anxiety about what would happen following the death of the person they are caring for.

“*And I'll lose my Carer's Allowance obviously... so I go off a cliff and it's probably not very far away.*” **Carer D**

The inadequacy of carer benefits is compounded by equally inadequate financial support for disabled people, which does not meet their needs and constrains their incomes. Unpaid carers felt duty bound to maximise the support they give to the person they care for and were prepared to use their own financial resources for that person.

“*The other thing about the person you care for – the person you care for doesn't get a lot of money. They don't have a great life at times. So, any extra money you've got, you always spend on them.*” **Carer C**





**Financial support is failing to keep up sufficiently with rising costs, including housing costs and the costs of care. This is leading to greater erosion of future financial security, including retirement income, and increasing debt amongst unpaid carers.**

Unpaid carers described facing increasing costs of life's essentials, including food, heating and transport, with increases in their household financial resources failing to keep pace sufficiently – meaning they were worse off than in previous years. Many felt that this was unsustainable. This was compounded by the limits that caring responsibilities placed upon their lives. For example, large increases in the cost of shopping can be worsened by the fact that unpaid carers may be unable to “shop around” for cheaper items or face extra costs of delivery because their caring role means online shopping is the only possibility available. Transport costs and the inability to use public transport also left some with little choice but to continue to maintain a car, despite finding the costs extremely challenging to meet.

*Well, I support my mum to live independently at home because that's what she wants do, and prior to lockdown, I was considering giving up my car. Since lockdown, her dementia has gotten a little worse and her mobility has gotten a lot worse, and I don't feel I'm in a position to let my car go now.”*  
**Carer G**

They also faced additional costs to provide support to the person they care for. This includes: extra heating to protect the person's health and wellbeing; the costs of managing incontinence; the extra costs of special diets; and fuel and parking costs to support hospital and other health appointments. Although some of those in the focus groups had received help with the cost of a short break from caring through the Time to Live Fund<sup>31</sup>, others said that the costs of ongoing replacement services, such as day care, were also an additional burden on limited family finances.

*Obviously with the cost of fuel going up, we just became really conscious of our energy bill and it was less about heating, although we would tend to just heat one room and just stay in the one room during the day. [Our child] is doubly incontinent, and [this] generates a lot of laundry. So, we have got the washing machine on a lot. We've tried to not use the tumble dryer unless it's really necessary.”*  
**Carer P**

The limited financial resources of unpaid carers also impacted their wellbeing, including being unable to afford new essentials such as clothes, often relying on secondhand or doing without. Their incomes fell when they became an unpaid carer, leading to significant loss of spending power, and changes to what they could afford.

*Totally, totally insufficient. I'm afraid it allows for only the very, very, very basic. In my case anyway, in 15 years I've had no holidays. I've had no time off. I don't get paid. And I get very, very few in the way of luxuries, you know – maybe still wearing jackets and shoes that I wore 10 years ago. That would never have happened when I was working.”*  
**Carer N**

Those that entered a caring role with some financial resources found that these were quickly eroded, as the cost of caring outweighed the income and household resources available to them, whilst others faced a rising debt burden. This has both immediate and long-term implications for the financial security of unpaid carers.

*Never ever in my whole life [have I] ever owed anybody a single penny, ever. And here I am now, at this age, having to owe a utility company that's literally rolling in profits so that I can use the supply that they give me to keep my husband warm. And he and his old age, and also with the illness that he has... honestly, I was just horrified.”*  
**Carer N**

<sup>31</sup> Time to Live Fund: [www.sharedcarescotland.org.uk/short-breaks-fund/time-to-live](http://www.sharedcarescotland.org.uk/short-breaks-fund/time-to-live)



The cost of caring was not time-limited to unpaid carers' present circumstances but also has far-reaching consequences for their future financial security. The inability to save and invest for retirement and a sense of having a lost future as a result of not being able to be in paid employment was present for a number of unpaid carers. For some, early retirement, which they had taken to carry out their caring role, had reduced their income considerably.

“I mean, I have no prospect of putting anything away for when my mother dies, I don't know what happens to me because I'm immediately homeless and I have nothing. And that's it.” **Carer D**

There were a number of older carers across the three focus groups who highlighted a range of issues specific to their age and, for those caring for an older person, the age of the person they care for. In addition to the difficulties they had had in saving for retirement, older carers expressed their anger at the loss of CA/CSP once they reached retirement age – noting that for many, they received no recompense thereafter for the additional costs they faced nor for the value of their caring role. Being able to receive CA/CSP alongside the State Pension would have been an important support not only in managing additional costs, but also in recognising the significant contribution they make as unpaid carers to society.

For older carers, there was an additional challenge when their caring role ended. Although CA/CSP continues for eight weeks after the person being cared for dies, for those older carers whose entitlement had already ceased when their State Pension began, the impact on household income due to the death of the cared-for person was immediate and significant.

It was also noted that the disability benefit system for older people is unfair and inequitable, with Attendance Allowance having no mobility component to help support the additional costs of transport.

### **Unpaid carers in rural and island communities face extra costs and challenges.**

Those unpaid carers living in rural or island settings described unique cost of living challenges, as well as other practical challenges related to accessing services and support, which affected the care they were able to provide and the quality of life they lived. The challenges of distance from services and support, including health services and a lack of available public transport, were a particular issue for carers in the focus groups who lived in rural and island communities.

The issue of distance was particularly felt when medical appointments or treatment for either the carer or cared-for person were required. This often means travelling to the nearest major city hospital and necessitated transport and accommodation costs, as well as respite provision.

“We were up at the Queen Elizabeth, and obviously [it being] a six-hour round trip, it wasn't feasible for me to do that every night, so especially when the decisions were going on... and I couldn't even go after work or at certain times because some of the consultants were coming in at 6.30 in the morning or coming in at tea time, so I just ended up having to be up there for the 14 days that he was in. It cost me over £800 in hotel bills and bed and breakfast.” **Carer K**

### **Unpaid carers experience a lack of dignity and respect and feel undervalued; this includes, for some, being financially dependent on others. This also includes the feeling of having no way to have a life beyond caring and living a life less than their peers.**

Many of the carers described feeling a lack of dignity because of their caring role and a lack of respect for the work they do as unpaid carers, primarily from the state but also from non-carers. They felt much of what they received from the state, whether in social security support or social care, was not sufficient to recognise the value of what they provide. They felt very strongly that their support was not valued or seen in the same way as those providing paid support and felt that they were penalised for providing care – and expressed anger about this.



Caring impacted their ability to experience some of the pleasures of life – being able to treat themselves and others, a break, a holiday, festivities – and created a sense of being unequal to their non carer peers. When comparing themselves, they felt somewhat diminished and often experienced a lower quality of life. They spoke of how it felt to see friends and family enjoy such things but have no financial means to be able to do so for themselves.

“*[Our] next-door neighbours are the [same] ages with myself and my husband. And they’ve both taken their retirement and you see them off on another holiday. And it’s hard not to feel a bit bitter about it because, you know, it should be the time of life where we are considering an early retirement. But I won’t retire until I die. And that’s like the brutal truth about it.*” **Carer P**

Carers also spoke of being financially dependent on others because their caring role prevented them from being in paid employment. This was particularly prevalent amongst female carers in the focus groups who spoke of the powerlessness and invisibility of being dependent on the income of a parent, husband and/or father of their child(ren).

“*I was just sharing bills with my mum and that just ate up any money that I have because I have no control over how it’s spent. She’s in her late 80s, she doesn’t want to be skimping on heating or anything like that... She’s contributing more and I’m really not. I’m not paying electric and stuff like that, but that takes away the autonomy that you have then, because somebody else is paying for everything.*” **Carer B**



### **The current health and social care system is inadequate, with insufficient service provision for the person cared for and in services for unpaid carers themselves.**

Most of the carers in the focus groups talked about the lack of social care services (including breaks from caring) to support them in their caring role, with many experiencing often significant waiting lists for assessment and support. These experiences included not only being unable to receive the right level of service but also a lack of confidence in quality and availability.

“*There’s no way my mum could be left with just a... four visit a day care package, leaving her overnight... So, it really was only my sister... I just dreaded the thought of her being in an old person’s home, some of which [have] bad reputations, really bad, some of which are OK. But you didn’t get the choice of which one she would go into. If my mum was going away for respite, then it would be chosen for me [and] I would have to give them eight weeks’ notice of when I wanted a break.*” **Carer O**

Carers were exhausted from fighting for support, and when assessment was offered, it was inadequate in the face of the challenges of their caring role. They also faced a lack of emergency and future planning, and worry for the future for the person they care for should they be unable to care.

“*Some years ago, I had a really bad accident and I wasn’t able to walk, and I’m the full-time carer. I could not walk for six months, [and] I had to go through rehab. And what happened was somebody came down and did an assessment from the Council eventually, and I was given a person [who] came in everyday to get him out of bed and wash me and rest me for four weeks, and my mum had to move in with us for six months. I’ve still been left disabled... And as I say, we muddled through it, but the government needs to realise, and I’m not trying to be morbid, [that] I’m not here forever. You know, who picks up the slack when I’m not here?*” **Carer I**

Taken together, these issues created a sense of despair for some carers and the realisation that they are often on their own until the point of crisis. This clearly has had a detrimental impact on their quality of life, wellbeing and health.

“*The situation is, there is nobody but me to do this now. And that’s just the economic problem of the care provision. But that feeling that there is absolutely no backup or support... I find it incredibly debilitating. I mean, I’m willing to take on the responsibilities that I need to regarding my mother and everything else, but it’s really worrying to think that I can’t be ill. I can’t be in any way incapacitated because there is nothing for her.*” **Carer D**



## Caring is having a significant impact on the health and wellbeing of unpaid carers.

There is longstanding evidence<sup>32</sup> of the impact of caring on unpaid carers' physical and mental health and this was reflected in the focus groups. Carers spoke of physical injury, lack of sleep, pain and illness – sometimes severe – and of a significantly detrimental impact on their mental health.

“Caring has taken a huge physical toll on my life, my personal health. I ended up in hospital a few years ago because I was ignoring all my symptoms and by the time they appeared, I was in intensive care because I was completely ignoring them.” **Carer C**

They also talked about the emotional impact of caring, on their own wellbeing and in their relationships with others. They described a sense of loss, isolation and loneliness which they see as being an intrinsic part of the life of an unpaid carer.

“I’m fortunate I’m still married, still have my husband, which is really fortunate because I think had we not got together so long [ago] and had such a life before, [with] what’s going on now, we would have separated. I mean, we don’t have a relationship. The relationship’s gone. All three of us are really just existing and it’s hard.” **Carer C**

## The lack of support for unpaid carers has an impact on their ability to remain in or return to paid employment and, for those in employment, impacts upon their career choices.

Carers spoke of the impact of caring on their ability to be in employment, with some discussing how caring without the right support had meant they had no choice but to give up paid work and survive on social security benefits. Many had given up significant careers with high salaries, and they talked about a sense of loss – not just financial loss (which was often considerable) but also the value of having a profession and making a contribution through employment.

“But when I look at it, if I just took up, you know, a very modest income of say £10,000 a year, that’s 30 years of employment more or less that I’ve lost out on. So that’s a net loss to our house of over a quarter million pounds very easily... When I did a rough calculation about how much Carer’s Allowance [I] had earned since my son was born, it is yet to reach what an MP will earn this year alone. So that’s 30 years of work versus not even one year of an MP’s wage.” **Carer P**

Flexibility, including self-employment, was key to returning or remaining in paid employment but a lack of social care and support meant that a return to work was impossible.

“I would like that support to get back into work, but at the same time I can’t do that until I get my mum sorted. But I’ve been waiting since last January for a reassessment of a personal [care] plan and I’ve been up, and I fought it, and I fought it. And I’ve actually put complaints in and it’s a nightmare... If I can get her sorted then I can get back out to work to earn that income again because that’s what I did before.” **Carer H**



<sup>32</sup> For example: “No Choice but to Care”: Carers Week 2024, State of Caring annual surveys, Carers Scotland, most recently *A health and social care crisis for carers in Scotland in 2023* and *Scotland’s Carers*, Scottish Government, published in 2015 and updated every two years.

## B. A Minimum Income Guarantee (MIG)

Unpaid carers had a broad understanding and support for the concept of improved financial support but had a range of views on what a MIG should deliver. However, some broad themes emerged from the discussions.

**The optimum guarantee would be a minimum wage for unpaid carers, but there was also recognition of the costs of this and the difficulty of a MIG recognising the multiplicity and complexity of caring roles.**

Given the contribution carers make to society, the economy and the delivery of health and social care services, most carers felt financial support should be built around the idea of a minimum wage or a fair wage for the work they do as carers. However, given the little they receive currently, some carers did struggle to put a financial value of what would be reasonable and fair. They also questioned whether government would be willing to meet the costs and, if based on the National Living Wage, had concerns that with deductions, particularly if rent and council tax was expected to be paid in full, unpaid carers could be worse off.

They also believed that a MIG should be developed in such a way that it looks to consider and address the pension inequality that carers experience. Many older carers, particularly those who have been long-term carers, face this experience today – but many more will live in poverty in older age because the impact of caring on employment meant they lost their ability to save in a workplace or private pension.

However, throughout the discussion, carers recognised that there are a wide variety of caring roles and this would make it complicated to both calculate and administer a minimum wage for carers and a MIG that is fully responsive to individual caring circumstances.

*“I care for at least double the amount of hours with the three people that I look after. So, I mean what would that be? Would you log your hours, like – so I care for 70 hours or 90 hours. Do you get a minimum wage for that? A week? I mean, I don’t know how that would work. Would that get taxed? Would that get National Insurance? Would you still get ADP? My son gets ADP. Would you still get that? I don’t know.” Carer J*

**A MIG for unpaid carers should be built upon trust and simplicity and, at its heart, should seek to deliver recognition of caring, dignity and respect for unpaid carers.**

It came across most strongly that carers felt that they were not valued and recognised for being unpaid carers; neither recognised for the sheer volume and intensity of their caring role, nor for the contribution they make to society. The current low level of support they receive from government left them feeling undervalued and dismissed. Older carers felt this lack of recognition acutely, with their support and recognition withdrawn from the benefit system when they reached pensionable age.

The current system for CA/CSP has positive aspects, despite its inadequate value; it is simple to claim and trusting of the applicant. Carers felt this recognised the limits to carers’ time and energy and a MIG should do likewise. They were clear that they felt that a MIG should recognise **their contribution** as individuals and should not be offset against other income in the household.

*“Just recognition for a start, because I think it’s as an unpaid carer, you’re invisible to a lot of people and a lot of companies out there who don’t actually see you. And if you’re trying to deal with anything, it’s like hitting your head off a brick wall. And that does play a big impact on your mental health. But I think just to be recognised as someone that’s had to give up a well-paid job to look after my mother because I had no support, no help out there. I don’t get help from family, nothing. They just disappear and you needed to roll the sleeves, that sort of thing.” Carer G*

**Services and support remain an integral part of delivering a MIG, including to enable unpaid carers to have choices around paid employment. Alongside this, unpaid carers need support for their own health and wellbeing and occupational support should be developed.**

It is not only financial support that is important to unpaid carers. Whilst improved incomes would be welcomed, services and support for the person they care for, including support to enable unpaid carers to have choices around paid employment, remain critical. These services and support should include ensuring that they have support for their own physical and mental health, and services to reduce isolation and loneliness. This could take the form of developing occupational support for unpaid carers – like the terms and conditions of employment that paid health and social care workers receive.



“It does, it wears on your mental health and your emotional health. Like if you’re going for a new job, you look, ‘oh, what’s the salary?’ And then, like, ‘what’s the workplace like? What’s the pension going to be like? What’s the holidays? What’s the perks of the job?’ It’s almost as important, [though] it’s not the primary thing, but it’s much more important than I think is [seen] currently”. **Carer E**

Carers also suggested that a union or intermediary could be established to support carers to access practical help and financial support without having to search everywhere for the information they needed – and to advocate for carers individually and as a collective. This idea of an individual or organisation that could take some of the mental strain and stress from unpaid carers by navigating services and support is one that unpaid carers have expressed in many earlier discussions. It reflects other developments, including the work of the community link worker programme which was established, initially in GP surgeries, to mitigate the impact of the social determinants of health<sup>33</sup>.

“One thing is something almost like a union, that if you do a job, there’s going to be a union. I know some unions do have ways for unemployed, very subsidised membership, but something else that was almost like a union for unpaid carers. Who, rather than being stuck in the middle, you had someone to negotiate these things and again, there are lots of organisations that do that, and it’s sometimes finding that almost there’s so many, and finding the one that’s going to be able to support you.” **Carer E**

### 3. Policy Lab

The Policy Lab brought together experts from academia and government, representatives of carer organisations, and those with direct lived experience.

This engagement helped identify the strengths and weaknesses of the project’s initial three models for discussion. This supported the decision that, rather than elevating a single model as the blueprint for an eventual pilot, elements of each of the three should feature in the final proposition to the Scottish Government.

The Policy Lab discussion then focused on what elements worked across the models, and what the eventual pilot should emulate. This included a focus on closing the income gap between where carers’ incomes currently sit, after existing social security support, public service provision, and a minimum income standard.

<sup>33</sup> About the Community Links Worker Programme, Alliance (2025) [www.alliance-scotland.org.uk/community-links-worker-programme/what-is-the-community-links-programme](http://www.alliance-scotland.org.uk/community-links-worker-programme/what-is-the-community-links-programme)



# Pilot proposal/recommendation



## 1. Overview

We propose a pilot that would work as follows:

- The pilot would be offered to unpaid carers as part of an enhanced Adult Carer Support Plan (ACSP). This would include benefits maximisation and identifying other forms of help the carer may be eligible for, such as:
  - » grants including towards breaks from caring (through the Time to Live Fund <sup>34</sup> or Take a Break Scotland<sup>35</sup>);
  - » concessionary access to local authority or local leisure trust activities;
  - » local carer discount cards (e.g. Lanarkshire Carer Card<sup>36</sup>);
  - » emotional support, counselling and training;
  - » employability support, where requested by the carer;
  - » a social tariff discount on utilities.
- The pilot would set out an income standard and provide an additional benefit payment (a “Minimum Income Guarantee [MIG] pilot payment”) which would aim to lift unpaid carers’ incomes over that income standard.
- Carers would qualify for the additional payment if they receive means-tested benefits (Universal Credit [UC] or Pension Credit) after being supported to access these and any other benefits they are eligible for.
- Unpaid carers would be eligible for the MIG pilot payment if they care for 20 hours per week or more.
- The aim of the payment would be to bring the carer’s *household* income over the proposed income standard. As such, the amount each carer would be eligible for would be determined by their household composition, including the number of children and adults in the household.

<sup>34</sup> *Time to Live, Shared Care Scotland* (2025). [www.sharedcarescotland.org.uk/short-breaks-fund/time-to-live](http://www.sharedcarescotland.org.uk/short-breaks-fund/time-to-live)

<sup>35</sup> *Take a Break Scotland, Family Fund*. [takeabreakscotland.org.uk](http://takeabreakscotland.org.uk)

<sup>36</sup> *Carer Card, Lanarkshire Carers* (2025). [lanarkshirecarers.org.uk/services/carer-card](http://lanarkshirecarers.org.uk/services/carer-card)

- Basing the payment amount on household composition does not necessarily imply that it should be paid as a household benefit. The starting point should be for the MIG pilot payment to be paid to the unpaid carer whether or not the qualifying benefit is paid to them (as is possible with the Scottish Child Payment). The Scottish Government should continue to pursue flexibility in how benefits are paid, including its intention to allow flexibility in splitting UC awards<sup>37</sup>.
- Pilot participants would receive this payment support for the duration of the pilot's main phase which we recommend lasts for 24 months, with additional time built in for carer recruitment and project evaluation. Eligibility, on the basis of receipt of means-tested benefit and hours per week caring, would be reassessed midway through the pilot, with provision built in to continue supporting a carer for an appropriate period (at least six months) following any bereavement during the pilot period. Should the pilot not be followed by an equivalent increase to carer benefits, then following the end of the main phase of the pilot, payments should be gradually reduced over a period of 12 months.

The purpose of the pilot is to:

1. Track the impact on unpaid carers' wellbeing of supporting their incomes in line with a MIG.
2. Integrate the pilot with existing support, both financial and non-financial, to provide a holistic approach to supporting unpaid carers.
3. Understand the diversity of situations and contexts for unpaid carers so that reform of benefits in Scotland and progress towards a MIG takes account of all their needs.

## Delivering the pilot alongside Adult Carer Support Plans (ACSPs)

The variety of experiences, circumstances, and complexities faced by unpaid carers was well established in the focus groups with carers and in the expert sessions. The pilot should aim to ensure MIG pilot payments are delivered as part of a holistic package of support and advice, ensuring enhanced financial support sits alongside access to public services, practical support, advice and support for physical and mental health.

ACSPs are a route to integrate the pilot with this wider support. These plans are the outcome of a conversation between unpaid carers and representatives, either from a local authority social care team or local carer centre worker, which aims to set out a carer's needs, desires, and plan of action to assist them in fulfilling their caring

duties, while simultaneously leading a more fulfilling life as an individual. Scottish local authorities (or their third sector partners) must devise these plans when requested by unpaid carers<sup>38</sup>.

## Enables benefit maximisation before pilot payment

Currently around 20% of ACSPs include assistance with benefits<sup>39</sup>. The relatively low proportion may in part reflect the fact that a proportion of unpaid carers accessing ACSPs may already receive benefits. As part of the MIG pilot, all unpaid carers would be supported to access all existing benefit entitlements, including UC and Pension Credit as applicable.

## Holistic support – financial and enhanced interaction between unpaid carers and public authorities

In line with the three elements of a MIG, there is potential for ACSPs to help maximise incomes through access to discounted or free services provided through local or national government, or third sector organisations, to boost incomes and quality of life (from discounts on locally agreed municipal services, to carer support groups). This could amount to a locally devised 'menu of options' presented to carers. Where appropriate and desirable, support staff could also help identify and connect unpaid carers to employability support where it fulfils their aspirations within ACSPs. Taken together with social security maximisation, these income maximisation steps amount to a more holistic offer of support for carers and a strengthened relationship between carers and local government, but would in many cases not fully close the gap between income and a minimum income standard. A cash supplement to pilot recipients would remain necessary.

## Allow for advice to ensure pilot participation doesn't undermine other benefit entitlements

Through our research, we heard concerns that providing additional benefit support to unpaid carers could create risk to existing entitlements. In designing a pilot, Scottish Government would need to ensure these interactions pose no risk to carers' incomes. However, even with that safeguard, carers' perceptions that the benefit system can contain tripwires – particularly where a carer cares for a person in a different household – could limit willingness to participate in the pilot. Integration with ACSPs would allow staff to check a carer's benefit status and assure them of the safety of participating in the pilot.

<sup>37</sup> Letter from Cabinet Secretary for Social Justice (2024) [www.parliament.scot/-/media/files/committees/social-justice-and-social-security-committee/correspondence/2024/cabinet-secretary-for-social-justice-split-payments-universal-credit.pdf](http://www.parliament.scot/-/media/files/committees/social-justice-and-social-security-committee/correspondence/2024/cabinet-secretary-for-social-justice-split-payments-universal-credit.pdf)

<sup>38</sup> *Adult Carer Support Plans and Young Carers Statements*, Carers Scotland (2025) [www.carersuk.org/scotland/help-and-advice/practical-support/adult-carer-support-plans](http://www.carersuk.org/scotland/help-and-advice/practical-support/adult-carer-support-plans)

<sup>39</sup> *Carers Census, Scotland, 2023-24*, Scottish Government (2024) [www.gov.scot/publications/carers-census-scotland-2023-24](http://www.gov.scot/publications/carers-census-scotland-2023-24)



### Closer contact, and a better understanding of a pilot's impact

Another added benefit with operating at a local level would be the ability, through closer contact with unpaid carers, to evaluate the pilot's impacts in real-time and identify issues and success, institutionally and from a carer's perspective.

### Coordination between local authorities and Social Security Scotland

Enhanced ACSPs would best be delivered as a partnership between local-level support staff (either local authority staff or third sector partner organisations) who already deliver ACSPs and Social Security Scotland client support advisors. The latter would bring expertise in benefit maximisation and be able to advise potential recipients on the interaction between the MIG pilot payment and other benefits.

The MIG pilot payment would be paid by Social Security Scotland, not by local authorities. This division of labour would ensure local authority staff employed to support carers are not overburdened with providing enhanced benefits advice. It would also avoid challenges around local authority budgets and statutory constraints on local authorities' powers to provide income supplement payments. Payment via Social Security Scotland would support integration with the wider suite of carers benefits in Scotland.

## 2. Eligibility

### Eligibility based on receipt of existing means-tested benefits

The pilot should aim to support unpaid carers whose needs are greatest. We recommend carers would be eligible if they receive a means-tested benefit: either Universal Credit (UC) (or one of its predecessor benefits) or Pension Credit. While not all carers who receive these benefits will fall below the pilot's income standard, this "passporting" approach would limit the extent to which the pilot provides income support to carers who may not need an additional payment for their income to exceed the income standard.

### Care hours

Most carer benefits currently require an unpaid carer to provide care to someone for 35 hours per week or more. We recommend Scottish Government consider a pilot where the threshold for participation is lower than this, at 20 hours per week, based on evidence that many unpaid carers are forced to leave paid employment to meet the demands of caring, with employment rates falling when caring is for over 20 hours per week<sup>40</sup>. This impact is also recognised in the reserved system – once an unpaid carer provides care for someone above 20 hours per week, they are eligible for Carer's Credit. This is a National Insurance credit which recognises unpaid care as work as part of their National Insurance record, which itself could be used as a passport for pilot eligibility (at least, for carers under the state pension age).

<sup>40</sup> *Scotland's Carers*, Scottish Government (2015)





Carers who care between 20 and 35 hours also do not benefit from the support available to carers in the existing reserved or devolved benefits system. They are not eligible for either Carer Support Payment (CSP) (and the Carer's Allowance Supplement) nor the carers elements of UC and Pension Credit. While that means their social security income will be lower than carers who care for more hours each week, the hypothesis of the pilot would be that these carers may be able to supplement their income with some paid work but nonetheless, because they receive means-tested benefits, are likely to fall below the income standard and so benefit from support from a MIG pilot payment.

We do not recommend that eligibility for the pilot would require unpaid carers to apply for and receive CSP. In part, the pilot aims to preserve the relationship between earnings and income that a future MIG would present, a relationship that would not include the cliff edge income threshold of CSP. Such a restriction would also exclude older carers and reduce the opportunities to maximise incomes for those only claiming a carer element under UC or Pension Credit.

### How should participation in the pilot end?

A time-limited MIG pilot which focuses on unpaid carers encounters the challenge that a temporary financial supplement could create financial difficulties for participants following the withdrawal of the pilot payment. Ideally, the pilot would be a success and lead to a more general expansion of financial support available to unpaid carers. However, the pilot should be designed to handle the risk of a return to the status quo.

We recommend that the pilot aim to provide full payments to carers for at least 24 months, with a check after 12 months to confirm the carer remains eligible. Rather than a hard stop to pilot payments at the end of the 24-month period, carers who still meet the eligibility criteria would receive support for another 12 months, with payment amounts tapering down from 100% to zero over the course of the year.

Experts who participated in the Policy Lab session spoke of how payments should continue for a period after the formal end of the pilot as a gradual taper, and that particularly for carers of someone who dies during the pilot, avoiding a sudden stop in support for the bereaved was viewed as particularly important. This is to ensure carers are not having to contend with both mourning for the person they have been caring for, and possibly organising their affairs, while also experiencing a sudden drop in income following that death and their loss of entitlement. We recommend that in cases of bereavement, the pilot continue payments, gradually tapering to zero over an appropriate period, which we suggest is no less than six months.

### 3. The Minimum Income Guarantee (MIG) pilot payment

The core principle of a MIG is that no one's income should fall below a certain standard<sup>41</sup>.

#### How should that principle be translated into a MIG pilot payment?

Under a full MIG, where someone's income falls below the target income standard, their income would be topped up through social security. For people in work, the top up would not be simply the difference between their earned income and the income standard. Such a payment would mean someone would not see an increase in their earnings translate into an increase in their income until their earnings took them over the income standard. This would undermine the financial incentive to engage in paid work. Instead, a MIG payment would likely function in a manner similar to Universal Credit (UC): as someone earns through work, their MIG payment is tapered more slowly than their earnings increase.

With that long-term vision in mind, how should the value of a MIG pilot payment be determined? During our research, we heard suggestions that the payment could be tailored to each participants' income, closing the gap between what they have (once claiming all benefits they are eligible for) and the income standard. While such an approach holds the attraction of being responsive to each carer's unique financial circumstances, it would be complicated to administer relative to a system that provided payments based on the carer's non-financial circumstances. It would also break the link between earnings and income which a full MIG would aim to preserve.



For these reasons, we recommend setting the value of the MIG pilot payment to be independent of a carer's actual income. Instead, it would work like this:

Unpaid carers would be eligible if they receive means-tested benefits. This means the pilot payments are targeted at carers who generally have low incomes and would not be given to carers whose incomes are well above the target income standard.

The amount a carer receives would be calibrated to close a typical gap between the income of an unpaid carer who receives means-tested benefits and the income standard. In designing the pilot, choices would need to be made as to how to specify this typical gap. Because benefit income and income standards vary with household composition, we recommend the MIG pilot payment to also vary with the number of adults and children in the carer's household.

#### The income standard

The Minimum Income Guarantee Expert Group (2023) has argued that a MIG should ensure an income level at some point between the poverty line and the Minimum Income Standard (MIS), calculated by the University of Loughborough<sup>42</sup>. Accordingly, we have estimated the scale of payments that would be needed if based on the poverty line, the MIS, and an intermediate level. Our intermediate level, 90% of the MIS, is the income standard already used by the Scottish Government in its definition of fuel poverty.

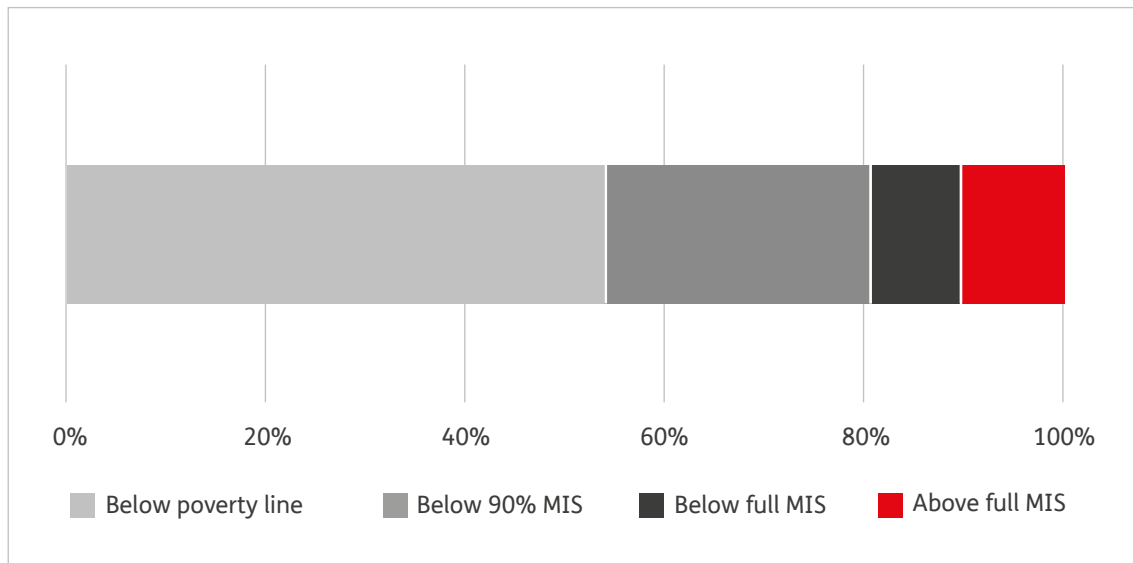
Figure 1 shows broadly the proportion of unpaid carers eligible for the pilot who would fall below each income standard<sup>43</sup>. In estimating carers' incomes relative to each income standard, we focus on disposable income after housing costs. We also deduct an estimate of disability costs, so disposable incomes for carers living with the person they are caring for account for this additional income need (some of which is covered by disability payments). Slightly more than half of carers who would be eligible for pilot payments would be below the poverty line without the MIG pilot payment. Only around 10% of eligible carers would already have an income above the MIS.

<sup>41</sup> Minimum Income Guarantee Expert Group: interim report, Scottish Government (2023) [www.gov.scot/publications/minimum-income-guarantee-expert-group-interim-report](http://www.gov.scot/publications/minimum-income-guarantee-expert-group-interim-report)

<sup>42</sup> The Minimum Income Standard for the United Kingdom, Loughborough University (2024) [www.lboro.ac.uk/research/crsp/minimum-income-standard](http://www.lboro.ac.uk/research/crsp/minimum-income-standard)

<sup>43</sup> NB, in figure 1, carers incomes are assumed to include full benefit take-up. As we assume not all carers entering the pilot would already be receiving their full entitlement, the proportion below the poverty line in figure 1 is lower than the estimated pre-pilot poverty rate among eligible carers shown in table 1.

**Figure 1: Proportion of carers receiving means-tested benefits (Universal Credit or Pension Credit) who fall below different income standards.**



Source: Authors' analysis using IPPR Tax and Benefit Model. Estimate refers to carers in Scotland in 2024/25 after benefit take up maximisation. Income is disposable income after housing costs and an estimate of disability costs.

## The payment amount

When implementing the pilot, we recommend the Scottish Government estimate a typical income gap for unpaid carers in different household circumstances. For the purposes of this scoping report, we have used the Family Resources Survey to estimate the typical income gap across carers in Scotland, but without differentiating by household composition, nor by whether carer eligibility is based on Pension Credit or UC. This reflects data limitations of the Family Resources Survey. Alternative ways of estimating typical income gaps include reference to administrative data (eg DWP information on carers in receipt of UC) or income modelling, both of which are beyond the scope of this report.

In our modelling, we have estimated the size of payment that would, on average, bring a carer's household income up to each income standard. This estimate is based on households whose income would still be below the income standard once they are receiving the UC/Pension Credit they are eligible for. From this, the illustrative payments we estimate are £100 per week if the income standard is set at the poverty line, £170 per week if set at 90% of the MIS, and £210 per week if set at the full MIS.



## 4. Costs and impact of the pilot

We used the IPPR Tax and Benefit Model to estimate households' incomes in 2024/25, drawing on the Family Resources Survey (combining three years' worth of data). While this approach enables us to build a picture of unpaid carers' incomes, it is inherently limited by sample sizes. Estimates of poverty rates should be read as indicative, both due to data limitations and because the actual impact will depend on who participates in the pilot and choices as to how pilot payments relate to carers' household composition. However, the illustrative poverty reduction is large, showing the pilot has potential to lift a large share of participants out of poverty.

Using these payment figures, Table 1 presents indicative poverty impacts for pilot participants. The reduction in poverty rates is due to the combined effect of income maximisation (benefits take up) and the MIG pilot payment.

Our recommendation that MIG pilot payments be calibrated to a typical income gap, rather than each carer's specific income gap, explains why a pilot based on the poverty line would nonetheless leave a proportion of participants below the poverty line. We recommend maximising the anti-poverty impact of the pilot through setting a higher income standard rather than tailoring individual payments to carers' specific income gaps, in order to preserve the link with the full blown MIG.

In setting a budget for the pilot, the Scottish Government would also have to account for the administration costs, including enhanced ACSPs and interaction between local authorities, third sector organisations and Social Security Scotland.

**Table 1: MIG pilot payments calibrated to different income standards. The higher the income standard, the greater the reduction in poverty rates among recipients.**

	MIG pilot payment (weekly)	Poverty rate before support (illustrative)	Poverty rate with benefit maximisation and MIG payment (illustrative)	Annual cost of pilot with 1,000 MIG payment recipients
Poverty line	£100	60%	25%	£5m
90% MIS	£170	60%	10%	£9m
Full MIS	£210	60%	5%	£11m

Source: Authors' calculations based on IPPR Tax and Benefit Model. Poverty rates have been rounded to the nearest 5% and refer to carers who would be eligible for a MIG payment under the proposed pilot.

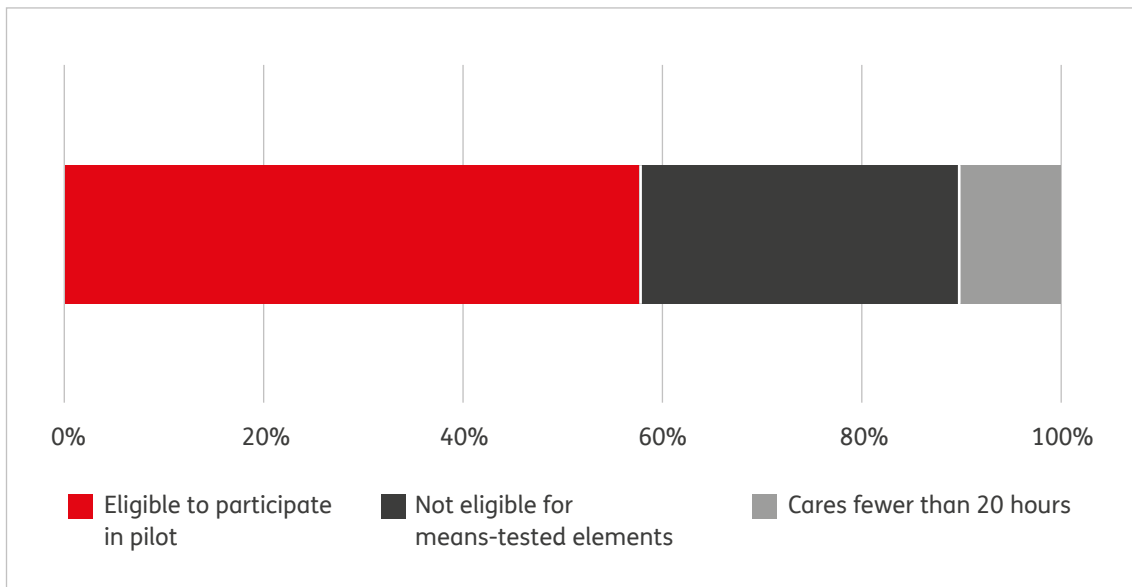
## 5. Scale of the pilot

A pilot that aimed to provide MIG pilot payments to 1,000 unpaid carers would need to reach a larger cohort as not all carers would be eligible. As ACSPs would be the gateway to participation, the necessary reach of the pilot would be determined by the likely eligibility of carers who apply for or are offered an ACSP.

In 2023/24, around 31,000 adult unpaid carers were offered or requested an ACSP<sup>44,45</sup>. We estimate that around 60% of these carers would be eligible, based on caring for at least 20 hours per week and receiving/eligible to receive either UC or Pension Credit.

A pilot that aimed to deliver payments to around 1,000 carers could be delivered by working with a subset of Scottish local authorities. This would help manage the training and administration costs of the pilot by avoiding over-duplication. While the Carers Census does not publish local authority breakdowns, in designing a pilot the Scottish Government should aim to work with a group of local authorities across which the total number of ACSPs offered in a year is large enough to give a high likelihood of reaching enough carers. If we combine our estimate of 60% eligibility with a conservative take up estimate of 75%, this would mean working with enough local authorities to be confident that around 2,300 carers would access an ACSP in a given year. Of course, a pilot aiming to reach more carers would need a larger ACSP cohort.

**Figure 2: Around 60% of carers offered or requesting an ACSP would be eligible to participate in the pilot as MIG pilot payment recipients.**



Source: Authors' calculations, based on IPPR Tax and Benefit Model and Scottish Government (2024<sup>46</sup>)

<sup>44</sup> Carers Census, Scotland, 2023-24, Scottish Government (2024) [www.gov.scot/publications/carers-census-scotland-2023-24](http://www.gov.scot/publications/carers-census-scotland-2023-24)

<sup>45</sup> Our estimate combines the total number of adult and young person support offered or requested, and the proportion of carers being supported who are adults.

<sup>46</sup> Carers Census, Scotland, 2023-24, Scottish Government (2024) [www.gov.scot/publications/carers-census-scotland-2023-24](http://www.gov.scot/publications/carers-census-scotland-2023-24)

## 6. Learning from the pilot

The roll out of a MIG for carers pilot will be an exercise in policy learning. As such from day one of a pilot's rollout there will need to be regular assessment and evaluation of the pilot's performance and implementation. This is necessary to gauge the nature and magnitude of its impact on unpaid carers taking part in the pilot and also as evidence and learning in considering the feasibility of a MIG as a policy prospectus.

Assessment of how a pilot impacts unpaid carer recipients (positive and negative) can be gathered throughout the duration of a pilot. An evaluation approach should draw on the experience of the Welsh Government's *Basic income pilot for care leavers*<sup>47</sup>. That pilot uses a mixed methods approach to gauge the economic benefit for care leavers, determine any changes in employment prospects, and identify wider personal and societal impacts on recipients because of the pilot. For unpaid carers, evaluation could consider similar areas alongside specific evaluation of impacts on feelings of financial security, carers' physical and mental health and how supported a carer feels and thus the sustainability of the caring role.

This would be achieved through periodic interviews with pilot participants. Parallel interviews with carers in different areas who do not receive MIG pilot payments would enable direct comparison of experience but raises ethical issues and likely a differential response rate. Instead, the experience of unpaid carers participating in the pilot should be compared with the wider population accessed through surveys. Carers Scotland would be pleased to work with the Scottish Government to consider this activity, including adapting existing surveys of unpaid carers.

### Policy learning – carers' elements of a future MIG

While we recommend the pilot be delivered through an integration with ACSPs, this does not necessarily imply that carers' access to a future MIG would necessarily run through this mechanism. The pilot will shed light on patterns of carers' experience, the circumstances that lead to some falling below the target income standard, and the impact of additional support. The pilot should be designed with options for a future MIG in mind, providing evidence to help shape that ultimate design.



<sup>47</sup> *Basic income pilot for care leavers: overview of the scheme*, Welsh Government, (2023) [www.gov.wales/basic-income-pilot-care-leavers-overview-scheme#103871](https://www.gov.wales/basic-income-pilot-care-leavers-overview-scheme#103871)



## 7. Scottish Government powers and benefit interactions

Under the Scotland Act 1998<sup>48</sup>, the Scottish Government has a restricted range of powers to provide benefits. These powers include benefits for carers, but means-tested benefits such as Universal Credit (UC) remain reserved. Where powers are devolved, restrictions apply; for example, the Scottish Government cannot provide financial assistance in cases where the need arises because a reserved benefit has been reduced as a result of the recipient's conduct. This could include UC sanctions due to someone being deemed not to have complied with work search requirements.

The restrictions on Scottish Government powers would complicate a pilot that aimed to provide a payment calibrated to the difference between a carer's income and an income standard. While these may not be insurmountable within the existing legislation, confirmation of the extent to which an individual payment could be tailored to an individual's income shortfall would likely require a specific feasibility study. The alternative, providing participating carers a pilot payment that is based on factors other than their own specific income shortfall, may be simpler within the confines of existing legislation.

A central challenge for the pilot will be ensuring that additional payments from Scottish Government do not result in a reduction in other benefits ("clawback"). For example, UC awards take into account unearned income, deducting £1 for every £1 of unearned income. This applies to Carers Allowance and Carer Support Payment (CSP). The risk is that any additional benefits provided under a MIG pilot would be automatically offset by a reduction in other benefits.

Would a pilot MIG payment be clawed back by a reduction in benefits controlled by the UK Government? The Scottish and UK Governments' fiscal framework sets out how such interactions are to be handled<sup>49</sup>. Paragraph 74 of the framework states:

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**The Governments have agreed that any new benefits or discretionary payments introduced by the Scottish Government must provide additional income for a recipient and not result in an automatic offsetting reduction by the UK Government in their entitlement elsewhere in the UK benefits system. Any new benefits or discretionary payments introduced by the Scottish Government will not be deemed to be income for tax purposes, unless topping up a benefit which is deemed taxable such as Carer's Allowance.**

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So in principle, the UK and Scottish Governments have already agreed that the system should adapt so that new Scottish benefits are not clawed back. Furthermore, the legislation setting out what counts as unearned income in relation to UC already embodies this principle for CSP. CSP is treated as unearned income "only up to a maximum of the amount a claimant would receive if they had an entitlement to Carer's Allowance"<sup>50</sup>.

Under devolved powers, the Scottish Government has introduced CSP and Carers Allowance Supplement, and is planning to introduce additional payments for carers: Carer's Additional Person Payment (CAPP) for recipients who receive CSP and care for more than one person, as well as a replacement for Carers Allowance Supplement into a Scottish Carers Supplement Payment (SCSP). The intention is that these two additional payments will be wrapped up with the existing CSP into a single Carer Support award, with the CAPP and SCSP functioning as supplementary elements<sup>51</sup>.

At face value, this suggests that the Scottish Government can create a new discretionary payment to pilot the MIG to unpaid carers or legislate to enhance the SCSP to provide a vehicle for the MIG pilot payment. However, the fact that legislation says something does not necessarily mean the bureaucratic systems implementing that legislation are ready to respond. A feasibility study for an unpaid carers MIG pilot would therefore have to confirm both that the proposed payment route complies with legislation, *and* that systems are in place to treat pilot payments in accord with the legislation.

The pilot design should aim to integrate the MIG pilot payment with these systems, piggybacking on the legal and administrative frameworks that ensure additional payments to carers are not clawed back by the UK Government.

<sup>48</sup> Powers to provide social security assistance were significantly amended by the Scotland Act 2016.

<sup>49</sup> *Fiscal framework: agreement between Scottish and UK Governments*, Scottish Government (2023) [www.gov.scot/publications/fiscal-framework-agreement-between-scottish-uk-governments](http://www.gov.scot/publications/fiscal-framework-agreement-between-scottish-uk-governments)

<sup>50</sup> *The Universal Credit Regulations 2013*, legislation.gov.uk (2013) [www.legislation.gov.uk/uksi/2013/376/part/6/chapter/3](http://www.legislation.gov.uk/uksi/2013/376/part/6/chapter/3)

<sup>51</sup> *Referral of draft regulations from the Cabinet Secretary for Social Justice*, Scottish Commission on Social Security (2025) <https://socialsecuritycommission.scot/current-work/the-social-security-cross-border-provision-case-transfer-and-miscellaneous-amendment-scotland-regulations-2025/referral-the-social-security-cross-border-provision-case-transfer-and-miscellaneous-amendment-scotland-regulations-2025>

# Conclusion

This research has set out the longstanding and entrenched challenges that unpaid carers face with decreased incomes, increased costs and reduced opportunity, and the resulting impact upon their health, wellbeing and employment. Too many unpaid carers face poverty, ill health, isolation and loss of career simply because they care.



Since the establishment of the Scottish Parliament, changes have been made to support unpaid carers. This includes establishing *limited* improvements in social security, delivering a right to assessment and investing in breaks from caring, encouraging carer friendly employers and supporting young carers in education. However, the pace of change has been slow and, in the face of significant financial and systems challenges, for many unpaid carers, it has not only stalled but reversed.

Carers Scotland and IPPR Scotland believe that this proposal for a Minimum Income Guarantee (MIG) pilot for unpaid carers offers a path for the Scottish Government to begin to increase the pace of change in support for unpaid carers in Scotland by delivering improved financial support, support that is more coordinated and holistic, and with greater collaboration between local and national government, Social Security Scotland and third sector carer support services.

# Appendices

## Appendix 1: Carer focus group questions

Carers Scotland asked unpaid carers in the focus group if they could briefly describe who they were caring for, their circumstances and, telling as much as they were comfortable with about their current financial situation.

Carers Scotland then led a discussion, using the following prompt questions:

*To talk about the things that their household need to live, and what they would describe as a good quality life. This included housing, transport, food, clothing and bedding, entertainment/culture, leisure and play, services, healthcare, digital devices and connectivity.*

*What are the biggest things that impact on their family budget (food, fuel, cost of care) and why (rising costs, low income)?*

- What do they worry about the most?
- What impact does this have on them as a carer?
- What additional costs do they experience because of their caring role?
- What additional costs, including social care, do they experience to support a disabled or older person living in their household?

*What sources of income they receive (wage, benefits, pension, other resources)*

- Is it enough?
- How do they feel about their income sources?
- How easy is it to access their income?

*Can they always afford everything they need?*

- On average, how much does care cost them each month?
- What do they prioritise if they have to choose?
- What impact does it have on them (mental and physical health)?
- How does that make them feel?

*What would make a difference to them and their finances?*

- What would make a comfortable and fair amount to live on?
- What changes would they like to see?

*What do they think of the proposed MIG for unpaid carers?*

- Do they like this idea?
- Would it work for them?
- How would it make them feel?
- Are there any policy or practical considerations the MIG should reflect to ensure it does not negatively impact caring roles?



## Appendix 2: Policy Lab questions/themes for discussion

Carers Scotland and IPPR Scotland held a Policy Lab on 25 October 2024 and explored three models developed as an outcome of the engagement with carers, stakeholders and the advice of the Steering Group alongside the key themes that had emerged from focus groups and the evidence of carer poverty.

- Dr Juliet Stone – Loughborough University
- Prof. Gerry McCartney – University of Glasgow
- Shubhanna Hussain – Coalition of Carers in Scotland
- Kate Thomson MacDermot – Scottish Government Carers Benefits Policy Team
- Dave Hawkey – IPPR Scotland
- Casey Smith – IPPR Scotland
- Richard Meade – Carers Scotland
- Joe McCready – Carers Scotland

Research, findings and models were presented to participants and the initial part of the meeting focused on expectations and determining possibility. A discussion with the following broad themes were discussed:

### *What is the immediate response to proposals and what can the Scottish Government reasonably pilot?*

- What is appealing or unappealing about the proposals and which elements are possible/easier to implement or not possible/more difficult to implement?

### *How do we best maximise impact for carers, while remaining achievable for Scottish Government?*

- How do we deliver promise of financial independence for carers, including facilitating and encouraging opportunities to work? Does interaction with the social security system disincentivise paid work?
- How do we ensure it is responsive and tailored to the needs of carers?
- Are we striving for Minimum Income Standard 100% or Minimum Income Standard 75%?
- How does the MIG connect participants to additional support offered by state/local authority to assist?

### *How do the proposed options for a MIG adhere to the promise of the MIG across the three spheres?*

- Individual income supplements to unpaid carers' household income up to a (close to) future MIG (social security).
- Increase unpaid carers' personal income by an amount reflecting employment barriers (employment).
- Menu of subsidies, vouchers, services – offered to unpaid carers to tailor options to particular needs/ desires (additional cost).

The Policy Lab then considered questions on the practicability of pilot elements and the specific need to be addressed for the pilot to work.

### *Is it within the competence and capability of the Scottish Government to create and distribute a distinct MIG payment for the pilot (MIG as single household payment)?*

- What are the institutional challenges associated with a distinct single payment delivered by the Scottish Government?
- What complexities are there with regard to setting up the payment and ensuring positive interaction with the DWP/existing benefits?
- Could a tax-exemption be negotiated for the pilot paid to recipients? (not possible in Welsh example.)
- As in Welsh example – would expectation be single payment subject to same DWP benefit restrictions (cease certain entitlements)? Will participants need to notify DWP of their receipt of pilot payment?

### *How best to recognise and quantify extent of employment barriers individuals face? How best to respond accordingly (employment barrier and Carer Support Payment)?*

- How to determine the financial benefit that comes with an ability to work (minimum wage per hour) and discount CSP accordingly – taper rate?
- 55% or 35% taper or something else? Cost implications of different tapers and rate at which payment entirely withdrawn (>£50k/year)?

- Is the taper best/only way to ensure equity in delivery of a MIG payment – that those unable to work are not discriminated against financially?
- Incentive issues with encouraging those who can work to work where they would be entitled to receive a full CSP up to MIG income?
- Other DWP social security interactions subject to same DWP benefit restrictions (cease certain entitlements)? Will participants need to notify DWP of elevated CSP?

#### *How feasible is a 'menu of options' model?*

- Is the Scottish Government able/willing to negotiate with private businesses, third sector, local authorities to offer up discounted services to participants?
- What are the likely/desired services/options carers should be presented with?
- Could we realistically expect to get on board myriad different services/businesses/organisations to commit and deliver to people across Scotland (geographic and demographic)?

#### *Is there opportunity to promote social participation, (re)training, employment opportunities?*

- Are there any difficulties with connecting pilot participants with additional support provided through Scottish Government programmes?
- Signposting to other support – connecting participants with access to independent quality assured financial advice and support.

#### *Additional individualised cost reduction support – reflect geographic and demographic component.*

- Difficulty differentiating costs of carer and cost of household.
- Social tariffs adopted by service providers as part of carers' pilot.
- Possible additional service support (employment, social participation, re-training in education?)

#### *How do we best passport support to target those most in need? Test ideas*

- Carer's Allowance/CSP = wider pool = 60% households below poverty line.
- Carer's Allowance/CSP + UC = 70% households below poverty line (exclude in poverty and 10k not in poverty).

#### *What number of people should we be looking to trial the pilot with?*

- We have modelled costings for 1,000 – is that too much, too little?
- Consequences for impact of pilot depend on numbers involved?

#### *How long would the pilot need to feasibly run in order to gauge impact/proof of concept?*

- Implications of ending the pilot after set period for recipients (negative, financial cliff edge) – scope for mitigation?

#### *How do we best measure the success of the pilot? What should we prioritise to determine adherence to MIG principles?*

- Does MIG pilot make a positive difference in getting carers to re-enter the workforce? Work more than currently?
- How have participants experienced the pilot in terms of additional income benefits? (Gathered by survey/interviews? Quantitative and qualitative.)
- Feel more independent? Increased opportunity/take advantage of social, educational, financial, etc?
- Mental and physical wellbeing impact?
- Quality of care able to provide/how person in care responded?
- Real-time evaluation of pilot – enhance workings/failings of pilot?
- Emulate Welsh five core work elements for evaluation?
- Co-production (group care, young adults meet regularly to advise study.)
- Theory enhancement (increase understanding into how/why pilot may/may not have intended effect.)
- Impact evaluation (health and wellbeing, finances, engage education, employment, communities.)
- Implementation and process evaluation (how pilot implemented, delivery, how experienced by those involved.)
- Economic evaluation (pilot represent value for money vis-à-vis outcomes.)







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