

# Budget 2020

## What it means for carers

### Overview

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The Chancellor delivered his budget 2020 on 11 March. Carers UK were disappointed that social care did not get even a mention in Budget 2020, after the Government's promise to deliver a solution.

We welcomed the additional package of support for public services to deal with the pressures of increased demand as a result of Coronavirus, including for social care. We also welcomed the additional support for individuals through the hardship fund and changes to Statutory Sick Pay.

Planning to address Coronavirus must be carer sighted and understand the role that carers play. Carers provide unpaid care to the value of £132 billion a year – equivalent to the NHS. The majority are invisible to health systems in particular, but many are also outside of formal social services, and even wider social care systems and community organisations. They will be taking extra precautions that should be supported by services.

Carers UK welcomes the Government's commitment to consult on carer's leave, and the announcement in the Queen's Speech to introduce 5 days carer's leave. This would be an important step in relieving the pressure on carers balancing caring and work.

Unpaid carers have been holding the social care system together for too long and they simply cannot afford to keep waiting for the Prime Ministers promised plan. Until there is long-term investment in the system, and a proper plan, life will only become more difficult for the UK's families.

### Carer's Allowance

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No changes were announced in the Budget on Carer's Allowance. From April 6 2020:

- Carer's Allowance will increase to £67.25 per week, increasing in line with Consumer Price Index
- This earnings limit will increase to £128 up from £123

**Verdict:**

Carer's Allowance remains the lowest benefit of its kind and although it provides some recognition and important support for many carers, it is inadequate to protect carers from financial hardship and must increase.

## **National Living Wage**

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The Budget confirmed that the National Living Wage will increase by 6.2% from £8.21 to £8.72 from April 2020. The Government announced a new target for the Low Pay Commission for the National Living Wage to reach 2/3 median earnings by 2024.

**Verdict:**

Whilst a rise in the National Living Wage is welcome for those working full time. Without an equivalent rise in the Carer's Allowance earnings limit, carers on National Living Wage looking to work alongside caring will not be able to work 16 hours. Because the earnings limit has not kept up with rises in the National Living Wage, carers can work fewer hours. We are concerned that further increases in the National Living wage will not be met by equivalent increases in the earnings limit.

Carers UK once again urges the Government to commit to linking the earnings threshold of Carer's Allowance to the National Living Wage to enable carers to be able to work at least 16 hours a week and still receive Carer's Allowance. It would make logical sense, as well as sending out a clear message around supporting carers in employment.

## **Carer's Leave**

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In the Budget documents the Government committed to consulting on the design of Carers' Leave: a new entitlement for employees with unpaid caring responsibilities. The aim is to support working people to balance their caring responsibilities with work, particularly women who disproportionately undertake unpaid caring activities

**Verdict:**

Carers UK warmly welcomes the Government's commitment to consult on carer's leave, and the announcement in the Queen's Speech to introduce 5 days carer's leave. this would be an important step in relieving the pressure on carers balancing caring and work.

Caring, unpaid, for older and disabled relatives has fast become a key issue of our time and one that is affecting more families and friends in the UK in their everyday lives. This

is not a small issue, 65% of us will provide unpaid care in our lifetimes. With our ageing population this is only set to increase.

There are millions of people juggling work and unpaid care for a loved one who is older, disabled or seriously ill. This can be a huge challenge, and for some too much with 600 people leaving work to care every day.

All unpaid carers who want to work should be able to. To support unpaid carers to continue to work we need carer friendly workplaces, 80% of working carers felt that paid care leave would support them to balance working and caring. Carers UK has long campaigned for additional rights for working carers and for the introduction of carers leave. Carers UK will be producing comprehensive response to the consultation. We will continue to provide comprehensive updates and share our position on the design of Carers Leave and the consultation.

## **COVID response fund**

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The Government announced a new emergency response fund, set aside to ensure the NHS and other public services have the resources they need to tackle the impacts of COVID-19.

Initially set at £5 billion, it will fund pressures in the NHS, support local authorities to manage pressures on social care and support vulnerable people, and help deal with pressures on other public services. The size of the fund will be reviewed as the situation develops, to ensure all necessary resources are made available.

### **Verdict:**

Given the threat posed by the Coronavirus we welcome that the Government has chosen to provide support for public services to ensure they are able to deal with the pressures of increased demand. We were pleased that the NHS and social care are both able to access the additional funding.

Carers UK and Carers Trust have produced a joint statement on COVID-19 including how services should respond. You can read the statement here:

<https://www.carersuk.org/for-professionals/policy/policy-library/statement-on-covid-19-coronavirus>

## **COVID support for individuals and Statutory Sick Pay (SSP)**

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The Government has announced they will provide Local Authorities in England with £500 million of new grant funding to support economically vulnerable people and households in their local area who have been effected by Coronavirus.

The Budget sets out a package to widen the scope of SSP.

- Temporarily allow SSP to be paid from the first day of sickness absence, rather than the fourth day, for people who have COVID-19 or have to self-isolate.
- Temporarily extend SSP to cover to people caring for those within the same household who display COVID-19 symptoms and have been told to self-isolate.
- A temporary alternative to the fit note will enable people who are advised to self-isolate to obtain a notification via NHS111 which they can use as evidence for absence from work, where necessary.
- New style' Employment and Support Allowance will be payable for people directly affected by COVID-19 or self-isolating according to government advice for from the first day of sickness, rather than the eighth day.
- People will be able to claim Universal Credit and access advance payments where they are directly affected by COVID-19 (or self-isolating), without the current requirement to attend a jobcentre.
- For the duration of the outbreak, the requirements of the minimum income floor in Universal Credit will be temporarily relaxed for those directly affected by COVID-19 or self-isolating according to government advice for duration of the outbreak, ensuring self-employed claimants will be compensated for losses in income.

***Verdict:***

Caring for someone can be difficult and has a negative impact on carers' finances, we want to ensure that the additional precautions carers will take in the coming weeks does not have a financial impact. We were pleased to see the government recognise that potential financial impact of people self-isolating or caring for someone who is self-isolating and making temporary changes to Statutory Sick Pay. We also want to ensure that unpaid carers are able to access the financial hardship fund if they are facing financial difficulties as a result of COVID19.

All employers consider what might happen for their staff if they need to provide unpaid care for someone because there is no alternative available and they are at risk. Whilst many carers will try to work flexibly, this may be impossible for some.

Carers UK and Carers Trust have produced a joint statement on COVID-19 including how carers should be supported by employers. You can read the statement here: <https://www.carersuk.org/for-professionals/policy/policy-library/statement-on-covid-19-coronavirus>

## **Social Care – England only**

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The Government included in the background information re-committing to long-term reform of adult social care. Highlighting that the Secretary of State for Health and Social Care has written to parliamentarians to begin building cross-party consensus on reform. The document also highlighted the government's previous announcement to invest £1 billion of additional funding for social care next year, as announced at Spending Round 2019.

**Verdict:**

We were disappointed that this Budget has completely failed to address the gaping hole in social care funding which is leaving more than a million older and disabled people without even the basic support they need and loading more pressure on families and friends to provide more care at huge personal costs to their own health, finances and relationships. While we had welcomed the additional £1 billion funding for adults and children's social care for every year of this Parliament, we are clear that this will only prop up what is widely regarded as a underfunded system.

Carers UK believes the social care system has been ignored for too long, and it is essential that the Government takes action and urgently addresses the question of social care reform. Unpaid carers have been holding the social care system together for too long and they simply cannot afford to keep waiting for this promised plan. Until there is long-term investment in the system, and a proper plan, life will only become more difficult for the UK's families.

## **Contact us**

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