

# **Social Security**

## **Scottish Carer's Assistance Consultation**

### **Scottish Government Response**

**March 2023**

## **Ministerial Foreword**

Unpaid carers make a vital contribution to ensuring that their loved ones get the care they need; yet we know that the caring role can have impacts on carers' own health and wellbeing, and their ability to have a life outside of caring. The Scottish Government's vision is to provide support for carers in a meaningful and sustainable way so they are able to work, engage in education, and have full lives away from caring if that is their wish. We want to make sure carers are recognised and their contribution is understood and valued by society, that their voices are heard, and their views and experiences are taken into account in decisions which affect them. That is what we have sought to deliver in the development of our social security support for carers.

The first benefit we delivered following the passing of the Social Security (Scotland) Act 2018 was Carer's Allowance Supplement in 2018. We are now providing thirteen Scottish Government benefits – seven of which are entirely new forms of financial support only available in Scotland. I am pleased to be setting out our plans for our fourteenth Scottish Government benefit. Carer Support Payment will replace and improve Carer's Allowance. As with our disability benefits, we will introduce this initially as a pilot - at the end of 2023 - ahead of national launch in spring 2024.

From day one, this support will be provided in line with our principles of dignity, fairness and respect, and take into account the feedback from the consultation we held last year. We will provide a better service to carers from launch, providing information and advice on other support available and signposting to wider services. Over the longer term we will also link carers to other services at key moments of transition, such as the start or end of a caring role. This will include supporting carers to access opportunities outside of caring, should they wish to, by linking to information and advice on education, training, work, and other opportunities.

On launch, entitlement to Carer Support Payment will broadly mirror Carer's Allowance to allow us to safely and securely transfer the awards of people in Scotland receiving Carer's Allowance from the Department for Work and Pensions (DWP) to Social Security Scotland and onto Carer Support Payment. However, I am pleased that from introduction we will introduce changes to the education rules so that many carers can access Carer Support Payment and study full-time, reducing barriers to education and helping to provide more stable incomes. We will also update the past presence test to align with that for our disability benefits, meaning those moving to Scotland from out with the Common Travel Area will be able to access support more quickly.

We also intend to make a range of further improvements once case transfer is complete. Case transfer is a joint programme with the DWP and is a complex process, particularly regarding the Carer's Allowance systems. We continue to work closely with DWP to ensure that case transfer can be completed as quickly as possible, while ensuring that it is done safely and securely in line with our published case transfer principles. This will also allow us to ensure future improvements are available to everyone at the same time, avoiding a 'two-tier' system of entitlement.

Our priority, following the completion of case transfer, will be to introduce new support for those caring for more than one person (known as Carer's Additional Person Payment) and increase the 'run on' of support after a cared for person dies from 8 to 12 weeks. We will do this as soon as reasonably practicable while protecting the on-going delivery of the Carer Support Payment itself.

These proposed improvements have been developed following extensive policy development with stakeholders over a number of years and taking into consideration our aims for supporting unpaid carers, our manifesto commitments, equalities considerations, operational impacts and legal requirements. I am grateful to all those who responded to the consultation, particularly unpaid carers themselves, who I know have so many other demands on their time. Such feedback has been vital to ensure we build a new benefit that works for carers. The extremely positive response to the proposals for changes that we set out is testament to the valuable advice and input we received from carers, support organisations, members of our Experience Panels, our Carer Benefits Advisory Group, and the independent Disability and Carer Benefits Expert Advisory Group.

Our significant achievements in social security are despite our limited powers and a largely fixed budget, which has been shrinking in real terms due to soaring inflation. Yet our ambitions remain high and we are continuing to deliver real and meaningful change through Scottish Government benefits by uplifting incomes, supporting disabled people to live independent lives, and tackling poverty. We are helping more people in more ways and ensuring this new public service delivers for the people of Scotland. Introducing Carer Support Payment will be an important next step in that wider work.

**Ben Macpherson MSP**

Minister for Social Security and Local Government

## **Introduction**

Scotland's National Carers Strategy<sup>1</sup> sets out a comprehensive range of actions to address different aspects of support for unpaid carers. It includes existing initiatives as well as new proposals and a strategic approach for supporting Scotland's carers and to ensure that their experiences are reflected in the services they use. The Carers (Scotland) Act 2016<sup>2</sup> aims to ensure that carers have choice and control, and can access support to keep caring situations manageable. It puts in place a system of carers' rights designed to listen to carers, improve consistency of support to help sustain caring relationships, and protect carers' health and wellbeing.

The Scotland Act 2016 gives the Scottish Government legislative competence over eleven benefits including Carer's Allowance<sup>3</sup>. The overarching framework for the new social security system is set out in the Social Security (Scotland) Act 2018<sup>4</sup>.

We have already improved support for unpaid carers in Scotland as a priority using our social security powers. We have introduced new support through our Carer's Allowance Supplement and the Young Carer Grant and during the pandemic, provided additional Coronavirus Carer's Allowance Supplements. Our next step is to introduce a new benefit to replace Carer's Allowance in Scotland.

Our benefits and our new social security system are built on our principles of dignity, fairness and respect. And they are designed with the people who will use them, on the basis of evidence, continuous improvement, efficient delivery and value for money. Next year we will spend a record £5.2 billion through Scottish Government benefits - £776 million more than the funding we are forecast to get from the UK Government through block grant adjustments - providing important support to over 1 million people. This will double to an expected 2 million people in 2024-25, which demonstrates the scale and pace of the expansion of our social security system.

## **Naming our benefit**

We consulted on our replacement for Carer's Allowance using the working title 'Scottish Carer's Assistance'. In line with the approach taken for other Scottish benefits, we worked with carers and carer representative organisations to identify the preferred choice for a permanent name for the benefit and tested preferred names through a survey of carers from across the Experience Panels and wider user research. We also took input through our Carer Benefits Advisory Group<sup>5</sup> and worked with carers to assess ease of finding the name through internet searches. The result of all of this research was the preferred name 'Carer Support Payment' which will now be the name for our replacement for Carer's Allowance in Scotland.

## **Background to the consultation process**

A range of proposals for changes to Carer's Allowance were developed over a number of years with stakeholders, including unpaid carers and organisations that work with and represent them. As part of this process we worked with stakeholders to agree the aims for our replacement for Carer's Allowance.

In March 2020, we published a discussion paper on Scottish Carer's Assistance<sup>6</sup>, setting out draft aims for the new support, taking into account the purpose of the benefit – to provide replacement income for carers with the most intensive caring roles.

After we published the draft aims, we held events with carer support organisations and others and carried out a number of interviews with members of our Experience Panels to take feedback. We also worked with the Disability and Carer Benefits Expert Advisory Group<sup>7</sup>, which provides independent expert advice on disability and carer benefits, and the Carer Benefits Advisory Group<sup>8</sup>, which includes representatives from National Carer Organisations<sup>9</sup>, carer services, health and social care, local authorities and welfare advice organisations. We updated the aims based on all of this feedback.

The aims of Carer Support Payment are designed to guide decisions about how the benefit will work and to help us assess how well changes made, will make a difference for carers.

Aim 1. Carer Support Payment provides income for unpaid carers in recognition of their vital role and it's impacts on their lives and is delivered in a way that takes into account different caring needs and the impacts on carers.

Aim 2. Carer Support Payment provides stability and support for carers to have access to opportunities outside of caring, where possible and should they wish to do so.

Aim 3. Carer Support Payment is designed to ensure that carers have a positive experience of the social security system, and to maximise carers' take-up of all support available to them.

The 15 options for change developed with stakeholders were then assessed and prioritised using a Multi Criteria Analysis process<sup>10</sup>, which looked at how the different changes would best help to deliver the aims. The process looked at various options and were ranked in terms of how well they would meet a set of 18 criteria. This included equality and poverty considerations, protecting existing support, keeping application processes simple, removing barriers to work, cost, and promoting take-up. The conclusions of this process informed the proposals taken into our consultation.

### **About the consultation process**

The consultation opened on 28<sup>th</sup> February 2022 and asked about how our replacement benefit for Carer's Allowance could work better for carers, from launch, and in future. It also included proposals relating to extra payments for carers – the future of Carer's Allowance Supplement and a new benefit known as Carer's Additional Person Payment. It closed on 23<sup>rd</sup> May 2022 with around 200 responses.

During this time officials attended Carers Scotland's Annual Carers Summit and took part in nine engagement events to hear from a wide and diverse range of carers, including seldom heard groups such as those with sensory loss and learning

disabilities, rural and island communities, ethnic minority communities and women's equality and advocacy representatives.

From March until April 2022, 242 Experience Panel members, took part in surveys on the proposals. Survey respondents were asked to take part in follow-up interviews and a total of 15 interviews were conducted between June and July 2022 on detailed policy and how the proposals might work, with the aim of identifying any gaps or unintended consequences. The Experience Panel report<sup>11</sup> was published in November 2022. The findings are being considered alongside the consultation responses to help inform decisions on the policy and delivery of Carer Support Payment.

### **About this paper**

The next sections of this paper provide a summary of the key findings from the analysis of the consultation and a summary of the Scottish Government's response to this, before setting out the next steps. Further detail on the Scottish Government's response can be found in the following sections of this paper.

- Section 1: Carer Support Payment
- Section 2: Extra money for carers
- Section 3: Changes to Carer Support Payment
- Section 4: Impact assessments, monitoring and continuous improvement

### **Key findings from the analysis**

The consultation built on all of our work and research to date, to consider how our replacement benefit could improve Carer's Allowance. It was designed to gather views on policy proposals and identify any gaps or arising issues. An independent analysis of the consultation responses was carried out by Why Research<sup>12</sup> and was published in November 2022.

Overall, the proposals set out in the consultation paper were welcomed, with many noting the need for changes from the current Carer's Allowance system. Some people felt the proposals did not go far enough and that changes could be made quicker, with proposals for future changes to be made from launch instead. There were some references to the amount of money saved by unpaid carers for the public purse, comments that payments for carers were too low, calls for all carers to receive the benefit and for additional assistance to be available to carers, such as help with utility bills and travel costs. Some respondents called for carers to be paid the minimum or living wage for the hours of caring they provide.

Other themes in the response were the need for clear information about benefits in a variety of different formats and for carers to have access to a range of ways to contact Social Security Scotland, as well as fast, straightforward application processes, with calls for a co-design approach in the development of the new benefit. A number of respondents, particularly organisations, asked for support to be available to carers through improved signposting for benefit advice, income maximisation, and advocacy services. Respondents also felt support should be

provided at key points in a caring role, particularly when a cared for person dies or when a caring role ends.

There were requests for flexible payment options (weekly, monthly or bi-annually) to suit individual needs. A high number of respondents said they would like carers to be able to work for a greater number of hours while still receiving support and welcomed proposed increases in the earnings threshold<sup>13</sup>, noting the positive impacts on carers' finances and wellbeing of being able to take on paid work.

There were comments that the new benefit should recognise different caring situations better, for example, where more than one person is sharing care for someone with more complex needs or for those with 'underlying entitlement'<sup>14</sup>, particularly for those receiving State Pension.

### **Scottish Government response**

We welcome the high number of responses and are grateful to the carers and organisations who have supported the development of the proposals and responded to the consultation. The support for the proposals reflects the valuable advice which has been provided by carers, our Carer Benefits Advisory Group, Disability and Carer Benefits Advisory Group, Experience Panel members, and others. The detailed design and delivery of Carer Support Payment will continue to be based on user research and ongoing engagement with unpaid carers and organisations that work with and represent them, to ensure the benefit and our services work well for all those who will use them.

When we first launch Carer Support Payment the rules will broadly mirror Carer's Allowance. This is because we want to avoid a 'two tier' system which would treat carers in Scotland who are already getting Carer's Allowance, differently from those newly applying. Our first priority has to be the safe and secure transfer of carers' benefits from Carer's Allowance provided by the Department of Work and Pensions to Carer Support Payment provided by Social Security Scotland. We also need to make sure Carer Support Payment works with UK Government reserved benefits and systems. We can't make any changes from launch that would put carers' existing support at risk.

We recognise that carers and others are keen to see changes as soon as possible. We have been ambitious with the improvements proposed as these are the changes carers have told us they wish to see and we want to make improvements as soon as we can. From launch, we will aim to align the 'past presence test' for Carer Support Payment with our disability benefits, meaning those moving to Scotland from outside of the Common Travel Area can access support more quickly. We also intend to introduce changes to extend entitlement to many carers in full-time studies, reducing barriers to education and supporting student carers. This is an important first step in our journey to ensure our benefit better meets the needs of carers.

We also intend to provide a better service of support to carers at launch, making sure that they are signposted to wider services. We are working with Social Security Scotland's Local Delivery Service to ensure carers have information and advice on all of the support available to them. Over the longer term, we also plan to link carers

to other services at key moments of transition, such as the start or end of a caring role or when a cared for person dies. We also plan to support carers to access opportunities outside of caring, should they wish to, by linking to information and advice on education, training, work, and other opportunities.

We aim to introduce new extra support for those caring for more than one person – known as Carer’s Additional Person Payment – and increase the ‘run on’ of support after a cared for person dies from 8 to 12 weeks. We will deliver this as soon as practicable after we have safely and securely transferred the awards of all those in Scotland currently receiving Carer’s Allowance to Carer Support Payment.

After launch, we will continue to develop proposals to deliver the other improvements in the consultation, monitor how we deliver the benefit to ensure it works for carers and to consider how future changes fit with wider improvements we are making for unpaid carers and the people they care for. This will include the commitment to deliver a National Care Service and the potential for a Minimum Income Guarantee for all. We hope this demonstrates our ambition and commitment to improving how we recognise and support carers in Scotland.

### **Next steps**

We will begin to roll out Carer Support Payment, our replacement for Carer’s Allowance by the end of 2023, with full national introduction in spring 2024.

We are currently working on the system build and final policy details. We are also working with Social Security Scotland to ensure we have all of the resources needed to deliver the new benefit and in-line with our timetable for delivery. We will continue to engage on Carer Support Payment with key stakeholders and with others who will access this support, as it is important that we test everything, so that we get it right.

The Scottish Commission on Social Security (SCoSS) will provide independent scrutiny of the regulations needed for Carer Support Payment before they are laid in the Scottish Parliament later this year.

We are also continuing to work closely with the Department for Work and Pensions ahead of the transfer of carers’ benefits to Social Security Scotland. This is a very complex process given the interactions between carer benefits, reserved benefits and tax systems and the age and structure of the Department of Work and Pension’s Carer’s Allowance systems.

We will continue to work to deliver our commitments to a Carer’s Additional Person Payment and extended support for carers after the loss of a cared for person, as soon as possible after case transfer completes. The consultation response will also continue to inform our ongoing consideration of future improvements which could be made to support for carers as set out in the consultation. We will also continue to engage and importantly, listen to those with lived experience of being a carer, to inform the design and delivery of support for unpaid carers in Scotland.



## Section 1. Carer Support Payment

### Introduction

When Carer Support Payment is introduced, we want to make sure that carers who are already receiving Carer's Allowance from the Department for Work and Pensions aren't treated differently from those applying for the first time. As we set out in the consultation, this means that core eligibility criteria for our new benefit will initially broadly mirror Carer's Allowance. Carers will need to be aged 16 or over and providing at least 35 hours of care a week for someone who is receiving a qualifying disability benefit. They cannot be earning more than £139 per week (2023/24 rate) from paid work (after some deductions). Carers would also not be able to receive Carer Support Payment in full at the same time as other 'overlapping benefits'<sup>15</sup>.

While we need to ensure that Carer Support Payment eligibility is similar to Carer's Allowance, we also need to make sure that key benefit rules fit with how our other benefits work, for example Child and Adult Disability Payments. This means that Carer Support Payment should work in a similar way to these benefits in terms of things like residency requirements and re-determinations and appeals. Taking this into account, the consultation asked questions about a number of areas of how Carer Support Payment should work at launch, in particular:

- Rules about where carers are living
- What happens when a carer isn't happy with a decision
- When payments need to stop temporarily
- When payments need to be reduced
- Short-term assistance – support when decisions are being looked at again
- How we can better link carers to wider services and support

### Rules about where carers are living

We set out in the consultation that eligibility for Carer Support Payment will be based on where the carer lives, and not where the person they care for lives. Carers will need to be 'ordinarily resident' in Scotland and both 'habitually resident' and 'present' in the Common Travel Area<sup>16</sup>. In some circumstances, carers living elsewhere who have strong links to Scotland may be able to get Carer Support Payment too<sup>17</sup>. The consultation set out that Carer Support Payment would not generally be available to people who are subject to UK Government's No Recourse to Public Funds policy (though there will be some exceptions to this). The consultation also asked for views on the 'past presence test' which should be used for Carer Support Payment – how long a carer should have been living here to be able to get support – suggesting this could be the same as the test used for disability benefits.

### Respondents' feedback

Overall, **a majority (68%) agreed** with the proposed residency criteria for Carer Support Payment. Comments in response to this included that the approach seemed fair and sensible, and that the benefit should be for people living in Scotland. People were positive about the rules for Carer Support Payment being the same as for Scottish disability benefits. Some organisations felt that Carer Support Payment

should be made available to all carers, including those with no access to public funds.

On the question of the 'past presence test', some organisations supported a reduction of the 'past presence test', and a test which was in line with other Scottish disability benefits. Some, however, viewed the 'past presence test' as a barrier, and felt reduction would not go far enough and that it should be removed entirely so carers can receive support as soon as they move to Scotland. Some responses noted there would be a concern if the 'past presence test' was to prevent people moving to Scotland from elsewhere in the UK from getting support straight away.

### **Scottish Government response**

Based on the response to the consultation, which largely agreed with the residency criteria set out, **we plan to set the core residence criteria for Carer Support Payment in line with other Scottish Government benefits.**

Taking into account the feedback from the consultation, and the need for consistency with wider SG benefits, **we are aiming to set the 'past presence test' for Carer Support Payment in line with our disability benefits from launch**, including to remove the test for some refugees and people who are terminally ill. The 'past presence test' would mean carers would normally need to have been present for 26 of the past 52 weeks in the Common Travel Area. As such, it would not disadvantage carers moving to Scotland from elsewhere in the UK.

### **When a carer isn't happy with a decision**

We set out in the consultation that carers will have the right to ask for decisions on their eligibility for Carer Support Payment to be looked at again, through re-determinations and appeals, if they are not happy with a decision.

A re-determination is when a carer asks Social Security Scotland to look at a decision they have made again. A new team will look at the application, and any other information the carer wants to provide, and make a new decision. The carer can then appeal if they disagree with the decision made in the re-determination. The appeal will be considered by the Social Security Chamber of the First-tier Tribunal for Scotland who will make a decision. The processes for appealing decisions and the timescales for appeals against decisions about Carer Support Payment are already set by the Social Security (Scotland) Act 2018, meaning carers would have 31 days from a re-determination decision to request an appeal. The consultation asked for views on proposed timings for re-determinations only, suggesting that:

- Carers would have 42 days from a decision to ask for a re-determination
- Social Security Scotland will then have 56 days to carry out the re-determination request
- It would remain the case that carers could apply late for a re-determination or appeal where they have a good reason for doing so.

## Respondents' feedback

A **majority of respondents (61%) agreed** with the proposals, commenting that the proposed timescales seemed fair and were an improvement to current rules. It was welcomed that this would be the same as the timescales used for disability benefits. The increase in the number of days for carers to request a re-determination (compared with the low income benefits) was well received. Respondents fed back that carers are often 'time poor' so this would allow more time to provide any information, or time to contact organisations for support if needed.

Some organisations fed back that it seemed unfair that Social Security Scotland would have longer to carry out a re-determination (56 days) than carers would have to apply for one (42 days). They also proposed that carers should be able to request an extension of the timescale if they knew they would not be able to provide information in time. Some respondents felt the current (31 days) timescale already used for some Scottish benefits was sufficient. Some respondents also raised wider concerns about the 'two-stage' process of a re-determination followed by an appeal.

## Scottish Government response

As the consultation response largely agrees with the proposals **(61%), we propose to proceed with the suggested re-determination timescales – allowing carers 42 days to ask for a re-determination and Social Security Scotland 56 days to carry this out.**

We recognise that there were a number of respondents who were concerned that the period for a re-determination to be completed was too long, or felt timescales for requesting and carrying out re-determinations should be the same. However, the proposed timescales should provide more time to request a re-determination, in recognition of the time pressures on carers, and consistency with the disability benefits. As with all of our benefits, we are committed to continuous improvement after Carer Support Payment launches and will monitor the operation of re-determinations and appeals to ensure these are working well for carers, support organisations and Social Security Scotland.

## When payments need to stop temporarily to check entitlement or protect carers

We set out in the consultation that Carer Support Payment will work differently from Carer's Allowance in terms of when payments of the benefit may be 'suspended', so that carers would not receive them for a period. This is in response to feedback that suspensions are used too much in the current Department of Work and Pensions system. We proposed to suspend payments in only a limited number of circumstances.

Reasons for suspensions would be the same as for other Scottish Government benefits. These would be:

1. When we have asked someone for information to confirm they're still entitled to support and they have not provided this on time
2. When someone is getting payments on behalf of a carer, and that person is no longer able to do this, or
3. There is a risk of financial abuse.

### **Respondents' feedback**

A **majority of respondents (54%) agreed** with the proposals for when awards should be suspended. People felt it was fair to stop payments in limited situations and it would help to avoid carers being overpaid. It was welcomed that payments would not always stop when cared for people's qualifying disability benefits were suspended.

However, some people felt payments should not be suspended in any circumstances, or that this should be looked at on an individual basis, or there should be a 'run on' of support. People felt suspensions could have negative impacts on carers or cause hardship. Some organisations also fed back that they believed that the benefit should continue while the cared for person enters hospital, as the carer could still be providing care.

### **Scottish Government response**

We appreciate views are more mixed to this question than others. However, a majority agreed with the proposed approach, so **we plan to proceed with this – to suspend payments where information has not been provided on time, where a third party is unable to receive payments, or where there are issues with a bank account or suspected financial abuse.** We do recognise the concerns raised around the impact on carers of stopping payments and this having the potential to lead to hardship. However, we also want to protect carers from overpayments and overpayment recovery, which could also lead to financial hardship. We will also have a duty to check before suspending an award that this will not cause hardship to a carer, and carers will have the right to challenge a suspension and ask for a review of the decision. We expect suspensions are most likely to happen in Carer Support Payment where there are questions about a carer's earnings and we need to check these. In designing processes for suspensions we will work to ensure that the information provided to carers is clear on what they are being asked to provide and that processes can be sufficiently flexible where it may be difficult for carers to provide the information needed.

We also noted in the consultation that we were looking at what should happen to payments of Carer Support Payment when the qualifying disability benefit of the person being cared for has been suspended. Following the response, we propose that Carer Support Payment would continue to be paid where a qualifying disability benefit is suspended but the cared for person's entitlement to the disability benefit is not in question. In situations where a disability benefit has been suspended due to issues in receiving payments, there should be no need for Carer Support Payment to

stop. For example, when someone is receiving payments on behalf of the carer – for example they are an appointee – and the appointee is no longer able to receive payments or we are unable to pay into their bank account.

We are also working with the Department for Work and Pensions to look at how suspensions of Carer Support Payment should affect any extra support carers are getting in reserved benefits, and to protect against overpayments of these benefits where Carer Support Payment awards are suspended.

### **Setting the value of Carer's Support Payment awards to £0 instead of suspending or ending the award**

We set out in the consultation that we want to provide more stability for carers getting Carer Support Payment when there are periods where they aren't eligible for support. We proposed to do this by setting payments to £0 rather than ending awards in certain situations – for example, where a carer has earnings over the limit, or where the cared for person's qualifying benefit is suspended or set to £0 and removing eligibility for Carer Support Payment. We also proposed that after an award had been set to £0 for six months, it would end.

Carer Support Payment would also be set to £0 where a carer is receiving an 'overlapping benefit'. Overlapping benefits are benefits which can't be paid in full at the same time as each other because they are provided for the same purpose. Carers who get 'overlapping benefits' instead of Carer Support Payment will have what is called 'underlying entitlement' to this support which can mean they may be eligible for extra support in other benefits. Carers whose awards are set to £0 because of overlapping benefits would not have their awards closed after six months.

### **Respondents' feedback**

**A majority of respondents (57%) agreed** with the proposals on setting awards to £0 in certain circumstances. For people agreeing, this was viewed as fair and sensible, reducing the risk of overpayments by offering a more flexible approach in terms of fluctuating earnings and breaks in care. Carers not needing to re-apply for Carer Support Payment after awards were set to £0 was also well received, as it was felt this could help reduce hardship and save time in not having to make a new claim.

In line with the response on suspensions, some organisations disagreed with awards being set to £0 where the cared for person enters hospital, on the basis that the caring role may change but may not stop. There were also calls for the earnings limit to be increased as this was viewed as being set at too low a level. Some stated that there should be exemptions to awards being nil-rated where the qualifying benefit stops due to a prolonged hospital admission. There was also some disagreement that carers getting State Pension should have their Carer Support Payment awards set to £0, as they disagreed with State Pension being an 'overlapping benefit'.

## Scottish Government response

As the consultation response broadly agrees with our current position on when an award of Carer Support Payment should be set to £0, **we plan to proceed with this policy – so Carer Support Payment awards would be set to £0 for any week in which a cared for person’s qualifying benefit award is set to £0 or when it is ended, where a carer has earnings over the earnings limit, or where they have exceeded the permitted breaks in care for a given period.** When a carer becomes entitled again, payments would start again. If an award had been set to £0 for six months, it would end. It is not our intention that carers receiving £0 awards in these situations would be able to get extra support in reserved benefits which are linked to Carer Support Payment.

Where an award was set to £0 because of an ‘overlapping benefit’, this would allow them to access any linked support in reserved benefits and the £0 award would not end after 6 months, it would continue for as long as the underlying entitlement remained.

We recognise the views regarding the level of the earnings limit and support for carers when a cared for person is in hospital for more than 28 days. We will consider changes to these areas of Carer Support Payment in the future and more information on our proposals and the response to these is provided later in this document.

## Short-term assistance

Short-term assistance is a new form of assistance in the Scottish social security system. It provides financial support for people while they challenge a decision to reduce or stop an ongoing payment of certain Scottish Government benefits. This is to make sure people are not put off challenging decisions by having to manage, for a period of time, with a lower income. Short-term assistance is paid at a level which maintains the support the person was getting before the decision to stop or reduce their benefits. At the moment, there is no short-term assistance available from the Department for Work and Pensions.

In the consultation, we proposed that short-term assistance could be made available in some situations where a carer is challenging a decision on an ongoing Carer Support Payment award. We also proposed that short-term assistance could be treated as a qualifying benefit for Carer Support Payment when paid to a cared for person in place of a Carer Support Payment qualifying benefit.

## Respondents’ feedback

Proposals on short-term assistance were **welcomed by a majority (69%) of respondents**, as it was felt that carers’ will continue to undertake their caring role while the challenge process is ongoing and it was seen as right that they should be supported during this. This proposal was viewed as progressive, fair and sensible, reducing stress for carers while providing them with a ‘safety net’ and helping to protect incomes and possibly access to other forms of support.

Some organisations raised concerns about links to other benefits, noting that work would be needed with the Department for Work and Pensions to protect support in other benefits that are linked to Carer Support Payment, to avoid carers losing out. It was also recommended that communications should be clear to make sure carers know they are entitled to this support and that, crucially, it would not need to be repaid even if challenges are not successful. One organisation suggested an alternative approach through a 'run on' of support which would help with the transition to a lower income and could be less complex.

### **Scottish Government response**

As the consultation response strongly agreed with the proposal on short-term assistance, **we wish to proceed with the proposed policy to provide short-term assistance in some situations where a Carer Support Payment decision is being challenged, and to provide support to carers when the person they care for is challenging a decision and receiving short-term assistance.**

However, as noted in the consultation, because of the complex links the existing Carer's Allowance benefit has with support which remains reserved, we need to continue to work with the Department for Work and Pensions to consider the impacts on other benefits before finalising our plans. Following this detailed work and subject to agreement with the Department for Work and Pensions, we will deliver short-term assistance and related support for Carer Support Payment after case transfer is complete, rather than when the benefit first launches.

This is in part because it has not been possible to agree with the Department for Work and Pensions how short-term assistance provided to carers (or support based on short-term assistance paid to a cared for person) would be treated in reserved means-tested benefits. It would make carers no better off if support we provided during challenges was to reduce support they were receiving through Universal Credit or other Department of Work and Pensions benefits. Introducing this support after case transfer completes will also ensure that there is no difference in treatment and support for carers in Scotland who are already getting Carer's Allowance.

### **Linking carers to wider services and support**

In the consultation we set out ways in which Carer Support Payment could better link carers to wider services and carer support. The aim of this was to improve carer health and well-being, and as far as practicable allow for a life of their own outside caring. This could include providing clear information on wider support, including other social security benefits, and signposting to organisations who support carers. We suggested that support could be targeted at key moments of transition, such as at the start of a caring role, when young carers are moving on from young carer services to adult services, or when a caring role comes to an end, especially if this is due to the loss of the cared for person. This could include linking to information and advice on education, training and employment, to support carers who would like to, and are able to take part in these opportunities.

We noted that we are working to identify ways we can link up with other support from launch. For example, providing on-screen information about wider support as part of

the application process, as well as clear information about other benefits relevant to carers, so that carers are better informed about their entitlements. Similar information could be included in the text of award letters, or in guidance provided by Social Security Scotland's Local Delivery teams.

## **Respondents' feedback**

Respondents cited a wide range of organisations and forms of support that Carer Support Payment could link to. A key form of support was carers' centres, which can provide information and local help in accessing and completing paperwork as well as performing an advocacy role.

Common themes highlighted by stakeholders included the importance of streamlining information on entitlements and various sources of support across agencies, organisations and services which are in contact with carers. Clear information and signposting should be provided for carers, alongside information on concessions for carers, eligibility entitlements and overlapping benefits. Information should be accessible and consider the needs of users.

Respondents told us that support should be provided at transitional junctures, particularly when a cared for person dies, including emotional, employability support and financial advice for income maximisation.

## **Scottish Government response**

**Given the strong support for this, we will proceed with this policy from introduction of the new benefit.** We will take into account the feedback we have received on specific areas where we can link carers to wider support, and we will work closely with carers in developing the detail of this. We are committed to continuous improvement in delivery of the benefit and will work directly with carers and support organisations to understand how the system is working and identify any changes needed. Further information on monitoring evaluation and continuous improvement can be found later in this document.

## **Ongoing improvements to Carer Support Payment**

After launch, we will continue to improve how we deliver Carer Support Payment to provide the best possible service and to respond to feedback from users. We've set out below some improvements we are already working to deliver after the pilot launch of our new benefit. As set out in the consultation we have also proposed further significant eligibility changes we could make in the future and more information on these is provided later.

## **Making applications for Carer Support Payment in advance and backdating**

From introduction of the benefit, carers will be able to 'backdate' Carer Support Payment for a maximum of three months without having to give a reason if they have been unable to apply as soon as they are eligible. However carers will be able to backdate the award for more than three months where an application for Carer Support Payment is made within three months of a qualifying benefit decision - for



example where a disability benefit has been awarded to the person they care for following a Tribunal and they are owed backdated payments.

We are working to also provide an option for carers to make applications for Carer Support Payment in advance – when they know they will become eligible up to three months in the future. This would be in line with how Carer's Allowance works now and would mean carers could make an application for Carer Support Payment if they are planning to begin a caring role or reduce their working hours or earnings. We have already designed Carer Support Payment systems so that applications will be processed as quickly as possible so carers aren't waiting a long time for a decision on their award.

### **Frequency of payments**

We noted in the consultation our intention to mirror the payment frequencies available in Carer's Allowance, where carers are paid weekly or every four weeks. For carers making new applications for Carer Support Payment we will make payments every four weeks, in line with how our disability benefits are paid. Carers whose benefits are transferring from Carer's Allowance will be able to receive weekly or four weekly payments of Carer Support Payment based on how they are paid now. We will also provide weekly in advance payments for carers who are terminally ill or caring for someone who is terminally ill.

From launch we don't plan to offer weekly payments beyond this, as this is not something which is currently available for our other benefits, and weekly payments can increase the risk of overpayments. We are committed to developing and improving all of our benefits after they have launched, and in response to feedback from the people who use them, and will consider whether further payment options could be offered in future.

## **Section 2. Extra Money for Carers**

### **Introduction**

Section 2 of the consultation set out proposals for extra support for carers in Scotland – the future of Carer's Allowance Supplement, an additional amount which has been paid to carers getting Carer's Allowance in Scotland since 2018, worth over £491 a year in 2022, and Carer's Additional Person Payment – a proposed new extra payment for carers with multiple caring roles.

### **Carer's Allowance Supplement**

When Carer Support Payment begins, Carer's Allowance Supplement will continue to be paid in the same way as it is now, to protect the safe and secure transfer of benefits for carers in Scotland who are already getting Carer's Allowance. Carer's Allowance Supplement is currently paid twice a year automatically, using information on people living in Scotland and getting Carer's Allowance on a specific qualifying date, with no need to apply.

The consultation proposed that Carer's Allowance Supplement could be paid alongside carers' regular payments of Carer Support Payment in future. This could mean carers would receive higher regular payments and would reduce the risk of over or underpayments of support.

## **Respondents' feedback**

**A majority of respondents (62%) agreed with the proposal to pay Carer's Allowance Supplement alongside regular payments of Carer Support Payment in future.** Reasons given were that this would be better for budgeting and would provide a more stable income.

However, there were also those in favour of keeping Carer's Allowance Supplement as a lump sum payment. Reasons given for this were that it would be a more noticeable amount when paid twice yearly, could help with unexpected bills, and can be helpful at certain times of the year such as Christmas when outgoings may be higher than usual. It was also noted by some that this could make the system simpler.

A number of people were unsure, and some, mostly organisations, suggested that carers should be given the choice of how to receive the payment, with any approach to future payments needing to be co-designed with carers.

A number of respondents also made points about eligibility for Carer's Allowance Supplement and expressed a view that carers with 'underlying entitlement', or all carers should receive this payment. Some people felt the payment should be a higher amount.

## **Scottish Government response**

**As a majority (62%) agreed with the approach set out in the consultation, to pay Carer Allowance Supplement alongside regular payments of Carer Support Payment, we will proceed with this.**

As retaining a lump sum approach would require the use of qualifying dates which could disadvantage some carers and increase the amount of over and underpayments of support, we consider that providing regular payments would be fairer for carers, ensuring all carers receive the right amount of support. As noted by respondents this would be of particular importance to those on lower incomes as it would provide a higher regular and more stable income which would be better for budgeting.

We also appreciate the points raised around allowing a choice of payment options for carers. While we do want to ensure there is flexibility for carers in Carer Support Payment, running parallel systems for Carer's Allowance Supplement so that some carers would receive lump sums and others could receive regular payments would add significant complexity, cost, and risk to the system.

In relation to the points on co-design, we are working with carers and support organisations to ensure our policy, systems and services are shaped by the people

who will use the benefit, through regular user research and user testing. As noted in the consultation, we recognise that we will need to provide clear communications to carers around any changes to Carer's Allowance Supplement and to support understanding of how it will be treated differently in reserved benefits, even where it is paid alongside regular payments of Carer Support Payment. It will be particularly important to ensure these communications are developed with carers and support organisations so that they work for the people who will use them.

Timings for the changes to Carer's Allowance Supplement are being considered as part of wider work to consider future changes to Carer Support Payment and the delivery of Carer's Additional Person Payment. **We will uprate all Scottish benefits, including Carer's Allowance Supplement and Young Carer Grant, in line with inflation, by 10.1% in April 2023.**

### **Carer's Additional Person Payment**

There is no additional support available through the current system of Carer's Allowance for carers with multiple caring roles. The consultation set out proposals for Carer's Additional Person Payment – a new payment to provide extra support for carers who are getting Carer Support Payment and caring for more than one person who is getting a disability benefit.

We have been working with the Department for Work and Pensions to explore in detail a number of options to introduce Carer's Additional Person Payment as early as possible ahead of completing the transfer of cases from the Department of Work and Pensions to Social Security Scotland. This would allow people already getting Carer's Allowance to benefit from the extra support at same time as new applicants.

However, the detailed work carried out on these options identified that the complexity of the current Carer's Allowance benefit, and the age of the Department of Work and Pensions systems, would mean that making a change of this size before case transfer was complete would pose too great a risk to the safe and secure transfer of carers' benefits and to wider delivery of Carer Support Payment.

We will therefore begin the new payment after all eligible carers have had their benefits safely transferred from Carer's Allowance to Carer Support Payment. We will continue to work with the Department for Work and Pensions to deliver Carer's Additional Person Payment as soon as possible once case transfer is complete.

### **Carer's Additional Person Payment – eligibility**

In the consultation, we set out that to qualify for Carer's Additional Person Payment, carers must be eligible for Carer Support Payment and receiving payments of the benefit.

The consultation also proposed that carers would need to be caring for at least two people who are in receipt of a Carer Support Payment qualifying benefit<sup>18</sup>. Carers would need to be providing at least 20 hours of care per week for each additional person, as well as at least 35 hours of care a week for the person for whom they are receiving Carer Support Payment. There could only be one award of Carer's

Additional Person Payment per cared for person, but carers would be able to receive more than one award of Carer's Additional Person Payment if they are caring for more than two people.

### **Respondents' feedback**

**The majority (72%) of respondents agreed with the proposed eligibility criteria** for Carer's Additional Person Payment, with some noting that this approach recognises the financial burden faced by carers of having to care for more than one person.

However there were mixed responses on this and some respondents felt that the rate for Carer's Additional Person Payment should be more than £10 per week, with some respondents noting it felt insufficient in relation to the caring hours requirement. Some respondents felt that either this rate should be increased or the minimum of 20 hours of care required should be reduced.

### **Scottish Government response**

We acknowledge the support from the majority of respondents. We appreciate the points raised in relation to the level of the payment and the number of caring hours. We would note that Carer's Additional Person Payment is not intended as a payment for care – it is an extra amount of support for those with multiple caring roles in recognition of the additional impact this can have on their wellbeing. This is considered further in the next section.

We discussed the caring hours requirement with the Carer Benefits Advisory Group ahead of the consultation and this was lowered from 35 hours to 20 hours as it was considered this would support more carers while still representing a significant caring role for any additional people. This was in light of evidence showing that 20 hours is a key point at which the impact of caring starts to be felt in terms of a carer's health and employment. The data on the number of Carer's Allowance recipients currently caring for more than one person is limited. Reducing the caring hours requirement to below 20 hours would expand eligibility further but may not target support at those with the most intensive caring roles. We will continue to consider the consultation feedback in our work to develop detailed policy for Carer's Additional Person Payment.

We are also continuing to consider the potential interactions between Carer's Additional Person Payment and the proposed change (in section 3 below) to allow carers to add together hours of care for two people in receipt of a qualifying benefit, in our work to finalise policy on the eligibility criteria. We recognise that these proposals may add complexity to the application and administrative process and will continue to consider this throughout policy development.

### **Carer's Additional Person Payment – frequency of payments**

The consultation proposed that the payment would be equivalent to £10 per week for each additional person cared for. This payment would then be up-rated each year. It was also proposed that the extra payment would be paid at the same time as Carer

Support Payment and that this would be paid alongside a carer's regular payments of Carer Support Payment. The consultation noted that most carers received payments of Carer's Allowance either weekly or every four weeks and asked for views on the proposed payment frequency.

### **Respondents' feedback**

**The majority (73%) of respondents agreed with the proposed payment frequency.** Some organisations also noted that the proposed frequency would be good for budgeting purposes as respondents would receive smaller, more regular payments, when compared with a larger lump sum payment.

Respondents also noted that regular payments, rather than lump sum payments, could help to avoid confusion, reduce the administrative burden on Social Security Scotland and avoid the risk of under or overpayments associated with lump sums.

Some organisations called for a need to offer choice to carers as to when to receive these payments, to allow them to receive payments in the way that best suits their needs.

As with the previous question, some respondents noted that the rate should be more than £10, given that all cared for persons would be receiving the same level of care.

### **Scottish Government response**

The responses were mixed on payment frequency, with some preferring more frequent payments and others preferring a larger lump sum payment, and some calling for a choice of payment frequency.

As a majority of respondents were in favour of payment alongside regular payments of Carer Support Payment, we propose to proceed with this plan. As noted above, we plan to pay Carer Support Payment every four weeks for those making new applications. Paying Carer's Additional Person Payment alongside this will allow carers to receive a higher income more regularly. However, we recognise the calls for choice in payment frequencies for carers, and following Carer Support Payment and subsequent Carer's Additional Person Payment launch we will continue to consider feedback from carers and others, and consider whether changes to the offer are needed.

### **Carer's Additional Person Payment – targeting**

The consultation explained the proposal to target Carer's Additional Person Payment to people getting payments of Carer Support Payment and not those with 'underlying entitlement,' or those who receive only the Universal Credit Carer Element. This would be in line with how Carer's Allowance Supplement works now.

### **Respondents' feedback**

**The majority of respondents (63%) agreed with this proposal,** with comments noting that this would be fair, sensible, logical and reasonable.

Some organisations called for payments to be made to those with ‘underlying entitlement’ and some requested that it should be extended to those in receipt of State Pension in particular.

Some organisations also noted the need for collaboration between Social Security Scotland and the Department for Work and Pensions in order to identify carers on Universal Credit who may be entitled to additional support. Furthermore, some organisations suggested that carers should be able to seek advice from a Social Security Scotland adviser on whether they would be entitled to additional support.

### **Scottish Government response**

Based on the support from the majority of respondents, **we propose to proceed with targeting the extra payment at those carers in receipt of Carer Support Payment** and not those with ‘underlying entitlement’ or those in receipt of the Universal Credit Carer Element only.

Whilst we do appreciate comments from organisations regarding those with ‘underlying entitlement,’ the reason this additional support would be targeted at those in receipt of Carer Support Payment is that these carers are likely to be those on the lowest incomes. Carers with ‘underlying entitlement’ will be in receipt of other support which is paid at a higher rate, such as State Pension. This approach would avoid confusion as it aligns with how Carer’s Allowance Supplement works today which also targets those in receipt of Carer’s Allowance (and in future Carer Support Payment).

In discussions with stakeholders on this point, it was considered that the wider issue of support for carers on State Pension may be better considered separately from Carer’s Additional Person Payment, as not all carers will have multiple caring roles. The consultation sought views on whether a recognition payment for long term carers could be considered to provide support to these carers. More information on the ‘Carer Recognition Payment’ responses is in section 3 below.

On identifying and advising those claimants who may be entitled to further support, we will provide clear communications for carers who are getting Universal Credit, or applying for it, to help them find out if they would be better off if they applied for Carer Support Payment as well. As part of our development of providing information and notifications, we are working with carers and support organisations to ensure information and signposting is clear and shaped by the people who will use the benefit, through regular user research and user testing. Social Security Scotland advisers would also be able to signpost carers to additional support they may be entitled to, but it is also important to note that the circumstances of carers and the people they care for will vary.

## Section 3. Changes to Carer Support Payment

### Introduction

When Carer Support Payment is first launched, we plan to keep many of the eligibility criteria the same as Carer's Allowance. We recognise that this will not immediately achieve all of the aims we have for carers. This is to make sure we don't create a 'two-tier system' where carers already getting Carer's Allowance are treated differently from people who have newly applied for Carer Support Payment. This approach also helps to achieve a safe and secure transition, ensuring that throughout the extensive and complex task of transferring carers' benefits from the Department for Work and Pensions to Social Security Scotland, they continue to receive the right money, at the right time.

The consultation set out the priority changes that we want to make to the current Carer's Allowance rules, including increasing access to education, recognising different caring situations, providing more stability of support where payments are affected by life events, and addressing barriers to taking on, or staying in, paid work. We also proposed to explore support for those carers who have a long-term caring role, for example those who have looked after a disabled child for the majority of their lives. We recognise that such long-term roles can have particular impacts, not only financially, but also on opportunities to participate in learning, leisure and social engagement.

A recurring theme from the consultation responses was for changes to go further and be made faster. However, we are aware of the need to balance any changes we would need to make, against the funding to invest in making those changes. We will need to decide how affordable and sustainable any improvements we wish to make are, as part of the fixed Scottish budget, and we need to make sure that changes are targeted where they will deliver the most benefit. We also know how important it is that any improvements we make don't do anything which would risk the other financial support carers get from reserved benefits, and we have dependencies on other government agencies such as the Department of Work and Pensions and His Majesty's Revenue and Customs, as well as external organisations, which can affect when we are able to make changes.

**However from launch we are committed to allowing many carers to study full-time and receive Carer Support Payment by reducing the education restriction. We also intend to increase the run on of payments from eight to twelve weeks after a cared for person dies, as soon as practicable after case transfer is complete.**

### Access to education and training

In the consultation we proposed removing the current Carer's Allowance education restriction to increase access to Carer Support Payment for full-time students as we know this can be a barrier to education and that this may be a problem for student carers in particular, who are less able to support themselves through paid work.

## Respondents' feedback

**The majority of respondents (97%) agreed** with this proposal and noted that the current rules constituted a barrier to education, and that this change would address this, particularly if Carer Support Payment were paid alongside existing grants or bursaries. Respondents highlighted that this was a long-term investment in carers, improving career options and earning potential for when their caring role stops. The only negative comments concerned the issue of fitting in full-time study with full-time caring, with some suggestions that safeguards should be put in place to avoid detrimental impacts on carers' health and wellbeing. However, others noted that many courses were now flexible and delivered online or in a hybrid fashion, thereby making it feasible for carers to study alongside caring.

## Scottish Government response

**As the majority of consultation responses strongly agree with this proposal, we intend to extend entitlement to those in full-time, further and higher education from launch of Carer Support Payment.** Although this was part of our plans for future improvements, we have listened to carers, who told us in the consultation that they wanted to see changes sooner. This would mean that more student carers could receive Carer Support Payment, compared to the current Carer's Allowance system, as soon as we launch the benefit later this year. This will mostly help young carers, and in particular, women who most typically take on caring roles and make up the majority of carers. Women already face a gender pay gap and are more likely to have been affected by previous benefit changes. This is a huge milestone for our new benefit and for those who wish to study alongside their caring role, allowing them to improve their qualifications and skills and for a life of their own, outside of caring. We are working closely with the Student Awards Agency Scotland and the Scottish Funding Council to ensure that the extension of entitlement to Carer Support Payment is fully reflected within relevant guidance and that overall levels of support for full-time student carers across social security and further and higher education are maintained.

We are continuing to consider the position for student carers who study non-advanced educational courses. Many young carers aged 16 to 19 in non-advanced education will be able to receive support through the Young Carer Grant and the Education Maintenance Allowance. Their parents or guardians should also continue to have access to support through reserved benefits such as Child Benefit, Universal Credit and Child Tax Credit. In line with our policies on the Young Carer Grant, it is important to get the balance right between providing support but not incentivising or normalising young people taking on a substantive caring role alongside their school-level education. We will continue to look carefully at this and the interaction between Carer Support Payment and the Young Carer Grant, and how they interact with wider support in the education and reserved benefits systems, to ensure we continue to get this balance right and to address any gaps in entitlement.

In order to maximise benefit uptake, we will work with stakeholders, as well as carer organisations to identify the best ways to communicate this new entitlement and to ensure that student carers have access to information and advice when we launch



this new policy. We also want to consider how we link carers to wider services on things like education, work and volunteering opportunities and to provide advice at particular points of transition, for instance at the beginning or end of a caring role.

## **Recognising different caring situations**

Carer's Allowance is paid where 35 hours or more of care is provided each week by one person, for one person, in receipt of a certain disability benefit. This means that where someone is caring for 35 hours or more per week, but this care is split across two or more people, they aren't eligible to get the benefit. It also means that where two people are each caring for 35 hours or more for the same person, only one Carer's Allowance payment is made. We recognise that this may feel unfair, where the impact on the carer may be the same, regardless of the number of people who the caring is shared across, or the number of carers providing the care for the cared for person.

We are already committed to providing extra support for those caring for more than one person, where they have two significant caring roles, through the Carer's Additional Person Payment. However we also considered the option to allow carers to add together hours spent caring for two different people to meet the 35 hours per week caring requirement.

There wouldn't be any rules on the number of hours a carer would need to be caring for each person, as long as it added up to 35 hours overall, and both cared for persons were receiving a qualifying disability benefit.

## **Respondents' feedback**

**A large majority of respondents agreed with the proposal (79%).** Respondents were positive about how this approach would better recognise different caring situations.

There were some concerns regarding administrative complications. These included the need to deal with multiple applications, providing and processing additional changes of circumstances, and difficulties for carers combining and counting hours of care.

A small number of respondents voiced concerns about impacts on reserved benefits of the cared for people who could lose their Severe Disability Premium, and a very small number of respondents were worried that there could be a rise in fraudulent claims and abuse of the system.

A few respondents asked that consideration be given to providing different levels of payment according to the amount of hours provided, or according to the number of people cared for.

## **Scottish Government response**

**We welcome that the majority (79%) of respondents agree with this approach and will continue to explore the option of allowing caring hours to be added together** to meet the 35 hour eligibility criteria in future.

We recognise the complexity of this proposal for carers and the points made regarding the effects on reserved benefits (as this proposal could affect the reserved benefits for two people rather than one, as is currently). We do, however, aim to better recognise different caring circumstances, including more intense caring roles through Carer's Additional Person Payment.

We will use the consultation responses to inform our on-going consideration of the option to allow carers to add together caring hours across two cared for people. Final policy decisions and timings on this will be confirmed at a later date.

### **More stable support during key life changes**

Carer's Allowance is paid where the person being cared for is getting certain disability benefits. This means that payments will stop when, or shortly after, the cared for person's qualifying benefit stops. When a cared for adult goes into hospital or residential care, Carer's Allowance will stop after four weeks, and when a cared for person dies, Carer's Allowance payments stop after eight weeks.

In the consultation we proposed to extend payments from eight to twelve weeks when a cared for person dies, and from four to twelve weeks when an adult enters hospital or residential care.

### **Extending payments from eight to twelve weeks when a cared for person dies**

#### **Respondents' feedback**

**Almost all of those answering this question (89%) agreed with this proposed future change.** A large number of people echoed the rationale set out in the consultation paper, with some noting this would be a more empathetic and compassionate approach than at present.

A few respondents noted that while a carer's grief may be similar to that of someone else who has suffered a loss, they may have less practical ability to get back into work or education or to rebuild support networks due to their caring role. While respondents generally welcomed the proposal, a small minority felt that the Scottish Government should introduce a longer 'run on' of support, and a small number felt eight weeks was long enough.

Accessing advice and support was seen to be important, and there were suggestions that carers should be able to access help across a range of areas including financial support, legal aid, and information on other benefits after the loss of a cared for person.

### **Scottish Government response**

We recognise the vital support carers provide to the people they care for and the need for more stable incomes when they are having to cope with major life events. With this in mind and **due to the strong support, we will proceed with the proposal to extend payments from eight to twelve weeks, when a cared for person dies. This is our first priority after case transfer is complete** – when the benefits of all carers in Scotland have transferred over from the Department of Work and Pensions to Social Security Scotland. It is important that we wait until this point so that carers already getting Carer's Allowance are not disadvantaged.

As Carer Support Payment will have complex links with benefits which will remain reserved to the UK Government, we will need to work with the Department for Work and Pensions on implementation, as we know how important it is that any changes which we make don't do anything which would risk the other financial support carers get from reserved benefits, taking into consideration available finance, as well as developing systems to make delivery possible.

### **Extending payments from four to twelve weeks when a cared for adult enters hospital or residential care**

#### **Respondents' feedback**

**A large majority of respondents (87%) agreed with this proposal** and feedback was very positive, in that this proposal offered a more compassionate approach. A key theme from a significant minority was that carers will still have a caring role when the cared for person is in hospital or care, or that this can lead to additional costs or a more intensive caring role.

A small number of respondents were concerned that 12 weeks would not be long enough and that payments should continue for as long as a cared for person is in hospital, or should be extended in some situations such as where a cared for person is unable to be discharged from hospital. Further suggestions were for the 'run on' to be extended from between 16 weeks to 12 months, although there was no specific consensus on this time period. Respondents also noted that finding work for a temporary period while a cared for person was in hospital was unrealistic, and that processes for payments to be reinstated when hospitalisation ends should be quicker.

While most respondents were positive about this proposal, a small number of individuals expressed the view that 12 weeks would be too long, with references to four and eight weeks as more appropriate. In common with responses to other questions, it was highlighted that it was vital to ensure that any changes did not impact negatively on reserved benefits. One organisation recommended the implementation of a 'post caring support payment' which could be linked to the length of time care had been provided.

#### **Scottish Government response**

When we launch Carer Support Payment, we plan to set payments to £0 rather than ending an award, when the person being cared for is in hospital or residential care and their disability benefit is stopped. This would allow us to begin Carer Support Payment payments again sooner when the cared for person leaves hospital or residential care, with no need for the carer to reapply.

We appreciate the concerns raised that caring does not necessarily stop when a cared for person enters hospital or care, and the support for the proposal to extend support where a cared for person is in hospital or care. We will continue to take into account the feedback provided through the consultation in our work to consider this future change. In any changes we make, we will also need to take into account interactions with reserved benefits paid by the Department of Work and Pensions.

### **Access to employment**

We have heard from carers that the current earnings limit, which means carers can't earn more than £132 per week in 2022/23 (after some deductions for things like childcare and pension contributions) is too low, and limits opportunities. Also, if carers earn £1 over the threshold, they lose all of their Carer's Allowance award. This is often referred to as the earnings 'cliff edge'. This means that carers getting Carer's Allowance may have to reduce their working hours as their wages increase to keep their benefits or end up worse off.

In the consultation we proposed raising the earnings threshold and that this could be linked to 16 hours at a specific rate, such as the Real Living Wage. Using the 2021-22 level of the Real Living Wage, which is £9.90 an hour, this would be around £158 weekly, compared to the current earnings threshold of £132.

We also want to look at how we could address the 'cliff edge'. This could be done by using a 'run on' period, where payments would continue for a number of weeks after a carer earns over the limit.

### **Respondents' feedback**

**The majority of respondents (82%) supported the proposal to increase the earnings threshold.** However there were mixed responses on how this should work in practice, compared to the other questions in the consultation. Those in favour regarded the current Carer's Allowance earnings limit as acting as a disincentive to work and making re-entry to the workplace difficult. Raising the threshold was seen as giving greater flexibility to carers, however some felt the suggested limit would still be too low to make a real difference. A small minority felt that the current Carer's Allowance system did not sufficiently account for variable work patterns or incomes, and called for this to be addressed within Carer Support Payment. There were a few comments that the proposed earnings limit discriminated against better-paid carers, and a significant minority felt that all limits on earnings should be removed.

**Of those responding, the majority (67%) agreed with the suggestion of using a formula based on 16 times the hourly Real Living Wage.** Of those preferring the 16 hour option at Real Living Wage rates (£158), it was felt that this limit would easily let carers know what they could earn up to. Of those who disagreed, issues raised

included the lack of feasibility in holding well paid roles for only up to 16 hours per week, and the lack of jobs which allow as few as 16 hours weekly. A few respondents suggested alternative hourly limits, with 20 hours mentioned most frequently.

### **Addressing the cliff edge**

**A majority (77%) agreed with the proposal to look at a ‘run on’** after a carer earns over the earnings limit in future. It was felt that this could be particularly helpful for those with variable earnings. It would provide more flexibility and stability and reduce stress. A significant minority of respondents cited opposition to the ‘cliff edge’ with a small number of calls for it to be abolished or for a longer-term view of earnings to be considered.

A need for more detail about how the ‘run on’ approach would work was cited by a significant minority of mainly organisation respondents. This was particularly regarding the duration of the ‘run on’ after a carer breaches the earnings limit, and its interaction with other benefits and entitlements. There were some negative comments, with very small numbers seeing this approach as overly complex and difficult to administer.

### **Scottish Government response**

We welcome the range of comments and suggestions made by respondents and recognise that **the majority of respondents in this area were in favour of an increase to the earnings threshold**, and setting this at a level which would allow carers to work 16 hours a week alongside their caring role.

We recognise that some carers would like to remove the earnings threshold completely. However this would fundamentally change the purpose of Carer Support Payment as a benefit for those less able to take on paid work due to caring responsibilities.

Given the range of views on how the earnings rules for Carer Support Payment could work differently from Carer’s Allowance, we are continuing to consider the responses to the consultation to inform our future approach for Carer Support Payment and once case transfer is complete.

### **Support for a wider group of unpaid carers**

We recognise that many people would like our replacement for Carer’s Allowance to provide support to a wider group of unpaid carers. We know in particular that carers who currently have only ‘underlying entitlement’ to Carer’s Allowance, because they receive another income replacement benefit instead, feel that their caring role is not properly recognised, and that the majority of these carers are in receipt of State Pension.

In the Multi Criteria Analysis process we carried out to develop the consultation proposals, we considered increasing access to our benefit for carers getting State Pension. We found that while this would have a positive impact in terms of

recognising the contribution of these carers, it would require significant investment which wouldn't be targeted at carers on the lowest incomes, and would leave out other groups of carers currently unable to get Carer's Allowance

In the consultation we asked for views on an alternative approach - a new payment for long term carers - and if this could be an effective investment to recognise a wider group of carers. The aim of such a payment would be to recognise the impacts on carers' finances of a long-term caring role. As an example of how this might work, it could be paid after a carer has met Carer Support Payment eligibility requirements for a certain period, whether they were receiving payments or had only 'underlying entitlement'.

### **Respondents' feedback**

**A high proportion of respondents (86%) felt that a payment for long term carers should be considered further.** There were comments that unpaid carers should be appropriately supported and compensated, particularly as some carers will have foregone opportunities for education, employment, career progression and building up a private pension. It was also noted that caring becomes more difficult as people get older. However, who this payment should be for attracted lots of different suggestions, such as lone parents, those with particular health conditions or life-long health conditions, those on low incomes, or those who have been caring for a specific number of years.

Of the small number of respondents who disagreed with this proposal, there were comments that carers will already be receiving other means tested benefits or earned income, and that those with a State Pension should not be entitled as this is a higher amount than Carer's Allowance.

There were also a large number of suggestions on what the payment should look like, including how often it should be made, weekly, fortnightly or annually, and how much the payment should be, ranging from £10 per week to £100 per week.

### **Scottish Government response**

This is a new policy idea and we consider this to be one of the longer-term Carer Support Payment options to be considered in the future. We would need to carry out further work, with carers, support organisations and others in government and public services to understand the impacts of this proposal.

We therefore intend to explore this proposal further, as a longer-term change, in line with other ongoing work to support unpaid carers, and taking into consideration the consultation responses.

## **Section 4. Impact Assessment, Monitoring and Continuous Improvement**

To help us understand the impact of our policies, Social Security Scotland, who will deliver Carer Support Payment, will collect a wider range of equalities data for people getting Carer Support Payment than is currently collected for Carer's Allowance. Social Security Scotland has a benefits evaluation impact strategy<sup>19</sup> and engages with service users in order to understand how well the system is working and to encourage benefit uptake, so that people are accessing all of the support available to them.

It is not the level of income alone that makes the difference for carers, but also how the benefit is delivered, and how we treat and support carers who access Social Security. This is particularly important for Carer Support Payment as it is the most complex benefit to be devolved, given its interactions with the reserved benefits and tax system. We want to make sure we get it right, and to ensure that where we identify any unintended consequences, we can take action. We will, therefore, continue to listen to and work with carers, carer organisations and stakeholders before, during and after the launch of Carer Support Payment, to ensure that policies and systems are designed and developed taking into account the experiences of carers.

### **Impact Assessments**

It is important that our benefits are designed and developed in a way that works for all of Scotland's carers and the people and organisations which support them. We also want to focus on what we can do to improve equality through Carer Support Payment and to avoid any negative impacts on people, groups, communities or businesses. We have, therefore, considered how the decisions we make could affect people and groups differently. We have done this by using research and evidence we already have, and continuing to listen to carers and organisations who support them to find out more.

We also used the consultation to seek views on the possible impacts of Carer Support Payment. We included a summary of what we have learned so far in the Equality Impact Assessment, Island Communities Impact Assessment, Fairer Scotland Duty, Child Rights and Wellbeing Impact Assessment and Business and Regulatory Impact Assessment.

### **Respondents' feedback**

Fewer than half of the respondents chose to answer questions on the impact assessments. In terms of those who share protected characteristics, 14% of respondents focused on women, disabled people, those within ethnic minority groups, sexual orientation and age. They noted that caring roles fall mostly on women but that intersectional issues (interactions with ethnicity, age, disability etc.) have impacts on caring too.

While views on the proposals were largely positive, it was felt that there is a need to engage with diverse groups while being considerate about cultural perceptions of caring, communication and accessibility challenges.

Over 6% who responded felt that island communities are more economically disadvantaged than their mainland counterparts due to more limited availability of

services, higher costs to access them, and a higher overall cost of living. Some also felt that some rural and remote communities have similar disadvantages.

Over 12% felt that the proposals in the consultation would help to reduce socio-economic disadvantage, with many of the proposals positively impacting on people living in poverty. However, some also acknowledged how the current cost of living crisis is significantly exacerbating socio-economic disadvantage for many carers. Around 11% of respondents felt the proposals would have a positive impact on children and their rights, improve financial stability and increase recognition of child carers. A few (6%) highlighted the need for all businesses to have a basic understanding about the caring role and the impact this can have on their employees.

### **Scottish Government response**

We welcome the variety of comments and suggestions made. We also welcome the fact that some respondents considered our proposals would lead to a fairer system, improve equality and equity, help to reduce socio-economic disadvantage and have a positive overall impact for different communities with diverse needs as identified and considered in our initial assessments.

The Scottish Government is very concerned about the hardship that people, including unpaid carers, are facing in this cost of living crisis. By the end of March 2023, we will have invested around £3 billion in a range of measures to help households face the increased cost of living, including £1 billion in providing services and financial support not available elsewhere in the UK – including the Carer's Allowance Supplement and Young Carer Grant.

The situation facing the Scottish Government is, in financial terms, by far the most challenging that we have faced under devolution, but we are doing everything within our power to support people, public services and the economy. Every pound we spend on measures to help with rising costs must be funded from reductions elsewhere, given our largely fixed budget and limited fiscal powers compared to the UK Government.

In relation to the points on co-design, we are working with carers and support organisations throughout the development of Carer Support Payment to ensure that our policy, systems and services are shaped by the people who will use the benefit, through regular user research and user testing.

As noted in the consultation, we recognise that we will need to provide clear communications to carers around case transfer and any changes to Carer Support Payment. It will be particularly important to ensure that these communications are developed with carers and support organisations so that they work for the people who will use them.

We understand that language barriers for those in minority ethnic groups may have been considered: as well as English, Social Security Scotland automatically creates all its promotional materials in seven languages – Farsi, Polish, Mandarin, Cantonese, Arabic, Gaelic and Urdu. The materials will also be translated into any



other language upon request. These steps are to ensure that all ethnic groups have a positive experience applying for the benefit, promoting good relations, and have equal opportunities to access their entitlements.

Improved join-up to wider carer support services, and the choice and flexibility offered by Social Security Scotland's Local Delivery service, will positively impact island and rural carers facing barriers to accessing services. Improved signposting and clear communication will benefit carers with underlying entitlement to Carer Support Payment.

We recognise that the cost of living is on average higher for island and rural carers and that this payment does not adjust for this factor. Island and rural carers will benefit from wider cross-governmental work, including a new Islands Cost Crisis Emergency Fund as part of the Scottish Government's Emergency Budget review to positively impact remote rural communities, and carers throughout Scotland. It is also expected to have a positive impact on the finances of low-income carers who share one or more protected characteristics (e.g. women from ME communities) and thus may reduce some of the economic inequality gap between unpaid carers and the rest of society.

All points raised by respondents in the impact assessment section of the consultation will be considered and detailed further in the summary results of the following impact assessments for Carer Support Payment:

- Equality Impact Assessment
- Child's Rights and Wellbeing Impact Assessment
- Business & Regulatory Impact Assessment
- Island Communities Impact Assessment
- Fairer Scotland Duty Impact Assessment
- Data Protection Impact Assessment

## **Endnotes and References**

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<sup>1</sup> [National Carers Strategy](#)

<sup>2</sup> [Carers \(Scotland\) Act 2016](#) An Act of the Scottish Parliament to make provision regarding carer support

<sup>3</sup> [Scotland Act 2016, Part 3, Section 22](#) These powers allow the Scottish Government to pay benefits to people providing 'regular and substantial care' to 'a person to whom a disability benefit is normally payable'.

<sup>4</sup> [Social Security \(Scotland\) Act 2018](#) Carer's Assistance Regulations 2018

<sup>5</sup> More information on [The Carer Benefits Advisory Group](#)

<sup>6</sup> [Scottish Carer's Assistance Discussion Paper](#), March 2021

<sup>7</sup> More information can be found here on: [Disability and Carers Benefits Expert Advisory Group](#)

<sup>8</sup> More information on [The Carer Benefits Advisory Group](#)

<sup>9</sup> National Care Organisations: Six carer organisations which includes, Carer's Trust Scotland; Carers Scotland; Coalition of Carers Scotland; Minority Ethnic Carer's of Older People Scotland; Shared Care Scotland; Scottish Young Carers Service Alliance. More information can be found here: [National Care Organisations in Scotland](#)

<sup>10</sup> [Multi Criteria Analysis \(www.gov.scot\)](#)

<sup>11</sup> [Experience Panel: Scottish Carer's Assistance report](#), November 2022

<sup>12</sup> [Scottish Carer's Assistance: Independent Consultation Analysis](#), November 2022

<sup>13</sup> Carer's Allowance is an 'income-replacement' benefit so carers may not be earning more than £132 per week (2022/23 rate) from employment, after tax, National Insurance and some expenses. Expenses can include 50% of a carer's pension contributions, work expenses such as travel costs and equipment for work, and up to 50% of the costs of replacement care for the person being cared for. More information is available on the [Carer's Allowance eligibility section of the UK Government website](#)

<sup>14</sup> Carers receiving State Pension make up around 80% of all carers with an underlying entitlement to Carer's Allowance. Around 98% of carers with underlying entitlement who have reached State Pension age receive the State Pension.

<sup>15</sup> You cannot receive two income replacement benefits at the same time. The benefits which 'overlap' with Carer's Allowance/Carer Support Payment are: State Pension, Incapacity Benefit, Severe Disablement Allowance, Unemployability Supplement – paid with Industrial Injuries Disablement Benefit or War Pension, Widow's Pension or Bereavement Allowance, Widowed Mother's Allowance or Widowed Parent's Allowance, War Widow's or Widower's Pension, Maternity Allowance, Industrial Death Benefit, contribution-based Jobseeker's Allowance, contribution-based Employment and Support Allowance [The Social Security \(Overlapping Benefit\) Regulations 1979](#)

<sup>16</sup> Carers need to be normally living in Scotland and both present and resident in the common travel area: (Scotland, England, Wales, Northern Ireland/Republic of Ireland, Isle of Man, Guernsey, Jersey) If the carer has recently moved to Scotland and meet the past presence test, living in the common travel area for 26 weeks in the previous 52 weeks. Carers can still qualify for Carer Support Payment even if they do not live in Scotland but have strong links to Scotland, for example, have spent a significant part of their life in Scotland.

<sup>17</sup> Some carers may be able to receive Carer Support Payment outside of the UK if they are living in the European Economic Area, Switzerland or Gibraltar, and they have strong links to Scotland.

<sup>18</sup> Qualifying benefits for Carer Support Payment are: the daily living component of Adult Disability Payment, the daily living component of Personal Independence Payment, the middle or highest care rate of Child Disability Payment, the middle or highest care rate of Disability Living Allowance, Attendance Allowance, Pension Age Disability Payment, Armed Forces Independence Payment or Constant Attendance Allowance at or above the normal maximum rate with Industrial Injuries Disablement Benefit, or War Disablement Pension.

<sup>19</sup> [Devolved benefits: evaluating the policy impact report](#), November 2019



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