

Self-sufficient local government: 100% business rates retention

About Carers UK and introduction

Carers UK is a membership charity of carers – we work to represent and support the 6.5 million people in the UK who provide unpaid care for ill, older or disabled friends or family members. We have 30,000 members, around 300 local affiliated organisations who support carers and around 5,000 professionals are engaged with our organisation. Around 1 million people access our information and advice services from our website resources through to our telephone helpline every year.

In raising the question of whether Attendance Allowance should be devolved, Carers UK welcomes the fact that the Government has consulted on the consequences at such an early stage in the process. For such an important change, it is right that the Government sought views and evidence.

From our evidence, we have concluded that Government should not pursue this policy as it would not meet the Government’s objectives and would result in substantial detrimental outcomes for older disabled people and carers.

Summary

We have focussed our response on the following question:

Question 1: Which of these identified grants / responsibilities do you think are the best candidates to be funded from retained business rates?

The consultation document sets out a number of responsibilities that have been identified as a possible fit against the criteria to be funded through retained business rates. Carers UK fundamentally disagrees with the proposal to include Attendance Allowance in this list.

Key concerns

- Attendance Allowance provides essential income for seriously ill and disabled older people. Carers UK is deeply concerned that the devolution of Attendance Allowance to local authorities will lead to a postcode lottery of support, with disability and carers benefits rationed depending on local authority budgets and priorities.

- As Attendance Allowance is a 'gateway' benefit for Carer's Allowance, Carers UK is particularly concerned about the knock on impact of any changes to Attendance Allowance on carers' ability to claim Carer's Allowance, a vital income replacement benefit for carers which recognises their inability to work full-time because they are providing significant care.
- Carers make a huge contribution providing care worth £132bn each year¹, yet nearly half (48%) of carers caring for 35 hours a week say they are struggling to make ends meet², often having given up work or reduced their hours to care. Any further decrease in income, through the rationing of disability and carers benefits, would threaten the viability of their caring role and place extra pressure on stretched social care services to provide replacement care.
- Transferring the budget and responsibility for a universal disability benefit to local authorities, is unprecedented in the history of our social security system and sets a deeply worrying precedent for equality of access to vital support in the future.

Carers UK urges the Department for Communities and Local Government to recognise the merits of the current system and to ensure that Attendance Allowance remains a nationally administered benefit and a universal entitlement.

Importance of Attendance Allowance to carers

Attendance Allowance is an important source of financial support for older people with a disability or long term illness, helping them to meet the extra costs associated with disability. The additional costs of living with a disability are substantial – estimated to be in excess of £550 a month³. The support that Attendance Allowance provides to meet some of the additional costs of disability, in turn, supports carers.

The flexibility of the benefit allows recipients to spend it on the things they need to help them maintain their independence and stay in their own home and community. For some this means purchasing extra help around the home, for example with cleaning or garden maintenance that they can no longer manage due to their condition. Others might use the money to help pay for specialist food and personal care products, such as incontinence pads or cleaning materials⁴. The element of choice provided by

¹ Carers UK (2015) Valuing Carers

² Carers UK (2016) State of Caring 2016

³ Scope (2014) Priced Out

⁴ Age UK Attendance Allowance and Care Reform Briefing: http://www.ageuk.org.uk/documents/en-gb/for-professionals/money-and-benefits/attendance_allowance_and_care_reform.pdf?dtrk=true

Attendance Allowance payment means that recipients are also able to organise care arrangements in the way that best suits them.

Research shows that the majority of Attendance Allowance recipients (68%) receive informal care⁵ and as such, Attendance Allowance, when spent on additional support then in turn supports carers. For example, if an individual purchases extra help around the home, pays for higher travel costs, this provides additional support for the carer, relieving pressure and increasing the sustainability of their caring role over the long term. As one carer noted:

“I get four hours of respite each week when a support worker takes my husband out. The Attendance Allowance just covers the cost of this.”
(Carer from State of Caring Survey, 2016)

Recipients may also use Attendance Allowance to assist friends and family members with the cost of providing unpaid care, for example by using part of the benefit to pay their travel or parking costs. For some families, the ability to claim Attendance Allowance has a significant impact on their ability to take on a caring role at all. One carer in our State of Caring 2016 survey, who had given up work to care for her mother, said that they could not manage financially, with all the higher bills, without Attendance Allowance.

Attendance Allowance, provided in its current form, also has the following significant benefits:

- The process of applying for Attendance Allowance is relatively quick and efficient, with claims met within c. 6 weeks. This is in contrast to applying for support from local authorities which can take significantly longer. For example, 29% of carers waiting for an assessment under the Care Act waited 6 months or longer, just for an assessment⁶.
- As a national entitlement benefit, with eligibility rules and payment levels operating across the UK, the benefit is relatively easy for older disabled people and their families to understand among the maze of different benefits and entitlements.
- Attendance Allowance appeals are relatively rare. For example, Attendance Allowance appeal claims represented less than 1% (1,070) of all 112,082 social security and child support tribunal appeals lodged in 2014/15, in contrast with

⁵ Using data from the English Longitudinal Study of Ageing, The Strategic Society Centre/Independent Age, June 2013, 'Independence Allowance': Developing a new vision for attendance allowance in England

⁶ Carers UK (2016) State of Caring Survey 2016

Employment and Support Allowance and Personal Independence Payment decisions, which accounted for 38% and 18% of appeal receipts, respectively⁷.

- Despite being a universal benefit, research demonstrates that Attendance Allowance is well targeted, with higher take up among the lowest income households⁸.

Link to Carer's Allowance

Crucially, Attendance Allowance provides a straight forward passport for eligible carers to claim Carer's Allowance. Carer's Allowance is an income replacement benefit, and provides vital income and recognition for those caring full time.

Currently 295,000 people receive Carer's Allowance or other financial support because they are caring for somebody who is receiving Attendance Allowance⁹. While any changes to Attendance Allowance would only affect carers in the future, it is evident that Attendance Allowance is a significant gateway benefit for carers to access their entitlements and any changes would have a huge impact on carers' ability to access support.

With the majority of Carer's Allowance claimants women (72%)¹⁰ it is also evident that any reduction in ability to access Carer's Allowance, through changes to Attendance Allowance, would disproportionately affect women who provide full time care.

Key Concerns

Carers UK's key concerns about the devolution of Attendance Allowance include:

Attendance Allowance ceasing to be a demand led universal benefit

As a demand led benefit, currently funded through Annually Managed Expenditure, Attendance Allowance is available to support all older, ill or disabled people who meet eligibility criteria set by national government in legislation.

By devolving the responsibility and funding for Attendance Allowance, Government would remove this universal entitlement and local authorities would have a fixed budget

⁷ <https://www.gov.uk/government/statistics/tribunal-and-gender-recognition-statistics-quarterly-october-to-december-2015> (see main tables spreadsheet, tab 1.4)

⁸ Strategic Society Centre (2016) Attendance Allowance and Local Government - Examining the evidence and the options

⁹ DWP figures obtained via FOI request

¹⁰ DWP Tabulation Tool, Carers Allowance recipients, figures from Feb 2016

and local responsibility for funding growing demand for an increasingly ageing population.

Some areas, in particular coastal areas, will see a disproportionate increase in the older population (and therefore the greatest demand for Attendance Allowance). The ability of local authorities in these areas to raise a sufficient amount from Business Rates to fund Attendance Allowance is of concern. While the consultation document states *'there will continue to be a level of redistribution between authorities similar to the current system of tariffs and top-ups'* further information is needed to determine the sufficiency and sustainability of such payments.

The prospect of older ill and disabled people in the future losing entitlement to a universal benefit which provides essential income to cover the extra cost of disability is deeply concerning. The devolution of such a benefit defies the core principles on which our social security system is based, and sets a worrying precedent for equality of access to vital support in the future.

Reduction of support creating a postcode lottery

Carers UK believe it would be extremely difficult for local authorities to reconcile the increase in demand for Attendance Allowance with the money raised through retained business rates.

With the significant funding pressures facing local authorities, Carers UK believe that devolution of Attendance Allowance could result in local authorities having to make changes to restrict the benefit at a local level to reduce costs. The Government has suggested that local authorities will be given this flexibility, with former Minister for Disabled People Justin Tomlinson MP stating:

'It is not the Government's intention to simply recreate a benefit at local level'¹¹

Such provision could create a postcode lottery of support, with benefits for older disabled people and carers rationed depending on local authority finance resources, priorities and provision with the potential for 152 different schemes. Indeed, some local authorities may not choose not to provide a similar payment to Attendance Allowance at all.

Those caring for older relatives or friends could end up with different entitlements depending on where the person they care for lives. This could be particularly evident when considering how Attendance Allowance is to be administered in Wales and

¹¹ Justin Tomlinson MP, (at the time) Minister for Disabled People, letter to Sir Oliver Heald MP, 28/6/16.

Northern Ireland, currently out of scope for this consultation, and could result in a significant disparity between UK countries and difficulties when assessing cross boarder caring situations.

Lastly, a localised system would further add to the difficulty families already face in navigating the maze of benefits. Carers UK research demonstrates that carers already struggle to access support, with over £1 billion of Carer's Allowance going unclaimed every year¹². Devolution would have a significant negative impact on advice and information provision, due to the potential complexity of providing advice on different support available in different areas..

Carers UK fundamentally disagrees with this inequitable approach to supporting older disabled people and their carers.

Transfer of Attendance Allowance funding to local authority social care budgets

There is a significant and deeply concerning shortfall in social care funding rising to between £2.8 billion and £3.5 billion by the end of this Parliament¹³. A sustainable funding settlement for social care must be delivered, however this should not be at the expense of Attendance Allowance.

Attendance Allowance should not be used alternative channel for financing social care; the two benefits support different groups of people and have different purposes. **Evidence demonstrates the majority of Attendance Allowance recipients get little or no support via the social care system.** Among Attendance Allowance recipients living at home with some form of mobility, Activity of Daily Living (ADL) or Instrumental Activity of Daily Living (IADL) difficulty only 14.7% received help from local authority social services¹⁴. Further research from the Strategic Society Centre demonstrates only one in eight people receiving the higher rate of Attendance Allowance or DLA receives any means tested local authority support¹⁵.

Moving the support from one set of people - AA recipients – to another set of people - social care recipients – is deeply short-sighted given the preventative nature of Attendance Allowance. Any reduction in availability of Attendance Allowance will only serve to increase the pressure on social care services in the future and push older

¹² Carers UK (2013) Estimates on the number of carers missing out on Carer's Allowance

¹³ Nuffield Trust, The Health Foundation and the Kings Fund, The Spending Review: what does it mean for health and social care? December 2015.

¹⁴ Strategic Society Centre (2016) Attendance Allowance and Local Government - Examining the evidence and the options

¹⁵ Strategic Society Centre (2016) Attendance Allowance and Local Government - Examining the evidence and the options

disabled people into poverty. As outlined previously the flexibility the benefit provides for recipients to support unpaid carers is critical, and carers may not be able to continue providing care if this support is reduced, again increasing pressure on social services that will have to step in at significantly higher cost.

Loss of universal entitlement for a carers benefit

Increased flexibility for local authorities to determine their own Attendance Allowance eligibility policies could also mean flexibility in the 'passporting' arrangements. This could result in carers losing the universal and established right to receive Carer's Allowance while caring for someone claiming Attendance Allowance. This is naturally of key and fundamental concern to Carers UK and to our members.

Carer's Allowance is essential income replacement benefit supporting those who have a limited ability to work to manage financially whilst caring. Taking on a caring role often results in a sharp reduction in household income, especially when the carer leaves work or reduces their hours to care. According to Carers UK's State of Caring Survey 2016¹⁶ **carers receiving Carer's Allowance, who are caring for someone in receipt of Attendance Allowance are more likely to be struggling to make ends meet than other carers** (57% compared to 48% of all carers caring for 35 hours+).

Creating different systems for accessing the benefit locally has the potential to make it more difficult for people providing unpaid care to access support. It is also likely to impact on those considering taking on a caring role, with barriers to accessing information about the support available making people feel that they aren't able to take on a caring role.

Impact on carers of reduced income for the older person

As outlined previously, Attendance Allowance is often used to pay for extra support around the home, and support unpaid carers with costs such as hospital parking charges. Reducing the ability of older people to access Attendance Allowance will therefore also have a knock on impact for family and friends who will need to step in to provide more care, with less assistance.

There is the possibility this could be a dual blow, if the carer also loses access to Carer's Allowance. Any reduction in support will have implications for carers ability to provide care, remain in work and will ultimately undermine the sustainability of their caring role.

¹⁶ A sample of 366 carers who receive Carer's Allowance and person they care for receives Attendance Allowance

The devolution of Attendance Allowance does not meet criteria set out in the consultation

Local authorities do not want the additional responsibility of deploying funds

The consultation states that the *'Devolution of a responsibility should build on the strengths of local government'*. The criteria for devolving services states that *'There should be appetite from local government for the responsibility to be delivered at a local level'*.

In sharp contrast to this statement, the Local Government Association have stated, the transfer of Attendance Allowance *'would create significant cost pressures for local government whose budgets are already under significant strain. This is because cost pressures and applications for demand-led services like Attendance Allowance can increase very quickly whereas it can take much longer for local areas to generate business rates income'¹⁷*.

Claire Kober, Leader of Haringey Council and Chair of the LGA Resources Board, has said that *"Transferring responsibility for administering Attendance Allowance to local government would account for nearly half of additional business rates income"¹⁸*.

Capacity to deliver services

The consultation states that *'There should be capacity at a local level to deliver services, taking into account other local pressures'*.

Carers UK believes that local authorities do not have the necessary capacity to deliver the benefit, taking into account the increasing demand and unprecedented pressure on local authority social care services as outlined previously. Evidence from carers demonstrates that reductions to social care budgets are impacting on the ability of councils to meet their statutory care and support duties under the Care Act 2014. Carers UK's own research published in May 2016 looking at over 3,000 carers' experiences in England, found carers are waiting a significant amount of time for assessments that were often not fit for purpose: 1 in 3 carers (29%) who have had a carer's assessment had to wait six months or longer for it, and only a minority (35%) felt that the assessment told them how to get all the information and advice they needed¹⁹.

There is evidence that local authorities are imposing blanket reductions on care provision due to funding pressures. A recent Local Government Ombudsman investigation found that Knowsley Metropolitan Borough Council had applied a blanket

¹⁷ www.local.gov.uk/media-releases/-/journal_content/56/10180/7885378/NEWS

¹⁸ www.theguardian.com/social-care-network/2016/feb/08/plans-councils-charge-5bn-benefit-restrict-elderly-care

¹⁹ Carers UK (2016) State of Caring 2016

restriction of four weeks' per year respite care, regardless of the individual needs of carers in its area. The LGO attributed the reduction to budget limitations²⁰.

Case study: Bev

Bev cares for her 74 year old mum who has vascular dementia. Bev gave up her job to care full time and her mum moved in with her and her daughter. Bev does most things for her mum – cooking, cleaning, sorting her medication and all her appointments. Over the last 6 months her physical ability has declined and now Bev also washes and dresses her mum.

Bev's mum goes to a day centre for 6 hours of care 3 times a week and she also uses a sitting service on a Friday night – this is hugely valuable as it gives Bev quality time with her 13 year old daughter. It would be impossible for her to get a job alongside caring.

As a result of giving up her job, Bev has lost out on a good private pension as well as the good working conditions that she had in place. Bev relies financially on a range of other benefits, including Carer's Allowance. Bev can claim Carer's Allowance because her mum receives Attendance Allowance – without these benefits she and her mum would lose out on over £150 a week. This money is vital for paying bills and other higher household expenditure. Bev's family would not be able to survive without it and Bev feels she would have to return to work and would no longer be able to provide care for her mum who would have to seek support from social services.

Conclusion

Carers UK believes that devolving Attendance Allowance could result in fewer older disabled people and carers in the future being able to access vital benefits and consequent financial and practical support that they desperately need. Our message to Government is not to take this action forward as we consider this to be counter-productive to the Government's aims, as well as damaging to families, potentially being more costly in the longer terms. Future carers could find they have even less support than they do now.

Carers UK urges the Government to retain the current national system of Attendance Allowance, which provides an important universal entitlement, as well as being the vital gateway to Carer's Allowance. Since the current system works well, there are strong grounds for retaining it.

²⁰ <http://www.lgo.org.uk/information-centre/news/2016/jul/care-should-be-based-on-assessed-need-says-lgo>

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