

Autumn Statement 2022: What it means for unpaid carers

Overview

This briefing sets out the most relevant announcements for unpaid carers from the [Government's Autumn Statement 2022](#), held on Thursday 17 November 2022.

It covers the announcements that the Government made in relation to:

- Cost of living payments
- The uprating of welfare benefits and pensions
- Social care funding in England
- Changes to the National Living Wage
- Household Support Fund
- Council Tax
- Employment Support Allowance and work coaches
- Energy Price Guarantee
- NHS funding and other announcements
- Additional money for the Devolved Administrations

OVERALL VERDICT:

The Autumn Statement brought some relief around benefits and some welcome additional funding for social care, particularly around hospital discharge. However, there was no specific additional targeted financial support for unpaid carers. The uprating of benefits and pensions is welcome as it will help most carers who are struggling financially, although we would have wanted to see this uprating take place ahead of next April.

The Cost of Living support has only been offered to people receiving means tested benefits, people with disabilities and people of State Pension age. Whilst two thirds of unpaid carers getting Carer's Allowance will also have been covered by this, there are over 300,000 carers who only get Carer's Allowance and will miss out, as they have not been prioritised for support. The continuation of the Household Support Fund, allocated by local authorities, could help some unpaid carers who have missed out on targeted support but this will depend on local criteria adopted by individual local authorities. The 9.7% increase in National Living Wage to £10.42 per hour (over 23 rate, 2022/23), while positive for most workers, is again problematic for those on Carer's Allowance who will be subject to the earnings limit, which is not linked to the National Living Wage increases.

We welcome extra funding for the NHS and social care, but need to see further detail to ascertain whether this funding is likely to support unpaid carers with breaks and the support they need. However, the overall funding falls far short of the £7bn [recommended](#) by the Health and Social Care Committee to get the social care system to the place we

want it to be. Funding for the NHS and hospital discharge should help to reduce waiting times overall, thereby benefiting carers and the people they care for to gain access to an earlier treatment where they are on waiting lists.

Cost of living payments

The Government announced it would be providing the following groups with targeted support:

- Households on means-tested benefits with an additional £900 Cost of Living payment in 2023-24.
- Pensioner households will receive an additional £300 Cost of Living payment in 2023-24.
- Individuals on disability benefits will receive an additional £150 Disability Cost of Living payment in 2023-24.

The Department for Work and Pensions, and HM Revenue and Customs will provide further detail on timing of the payments and eligibility in due course.

Verdict:

Many carers will benefit from these Cost of Living payments, but a significant proportion will not. Around two thirds of carers in receipt of Carer's Allowance are also in receipt of Universal Credit. Around 1.3 million unpaid carers will also be will benefit because they are over State Pension Age. However, unpaid carers who are only in receipt of Carer's Allowance or those who are not entitled to any benefits and are not of State Pension age are not included in the support package. We know that over 300,000 carers in receipt of Carer's Allowance will miss out on extra payments, even though our State of Caring 2022 research shows they clearly have extra costs as carers.

Up-rating of welfare benefits and pensions

The Government announced it will be increasing benefits in line with inflation, measured by September 2022 Consumer Price Index (CPI), which is 10.1% this year.

The benefit cap will be raised in line with inflation (10.1%) in April 2023.

The State Pension will also be uprated by inflation (10.1%) and the standard minimum income guarantee in Pension Credit will also increase in line with inflation from April 2023.

Verdict:

The uprating of all benefits in line with inflation is welcome as it means all carers' benefits will be uprated by 10.1% in April 2023. Carers UK also welcomes the news that the State Pension will go up in line with inflation and also that Pension Credit

will increase in the same way. This will benefit unpaid carers who are of State Pension age and are living on low incomes.

The benefit and pension rates for April 2023 have now been [published here](#).

Carer's Allowance will rise from £69.70 per week by £7.05 per week to £76.75. Carer Premium and Addition will rise from £38.85 per week to £42.75 per week. Carers amount in Universal Credit will rise from £168.80 to £185.86.

However, carers' benefits were already out of step with inflation last year and inflation continues to rise (11.1% in October) and high food and non-alcoholic beverages inflation rates (16.4 % in October over 12 month period) means that headline benefit rates, which were already falling short last year,¹ will continue to be so. Carers UK has been calling for this uprating to happen sooner to help carers living on low incomes to cope with rising costs now and through this coming winter.

Our [Heading for Crisis](#) report highlighted that many carers are already struggling financially, with four out of 10 struggling to make ends meet. Many were having to make some very difficult decisions to cut costs, skipping meals, cutting out essential heating, bathing or showers just to make ends meet. The cost of living for carers, as well as greater reform of carers' benefits remains a key priority for Carers UK.

Social care funding in England

Government has said that it would "make available up to £2.8 billion in 2023-2024 in England and £4.7 billion in 2024-2025 to help support adult social care and discharge from hospital".

Their figures say that this includes £1 billion of new grant funding in 2023-24 and £1.7 billion in 2024-25 and further flexibility for local authorities to raise council tax, plus allowing councils to use the funding that would have gone into the care cap for immediate care costs.

The Government is giving local authorities in England additional flexibility in setting council tax by increasing the referendum limit for increases in council tax to 3% per year from April 2023. In addition, local authorities with social care responsibilities will be able to increase the adult social care precept by up to 2% per year, without needing to hold a local referendum. This means that they could raise council tax by up to 5% per year.

The Chancellor's Statement also says that "having heard the concerns of local government, the Government is also delaying the rollout of adult social care charging

¹ ONS Consumer Price Inflation October 2022

reform, thereby delaying the proposed cap on care costs by two years from October 2023 to October 2025”.

- £600 million will be distributed in 2023-24 and £1 billion in 2024-25 through the Better Care Fund to get people out of hospital on time into care settings, freeing up NHS beds for those that need them.
- £1.3 billion in 2023-24 and £1.9 billion in 2024-25 will be distributed to local authorities through the Social Care Grant for adult and children’s social care.
- £400 million in 2023-24 and £680 million in 2024-25 will be distributed through a grant ringfenced for adult social care, which will also help to support discharge from hospital.

Verdict:

The extra funding for social care services is welcome as these are key to supporting unpaid carers and the people they care for. The system will need sustained funding over many years to ensure it is able to meet demand, after years of under-investment. Social care also needs wider reform, such as a workforce strategy to attract, train and retain social care workers and ensure that they can deliver a good quality of care.

We are not yet able to assess how much this funding will directly benefit unpaid carers. Some funding will be allocated by individual local authorities, according to local priorities, which are yet to be confirmed.

The [King’s Fund suggests](#) that around one third of the new funding for social care goes to supporting hospital discharge. We have welcomed Helen Whately, the Minister for Care’s, recognition of unpaid carers in her statement that health and social care systems should work to support patients and carers upon discharge from hospital. Based on good practice from areas such as Devon Carers and Carers West Sussex, good in-reach support within hospitals that actively supports carers helps to improve patient and carer outcomes. From Carers UK’s own evidence, we know that carer supported discharge reduces the likelihood of readmission to hospital.

The increase in the Better Care Fund (BCF) highlighted above could also be a positive route for supporting carers, as many local carers’ organisations are funded through this route, as are core care services to support unpaid carers. Prior to the Autumn Statement, the expectation in terms of funding carers’ breaks and Care Act implementation through the BCF was around £292 million per annum, but additional funding can and has been allocated through local systems to support unpaid carers. If there is an increase in BCF funding, we would suggest that part of this is dedicated to supporting local carers around the core BCF objectives.

While Carers UK welcomes extra funding for social care, so that carers and the people they care for can get access to vital breaks and support, we are concerned that a significant part of the funding for social care will be coming from higher

council tax. Local authorities vary in their ability to raise funds from local people simply because some areas are wealthier than others. Although the local government settlement has adjustments to award greater funding in areas of higher deprivation, it doesn't compensate for the shortfall in council tax revenue in poorer areas. Of course, many carers also pay council tax and will have marginally increased costs – for an average council tax bill of £1493 (2022/3 rates) this would mean an extra £74 per year. Carers UK continues to believe that national funding sources would be a better way to ensure that demand for social care is met equitably across all areas of the country.

We regret the decision to delay the cap on care costs for two years. Although the cap as currently proposed is considerably less generous than we wanted, it is a start and something to build on and would reduce costs for carers further on. Delaying it by a further two years raises serious questions over whether it will ever be introduced at all. However, we agree that with the social care system as it currently is, the priority today must be to strengthen it and deliver more care services.

Changes to the National Living Wage

The Government announced that from 1 April 2023, the National Living Wage (NLW) will increase by 9.7% to £10.42 an hour, for those aged 23 and over.

Verdict:

While an increase in the National Living Wage will be welcome news to most UK workers and unpaid carers who juggle paid work with unpaid care, those in receipt of Carer's Allowance will still be limited by an earnings limit, which has not kept pace with the NLW. We have called for the earnings limit to be pegged to the NLW and for the limit to be increased to 21 hours at NLW before entitlement to Carer's Allowance is lost. The uprating statement published will increase the earnings limit from £132 per week to £139 per week in April 2023. While we're pleased that this has been increased, as there is no legal requirement to do so and funding has to be found from existing budgets, we're deeply concerned that the number of hours that a carer can work and still keep their Carer's Allowance has fallen yet again. Carers UK continues to call for the increase in the earnings limit and for rate to be set in law, as it is with Employment and Support Allowance, which keeps pace with the NLW increases.

Household Support Fund

Government has stated that £1 billion will be provided to enable the extension of the Household Support Fund in England over 2023-24. The Fund is administered by local authorities who will deliver support to households to help with the cost of essentials. It will be for the devolved administrations to decide how to allocate the additional funding.

In England, the Household Support Fund is expected to be used to support households in the most need; particularly those who may not be eligible for the other support

government has recently made available. It is intended to cover a wide range of low income households in need, including families with children of all ages, pensioners, unpaid carers, care leavers and disabled people.¹ While there is no specific need to means test households in order to award grants, this will be up to the local authority's discretion and local eligibility criteria.

Verdict:

Given that unpaid carers as a group have not received any additional targeted support from the Government to help them through the cost of living crisis, it is positive that unpaid carers are specifically mentioned in the Government guidance to local authorities and that more funding is being provided for these grants. However, the way that funding is distributed at a local level will vary from place to place so there is no guarantee that an unpaid carer living in one area will receive the same level of support as a carer in another area, even if their circumstances are the same. This falls short of the targeted and nationally set support that Carers UK have been calling for, such as a specific top up payment for carers. Carers UK also urges local authorities to make the most of the intelligence and knowledge of local carers' organisations to ensure that carers get the support they need through this fund.

Council tax

The Autumn Statement gives local authorities in England additional flexibility in setting council tax by raising the referendum limit for increases in council tax to 3% per year from April 2023. In addition, local authorities with social care responsibilities will be able to increase the adult social care precept by up to 2% per year. The Government states that this would "give local authorities greater flexibility to set council tax levels based on the needs, resources and priorities of their area, including adult social care".

Verdict:

While Carers UK welcomes mechanisms for extra funding for social care, so that carers and the people they care for can get access to vital breaks and support, a significant part of funding should come from national provision, so that demand for funding is met everywhere – not just the more affluent areas with lower demand. Furthermore, funding for social care needs to be accompanied by long term strategies including to improve workforce retention and training.

While Carers UK welcomes extra funding for social care, so that carers and the people they care for can get access to vital breaks and support, we are concerned that a significant part of the funding for social care will be coming from higher council tax. Local authorities range in their ability to raise funds from local people simply because some areas are wealthier than others. Although this is supposed to be compensated by local government settlement funding where areas which higher levels of deprivation get greater funding, it doesn't always stretch far enough. Of course, many carers also pay council tax and will have marginally increased costs – for an average council tax bill of £1493 (2022/3 rates) this would mean an extra £74 per year. Carers UK continues to believe that national funding

sources would be a better way to ensure that demand for social care is met equitably across all areas of the country.

Employment Support Allowance and work coaches

The Government is pushing back the dates of the managed migration of claimants on income-related Employment and Support Allowance (with the exception of those receiving Child Tax Credit) to Universal Credit to 2028. Employment and Support Allowance claimants are still able to make a claim for Universal Credit if they believe that they will be better off, and this will not affect the managed migration of other legacy benefits onto Universal Credit.

The Government will bring forward the nationwide rollout of the In-Work Progression Offer, announced at Spending Review 2021, starting with a phased rollout from September 2023, to support individuals on Universal Credit (UC) and in-work benefits to increase their earnings and move off benefits entirely. This will mean that over 600,000 claimants on UC whose household income is typically between the equivalent of 15 and 35 hours a week at the NLW will be required to meet with a dedicated work coach in a Jobcentre Plus to increase their hours or earnings.

Verdict:

Unpaid carers who receive Universal Credit, with Carer's Allowance or the carer element, are not subject to work commitment requirements and we are not anticipating this changing. However, there are carers who are not necessarily getting these benefits. For example, some carers may have decided not to claim Carer's Allowance to protect the disabled person's entitlement to Severe Disability Premium. We will be talking to the Department for Work and Pensions about how discretion could be applied to carers in the above situation if it turns out that they are providing substantial care with low levels of work.

Energy Price Guarantee

While the Energy Price Guarantee (EPG) will be maintained through the winter, limiting typical energy bills to £2,500 per year, the Government announced that, from April 2023, the limit on the price households pay per unit of gas and electricity will be raised. This means that a typical household in Great Britain will pay £3,000 per annum, which is higher than the current £2,500 per annum. Equivalent support will continue to be provided in Northern Ireland.

The Government said that it will keep the EPG under review and may revisit the parameters of the scheme, for example, if the forecast cost increases significantly.

The Government also said that it will consult on amending the scheme as soon as is feasible after April 2023 so that those who use very large volumes of energy have their state support capped, whilst the vast majority of households can continue to benefit. This

proposal is intended to ensure taxpayers do not subsidise all of the energy usage of those households with extremely high usage. The consultation will explore the best way to ensure that vulnerable high energy users, such as those with medical requirements, are not put at risk.

Verdict:

The Government has proposed to support the most vulnerable groups via direct cost of living payments (see above). However, whilst these payments benefit many unpaid carers, we know that a significant number - an estimated 300,000 carers in receipt of Carer's Allowance - will not benefit. Despite the increase in benefits, monthly inflation rates have risen higher than benefit rates over the past months putting benefits recipients at an added disadvantage. These energy rates, despite being capped are still far higher than previous years, when carers were already struggling financially, and this continues to be the case. Carers UK urges the Government to ensure that all unpaid carers are included as part of the groups receiving targeted support, including those in receipt of Carer's Allowance, who are already more likely to be in financial difficulties. We will also be responding to the consultation to call on the Government to subsidise energy use for those who need to run essential medical equipment at home.

NHS funding and other announcements

The Government is providing additional funding of £3.3 billion in each of the next two years to support the NHS in England in response to the significant financial pressures it faces, and enabling rapid action to improve emergency, elective and primary care performance.

The Government has asked former Health Secretary Patricia Hewitt to lead an independent review into oversight of Integrated Care Boards in England and how they can best work with autonomy and accountability.

The Government is publishing a comprehensive NHS workforce plan, including independently verified workforce forecasts, next year. This will include measures to make the best use of training to get doctors, nurses and allied health professionals into the workforce, increase workforce productivity and retention.

Verdict:

Carers UK's State of Caring 2022 survey found that of the unpaid carers waiting for treatment, 34% had been waiting for specialist treatment for over a year. Equally, 19% of carers who had requested a GP appointment have had to wait over a month. 67% of those waiting for over a year said it was impacting on their health and wellbeing, with carers telling us they were in constant pain and feeling that they were unable to continue caring. We therefore welcome extra funding for the NHS to help to tackle the high waiting lists and backlogs, with the expectation that this may mean that carers are able to access necessary treatments more quickly and therefore maintain their physical and mental health.

Carers UK will be feeding into the review on Integrated Care Boards to ensure that these bodies recognise, involve and prioritise unpaid carers as part of their work to commission NHS and social care services, ensuring that there are good lines of accountability.

We welcome the development and publication of a comprehensive NHS workforce plan, but would like to see a similar plan for social care, which is well-funded and structured.

Devolved administrations

Devolved administration funding is increasing by around £3.4 billion over 2023-24 and 2024-25 through the Barnett formula and agreed tax and welfare Block Grant Adjustments. This comprises around £1.5 billion for the Scottish Government, £1.2 billion for the Welsh Government and £650 million for the Northern Ireland Executive.

Verdict:

Along with our colleagues in Carers Scotland, Carers Wales and Carers Northern Ireland, we hope that some of this funding will be prioritised for unpaid carers.

Contact us

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ⁱ <https://www.gov.uk/government/publications/household-support-fund-guidance-for-local-councils/household-support-fund-final-guidance-for-county-councils-and-unitary-authorities-in-england>