

Budget 2021: What it means for carers

Overview

This briefing sets out the most relevant announcements from the Budget 2021 for carers. No additional funding for adult social care was announced. We are deeply disappointed that unpaid carers, who have been under enormous pressure and who have provided increased level of care throughout the COVID-19 pandemic, will have to continue to wait for reform of, and investment in, social care.

Families have been under huge strain recently, with 81% of carers taking on more care than before the pandemic, placing a huge toll on their health and finances. Throughout the pandemic they have gone above and beyond to protect our health and social care systems, many without having any breaks or support for an entire year. This has left significant numbers of carers exhausted and at breaking point. They deserve to know what the Government is planning to do to address social care shortfalls now and that reform will address the longer-term problems that exist.

Without any mention of social care or many of the social care funds that are due to end in April 2021, this Budget leaves many unanswered questions.

We welcome the extension of the furlough scheme until September 2021; this has been a lifeline for many working carers who have been unable to balance work and their caring responsibilities while day and support services have remained closed or dramatically reduced.

We welcome the £20 uplift to Universal Credit being extended for six months; however, we are extremely disappointed that the Chancellor has not provided any support for those on legacy benefits and specific support for carers. We asked the Government to introduce a £20 a week supplement to those entitled to Carer's Allowance, without which many carers who are struggling to just make ends meet will continue to face significant financial hardship.

Carer's Allowance

No changes were announced in the Budget. The Department for Work and Pensions published a written ministerial statement on 25 November (the 'Social Security Benefit and Pension Up-rating 2021/22'). This announced that Carer's Allowance will increase from 12 April 2021 in line with CPI - which was 0.5% - a rise of only 35p per week, to £67.60.

Verdict:

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

Many carers have faced additional financial pressures during the COVID-19 pandemic and are struggling on low incomes. Whilst Universal Credit recipients have seen the equivalent of £20 increase per week, those in receipt of Carer's Allowance or who receive a Carer Premium as a result of entitlement, as well as those people in receipt of 'legacy' disability benefits, have not seen any increase. Carers have also told us that costs are mounting up over time. It is extremely disappointing that the Government has not introduced an additional £20 a week supplement for those entitled to Carer's Allowance, giving carers parity of esteem.

Carers UK started our Fairer for Carers campaign, calling for the introduction of a supplement, bringing together a coalition of 91 national and local charities, including many Affiliates, to call for the supplement and writing to the Secretary of State. We recently wrote a letter to the Chancellor of the Exchequer signed by over 5,000 carers calling for a supplement. Our calls have been supported by a Labour MPs and Peers, crossbench Peers and more recently, Sir Ed Davey, Leader of the Lib Dems. We will continue to campaign for better financial protection for carers and will provide an update shortly on our next steps.

Keep up to date with our Fairer for Carers campaign here: www.carersuk.org/news-and-campaigns/campaigns/fairer-for-carers



National Living Wage

The Budget confirmed a rise in the National Living Wage from April of 2.2%, to £8.91 an hour - giving full-time workers a further £79 per week pay increase.

Verdict:

Whilst a rise in the National Living Wage is welcome for those working full time, without an equivalent rise in the Carer's Allowance earnings limit rule, carers on National Living Wage looking to work alongside caring will only be able to work for 14 hours.

Carers UK once again urges the Government to increase the earnings threshold before April 2021, to enable carers to be able to work at least 16 hours a week at NLW rates and still be eligible to receive Carer's Allowance.

It would make logical sense to synchronise the earnings limit with the National Living Wage, and send out a clear message regarding the Government's support for carers in employment.

Universal Credit

The Chancellor announced in the Budget that the £20 a week increase in Universal Credit will be extended by a further 6 months, extending the additional payment until September 2021.

Verdict:

We welcome the extension of the uplift in Universal Credit that has been essential for many people struggling with the additional costs in the pandemic. However, extending the uplift by only 6 months means many people will face financial hardship in September.

We also want to see the equivalent increase for those on Carer's Allowance. Currently, over 480,000 carers with an entitlement to Carer's Allowance have each lost out on close to £1000 of support since April 2020, compared to those on Universal Credit.

Carers have also told us that costs are mounting up over time. It is disappointing that the Government has not introduced an additional £20 a week supplement for those entitled to Carer's Allowance, giving carers parity of esteem.

Furlough Scheme

The Chancellor announced a six-month extension to the furlough scheme, which will now operate until September 2021. It will continue to provide employees with 80% of their wages for the hours they cannot work. Employers will be expected to pay 10% towards the hours their staff do not work in July, increasing to 20% in August and September.

Verdict:

We welcome the extension of the furlough scheme until September; it has been a vital scheme supporting carers to maintain their jobs. For some carers without this scheme they would have felt like they had to choose between putting the health of the person they are caring for at risk or giving up their job.

For many other working carers it has been a really challenging time, with support and day services they usually rely on being closed or significantly reduced resulting in them being unable to work.

Social Care – England only

The Budget had no announcements on either long-term social care reform or on the critical social care funds such as the Infection Control Fund, Workforce Capacity Fund, Funding for Discharge to Access which are shortly due to end. We also do not know how long free PPE will be available for unpaid carers providing care at a distance.

Verdict:

Urgent additional funding is needed to continue essential services providing capacity and sustainability of the care and charity sector, provide sufficient breaks for carers - prevent carer breakdown of all ages, including young carers; improve carers' resilience, improve disabled and older people's health and wellbeing. We are deeply concerned about how carers will be able to continue to care through winter.

Without answers on whether vital funds will continue beyond the winter, the Budget leaves many questions for social care providers and those using the system.

We are deeply concerned that families, who have borne the brunt of this pandemic, will be expected to do more for longer if these critical social care funds are not continued in the new financial year. This is short sighted and unsustainable. Like many others, we will

continue to urge Government to provide short term funding from April 2021, and to repeat its promise of bringing social care reform proposals later in the year (2021).

There were hopes that the Budget would reference social care reform. There were no references included about social care at all. Carers UK co-chairs the Care and Support Alliance and we will be calling, along with many others, for assurances that the Prime Minister will keep his promise to “fix social care”.

Contact us

To find out more, please contact Ruby Peacock, Head of Policy and Public Affairs:

T: 020 7378 4942

E: ruby.peacock@carersuk.org

Keep up to date with our campaigns and research:

Carers UK

20 Great Dover Street

London SE1 4LX

T: 020 73784 4999

E: info@carersuk.org

CarersUK.org

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