

RESPONSE TO QUESTIONS PURSUANT TO RULE 14 OF THE RULES OF PROCEDURE

From	President, Committee <i>for</i> Employment & Social Security
To	Deputy Liam McKenna
Subject	Carer's Allowance
Date of response	21 July 2021

Preamble from Deputy Liam McKenna:

“At the time of the publication of the Supported Living and Ageing Well Strategy in 2016, it was estimated that the number of informal unpaid carers in the Bailiwick was in the region of 4,000-6,000 and that the value to the Bailiwick of Guernsey of the support provided by those carers was in the region of £29 million per annum. Further estimates also suggest that one in seven of those in employment are providing informal and un-paid care and that the cost for carers of having to give up their jobs or accept reduced working hours in order to provide care support was of the order of £2 million per annum. The only benefit available to those carers directly relating to their care support is in the form of a Carer's Allowance at the rate of £89.83 per week. The Carer's Allowance is however only available if the person for whom the care is provided is entitled to “Severe Disability Benefit” and if the carer is able to demonstrate that the care support is at least a minimum of 35 hours per week.”

Question 1:

On what basis or by what reference point(s) was the amount of Carer's Allowance calculated/determined when it was first introduced?

Response:

The Committee is of the opinion that informal carers should be sufficiently and appropriately remunerated for the care they provide, noting that this is an invaluable part of ensuring that people are able to remain in their own homes as long as possible.

The rationale for the States Insurance Authority proposing the introduction of Invalid Care Allowance (renamed Carer's Allowance w.e.f. 1 May 2014) is set out in paragraphs 5 to 10 of the Policy Letter entitled ‘Attendance Allowance and Invalid Care Allowance’, dated 26 November 1982 (‘the 1982 Policy Letter’). The relevant excerpt is set out in Appendix 1. In summary, Invalid Care Allowance was aimed at unmarried men or women who were caring for a family member and had to give up work (replacing earnings) but also for married women who - on the assumption that they were supported by a male family member/husband - did not need an equivalent to a full income but might need to be compensated for stress in the household and to be incentivised to care for their disabled relatives.

The rate proposed by the States Insurance Authority was based on what it considered “reasonable”¹. It was not linked to any reference point. When Invalid Care Allowance was introduced in 1986, the weekly rate of the allowance was £20.80.

¹ Paragraph 49 of the States Insurance Authority's Policy Letter entitled ‘Attendance Allowance and Invalid Care Allowance’, dated 26 November 1982 states: “The rate of Invalid Care Allowance should be determined

Question 2:

Given that the amount of Carer's Allowance falls well short of the "Requirement Rate" used for the purposes of determining Income Support; apart from annual "up-rates" by reference to inflation indices has the calculation of the Carer's Allowance ever been re based since it was first introduced?

Response:

Carer's Allowance has not been rebased since it was first introduced. The weekly rates of Carer's Allowance (known as 'Invalid Care Allowance' until 30 April 2014) from 1986 to present are set out below in table 1:

Table 1 – Weekly rates of Invalid Care Allowance/Carer's Allowance – 1986 to 2021

Commencement of rate	Rate of Invalid Care Allowance/Carer's Allowance	Percentage increase on previous year's rate
6 January 1986	£20.80	-
10 November 1986	£23.30	12.0%
9 November 1987	£26.00	11.6%
7 November 1988	£28.00	7.7%
6 November 1989	£30.00	7.1%
5 November 1990	£33.00	10.0%
4 November 1991	£36.00	9.1%
2 November 1992	£38.00	5.6%
29 November 1993	£39.00	2.6%
7 November 1994	£40.00	2.6%
6 November 1995 ²	£41.00	2.5%
6 January 1997	£42.75	4.3%
5 January 1998	£44.00	2.9%
4 January 1999	£45.75	4.0%
3 January 2000	£46.76	2.2%
1 January 2001	£48.75	4.3%
7 January 2002	£50.75	4.1%
6 January 2003	£52.75	3.9%
5 January 2004	£55.50	5.2%
3 January 2005	£58.25	5.0%
2 January 2006	£60.75	4.3%
1 January 2007	£62.80	3.4%
7 January 2008	£65.75	4.7%
5 January 2009	£69.50	5.7%
4 January 2010	£70.91	2.0%
3 January 2011	£72.59	2.4%
2 January 2012	£74.48	2.6%

by the States from time to time on the recommendation of the Authority. Had an allowance been in payment in December 1982 the Authority would have recommended an allowance of £18.50 a week as being reasonable."

² This rate applied from 6 November 1995 to 5 January 1997.

7 January 2013	£76.79	3.1%
6 January 2014	£78.40	2.1%
5 January 2015	£80.08	2.1%
4 January 2016	£81.28	1.5%
2 January 2017	£81.77	0.6%
1 January 2018	£84.06	2.8%
1 January 2019	£86.08	2.4%
6 January 2020	£87.72	1.9%
1 February 2021	£89.83	2.4%

Carer's Allowance is tax-free.

While Carer's Allowance provides some recognition of a person's caring responsibilities, it does not aim to fully remunerate carers. Some carers may not ordinarily be in work, for example if they are caring for a young child or an elderly couple where one is caring for the other. However, other carers undertake formal employment or self-employment in addition to their caring role. With effect from 1 May 2014, the lower earnings limit was removed allowing carers to work and claim the benefit. Carers over pensionable age may receive the allowance in addition to States pension.

The Committee agrees that, if resources were available to do so, a review should be undertaken of the current rate of Carer's Allowance, as well as the actual model for the provision of the allowance. However, this has not been included in the Government Work Plan because the Committee is of the view that this review would be more appropriate following the implementation of the resolutions which followed the debate of the August 2020 Policy Letter on the Supported Living and Ageing Well Strategy (The 2020 SLAWS resolutions), in which the States agreed that the Long-term Care Insurance Fund should also fund the provision of formal care in people's homes.

Question 3:

In the States Accounts for 2020, it is reported that the total amount paid in 2020 by way of "Severe Disability Benefit and Carer's Allowance" was £6,749,000. Of that total amount how much was attributable to Carer's Allowance?

Response:

General Revenue expenditure in respect of Carer's Allowance in 2020 was £2.309m.

Question 4:

In the States Accounts for 2019 it was reported that the total amount paid in 2019 by way of "Severe Disability Benefit and Carer's Allowance" was £6,326,000. Of that total amount how much was attributable to Carer's Allowance?

Response:

General Revenue expenditure in respect of Carer's Allowance in 2019 was £2.212m.

Question 5:

How many people were in receipt of Carer’s Allowance as at the end of each calendar quarter in 2019, 2020 and at the end of the first calendar quarter in 2021?

Response:

The number of people in receipt of Carer’s Allowance as at the end of each calendar quarter in 2019, 2020 and at the end of the first and second quarters of 2021 is set out in table 2 below.

Table 2 - Number of people in receipt of Carer’s Allowance as at the end of each calendar quarter in 2019, 2020 and at the end of the first and second quarters of 2021

Quarter	Number of people in receipt of Carer’s Allowance at the end of each quarter
Q1 2019	513
Q2 2019	510
Q3 2019	489
Q4 2019	488
Q1 2020	485
Q2 2020	499
Q3 2020	510
Q4 2020	525
Q1 2021	527
Q2 2021	528

Question 6:

How many applications for Carer’s Allowance were rejected in 2019, 2020 and to date in 2021?

Response

The Committee does not maintain statistics on the number of Carer’s Allowance applications which are received, but rejected, because they do not meet the eligibility criteria. However, a manual exercise has been carried out to determine the approximate number of such claims, the results of which are shown in table 3 below.

Table 3 – Approximate number of applications for Carer’s Allowance that were rejected in 2019, 2020 and to date in 2021

Year	Approximate number of applications for Carer’s Allowance that were rejected
2019	18
2020	12
2021	3

Question 7:

In 2016 the Supported Living and Ageing Well Strategy stated that “Carer’s needs are not well understood or appreciated”. Does the President not agree that an allowance of £89.83 per week still demonstrates a very low level of appreciation and value shown by the States of Guernsey on behalf of the people of the Bailiwick of Guernsey for the very significant and valuable contribution made by informal unpaid carers to the Bailiwick?

Response

I can’t comment on behalf of the States. Speaking personally, I very much appreciate the significant and valuable contribution that informal carers make to society. The Committee is also in agreement that the care provided by informal carers should be recognised and remunerated sufficiently to enable care to be provided. Further, the Committee is keen to review the Carer’s Allowance properly in order to determine whether the current rate and structure of the Allowance remains appropriate in today’s context.

However, I do not think it’s helpful or appropriate to draw any conclusions about how much the States of Guernsey values carers based solely on the rate of Carer’s Allowance. In considering this question, it is important to understand that Carer’s Allowance is not the only financial support available to carers. Additional financial support is available for carers on low incomes through the means-tested benefit, Income Support. Income Support is assessed on the basis of an individual’s personal circumstances. Carer’s Allowance is treated in the same way as earnings in the Income Support means test, i.e. the first £35 of the allowance is disregarded. Severe Disability Benefit is fully disregarded, meaning that a recipient will retain the full value of their Severe Disability Benefit on top of their Income Support requirement rate. Therefore, a household that includes a person in receipt of Severe Disability Benefit and their carer, who qualifies for Carer’s Allowance, would retain £146.02 per week (2021 rates) of the value of these benefits in addition to their requirement rate, including an allowance for rent.

Carer’s Allowance is funded through general revenue, which is under considerable financial pressure and constraint. It would not be possible to fund an above RPIX increase from the Committee’s existing budget.

Further, should a full review of Carer’s Allowance be undertaken, this would identify whether the current model of the Allowance would be appropriate in the context of the 2020 SLAWS resolutions regarding the provision of formal care in people’s homes under the Long-term Care Scheme. Such a review of the Carer’s Allowance would need to be prioritised and resourced alongside other work streams within the Government Work Plan, and may be better timed following the implementation of the above mentioned 2020 SLAWS resolutions.

Question 8:

In the Carer’s Action Plan, published in 2019, the States of Guernsey undertook to improve support for Carers. Can the President report what (if any) action has been taken to improve the financial support of Carers in the Bailiwick?

Response

The Carers Action Plan aimed to identify actions for change which could be delivered during the previous term of government to improve support (in the widest sense – not just financial support) for people who have a significant unpaid role caring for family members or friends. This Plan is not only for government, but for all organisations in the Bailiwick of Guernsey who work with carers.

Section 7 of the Carer’s Action Plan identified the following four actions relating to ‘financial support’, three of which are the responsibility of the Committee *for* Employment & Social Security:

No.	Action	Desired outcome	Lead	Delivery date	Current status as at July 2021
7.1	As set out in “Longer Working Lives strategy” ³ , develop a right to request flexible working so that employers must justify decisions to refuse staff flexible working arrangements.	Improve availability of flexible working arrangements for carers, where reasonable.	ESS	Consider for prioritisation in next term of government (if not before).	Not yet prioritised.
7.2	Committee <i>for</i> Employment & Social Security, where developing processes and systems, to be mindful of the need to reduce the paperwork burden on individuals with caring responsibilities.	Carers to be less burdened with the administration of benefit claims.	ESS	End of 2019	Ongoing and continuous action. The Committee only obtains information which is relevant to the claim and decision making process.
7.3	HSC and third sector partners to provide more effective signposting to relevant benefits, including Carer’s Allowance	Increased benefit uptake amongst those eligible	HSC	End of 2019	N/A as HSC is the lead for this action.

³ [Billet d’État V of 2018](#)

No.	Action	Desired outcome	Lead	Delivery date	Current status as at July 2021
7.4	The Committee <i>for</i> Employment & Social Security will implement adjustments to Carer's Allowance to allow this to be claimed simultaneously to Sickness Benefit and other benefits ⁴ .	Enable working carers to continue to claim Carers Allowance if off work due to sickness.	ESS	According to legislative prioritisation	Implemented with effect from 20 April 2020 ⁵ .

In addition, the Committee *for* Employment & Social Security has ensured that the real-terms value of Carer's Allowance and Income Support has been maintained through annual uprating in line with the annual movement in prices as measured by RPIX.

⁴ As agreed by the States, see Article X of [Billet d'État XXIII of 2018](#) and [Resolutions of 25 October 2018](#).

⁵ [Severe Disability Benefit and Carer's Allowance \(Guernsey\) \(Amendment\) Law, 2019](#)

Appendix 1

Excerpt from the States Insurance Authority's Policy Letter entitled 'Attendance Allowance and Invalid Care Allowance', dated 26 November 1982

5. In addition to the financial needs of the disabled person, the Authority has considered the circumstances under which other persons provide care and attention for the disabled.
6. Cases have been brought to the notice of the Authority where a middle-aged spinster daughter or a bachelor son have given up their employment in order to care for an aged disabled parent and as a result have been obliged to dissipate the capital which they had set aside for their old age.
7. In other circumstances, an aged disabled parent may be cared for by a married daughter in the daughter's home or in the home of a daughter-in-law. In such cases, there is unlikely to be the same degree of financial hardship on the family since, although the daughter or daughter-in-law may have been obliged to give up employment, she will generally have the financial support of her husband. Whilst financial assistance may not be essential in all such cases, it can be argued that the daughter or daughter-in-law was carrying out a filial responsibility which does not need to be recompensed in monetary terms.
8. The Authority is of the opinion, however, that factors other than financial considerations should be taken into account. Certainly where the disabled person is cared for within a family household, there will be disruptions to the smooth running of that household. Depending on the degree of disability of the disabled person, the stresses caused in the household—particularly if there are children—cannot be over-estimated and may affect the general health of the caring person to the extent that medical attention is required with the consequential additional expense.
9. In addition to the arguments for or against re-imbursing the caring person for loss of remuneration or providing some form of compensation for domestic stress, there is also the factor that the provision of a monetary allowance may act as an incentive to someone considering whether or not to care for a disabled person. The saving to the States by even a few disabled people being cared for at home rather than in an institution will be self-evident.
10. For these reasons, therefore, the Authority is of the opinion that arrangements should be made for an allowance to be paid to certain persons who have the care of a disabled person (i.e. an Invalid Care Allowance).