

# Autumn Budget 2017

## What it means to carers. On the day briefing

### Overview

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We are deeply disappointed that there is no additional support for social care in the short term to stave off the crisis on social care which will have a predicted funding gap of £2.5 billion by 2019/20. Carers UK's State of Caring 2017 research published earlier this year, found that 40% of people providing substantial unpaid care for loved ones had not had even a single day off in the last year and one in four had not had a week off in the last five years – mainly because of the lack of available and affordable care. This pushes carers to breaking point with unnecessary and avoidable costs to the family and to the state – particularly if the person being cared for ends up in hospital or residential care. The Green Paper on older people's social care can only offer potential solutions in the medium term and families need more help now.

The £2.8 billion extra funding over the next three years for the NHS is welcome – and we hope that they will increase their efforts to identify and support families who care, and the additional funding for winter pressures – although this falls far short of what is fully needed to avert the ongoing crisis in social care.

We are pleased to see £1.5 billion package of change to Universal Credit which should help to mitigate some of the very distressing circumstances that Universal Credit claimants have been facing. We had been concerned about the speed of the roll-out and how, without these changes, carers would have been affected on a larger scale. Whilst we believe that more reform is needed, particularly around work, this will ease some of the conditions faced by many families. Since carers often face a particularly tough job juggling family responsibilities, caring for others, working – any additional stress causes extreme hardship and health problems.

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## Carer's Allowance

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No changes were announced in the Budget. We expect Carer's Allowance will rise with the Consumer Price Index and the Government should soon confirm the uprating of different benefits.

### **Verdict:**

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

## National Living Wage

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The Budget confirmed a rise to the National Living Wage from April. It will rise 4.4%, from £7.50 an hour to £7.83 - giving full-time workers a further £600 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 earning 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 to be increased before April to enable carers to be able to work at least 16 hours a week and still receive Carer's Allowance.

It would make logical sense, as well as sending out a clear message around supporting carers in employment, to synchronise the earnings limit with the National Living Wage.

## Universal Credit

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The Budget made a series of positive changes to Universal Credit:

- From January 2018 those who have an underlying entitlement to Universal Credit, will be able to access up to a month's worth of Universal Credit within five days via an interest-free advance. **The Government will extend the period of repayment from six months to twelve months.**

- New claimants in December will be able to receive an advance of 50% of their monthly entitlement at the beginning of their claim and a second advance to take it up to 100% in the New Year, before their first payment date.
- From February 2018 the **Government will remove the seven-day waiting period so that entitlement to Universal Credit starts on the first day of application.**
- From April 2018 those already on Housing Benefit will continue to receive their award for the first two weeks of their Universal Credit claim.
- The Government will also make it easier for claimants to have the housing element of their award paid directly to their landlord

To support these changes the government will roll out Universal Credit more gradually between February 2018 and April 2018, and roll-out to all Job Centres will be complete in December 2018.

**Verdict:**

The removal of the seven day waiting period and the extension of the repayment of an advance to 12 months are particularly welcome changes. Enabling those on Housing Benefit to receive it alongside the first two weeks of their claim will provide further security for some.

We are pleased that the Government has looked at concerns over new claimants over Christmas and New Year will be able to access their entitlement to support.

There continue to be comparatively low numbers of carers on Universal Credit so the full impacts of its introduction remain hard to evaluate.

## **Working Age Benefits**

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The majority of working-age benefits, such as Jobseeker's Allowance, will be unchanged. They are frozen at their 2016–17 levels for 4 years following the Welfare Reform and Work Act 2016.

**Verdict:**

We were very disappointed that the Government hasn't acted to unfreeze working age benefits. Although Carer's Allowance continues to be protected from this freeze, those carers receiving means tested benefits only see the carer element of these benefits protected whilst the remainder is frozen.

## **Pensions**

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The old State Pension and new State Pension will be increased by 3% from April 2018, a cash increase of £3.65 a week and £4.80 a week respectively.

The standard rate of Pension Credit Guarantee Credit for a single person will be increased in line with the rise in average earnings. Pension Credit Savings Credit will rise by 3% in line with the rise in the Consumer Price Index (CPI).

## **NHS and Social Care – England only**

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The Government announced a spending increase on the NHS in England. The funding will be spread over the next 2-6 years.

£2.8 billion of additional resource funding over 2017-18, 2018-19 and 2019-20 for the NHS in England for day to day spending, for example surgeries and treatments. Of that, £350m will be for this winter, and then the rest in 2018 and 2019

£3.5 billion of capital investment for buildings and facilities in the NHS in England by **2022- 23**, including:

£2.6 billion for the NHS's Sustainability and Transformation Partnerships for improvements in facilities which will help local areas deliver more integrated care for patients, and better meet demand for services.

£700 million to support turnaround plans in the trusts facing the biggest challenges, and to tackle the most urgent and critical maintenance issues

£200 million to support efficiency programmes that will, for example, help reduce NHS energy bills, and fund technology

### **Verdict:**

Whilst further investment in the NHS and recognition of the immediate pressures on health care provision over winter is welcome, this Budget has completely failed to address the gaping hole in social care funding which is leaving more than a million older and disabled people without even the basic support they need and loading more pressure on families and friends to provide more care at huge personal costs to their

own health, finances and relationships. A £2.5 billion social care funding gap is estimated by 2019/20.

Funding the NHS without funding social care is short termist and fails to recognise that easing the pressure on acute NHS services requires people with care needs to be supported better where they live.

## **Income Tax - Personal allowance and higher rate threshold**

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The Budget confirmed that in 2018-19 the Personal Allowance will increase, to £11,850.

### **Verdict:**

This could benefit carers who are juggling part-time work with caring for older and disabled loved ones.

## **Housing**

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The Budget provides £42 million of additional funding for the Disabled Facilities Grant in 2017-18, supporting people to stay in their own homes.

### **Verdict:**

Whilst the Budget contained a number of initiatives to stimulate the housing market, build more homes and help first time buyers, it has not addressed the growing need for specialist housing and the need for housing stock to be future proofed to address the needs of our ageing population. We urgently need housing stock fit for the future where people can care and be cared for safely and well.

## **Cost of living**

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### **Fuel Duty**

No changes to Fuel duty were announced – it remains frozen in 2018.

### **New discounted rail card for 26-30 year olds**

A new railcard for ages 26 to 30 will be increased. Further details will be announced and it will be implemented from spring 2018.

### **Inflation**

Consumer Prices Index (CPI) inflation has risen from 0.9% in October 2016 to 3.0% in October this year and stands above the ten year average of 2.4%. The increase has primarily been driven by a rise in goods price inflation, which has increased from 0.4% to 3.3% over the past year.

#### **Verdict:**

Carers and their families often face far higher living costs. Growing price inflation hits these families even harder. We urgently need working age benefits to be unfrozen so that social security payments keep pace with the rising cost of living.

Families struggling with the costs of running a car will be relieved that fuel duty will not be adding more to their petrol bills which are often disproportionately high for carers – particularly those in rural areas and caring at a distance. Support with travel costs for younger people could help younger people with caring responsibilities.

## **Productivity and the Industrial Strategy**

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The Budget contained a number of announcement aimed at boosting the UK's low levels of productivity and underpinning its new Industrial Strategy to be announced next week. These included investment in infrastructure, digital technologies, skills.

#### **Verdict:**

The Government's Industrial Strategy must have measures to invest in a far greater supply of higher quality innovative social care. Social care must be recognised as essential infrastructure that enables those with care needs and those that support them the choices and support they need. This means being able to access the choice of high quality services that enable them to work and live as independently as possible.

The new investment in technology, innovation and skills must include investment in social care.

## **Contact us**

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