LETTER TO RT. HON. JEREMY HUNT, CHANCELLOR OF THE EXCHEQUER, REGARDING THE UNPRECEDENTED COST OF LIVING CRISIS FACING UNPAID CARERS – ORGANISED BY CARERS UK

The Rt Hon Jeremy Hunt MP Chancellor of the Exchequer HM Treasury 1 Horse Guards Road London, SW1A 2HQ

11 November 2022

Dear Chancellor,

Unpaid carers and the cost of living crisis

Congratulations on your recent appointment as Chancellor of the Exchequer. We wanted to write to you ahead of the Autumn Statement to bring to your attention the severe impact the cost of living crisis is having on unpaid carers of all ages. This group of people urgently need more targeted financial support from the Government if they are to continue caring for their disabled, ill, or older friends and family members.

Providing unpaid care for others can have a significant impact on peoples' lives, especially women who are more likely to take on an unequal share of caring responsibilities in the home. Indeed, for many people it is one of the most difficult and challenging things they will ever do. We estimate that as many as 10.6 million people are now providing some form of unpaid care across the UK; the staggering levels of care and support that they have provided during the pandemic, estimated to be worth around £193 billion per year, has undoubtedly played a key role in supporting our formal health and social care systems as you know from your time as Secretary of State for Health and the Chair of the Health and Social Care Select Committee. But this has come at an enormous personal cost to unpaid carers, in terms of their health, wellbeing, their ability to partake in paid work, and – crucially, for the purposes of this letter – their finances.

We warmly welcomed the plans to cap the unit price of energy for every household. This will be a relief to many carers. However, while we recognise that the cost of living crisis is impacting almost everyone in our society, unpaid carers are a particularly vulnerable group when it comes to financial difficulties. Carers face all types of rising costs due to their limited ability to earn an income and because they cannot cut back on certain costs without affecting the safety of the person they care for – they have to keep their heating on to ensure the person they care for is warm and use life-saving equipment that cannot be switched off.

Unfortunately, a significant proportion of unpaid carers who are only in receipt of Carer's Allowance – the lowest benefit of its kind at £69.70 per week – missed out on key

support measures introduced by your predecessors over the last two years. We estimate that this specific group of unpaid carers have each cumulatively lost out on nearly £3,000 in the past two years, compared to other recipients of social security. According to the Joseph Rowntree Foundation, 44% of working age adults who are providing unpaid care for more than 35 hours a week are in poverty. The Department of Work and Pension's Family Resources Survey found that 1 in 5 households in receipt of Carer's Allowance are living in food insecurity – nearly three times the rate of the general population. Carers UK's recently published research - Heading For Crisis - also speaks to the extremely precarious financial situations that many carers now find themselves in, most often through no fault of their own:

- Over a quarter (27%) of carers said they were struggling to make ends meet.
 Carers in receipt of Carer's Allowance were more likely to be struggling to make ends meet (39%).
- The proportion of carers unable to afford their utility bills has more than doubled since last year (14%, up from 6% last year).
- Carers who had been caring for longer were much more likely to be struggling financially. 19% of people caring for over 5 years were in debt as a result of caring, compared to 9% of people caring for less than 5 years.
- A quarter of carers (25%) said they were cutting back on essentials such as food or heating, nearly twice as many compared to 13% last year. Carers receiving Carer's Allowance were even more likely to be cutting back on food and heating (35%).
- The majority of carers (63%) said they were 'extremely' worried about managing their monthly costs. 77% said that the rising cost of living was one of the main challenges they would face over the coming year.

It is now vital that carers – particularly those on low incomes or who rely on Carer's Allowance and other legacy benefits – are immediately provided the financial security they desperately need. To that end, we ask that the Government:

- Uprates all benefits, including Carer's Allowance and the Carer Element of Universal Credit, in line with current levels of inflation before next April – ideally as soon as possible – to ensure that vulnerable groups can survive the winter months.
- 2. Provide a top up payment for unpaid carers with an entitlement to Carer's Allowance to support them through the winter and recognise the additional costs they are facing amid the unprecedented cost of living crisis.
- 3. Raise the earnings limit for Carer's Allowance to the value of 21 hours work a week at the National Living Wage rate (i.e., £199.50), to allow carers to work more hours a week where they are able to do so, without losing their entitlement.
- 4. Review all carers' benefits, including Carer's Allowance, to ensure that these work well at supporting all types of unpaid carers and preventing them from falling into financial difficulties as a result of their caring role.

Providing greater support for unpaid carers is not only the right thing to do for society and our economy but is also supported by an overwhelming percentage of the public. Indeed, 69% of the public feel that the role of unpaid carers is not well valued, and 84% agree that the Government should provide additional support to unpaid carers.

Thank you for your consideration. We look forward to your timely response.

This open letter was organised by Carers UK and sent to the Chancellor of the Exchequer, Rt. Hon. Jeremy Hunt MP, on 11 November 2022. Please see a list of signatories to this open letter below:

Helen Walker, Chief Executive, Carers UK

Kari Gerstheimer, CEO, Access Social Care

Jamie Gault, CEO, Action for Carers Surrey

Steve Johnson, Chief Executive, AdviceUK

Caroline Abrahams, Charity Director, Age UK

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Jennifer Twist, Chief Executive, Care for the Carers (East Sussex)

Craig Backhouse, Director, Carer Support Cumbria

Dani Leslie, CEO, Carer Support Eden

Lorraine Goldberg, Executive Director, Carers Centre SA LTD

Alison Taylor, Chief Executive, Carers First

Michèle Stokes. Chief Executive. Carers in Hertfordshire

Linda Lawless, Service Manager, Carers in Southampton

Claire Turner, Chief Executive, Carers Leeds

Debra Blakey, Chief Executive Officer, Carers Northumberland

Jess Wade, Chief Executive Officer, Carers of East Lothian

Christine Whiley, CEO, Carers' Resource

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Sharon Brooks, Chief Officer, Carers Voice Norfolk and Waveney

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Hilda Hayo, Chief Admiral Nurse and CEO, Dementia UK

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Susanna Jones, CEO, Swindon Carers Centre

Nanette Mellor, CEO, The Brain Charity

Tom Lambert, CEO, The Carers Centre for Brighton & Hove

Carol Boys, Chief Executive, The Down's Syndrome Association

Rachel Power, CEO, The Patients Association

Helen Wildbore, Director, The Relatives & Residents Association

Andy Fletcher, Chief Executive, Together for Short Lives

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