



House of Commons
Public Accounts Committee

Supporting Carers to Care

**Forty-second Report of Session
2008–09**

*Report, together with formal minutes, oral and
written evidence*

*Ordered by the House of Commons
to be printed 29 June 2009*

The Public Accounts Committee

The Committee of Public Accounts is appointed by the House of Commons to examine “the accounts showing the appropriation of the sums granted by Parliament to meet the public expenditure, and of such other accounts laid before Parliament as the committee may think fit” (Standing Order No 148).

Current membership

Mr Edward Leigh MP (*Conservative, Gainsborough*) (Chairman)
Mr Richard Bacon MP (*Conservative, South Norfolk*)
Angela Browning MP (*Conservative, Tiverton and Honiton*)
Mr Paul Burstow MP (*Liberal Democrat, Sutton and Cheam*)
Mr Douglas Carswell MP (*Conservative, Harwich*)
Rt Hon David Curry MP (*Conservative, Skipton and Ripon*)
Mr Ian Davidson MP (*Labour, Glasgow South West*)
Angela Eagle MP (*Labour, Wallasey*)
Nigel Griffiths MP (*Labour, Edinburgh South*)
Rt Hon Keith Hill MP (*Labour, Streatham*)
Mr Austin Mitchell MP (*Labour, Great Grimsby*)
Dr John Pugh MP (*Liberal Democrat, Southport*)
Geraldine Smith MP (*Labour, Morecombe and Lunesdale*)
Rt Hon Don Touhig MP (*Labour, Islwyn*)
Rt Hon Alan Williams MP (*Labour, Swansea West*)
Phil Wilson MP (*Labour, Sedgefield*)

Powers

Powers of the Committee of Public Accounts are set out in House of Commons Standing Orders, principally in SO No 148. These are available on the Internet via www.parliament.uk.

Publication

The Reports and evidence of the Committee are published by The Stationery Office by Order of the House. All publications of the Committee (including press notices) are on the Internet at <http://www.parliament.uk/pac>. A list of Reports of the Committee in the present Session is at the back of this volume.

Committee staff

The current staff of the Committee is Mark Etherton (Clerk), Lorna Horton (Senior Committee Assistant), Pam Morris (Committee Assistant), Jane Lauder (Committee Assistant) and Alex Paterson (Media Officer).

Contacts

All correspondence should be addressed to the Clerk, Committee of Public Accounts, House of Commons, 7 Millbank, London SW1P 3JA. The telephone number for general enquiries is 020 7219 5708; the Committee’s email address is pubaccom@parliament.uk.

Contents

Report	<i>Page</i>
Summary	3
Conclusions and recommendations	5
1 Improving the delivery of benefits to carers	7
2 Improving employment support to carers	12
Formal Minutes	14
Witnesses	15
List of written evidence	15
List of Reports from the Committee of Public Accounts 2008–09	16

Summary

There are an estimated six million unpaid carers in the United Kingdom looking after family or friends who are sick or disabled. The Department for Work and Pensions (the Department) provides two main forms of support to carers—paying carers' benefits and providing employment support—at an estimated cost of up to £2 billion a year.

The main benefit available to carers is Carer's Allowance, which is payable to those who give up the opportunity of full-time work to provide care. Carers may also be eligible for Additional Amounts and Carer's Premiums on top of other benefits such as the State Pension. At November 2008, 900,000 carers met the entitlement rules and the value of the social care they provided has been estimated by the National Audit Office at £23 billion a year. The Department is unable to assess the effectiveness of its work to reach eligible carers and to specific groups such as ethnic minorities as it does not know the benefit take-up rate.

Benefits for carers are unnecessarily complex and cause confusion. About a fifth of carers who receive benefits have difficulties with some aspect of the application process. These difficulties include understanding the information provided by the Department and also what information they are required to provide. The system of 'underlying entitlement' means some carers have to apply for Carer's Allowance, even though they are not eligible for it, in order to receive 'top-up' payments of Carer's Premium and Additional Amounts. Complexity is also caused by the interaction of carer's benefits with benefits received by the person for whom they care. This is because receipt of carer's benefit can reduce the cared for person's benefits. The Department's communications with customers can be lengthy and difficult to understand.

Carers who wish to combine caring responsibilities with paid work do not receive employment support tailored sufficiently to their circumstances. Part-time work is often the most practical option, but the Jobcentre Plus target regime does not provide sufficient incentive for Personal Advisers to help customers find part-time work. In its 2008 National Strategy for Carers, the Department committed to spend 'up to £38 million' on support for carers. Some £25 million of the funding has already been committed, but the remaining £13 million may be diverted elsewhere as demand for other Jobcentre Plus services increases at a time of rising unemployment.

Carers' needs would often be met if the needs of the person being cared for were provided for. This outcome requires effective co-ordination of services between the Department and other organisations in central and local government, as well as the voluntary and community sector. Improving relationships at a local level would make it easier for carers to be referred quickly to the services they need.

On the basis of a report by the Comptroller and Auditor General,¹ we examined the Department on the steps it has taken to improve the delivery of benefits to carers and the support it provides to help them find employment.

1 C&AG's Report, *Supporting Carers to Care*, HC (2008–09) 130

Conclusions and recommendations

- 1. Carers provide a very valuable service to society but the Department's approach to providing carers' benefits is complex, making it difficult for carers to access financial and other support.** Currently, for example, carers in receipt of other benefits such as the State Pension, have to apply for Carer's Allowance even though they are not eligible for it, in order to receive top up allowances on existing benefits. The Department should make it possible for those carers only eligible for top up payments such as Carer's Premium or the Additional Amount to apply directly for those benefits.
- 2. Despite past recommendations from the Committee, the Department's communications can be lengthy, incomprehensible and confusing for carers.** The Department should assess the effectiveness of its communications with carers by monitoring common enquiries and contact made by customers in order to identify letters and guidance which may need revision, and should act quickly to simplify them, using its customer groups, such as the Pensions, Disability and Carers Service Advisory Forum, to test simplified communications.
- 3. The Department has no reliable estimate of the take up rate for Carer's Allowance and so cannot be confident it is reaching the eligible population.** In taking forward its planned research into the take up rate, the Department should assess how well its publicity for the benefit reaches particular groups such as ethnic minorities, different age groups or people in different regions of the country so that communications strategies can be revised as appropriate.
- 4. The Department's employment support is not well suited to helping carers find work because of insufficient understanding of carers' needs amongst Jobcentre Plus staff and no means to identify vacancies most suited to carers' circumstances.** The Department should assess the effectiveness of its actions to enhance Personal Advisers' skills and understanding, and to improve information about flexible job vacancies by seeking early feedback from Advisers and carers on job outcomes and staff and customer satisfaction.
- 5. There is insufficient incentive for Jobcentre Plus Advisers to help carers seeking part-time work as a successful outcome may not be included against the Jobcentre Plus performance targets.** Performance against Jobcentre Plus' job outcome targets is based on data received from Her Majesty's Revenue and Customs, which requires the newly placed employee to receive a salary in excess of the tax threshold. Jobcentre Plus should incentivise Personal Advisers to find employment for carers by including all part-time job outcomes in personal performance targets.
- 6. Carers' needs can be reduced if the needs of the person being cared for are met, which requires effective co-ordination of services provided by the Department and by other central and local government bodies and third sector organisations.** The Department should share good practice across its new Care Partnership Managers, whose role is to strengthen links with other organisations and assist Personal Advisers in referring carers to appropriate support.

1 Improving the delivery of benefits to carers

1. There are an estimated six million unpaid carers in the United Kingdom who look after relatives, friends, children or older people who are sick or disabled. The Department for Work and Pensions (the Department) provides support to carers who qualify under the eligibility criteria for Carer's Allowance, the main benefit payable to people who give up the opportunity of full time work to provide care. **Figure 1** sets out the eligibility criteria for Carer's Allowance.

Figure 1: Eligibility criteria for Carer's Allowance

To be eligible for Carer's Allowance, currently paid at £53.10 per week, the claimant must:

- Look after, for at least 35 hours a week, someone who receives one of the following:
 - Attendance Allowance;
 - Disability Living Allowance at the middle or highest rate for personal care;
 - Constant Attendance Allowance at the basic (full day) rate with a War Disablement Pension;
 - Constant Attendance Allowance at or above the normal maximum rate with an Industrial Injuries Disablement Benefit;
 - Be aged 16 or over;
 - Not be in full-time education, and
- Earn no more than £95 a week (after deductions).

2. Carers may also be eligible for Additional Amounts and Premiums on their other benefits. Carer's Allowance and Additional Amounts are administered by the Carer's Allowance Unit, whilst Carer's Premiums are administered by Jobcentre Plus (**Figure 2**). At May 2008, 833,000 people satisfied the entitlement rules for Carer's Allowance. In 2007–08, the Department spent up to £2 billion per year on supporting these carers. **Figure 3** provides a breakdown of this cost. The National Audit Office estimated that if the social care provided by these carers was paid for by the State, the cost would be approximately £23 billion a year.²

3. By November 2008, the number of people in receipt of Carers Allowance and/or the Additional Amounts and Carers Premium was 915,000, up from over 700,000 five years ago. The Department does not know the take-up rate for carers' benefits and so cannot determine whether it is reaching the eligible population and specific sectors within the population, such as carers from ethnic minority groups. Based on 3 million people in receipt of either the middle or higher rates of Disability Living Allowance or Attendance Allowance, whose carers could, in theory, qualify for financial support, the rate is around 30%. As some of these 3 million people will not have a carer, and some carers will not be eligible for assistance as they earn more than £95 a week after allowable expenses or do not care for the person for at least 35 hours a week, the take-up rate could be higher. The

2 Qq 2, 44–46, 58; C&AG's Report, paras 1, 1.1, 1.3–1.6, 1.16

Department plans to undertake further research to determine whether it can make a reliable estimate.³

Figure 2: Delivery of carers' benefits

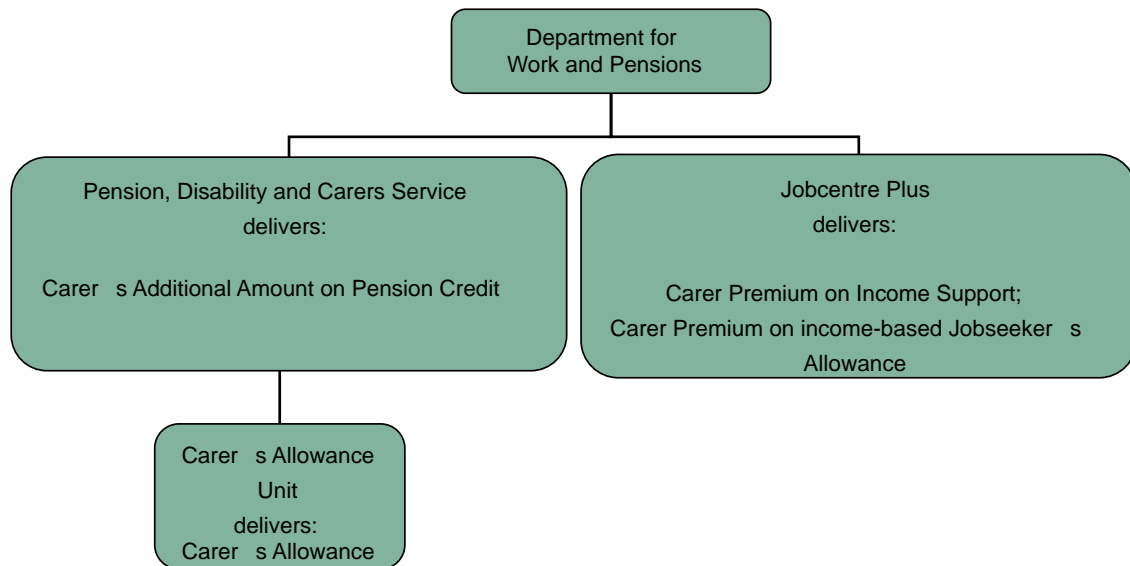


Figure 3: Departmental spending on support to carers, 2007–08

	CARER'S ALLOWANCE	DEPARTMENT'S ESTIMATE OF CARER'S ADDITIONAL AMOUNT ON PENSION CREDIT	DEPARTMENT'S ESTIMATE OF CARERS PREMIUM ON INCOME SUPPORT	DEPARTMENT'S ESTIMATE OF CARERS PREMIUM ON INCOME-BASED JOBSEEKER'S ALLOWANCE	TOTAL COSTS
Benefits payments	£1.3bn	£347m	£326m	£4m	Approx. £2bn
Administrative costs	£18.9m	Not available	Not available	Not available	Approx. £18.9m
TOTAL COSTS	£1.3bn	£347m	£326m	£4m	Approx. £2bn

4. Carers may not take-up the benefits for which they are eligible for several reasons: because they do not see themselves as carers, because they are unaware of the benefits available for carers, or because they want to avoid any impact on the benefits of the person for whom they care. The Department has attempted to increase awareness of the benefits available to carers by, for example, drawing attention to the benefit in letters confirming award of the Disability Living Allowance and Attendance Allowance and letters to those applying for Pension Credit. The Department could also improve its links with third sector organisations at a local level.⁴

5. Many carers are unclear as to whether Carer's Allowance is a wage for caring, a reward for caring, compensation for the costs of caring, or a reflection of the extent of care which

3 Qq 2, 43–46; C&AG's Report, paras 7, 1.5, 1.6, 1.8–1.9

4 Qq 28, 47, 48; C&AG's Report, paras 2.2–2.4, 2.7

they provide. This lack of clarity may also influence take up. In May 2009, the Department published its revised Carer's Allowance information booklet, which now states that "Carer's Allowance is not a wage for caring".⁵

6. To make the process easier, applications can now be made on-line and the Department estimates that 15% of claims are made this way. Applications can also be made at outlets such as the Citizen's Advice Bureaux, Age Concern and local authorities, where staff check the application form before submitting it to the Carer's Allowance Unit. Staff from the Carer's Allowance Unit will also visit people's homes to help them complete applications and in 2008 some 40,000 applications arose from visits.⁶

7. About a fifth of those who receive carers' benefits found the application process difficult. Their confusion was due, in part, to the complicated application procedures for those carers who have an 'underlying entitlement'. Under this arrangement, carers who receive other benefits such as the State Pension are entitled to a Carer's Premium or Additional Amount, but not eligible for Carer's Allowance itself. These customers have to apply for Carer's Allowance, even though they are not entitled to it, in order to qualify for the additional Carer's Premium or Additional Amount which 'top up' their other benefits. This situation arises because of a long established principle of the Social Security system that two income-replacement benefits cannot be paid at the same time because that would duplicate provision for the same need. People who are entitled to more than one non-means tested, 'income replacement' benefit are, therefore, paid the one that is worth the most to them.⁷

8. Further complexity is introduced by the interaction between Carer's Allowance and the benefits received by the cared-for person. For example, a disabled person whose carer is in receipt of Carer's Allowance is no longer entitled to a Severe Disability Premium on top of their basic state pension. This is because Severe Disability Premium is paid to cover costs incurred by the disabled person paying someone to support them and so cannot be paid if someone is already receiving Carer's Allowance on the disabled person's behalf. These complexities deter some carers from claiming the Allowance.⁸

9. In April 2008, the Pensions Service and the Disability and Carers Service merged, which the Department believes has helped to streamline the management of benefits for carers. The Government's revised National Strategy for Carers, published in June 2008, did not contain any specific proposals to address the complexity of Carer's Allowance.⁹ The Government committed to review carers' benefits in the context of its plans for longer-term benefit reform. In a December 2008 White Paper¹⁰ the Government emphasised that

5 Qq 4, 28; C&AG's Report, paras 1.8, 2.5

6 Q 28; C&AG's Report, para 1.16, Appendix 4

7 Qq 4, 37, 49–50, 60; C&AG's Report, paras 8, 1.5, 2.1

8 Qq 4, 37, 54–55; C&AG's Report, paras 2, 9, 1.4–1.5, 1.7

9 HM Government 2008, *Carers at the heart of 21st century families and communities*

10 Department for Work and Pensions: Welfare White Paper, (2007–08), Cm 7506, *Raising expectations and increasing support: reforming welfare for the future*

the needs of carers would be central to the Department's exploration of the future reform of the benefits system.¹¹

10. The Department's written communications do not assist in clarifying a complex benefit for customers. The Comptroller and Auditor General's report contains a four page letter to a pensioner which the Department acknowledged had to be read several times to glean any sense of what was being said. An extract from this letter is at **Figure 4**. The Department has shortened its standard letters for pensioners and those of working age to explain entitlement more clearly. The new letters are being piloted from June to August 2009 and, if effective, will be rolled out nationally in November 2009.¹²

Figure 4: Extract from letter sent from the Carer's Allowance Unit to pensioners to describe their benefit entitlement

Dear ...

A decision has been made on your claim to Carer's Allowance. ...The details of the decision are as follows:-

You are not entitled from 17/05/2007 to 20/05/2007. This is because entitlement must begin on a Monday.

You are entitled to £48.65 a week from 21/05/2007.

We cannot pay you from 21/05/2007. This is because the amount of State Pension you get is more than the amount of Carer's Allowance we could pay you.

11. Half of the carers who experienced difficulties in applying for carers' benefits thought it took too long to process their application. Where a carer applies for Carer's Allowance and Pension Credit at the same time, the Pension Credit application is processed twice—once on receipt of the application form, and again on notification from the Carer's Allowance Unit that underlying entitlement to the Carer's Allowance has been established.¹³ Since 2006–07, the average time taken to process applications has increased by two working days from 10.6 to 12.7 days. This increase has arisen, in part, due to a change in the Carer's Allowance Unit's approach to handling applications. Previously, simpler applications were processed first at the expense of more complex claims. The Carer's Allowance Unit now adopts a 'First In, First Out system' whereby applications are processed in the order in which they are received. The new approach is fairer, but some claimants now wait longer for their initial claim to be processed.¹⁴

12. In two thirds of the cases examined by the National Audit Office, delays also occurred because staff in the Carer's Allowance Unit needed to contact either the carer or another party to gather missing or additional information in support of the application. This outcome may also indicate that the Department's forms are not sufficiently straightforward to gather the right information. Greater sharing of information between the Department's various agencies and with other organisations might help speed up application processing. The Department has yet to improve data-sharing protocols with other organisations but is

11 Qq 31–36, 38–39, 56; C&AG's Report, paras 1.13, 1.15, Figure 1

12 Q 4

13 Qq 3, 52–53; C&AG Report, paras 8, 2.8–2.9, Appendix 4

14 Qq 40–41, 56; C&AG's Report, para 2.15

working with the Pensions and Carers Service Advisory Forum, a group of representatives from partnership organisations, led by the Pension, Disability and Carers Service, to discuss operational and policy issues. The Department's change programme, designed to improve efficiency, aims to make sure that requests for the same information are not made by different parts of the Department, or made where that information is already held in the Department.¹⁵

13. Carers who are nearing state pension age have the option to defer receipt of the State Pension, and continue to receive Carer's Allowance. The Department confirmed that carers are not penalised for choosing to defer State Pension.¹⁶

15 Q 26; C&AG's Report, 2.11, 4.17

16 Qq 20-22

2 Improving employment support to carers

14. There are no specific employment programmes for carers, because people who receive carers' benefits are not required to find work. The employment support they receive and the frequency of their contact with Jobcentre Plus staff depends on which other benefits they receive. Carers and Jobcentre Personal Advisers (who give customers information, advice and guidance about employment matters) believe that carers do not receive employment support well-suited to their needs. In a National Audit Office survey, a quarter of carers who made use of Jobcentre Plus were dissatisfied with the service they received, and only one third of Jobcentre Plus Personal Advisers believed carers received the support they might reasonably expect.

15. Personal Advisers have found it difficult to provide appropriate support to carers and Jobcentre Plus is introducing a range of measures to improve carers' employment support. These measures include the Carers Portal, which is an on-line reference guide for Personal Advisers about carer issues such as benefits, employment support and external sources of help. Specialist training about caring is being provided to Personal Advisers, and an enhanced 'vacancy taking system' has been set up to identify more clearly those vacancies which offer flexible terms attractive to carers. From September 2009, Care Partnership Managers have been established in every Jobcentre Plus district. Their role will be to provide specialist advice to Personal Advisers supporting carers and to build relationships with third sector organisations in order to improve Jobcentre Plus support for carers who seek employment.¹⁷

16. In the 2008 National Strategy for Carers, the Department made a commitment to dedicate "up to £38 million" to better enable carers to combine paid employment with their caring role. Some £25 million has already been spent, on, for example, introducing new posts of Care Partnership Managers in every Jobcentre Plus district, establishing a new information point, the Carers Portal, and delivering specialist training for Personal Advisers. But the remaining £13 million is not ring-fenced for services for carers. The Department intends to spend the remaining funds on carers' services if the demand exists. Demands on Jobcentre Plus have increased significantly as a result of rising unemployment, and there may be pressures to divert the remaining £13 million towards increasing services to other Jobcentre Plus customers.¹⁸

17. Many carers seek positions with flexible hours but the Department's measurement of performance against job outcomes targets relies on HM Revenue and Customs data. This data includes only those employees who pay the basic level of income tax. Part-time jobs are not specifically excluded, but many such jobs do not meet the income tax threshold and are not recorded as outcomes against Jobcentre Plus targets. As a result, there may be less incentive for Personal Advisers to support customers, such as carers, to find part-time work.¹⁹

17 Qq 5–8, 17, 24–25; C&AG's Report, paras 12–13, 16, 3.4, 3.8, 3.11, 3.15–3.17

18 Qq 9–14; C&AG's Report, paras 16, 3.17

19 Qq 17, 42; C&AG's Report, paras 12, 20, 3.4–3.5

18. Carers' circumstances, needs and availability for work are complex and fluctuate as the circumstances of the person for whom they care change. The close link to the needs of the person being cared for requires a tailored, personalised approach to employment support, rather than a 'one size fits all' approach. The Department is introducing a specialist training module for Personal Advisers, 'Specialist Knowledge Interview Planning and Preparation', in order to help staff identify carers' needs and the fluctuating nature of these needs. It is improving the resources available to Personal Advisers to help carers, and plans to introduce enhanced training for Advisers later in 2009.²⁰

19. Carers' needs might be reduced if the needs of the person they care for are met, which requires effective co-ordination of services by the Department and other organisations such as local authorities, health services and charities. The Department's partners were generally positive about the Department's engagement with them. For example, there was a clear sense of purpose in their work with the Department, and partners were able to influence the agendas and membership of partnership groups. The Department's work with partners could be improved further by circulating material such as meeting minutes more widely, and by extending the timescales for comment on proposals so that charities have adequate time to consult with their members. At a local level, some, but not all, Jobcentre Plus offices are engaged in effective partnership working. The Department expects the new Care Partnership Managers to strengthen links with other organisations and to improve Personal Advisers' role in signposting carers to other services.²¹

20 Qq 18, 19, 23

21 Qq 15, 25; C&AG's Report, paras 17, 4.1, 4.11, 4.16

Formal Minutes

Monday 29 June 2009

Members present:

Mr Edward Leigh, in the Chair

Mr David Curry

Nigel Griffiths

Keith Hill

Mr Austin Mitchell

Geraldine Smith

Mr Alan Williams

Draft Report (*Supporting Carers to Care*), proposed by the Chairman, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 19 read and agreed to.

Conclusions and recommendations read and agreed to.

Summary read and agreed to.

Resolved, That the Report be the Forty-second Report of the Committee to the House.

Ordered, That the Chairman make the Report to the House.

Ordered, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

[Adjourned till Wednesday 8 July at 3.30 pm]

Witnesses

Monday 18 May 2009

Page

Sir Leigh Lewis KCB, Permanent Secretary, **Mr Terry Moran**, Chief Executive, Pension, Disability and Carers' Service, **Mr Jeremy Groombridge**, Director, Transformation and Products, Jobcentre Plus, Department for Work and Pensions

Ev 1

List of written evidence

Department for Work and Pensions

Ev 10

List of Reports from the Committee of Public Accounts 2008–09

First Report	Defence Information Infrastructure	HC 100
Second Report	The National Programme for IT in the NHS: Progress since 2006	HC 153
Third Report	Skills for Life: Progress in Improving Adult Literacy and Numeracy	HC 154
Fourth Report	Widening participation in higher education	HC 226
Fifth Report	Programmes to reduce household energy consumption	HC 228
Sixth Report	The procurement of goods and services by HM Prison Service	HC 71
Seventh Report	Excess Votes 2007–08	HC 248
Eighth Report	Ministry of Defence: Chinook Mk3	HC 247
Ninth Report	Protecting the public: the work of the Parole Board	HC 251
Tenth Report	New Dimension—Enhancing the Fire and Rescue Services' capacity to respond to terrorist and other large-scale incidents	HC 249
Eleventh Report	The United Kingdom's Future Nuclear Deterrent Capability	HC 250
Twelfth Report	Selection of the new Comptroller and Auditor General	HC 256
Thirteenth Report	Department for Work and Pensions: Handling Customer Complaints	HC 312
Fourteenth Report	HM Revenue and Customs: Tax Credits and Income Tax	HC 311
Fifteenth Report	Independent Police Complaints Commission	HC 335
Sixteenth Report	Department for International Development: Operating in insecure environments	HC 334
Seventeenth Report	Central government's management of service contracts	HC 152
Eighteenth Report	Investing for Development: the Department for International Development's oversight of CDC Group plc	HC 94
Nineteenth Report	End of life care	HC 99
Twentieth Report	Ministry of Defence: Major Projects Report 2008	HC 165
Twenty-first Report	The Department for Transport: Letting Rail Franchises 2005–07	HC 191
Twenty-second Report	Financial Management in the NHS: Report on the NHS Summarised Accounts 2007–08	HC 225
Twenty-third Report	Mathematics performance in primary schools: getting the best results	HC 44
Twenty-fourth Report	Maintaining the Occupied Royal Palaces	HC 201
Twenty-fifth Report	The efficiency of radio production at the BBC	HC 285
Twenty-sixth Report	Management of tax debt	HC 216
Twenty-seventh Report	Building Schools for the Future: renewing the secondary school estate	HC 274
Twenty-eighth Report	Management of Asylum Applications	HC 325
Twenty-ninth Report	NHS Pay Modernisation in England: Agenda for Change	HC 310
Thirtieth Report	Ministry of Defence: Type 45 Destroyer	HC 372
Thirty-first Report	The Nationalisation of Northern Rock	HC 394
Thirty-second Report	Financial Management in the European Union	HC 698
Thirty-third Report	Planning for Homes: Speeding up planning applications for major housing developments in England	HC 236
Thirty-fourth Report	DEFRA: Natural England's Role in Improving Sites of Special Scientific Interest	HC 244
Thirty-fifth Report	The administration of the Crown Court	HC 357
Thirty-sixth Report	The health of livestock and honeybees in England	HC 366
Thirty-seventh Report	Building the Capacity of the Third Sector	HC 436
Thirty-eighth Report	HMRC: The Control and Facilitation of Imports	HC 336
Thirty-ninth Report	The Warm Front Scheme	HC 350
Forty-second Report	Supporting Carers to Care	HC 549
Forty-seventh Report	Reducing Alcohol Harm: health services in England for alcohol misuse	HC 925
Forty-eighth Report	Renewing the physical infrastructure of English further education colleges	HC 924

Oral evidence

Taken before the Committee of Public Accounts on Monday 18 May 2009

Members present

Mr Edward Leigh, in the Chair

Mr Richard Bacon
Angela Browning
Mr Austin Mitchell

Dr John Pugh
Geraldine Smith
Mr Alan Williams

Mr Tim Burr CB, Comptroller and Auditor General, **Ms Wendy Kenway-Smith**, Assistant Auditor General, and **Ms Liane Hinds**, Director, National Audit Office, were in attendance.

Ms Paula Diggle, Treasury Representative, HM Treasury, was in attendance.

REPORT BY THE COMPTROLLER AND AUDITOR GENERAL SUPPORTING CARERS TO CARE (HC130)

Witnesses: **Sir Leigh Lewis KCB**, Permanent Secretary, **Mr Terry Moran**, Chief Executive, Pension, Disability and Carers' Service, and **Mr Jeremy Groombridge**, Director, Transformation and Products, Jobcentre Plus, Department for Work and Pensions, gave evidence.

Q1 Chairman: Good afternoon. Welcome to our session today. Today we are considering *Supporting Carers to Care*. We welcome back to our Committee Sir Leigh Lewis. Can you introduce your colleagues?

Sir Leigh Lewis: Of course, Chairman. On my right is Terry Moran, who is the Chief Executive of Pension, Disability and Carers' Service, and on my left is Jeremy Groombridge, who is the Director for Transformation and Products in Jobcentre Plus.

Q2 Chairman: This is a very important issue. There are some 800,000 carers, we think, in the country. If they did not do all this unpaid work, we reckon it would cost us some £23 billion a year, so this is not some side issue, Sir Leigh, it is tremendously important that we support these people because they give their time for very little indeed. That explains some of the questions that I want to ask you. If you look, for instance, at paragraph 1.9, we read that the Department does not have a figure for the take-up rate. If you do not know what the take-up rate is, how do you know that you are reaching these people and you are doing the job, and helping them to do the caring which takes the burden off the state? Do you see my point?

Sir Leigh Lewis: I do see your point, Chairman. It is a very good point indeed. There is a lot we can do though, it is fair to say. We do know that there are just over three million people receiving either Attendance Allowance or, what are called, the middle or higher rates of DLA (Disability Living Allowance) care component. They are the people that, if you like, could be cared for. We know that the total number of people who have currently got an actual or underlying entitlement to Carer's Allowance is just over 900,000–915,000 in the most recent figures that have just come out for November of last year—or about 30% of that maximum possible number. Of course, there can be many reasons why there is no claim: there is no carer,

perhaps, providing at least 35 hours of care for a person being cared for; there may be such a carer, but they may earn more than the earnings limit, and so on. I do agree with you that this is an area where I would like to know more and have a better sense of the take-up. This is not easy because we are trying to establish some quite difficult issues here—how many potential people are being cared for, how many people may be caring, could be entitled but are not claiming. In the light of the NAO Report, to come to the issue, I have asked the Department to look again at whether we can make a better estimate of take-up and whether we can do some further research.

Q3 Chairman: That is fine. If we look at paragraph 2.1 of this Report, it says that about a fifth of people had difficulties and half of those had more than one difficulty. Are you going to try to improve engagement with carers, Sir Leigh, so that they have fewer difficulties in applying for what is due to them?

Sir Leigh Lewis: Yes, absolutely. It is encouraging, I think, that there are a lot of positives in the Report; the Report says that the large majority of people did not have problems with the service to people claiming Carer's Allowance. As you say, however, there is a significant minority where there are issues. I think we are already doing a great deal, both to make people more aware of Carer's Allowance and to make the process of both claiming it and receiving it simpler. Terry Moran might want to add to that. It is a complex benefit of all the benefits we administer.

Q4 Chairman: When we look at appendix 4, Sir Leigh, and some of these letters that are listed there, if I can just read one: "You are entitled to £48.65 a week from 21/05/2007. We cannot pay you from 21/05/2007. This is because the amount of State Pension you get is more than the amount of Carer's Allowance we could pay you." In trying to prepare myself for this Committee, I had to read that two or

three times, and I am not sure if I can understand that. You are much cleverer than me, so perhaps you understand it! Box 4 tells us this and somebody here is saying: “I am not a stupid person but I found applying for Carer’s Allowance incredibly complicated”—and so it goes on. There is obviously something wrong here, is there not?

Sir Leigh Lewis: I would love to tell you, Chairman, that when I read that letter I found it a model of clarity! It is a pretty ghastly letter actually, is it not, and you have to read it several times to begin to glean any sense of what it is trying to tell you. There are two things, a tiny bit of explanation and then, hopefully, some good news on that specifically. Part of that is because this is a very complex benefit where, in some cases, we require people to prove an entitlement to the benefit in order that they can move on to something they can get, even though the rules mean that they cannot get Carer’s Allowance itself. Trying to encapsulate that in a simple letter is really difficult. Specifically on the letters, good news: we are re-drafting that specific letter, what we call the underlying entitlement letter. There will be two versions, one for people of state pension age and one for people of working age. I am pleased to tell you it will be four pages shorter. We aim to pilot the letter from this June for a period of three months. If that shows that it is well received, then we will roll that out nationally in November. I did send round, but I do not know if it reached members of the Committee, the new Carer’s Allowance leaflet that we have just produced. That is a vastly improved and clearer attempt to describe what it is we are providing.

Q5 Chairman: Obviously, it would help if the staff in JobCentre Plus offices could help people. In paragraph 3.15 we see this: “Only a third of personal advisers responding to our survey thought that carers visiting JobCentre Plus are receiving the support they might reasonably expect.” If we look at box 9 on page 21, Tony, Personal Adviser, is speaking. These boxes are not the most illuminating because they are a sort of vox pop or anecdotes. Tony says: “Carers are not encouraged to use JobCentre Plus services as no-one knows what to do with them.”

Sir Leigh Lewis: There are two quotes actually, Chairman, from Tony. There is another one—

Q6 Chairman: Is there another one saying it is all marvellous, or not?

Sir Leigh Lewis: No, there is another one that says it is all awful, but Tony appears twice, and I suspect Tony may not be the most positive of all the advisers that we have ever employed. To leave that point aside, I think it is absolutely fair to say that, although JobCentre Plus advisers do a very good job overall—and that is coming out in lots of NAO reports—this is an area where in the past, and Jeremy Groombridge can say more, they struggled to bring the necessary expertise to bear. We are doing a lot here, and perhaps you will just indulge me and let me say a little bit about what we are doing.

Q7 Chairman: Yes, fine.

Sir Leigh Lewis: First of all, we introduced a new “Carers’ Portal”, as it is called, on the departmental intranet last July with a much, much bigger range of information. As the Report says, it is a welcome step. We are improving all of the information that is going out about this. I think the really important stuff is what we are introducing at the end of this year, this December, which is a whole range of measures that came out of the National Carers’ Strategy to improve the services, particularly in JobCentre Plus. The most important thing is that we are introducing a completely new post of a care partnership manager in every district. They will be in place by the autumn of this year. We are delivering better specialist training for advisers and more support for carers themselves. The bottom line is that we recognise that there is more to do in JobCentre Plus.

Q8 Chairman: All this stuff in paragraph 3.16—“In answers to our survey, Personal Advisers did, however, identify changes that could reasonably be accommodated in their existing day-to-day duties to make the biggest improvement to the support provided to carers, most notably: a comprehensive online reference guide for Personal Advisers about carer issues such as benefits, employment support and external sources of help; specialised Personal Advisers to deal with carers; and flexible working opportunities that are easier to identify.”—all that you are going to do, are you?

Sir Leigh Lewis: We are pretty well doing that actually. You have just dropped down a paragraph, Chairman, where the Report talks about what we are going to do.

Q9 Chairman: I want to ask you that question about the £38 million earmarked, which is in the following paragraph. That is going to be ring-fenced for this, is it, and not siphoned off by the Department of Health which is leading on it, is it not?

Sir Leigh Lewis: It is money which is in our budget, so it is in our Department.

Q10 Chairman: I was told by the NAO briefing that it is now the Department of Health leading on it.

Sir Leigh Lewis: The Department of Health leads on the overall strategy for carers right across government, but the money of up to £38 million, I do need to stress, is up to £38 million which was the commitment. That is our budget and that is money that will be in the—

Q11 Chairman: What does that mean, “up to £38 million”? Does it mean £1 million or £37.5 million?

Sir Leigh Lewis: It means that we have already allocated £25 million to these measures.

Q12 Chairman: It is not £38 million at all!

Sir Leigh Lewis: We will go up to £38 million if the demand is there.

Q13 Chairman: All ring-fenced, all on carers?

Sir Leigh Lewis: No, the difference between £25 million and £38 million is not ring-fenced.

Q14 Chairman: Ah, we are getting there in the end!

Sir Leigh Lewis: But we have said that we will spend up to £38 million if the demand for that is there, and we will.

Q15 Chairman: Thank you very much. Are you going to try to work more closely with the third sector mentioned in paragraph 4.14?

Sir Leigh Lewis: The answer to that is yes, and we already do. There is a lot which is positive in chapter 4 of the Report about our relationship with carers, that partners we consulted—this is from the Report—generally considered that the experiences of working with the Department were positive. There is a lot that heartens in reading chapter 4. We do have a very wide range of partnership arrangements both across government at departmental level and within Terry Moran's agency. There is always more we can do. I met with a group of carers myself last week, knowing that I was coming before the Committee this week, and they were clear that there was more we could do. They were also clear that we were doing a lot.

Q16 Chairman: My last question relates to the recession and what is going on with the pressures on you. You are under growing pressure and under huge pressure to make efficiency savings and take staff out of the front line. How will you maintain commitments you are making to me to carers, given the pressures on you?

Sir Leigh Lewis: I can give you just a very superficial answer, but the real answer is that it is tough in the Department. It is tough particularly in JobCentre Plus. We have seen very large volume increases in the business of JobCentre Plus. It is an enormous tribute to JobCentre Plus that it has coped very well with the large volume increases we have seen, particularly over the last six months or so. It does mean that JobCentre Plus is an organisation that is under pressure. That means we are having to be pretty careful in how we use what at the moment are scarce resources, both people and money. We are putting lots more people into JobCentre Plus; we are recruiting and putting lots more resources in. We remain absolutely committed to these measures, so these measures will not be dropped. It comes to the point where, if people were to come along right at the moment and say, "In addition to this, can you do X and Y as well?", that is the point at which we might say, "Not at this moment".

Q17 Angela Browning: I should declare that I am a carer on a care plan for a close relative, although not in receipt of any benefit, as such, myself for that responsibility. Can I ask you about flexible working, because we see that only a fifth of JobCentre Plus staff thought they had the skills and knowledge they needed to support carers who want to do paid work. It says that the advisers are incentivised to help

customers get back into full-time work but not part-time work. These people, by definition, can only work sufficiently to earn a maximum of £95 a week if they claim Carer's Allowance. Why is that? I would have thought there is quite a lot of scope for part-time work. Does it not merit some help, getting these people particularly into part-time work?

Sir Leigh Lewis: I am going to say something that is a slight risk with my NAO colleagues, because I think the report is not 100% accurate in this respect, and that is our fault because we have had every opportunity under the sun to make it so. Actually, JobCentre Plus is incentivised to get people into work that is not full-time, as well as part-time. The way we collect the information means that somebody has to be at the basic level of paying tax before it scores, if you see what I mean, but, as long as they are at that level, it does not have to be a full-time job. I do not think that quite gets to the heart of your question, and perhaps I will ask Jeremy Groombridge to come in. I think we do need better training for customer advisers in JobCentre Plus. We have enhanced it already in a number of ways, but JobCentre Plus is quite specialised, as you will know as a carer. There are quite a few issues that the average adviser may not meet every day, and I think we do need better training. We are intending to introduce strengthened training later this year.

Mr Groombridge: There are a number of points there. We do in JobCentre Plus have a strong operational focus on our advisers to help people to move on in the best way that they can. We have a number of tools in addition to the job outcome targets that I think you are referring to, like the Adviser Achievement Tool and a Quality Assessment Framework. There are a number of ways in which we can help our advisers to encourage carers to move on. As Sir Leigh said, we are embarking on a very large programme of enhanced training for our advisers. It is very important, for example, that our advisers understand that, while they are caring, carers acquire transferable skills that can be extremely helpful to them, either when those caring responsibilities end or indeed during the period of caring. We are enhancing the vacancy-taking system. At the moment the way the tools available to our advisers do not really make as clear as they should do the kind of vacancies that offer flexibilities, that offer compassionate leave, and all those other facilities that are so important to carers. Again, there are improvements in that area that are coming on stream, but probably the most important is the introduction of the Care Partnership Manager that the Report refers to. They come on stream in September. There are a couple that are already in place, but there will be one in each of our 48 Districts. They will play an absolutely crucial role in supporting advisers, but also building links with other organisations so that our advisers then can be better plugged into those other organisations and be better aware of the needs and requirements of carers. There really is quite a lot happening in the next few months that will greatly improve the situation.

Q18 Angela Browning: Leading on from what you have said, obviously the person being cared for, one would hope, would have an appropriate care plan

that met their needs. If that care plan for the person being cared for is inadequate or, as can sometimes be the case, if they have a condition that fluctuates, that can have an impact on the carer and the job that they do. There are certain conditions—one thinks of multiple sclerosis just as an example, but it is not the only one—where people can regress or can get periods of remission. The demands on the carer differ at different times, it does not mean to say, if you do a spot check today, that they are the demands today which will be exactly the same in three or six months' time. It is that understanding of the package that goes with the person being cared for outwith what the personal carer does. How does all that dovetail together?

Mr Groombridge: That is exactly the kind of area that our strengthened adviser training is intended to cover. To a degree, it already does, but there are a lot of improvements we want to make to it. There is a module for our advisers which goes under the rather complicated name of Specialist Knowledge Interview Planning and Preparation. We call it SKIPPs—

Q19 Angela Browning: Could you not have found something simpler than that?

Mr Groombridge: It is actually quite a helpful piece of information for our advisers because it tunes into exactly the kind of issues you have mentioned. It helps them to identify when they are dealing with a carer, what that carer's needs may be, and indeed the fluctuating nature of those needs is absolutely high up there, the kind of issues they face, the help that is available, and the work that we can do with carers on a journey to help them realise sensible and achievable employment goals. And this is exactly the sort of ground that all of the strengthened training will cover. We plan to involve the carers' organisations as we develop that training and evaluate it.

Sir Leigh Lewis: There is something happening in the labour market that potentially helps, and that is that there are many, many more companies that are operating many more flexible employment patterns of work these days, compared with thirty years ago with nine-to-five forty-hour weeks, etc. If you look at our Department as an employer, and we always do look at ourselves as an employer as well, we employ over 100,000 people. We have around a third of our people working part-time hours of some variety or description, and we like to believe that, as an employer, we can be pretty flexible in trying to accommodate people. Then we have some special provisions for people who are caring so that they can take special leave with pay if something happens which is unexpected and out of the ordinary. I do not think we are alone in that. Many of the big retailers and the big financial institutions are accommodating themselves much more to various patterns of work which are potentially much more suitable for carers.

Q20 Angela Browning: I think that is absolutely right, but of course the difficulty for carers is at that important interview stage where they are in competition with a lot of other people, some of

whom may not have those responsibilities, and there is a natural tendency not to say at the interview stage, "If you employ me, these are what my needs will be". I wonder if there is a way in which JobCentre Plus can help in that respect and ease the path a little bit. Although many employers will say, "We are an equal opportunities employer", so, if you have a disability yourself, they are required to consider you seriously, that does not always follow for the people who look after people who have an acute disability. Can I bring you on to people who work, who are carers, who are approaching the state retirement age. Obviously, if they qualify for the state pension, when they get to the statutory age to be able to draw that pension, although I understand it can be deferred, what is your view on that? My instinct would be that, if you want to continue working past the state retirement age, which many people not only do but feel they have to do today and that tends to be the way we are going, would they all defer the state pension in order to still qualify for the Carer's Allowance? How do you view state retirement referrals?

Sir Leigh Lewis: Let me say a little bit, and then hopefully there is a man to my right who is more expert than me on some of the detail! As a Department, we have a very clear policy that we want to encourage more active employment and more active ageing as people get older. Whilst the state pension age is there, there are increasing numbers of people who are working on beyond state pension age. Again, in our Department there are large numbers and we have no upper retirement age, people can work on until any age—I think our oldest employee is 74—where there is a job and they remain able to do that job. The provisions do allow you to defer your state pension, and we go to some lengths to explain to people the balance of advantage and disadvantage in that.

Mr Moran: I do not want to mislead the Committee, but, from recollection, the point that you are making is: would somebody choose to defer state pension while receiving Carer's Allowance and doing work, because financially that is a better option later? I think that is correct within the legislation at the moment. I have no evidence to believe—

Q21 Angela Browning: They would not be penalised? If they defer, they get a higher pension.

Mr Moran: They do.¹

Q22 Angela Browning: But, if they take the pension, they are almost certainly going to lose their Carer's Allowance, so they can defer the pension, continue to take the Carer's Allowance, and they will not be penalised for the deferral!

Mr Moran: That is my understanding. I am not aware of any person being motivated on that basis for that specific reason, but I think the possibility is there, yes.²

¹ Ev 10

² Ev10

Angela Browning: Finally, Chairman, because I think my time is just about up—

Chairman: It is up actually!

Q23 Angela Browning: It is not a question, but just to say this: obviously it has not been my experience not to be able to work while having caring responsibilities, but there is a problem in that, when people say they are going to assess a carer's needs, and this applies to social services and others—and I am glad you are going to look at carers and I do hope you will be able to tailor it to the individual needs because they are all so different—there is a tendency just to send round a form to find out what the carer's needs are. I cannot tell you how many times I have filled in a carer's form and I have written large across it, "If the needs of the person I care for were met, my needs would be minimal." Very often, it is that lack of support for the person who needs the care that has that biggest impact on the carer, so I hope that, when you tailor your carers' assessments, they will be very individual and take into account the fact that sometimes it is not just their needs but the needs of the person they are looking after.

Sir Leigh Lewis: Yes, and I very much recognise that. I have never been a carer myself, but that is the sort of point that was made last week by a number of carers who came to talk to us. I cannot promise you absolute perfection, and I know I cannot. One thing I would say is that I think the whole way the Department has moved in recent years, and JobCentre Plus especially and also the Carers' Agency, it has moved away from trying to deliver a one-size-fits-all solution, to try to recognise that everyone is an individual; the whole concept of the personal adviser, trying to understand the problems being faced by that individual and trying to draw up a plan to help somebody to work which meets the needs of that individual. No-one would claim that we are perfect in doing that, but I think in terms of where we were even a few years ago, we have gone a long way down the road.

Q24 Geraldine Smith: Practically, if a carer comes to JobCentre Plus and they are looking for a bit of part-time work, how do you help them? Some carers are not in the best of health themselves. I come across a lot of people. Do you identify possible medical conditions? What sort of practical help do you give them?

Mr Groombridge: It depends on the circumstances in which the carer arrives, but we try to ensure that, when they make an enquiry in one of our offices—and they can come and speak to a personal adviser and we will try to deal with those by appointment wherever we can—we will have a discussion to try to understand the range of needs that the individual carer faces. Sometimes it may be as simple as routing them to the kind of job opportunities that we have, but very often it is much, much more complex than that, and they will be able to have a conversation with one of our advisers who have got experience of dealing with people in not dissimilar situations. We have in our offices advisers who are used to dealing with lone parents with childcaring responsibilities,

or people who are used to dealing with people who have got different disabilities or illnesses and that kind of thing. That is where the journey will start.

Q25 Geraldine Smith: Do your advisers have links with all sorts of other bodies? How does that work in practice? If someone has got health needs themselves or if there are needs that have not been identified, will your advisers be aware of those or religiously look at the employment side and nothing else?

Mr Groombridge: No. Indeed, we will try to connect people to different services wherever it is possible to do that. It is the case that we currently face a lot of other pressures in Jobcentre Plus, as Sir Leigh has mentioned, so we do what we can within the resources that we have available to help people. One of the things that our care partnership managers will be able to do is to strengthen those connections with other organisations, and when I refer to supporting advisers, that will be an absolute central role of the district care partnership managers, to make sure that our advisers have got the ability to ask the right questions to get to the bottom of what the carer's individual needs are. As well as that, it is a question of promoting awareness both amongst our advisers, who are dealing face-to-face with carers, of the kind of organisations or partners that are able to deal in more depth and provide the specialist support that some of these people require. Very often, our role is to signpost people to those sources of help, and that is a very important role that our advisers can perform. There is also a certain need to build intelligence of what is available locally, and that is where the Report highlights on a number of occasions that we have not been very good at that. That is something that we know we need to improve because our advisers, and indeed all of our staff in JobCentre Plus, take a pride in giving a good-quality customer service. Sometimes they feel, as is highlighted in this Report, a lack of awareness themselves, and intelligence, around what is available in a particular area. There is a lot more work we can do to connect people up on the ground.

Q26 Geraldine Smith: What about information-sharing when carers provide information so that they do not have to keep providing the same information over and over? Are you improving the ways you do that?

Sir Leigh Lewis: We are trying to do just that. It is worth saying, as a sort of PS to Jeremy's response to your last question, that the new carers' portal I described, which the Report welcomes, was very much designed and drawn up in partnership with a number of carers' organisations, so we did not just try and do it ourselves, if you see what I mean. The issue of people having to tell us, let alone other parts of Government, things more than once, the same thing more than once, I would love to tell you it is just an issue about carers, but it is not, it is an issue that crosses the whole Department. One of the key elements of what we call—it is not the most imaginative title that we have ever introduced—our "Change Programme", which is fundamental across

the Department, is to try and ensure that we do not have different parts of our own Department asking our customers for things that in another part of the Department we already know, information we already have. That is one of those things that sounds blissfully simple: “Why do you not just do it?” Of course, in an organisation with huge complexity in it, it is difficult, but we are making some real headway down that road.

Q27 Geraldine Smith: The Carer’s Allowance is not a wage for caring, is it; it is to make up for income? Sometimes that causes a lot of problems and confusion with people.

Sir Leigh Lewis: And it is not. One thing I can say, a kind of job done, is that the NAO in producing this Report asked us to make that clear. If you just look at that little booklet, the version we have just produced, on page 5 under “What is Carer’s Allowance?” at the end of the second paragraph, we have put in very straightforwardly, “It is not a wage for caring”. We put that in, in a way that was never made as clear.

Q28 Geraldine Smith: In fairness to you, the information provided is getting better, but obviously improvements can still be made. Do you think it is enough to make people aware of their entitlements and what is available for them?

Sir Leigh Lewis: I think we are doing a great deal more than we have done in the past, and I do not think we are doing as much as we can. To give you some examples of the ways we are making it better, you can now make a claim for Carer’s Allowance at what we call a series of alternative offices, so it does not have to be simply through Terry Moran’s organisation; so you can claim Carer’s Allowance at, for example, Citizens’ Advice Bureaux, Age Concern and local authorities in many cases. They will take the claim form and check the documents there and then if they need to, pass the claim forward, and then we just take that all as a given. This is one of the benefits that you can claim online. Not all of our benefits can you claim online, but you can claim this one online. The take-up of our online claims has been very substantially increasing. A couple of years ago, it was 5% of all claims that were online, and now it is 15% of claims that are online. We also have local service staff who actually visit people in their homes if there is a need to help them in a way that is not easy to do over the telephone, say. Last year, they took over 40,000 claims to Carer’s Allowance during visits to individuals’ homes. Nothing is perfect, but we are doing an awful lot more to try and ensure that people have an entitlement, know they have and make a claim.

Mr Moran: Can I add two points on that. One of the other things we do, with every award of Attendance Allowance or Disability Living Allowance, we draw attention to Carer’s Allowance to that person so that they can alert the person who cares for them of the potential for Carer’s Allowance, and it is one of the things that has made quite a big difference in the last few years. The other thing that we do is that, when we take, for example, a claim to Pension Credit, we

always ask about care needs in case they themselves are a carer or are being cared for, which also allows us to trigger a potential interest for Carer’s Allowance.

Q29 Geraldine Smith: What is the single biggest improvement you think you still have to make or could make, if that is not an unfair question?

Sir Leigh Lewis: I do not know that it is an unfair question, but I am just thinking it is a difficult question. Having read this Report, and done quite a fair amount of work in preparation for it, I do not think there is a single silver bullet here which will suddenly, in a moment, transform. I think we just have to go on working harder in almost every aspect that this Report covers. I am encouraged by the progress we are making, and there is a lot that is positive in this Report. I think we have to keep doing it and keep going.

Q30 Geraldine Smith: I have to say, there is a lot that is positive, as long as you do not get complacent!

Sir Leigh Lewis: Indeed so.

Q31 Mr Williams: I do not think this Report gives you full credit for the value for money you are achieving because what you have discovered is that the complexity is outstanding value for money!

Sir Leigh Lewis: I just did not quite hear the last part of your question. I am so sorry.

Q32 Mr Williams: I said that what you seem to have discovered, as a Department, is that the complexity is outstanding value for money. It drives away, it delays. If there were the will, why has the complexity not been resolved already?

Sir Leigh Lewis: We have talked about complexity in this Committee on a number of occasions on other reports. We have done a lot to make the benefits system less complex.

Q33 Mr Williams: But you said to us you have dealt with this issue of complexity in several other reports. It is almost inconceivable that, no matter how many times you complain about complexity, you do not seem to do anything about it!

Sir Leigh Lewis: Well, no, I think that is a little unfair. Two thoughts—

Q34 Mr Williams: Well, look at all the evidence.

Sir Leigh Lewis: Let me just try and take that head-on because it is an absolutely important question to put to us. First of all, it is worth remembering what the NAO Report on the complexity of the benefits system itself said. I answered to that Report before this Committee a couple of years back. It said itself that there was no magic bullet, and this was an issue of a “chipping away”—the words the NAO themselves used—at the complexity. I do not want to bore you and take up your time, but I could give you a list of some of the real things we have done, but the truth is we have a very, very complex benefits system in this country with some 25 different benefits. The complexity has grown up piecemeal over many years, for which, if I may say, we are all a bit

18 May 2009 Department for Work and Pensions

culpable—the legislature, the executive, etc. We have tended to add complexity at every turn and we have a hugely complex benefits system. We are making some real progress in this area as well as in others.

Q35 Mr Williams: I am even more dispirited now because, far from saying that you are gradually improving it, you say you are adding to the complexity at every turn. It seems to be getting worse!

Sir Leigh Lewis: No, I am absolutely not saying that. I am saying that this system has grown up over many, many years, to the point that it is a very complex benefits system. I think that in a number of serious ways we have reduced the complexity and made it easier, for example, just in this area we have made it far easier for someone of pension age to claim Carer's Allowance, we have made the form vastly simpler, and some of the ways we have allowed people to claim. In other areas, I could, but I just do not want to take up your time, give you examples of real, actual improvements we have made. But this is a very complex system.

Q36 Mr Williams: Actually we would have been delighted to hear them because we have not heard much yet. Almost all we are hearing is how complex it was, how complex it is and how more complex it is getting!

Sir Leigh Lewis: Well, let me just give you four examples then of where we have made the benefits system simpler: first, by paying benefits directly into people's bank accounts for 98% of our customers; we no longer have to take account of final earnings on new claims to benefit—that came in in October 2007 and has made the system a great deal easier; a national roll-out of Local Housing Allowance has been a major simplification; and the whole introduction of the new Employment and Support Allowance, which for new claimants has collapsed two benefits into one.

Q37 Mr Williams: Can you explain why people who are not eligible for Carer's Allowance have to apply for it in order to get the benefits they are entitled to? What is the logic of that?

Sir Leigh Lewis: It is one of the more kind of complex parts of a complex system. The reason is this: it is a long-established principle of the social security system that two income/maintenance benefits cannot normally be paid together because you are effectively duplicating provision for the same need. Where, for example, somebody is entitled to state pension and Carer's Allowance, the law prevents us from paying both, and that puts us into this strange position where we have to ask someone to make a claim for Carer's Allowance, even though in many cases they will not be paid. It is not a completely fruitless exercise because it gives them an entitlement to a premium or an addition on top of their other benefits that they would not otherwise have. Mr Williams, were I to design this system this way today, having read this Report and knowing about it in any event, if I were starting from scratch,

the answer is "Of course not". The trouble is that we are never starting from scratch when we come to our benefits system.

Q38 Mr Williams: When was your National Strategy for Carers devised?

Sir Leigh Lewis: The National Strategy came out in 2008.

Q39 Mr Williams: And yet it did not even address carers' benefits!

Sir Leigh Lewis: No. In fact, what the Government said at that time was that they do want, ministers made very clear that they do want, to reduce the complexity of the benefits system for carers, but they said that they did not believe that they could do that in isolation from the wider benefits system. Ministers are clear that they are seeking to make the overall benefits system simpler and much less complex than it is now, but these are not easy issues. Essentially, when it comes to simplification, you have two choices. You can level down and make it simpler by levelling down, but then you have losers in the system, or you level up, in which case more people get the same, but that puts a large amount of cost in. This is not an easy thing to do, but we are making progress.

Q40 Mr Williams: You are making progress! That is not what paragraph 2.15 says; it says the opposite. It tells us that people now wait longer for their benefits than they would have done under the old system, which you got rid of because it was too complex!

Sir Leigh Lewis: Again, if you just take whether people are waiting longer for their benefits, in the case of these benefits, actually not. The average time taken to deal with a claim for Carer's Allowance has come down in the last five years by four days, on average, so—

Q41 Mr Williams: Is paragraph 2.15 wrong then, because you agreed to it?

Sir Leigh Lewis: No, I am not saying that paragraph 2.15 is wrong. I think it is making a slightly different point. In fact, it makes clear: "Performance targets for the time taken to process new claims have been met over the last three years." It is saying something very slightly different, and that is that the way the system of dealing with claims—and I might ask Terry Moran to add to this in a moment—used to operate was that staff tended to deal with the very, very simple claims very quickly, often the ones where they could see instantly that there was no entitlement. That was quite good for average claims clearance times, but what happened was that the more complex cases tended to be put to one side and left, and often left for too long. One of the changes we have made—I am so sorry, but this is quite important—is to go to a cab rank system, so every claim is dealt with as it comes in. That has in some cases pushed the average up, but what it does mean is that people with complex cases are not waiting anything like as long for them to be dealt with.

Q42 Mr Williams: If, as we are told, part-time work is the most suitable type of work, why is it that part-time jobs are not counted as a job outcome within your target system?

Sir Leigh Lewis: That is the point that I was just trying to respond to a little bit earlier. That is the one where I said I did not think the Report was utterly accurate, though I accepted the responsibility for that, just to be clear. The test is not hours, it is earnings. Any job that essentially gets someone into the tax bracket will be counted, and that will include many part-time jobs.

Q43 Mr Mitchell: Why do you not know the numbers or proportions that do not apply? The gap between six million unpaid carers and 883,000 actually receiving carers' allowances of some kind is enormous?

Sir Leigh Lewis: Again, as I said I think in answer to the Chairman's first question, there is more that we could and should know, and we are going to do more. I have asked the Department to commission a study into how to find out more. I do not think that is the size of the gap, just to be clear, because, in order to claim Carer's Allowance, you have to be a carer of someone who is receiving either Attendance Allowance or one of the two tiers, middle or higher rate, of Disability Living Allowance. We know there are some three million people in that position, and we know we have about 915,000 people who are either receiving or have an entitlement to Carer's Allowance. That is the maximum gap, if you will, but that does not mean that it is a real gap in every case. It may be that some of those people do not have a carer for example.

Q44 Mr Mitchell: What are the numbers who apply compared to the numbers who get it?

Sir Leigh Lewis: That, I have not got actually.

Mr Moran: I am sorry, I do not have that with me. If you would like it, we can follow up with a note, but I do not have it with me.³

Q45 Mr Mitchell: I would like to know. That would give us some indication. One can speculate whether the proportion that do not apply is higher in, say, ethnic groups that have a stronger tradition of caring for each other within the family than the rest of us callous brutes! Would that speculation be justified? Have we any information?

Sir Leigh Lewis: I have not. What I do know is that we are going probably to greater lengths than ever before to try and ensure that people with a potential entitlement know about it and are encouraged to claim. I took a look myself just at the DirectGov site and it has a dedicated section on carers. It makes it very easy to work out if you potentially have an entitlement, and it then takes you straight in to the electronic claim process, so you can go there and then. These are things that we absolutely were not doing even a few years ago.

Q46 Mr Mitchell: If you had an estimate, it would tell you how successful you had been in reaching the group of people.

Sir Leigh Lewis: I agree with that, and that is why I think we should do more. This is not an easy one. This is not one where, if you are talking about a very simple benefit like state pension, which is age-related, you can almost work out as a matter of demography how many people are likely to be there, how many are claiming and what the gap is. It is very difficult to know how many people are actually being cared for.

Q47 Mr Mitchell: If you approach it from the other way round, are people getting some kind of disability benefit told that—you are nodding and anticipating the question!

Mr Moran: Every time we make an award, Mr Mitchell—

Q48 Mr Mitchell: That they are going to be eligible to have a carer. Is everybody told?

Mr Moran: Yes, every time we make an award of Attendance Allowance or Disability Living Allowance or a care component, the letter that advises them of their entitlement also tells them, if they have got a carer, to pass this certain information on to them because they may be entitled to Carer's Allowance. Every award includes that.

Q49 Mr Mitchell: The main complaint I get is that it is confusing and difficult to apply. I see that most people actually find it fairly straightforward to apply, which I am quite enthused about, but this concept of underlying entitlement is a bit confusing, is it not? Why do they have to apply to be told they are eligible for somebody else? Why can you not just have two or three rates, they apply for benefit and they are told they will be on top rate, bottom rate or medium rate?

Sir Leigh Lewis: This is complex, and I do not want to disagree with you. Of all the parts of the benefits system that we administer in our Department, this is certainly one of the more complex, and it goes back to this overlapping benefits rule which is in the law as it stands, that we cannot pay people on the principle that we should—

Q50 Mr Mitchell: You would be giving carers' benefits priority in that situation, would you not?

Sir Leigh Lewis: Yes. Just the way the law works is the other way round. It is the other maintenance benefit that takes precedence as the law works, and that is why we have to ask people at times to make the claim to Carer's Allowance, even though they may be entitled to it, but they will not actually receive it, and it goes back to this famous letter in appendix 4, but that is not a futile process in the sense that getting that underlying entitlement established then gives people access to, if they are of working age, a Carer's Premium in many cases or, if they are of pension age, a Carer's Addition. They do end up with more money, but the way the system works is indeed convoluted in order to get you there. I would love it to be simpler, just to be clear.

³ Ev 10

Q51 Mr Mitchell: In paragraph 1.15, there is an estimate of the cost of paying Carer Premiums, Additional Amounts and other benefits, and it is no more than £677 million. That estimate is arrived at from the amount it would cost to pay each recipient of the Carer's Additional Amount or Carer's Premium £27.75 per week for a year. Is it likely that that estimate is accurate?

Sir Leigh Lewis: I do not think we have a better estimate. The Report sets out in the footnote how it is derived. I think that is the cost of providing those Carer Premiums and Additional Amounts, if you see what I mean. Those are the costs of the benefit, not the cost of the administration.

Q52 Mr Mitchell: Pensioners will have a very difficult time. Why is it so difficult for people applying for Pension Credit to get Carer's Allowance?

Sir Leigh Lewis: In some ways we try to make it easier. The form you complete if you are a pensioner is simpler.

Q53 Mr Mitchell: It seems to take a lot longer, and you have to make two applications and then the one application is dealt with twice.

Sir Leigh Lewis: Yes, and that, in a sense, is because the law at the moment requires us to establish the underlying entitlement to Carer's Allowance, whereas the underlying entitlement to state pension or even Pension Credit is easier to establish. We do very much try and simplify the system for pensions, as I say, through a simplified application process.

Mr Moran: The very big issue which, I understand, causes the greatest difficulty is why, when you applied for Pension Credit, you could not just make simply the award relative to the caring responsibilities you have. The basic point is that the legislation does not permit my staff to do that because there has to be an existing award underlying the entitlement to Carer's Allowance to consider any top-up to the Pension Credit for caring responsibilities. That does not mean to say we are happy about that and we do not want to influence any of that going forward because some of the work we are engaging in is understanding what we could do more, and differently, that would make that simpler. It is not necessarily within the gift of just the administration, however, to make that happen; we may have to rely on some legislative changes to support that.

Q54 Mr Mitchell: It does seem unfair that there is interaction between the Carer's Benefit and the cared-for's benefit. If I am severely disabled, I am severely disabled, whether somebody is looking after me or nobody is looking after me. Why does my benefit have to be cut if I have got a carer?

Mr Moran: That is the same principle: the law does not permit currently the payment of a Severe Disability—

Q55 Mr Mitchell: But my benefit is for being severely disabled, and that is my condition.

Mr Moran: I understand that, Mr Mitchell, but the law does not permit a person who is caring for you to receive Carer's Allowance and for you to receive the Severe Disability Premium on top of your Pension Credit or Income Support, for example. It just does not allow that to happen, because the Severe Disability Premium is paid on the basis that those may be costs that you are incurring that you may be paying somebody to give some support to you for. It is not, therefore, payable when there is a Carer's Allowance already payable on your behalf. I understand why that is difficult to understand, but that is the position.

Sir Leigh Lewis: Two things to add to that, Mr Mitchell, are that the Report does say that, despite that, the great majority of people find this a relatively easy process, and that is because, despite the fact that the underlying legislation is complex, we really have gone to great lengths to simplify it.

Q56 Mr Mitchell: I accept that, but it also says in 2.11 that two-thirds of the applications require some further check either with the applicant or some other agency. Does that not indicate that the forms are not sufficiently straightforward, or you are not getting the right information?

Sir Leigh Lewis: Yes, up to a point, but just to say one really big improvement we have made is that, if we were having this hearing two years ago, with the Chairman's indulgence, I would have had another person here because we then had a separate Pensions Service and a Disability and Carers' Service, so two different agencies within the Department were involved in dealing with this one person. From April of last year we have brought them back together into a single service, which Terry has, the Pension, Disability and Carers' Service. That has unlocked lots of doors because we have now got all of these responsibilities within one management team and one agency.

Q57 Mr Mitchell: Are you happy with the way that is working? Are applications now increasing, as the recession gathers?

Sir Leigh Lewis: I do not know that there is that many, but, if you go back five years, we have moved from the number of people with an underlying entitlement, either receiving or with an entitlement, of about 700,000 to over 900,000 today. That suggests that we are making some serious headway. That is quite a significant increase in the number of beneficiaries.

Chairman: Dr Pugh unfortunately was delayed in arriving to the Committee for a very good reason, but he wishes to ask some questions.

Q58 Dr Pugh: I came across the figure of £23 billion as the total amount that carers contribute to the system in entirety. In other words, if every carer were to fall under a bus, the Government would need to find £23 billion. I am reading that correctly! That is at the bottom of page 5. That is the estimate.

Sir Leigh Lewis: Yes. It is worth saying there have been lots of different estimates made of, if you like, the value of caring to our society. This is not an easy

18 May 2009 Department for Work and Pensions

calculation to do. Carers UK, for example, have done a calculation which comes up with a higher number than the NAO has come up with, and ONS in the past has come up with a lower number. You are trying to ascribe a value to something which people do, and do voluntarily, and it assumes that, if they did not do it, the state would somehow step in and do it all, which is probably an unrealistic assumption. It is not to decry any of these estimates; it is simply to say this is not an exact science.

Q59 Dr Pugh: Presumably, in terms of the overall strategy, the objective of the Government would not be to provide resources to substitute for the efforts of carers, but, to some extent, to support the carers primarily. How far, in principle, does that support go, or what are the principles that govern the provision of that support, given that we are not going to do everything for carers or support them, financially rewarding carers for doing everything they currently do? What are the basic underlying principles?

Sir Leigh Lewis: In a curious way, I think the principle is almost in one sentence of this leaflet: "What is Carer's Allowance?" This is a contribution towards the income of carers who are unable to work full-time. It is not just the Government surely, but it is all of us, as a society, who recognise that carers provide a huge service to society as a whole as well as to the particular individuals for whom they care. I think the whole introduction of Carer's Allowance

was to demonstrate some support on the part of society as a whole, if you will, towards that activity. As I said earlier, and as the NAO asked us to include, it is not meant to be a wage for caring, it is not meant to say we are reimbursing the full cost of the care that that individual is providing.

Q60 Chairman: Thank you. That concludes our inquiry, Sir Leigh. As I said at the beginning, it is a hugely important issue. There are 800,000 people doing fantastic, largely unpaid jobs to help relatives and we need to do more to help them if they want to combine that with work. As many people have said this afternoon, it is nonsensical to make people who do actually qualify for the full allowance have to apply for it, even though they will not receive it, in order to receive other benefits. I have to almost read it out because it is so much out of a *Yes, Minister*-type programme that I just do not think the public understand it. We are reassured that Terry Moran joined the service straight from school as a clerical assistant; you are just the sort of person we are pleased to see in this Committee!

Mr Moran: Thank you, Chairman.

Q61 Chairman: We want people like you, top civil servants, with sound, practical sense on the front line to put this sort of thing, so we rely on you, Mr Moran!

Mr Moran: I will do my bit!

Chairman: Thank you very much.

Supplementary memorandum from the Department for Work and Pensions

Question 20–22 (Angela Browning): *on people who work, who are carers and who are approaching state retirement age*

Where a claim for State Pension is deferred, and a customer is also claiming another income maintenance benefit (such as Carer's Allowance), then the deferral will not result in any increase in the State Pension.

Therefore, whilst it is possible for an individual to defer claiming their state pension, and to continue to claim Carer's Allowance, they would receive no financial benefit from doing so. Carers Allowance customers are automatically notified of the implications of deferring their State Pension in advance of reaching State Pension age.

This is an extension of the principle that two income maintenance benefits cannot normally be paid together because to do so would duplicate provision for the same need. Deferring State Pension to receive an enhanced payment at a later date is equivalent to receiving that State Pension when first entitled. To allow a customer to do this, and receive another income maintenance benefit in its place, would mean they were benefiting from duplicate provision.

Questions 44–45 (Mr Mitchell): *the numbers of customers who apply for Carers Allowance compared to those who get it are as follows:*

	2005–06	2006–07	2007–08	2008–09	2009–10 forecast
CA claims	249,249	245,883	229,782	248,973	255,000
Claims Disallowed	70,466	56,687	39,689	40,611	