Written evidence submitted by Carers Trust [CSR0002]

Key Messages

- **Carer's Allowance is outdated and inadequate**, and requires a full review to ensure carers receive appropriate financial and practical support. Current rules are outdated, administratively complex and fail to reflect modern caring, work and education patterns.
- **Caring responsibilities drive poverty and poor health**, with unpaid carers more likely to experience disability, financial strain, and adverse health outcomes.
- **Employment support for carers is limited.** Targeted employment support enables carers to enter or remain in the labour market, delivering major gains in household income, tax revenue and reduced welfare spending.
- **Local carer services offer high-value, cost-effective support**, but require sustained funding to continue income-maximisation, employment, and crisis-prevention work.
- **Changes to PIP eligibility risk placing additional pressure on unpaid carers, many of whom depend on both PIP and Carer's Allowance to manage daily living and caring responsibilities.**
- **Caring spans multiple departments**, including DWP, DHSC, Education, DBT and Housing. A coordinated cross-government approach is essential to improving outcomes for carers and the people they support.

Summary

Carer's Allowance has remained largely unchanged for nearly 50 years and is no longer fit for purpose. It fails to support carers adequately - either in helping them balance work and care or in providing sufficient financial assistance - and successive governments have lacked the political will to address these issues. Too often, the benefit has been dismissed as either overly complex or insufficiently important. That must change.

The government has shown willingness to review major policy areas, including social care, employment support through the Mayfield Review, youth unemployment, PIP, and maternity services. Carer's Allowance warrants the same level of scrutiny. With the Timms Review, implementation of the Sayce Review, changes to the earnings limit, and reforms to the education system, this is the right moment for a comprehensive reassessment of Carer's Allowance.

Recent steps, such as increasing the earnings threshold and implementing elements of the Sayce Review, are welcome, but insufficient. While the earnings limit change may benefit 60,000 carers, more than one million rely on Carer's Allowance. These incremental adjustments do not address the fundamental problems: eligibility criteria remain too restrictive, and the financial support provided is inadequate. The UK Government should therefore undertake a full review and reform of Carer's Allowance and the wider social security system that supports carers.

Carer's Allowance cannot be viewed in isolation. Caring intersects with social care, the NHS, education, employment, housing, and multiple public services. While the Sayce Review identified gaps in civil service leadership - some of which have begun to be addressed - there remains a significant lack of political leadership driving reform.

Reform

The Government should commit to a comprehensive review and reform of Carer's Allowance.
As set out above, Carers Trust believe it is time for a complete reform of Carer's Allowance. There are some big questions at play when reforming Carer's Allowance. It should incorporate conversations around social care and what support is in place for people with care needs, what the balance is between state support and support from families. Some carers will not be able to work – DWP found that nearly 70% of CA claimants cannot work due to their caring responsibilities, and half of claimants (52%) spent 65 or more hours caring per week and over half of all claimants (54%) had been caring for between 5 and 20 years. Therefore, renewed financial support for unpaid carers needs to take into account both those who are able to balance care with paid employment, and those for who their caring role means they are unable to enter the workplace.

Taper

The Government should commit to a comprehensive review and reform of Carer's Allowance.
A taper would be welcome and simplify the system. It would need a clear policy aim and would help carers who can balance their caring responsibilities with paid employment. A taper with a clear policy aim, would be welcome alongside wider reform. As suggested above, a taper would help those carers who are able to work alongside their caring role and would be welcome. It would, however, not help those with the most intense caring roles.

Cross-government working

Establish a well-resourced, cross-government Carers Strategy.
Carers Trust's network of 135 local carer services receives around £100 million in statutory funding each year and reaches 1.1 million carers, offering exceptional value for money. These services should be recognised as an integral part of the health, care and welfare system, with sustained investment to ensure they can reach even more carers when support is needed.

Although Carer's Allowance sits with the Department for Work and Pensions, carers' lives intersect with the NHS, social care, education, employment, skills, and housing. Caring is a universal experience: three in five people will be carers at some point, and everyone will either give or receive care. There are at least six million carers in the UK, and demand is projected to rise over the next decade.

Caring spans almost every area of government. While we welcome the establishment of a cross-Ministerial working group, it must now translate into concrete action. This is why a well-resourced, cross-government strategy is essential.

Financial impact of being a carer

Local carer services need to be funded to provide their essential income maximisation services. There is a clear link between caring and poverty. Carers in deprived areas often take on more intensive caring roles. Research by JRF shows that 38% of carers providing over 35 hours of care each week live in poverty, and one in four working-age carers is in poverty.

Carers Trust operate a grant programme that provides small payments - typically £300 - £400 - to carers. These grants are most often used to replace essential household items such as fridges, freezers, washing machines and beds, which many carers cannot afford without support. Carers access this help through local carer services within our network.

Around half of our network offers income-maximisation support. Last year, we published examples of good practice from across the UK: among the 25 services reviewed, advisers generated a combined financial gain of £14 million for carers and their families. The scale of these services varies, from one or two part-time staff to teams of several specialist advisers. Local carer services form a crucial part of the local welfare advice system, and sustained funding would allow them to support many more carers.

Local carer services need to be funded to provide their essential income maximisation services. This benefits households with carers with increased incomes, as well as the local economy with a boost in spending power.

Crisis and Resilience Fund

Carers Trust want as many local authorities as possible to work with local carer services to ensure carers can access the support available through the Crisis and Resilience Fund (CRF). The CRF is designed to provide wraparound assistance, and local carer services are well placed to deliver this, offering both immediate financial help and the broader support carers need.

Carers Trust collaborated closely with other charities in the Crisis Support Working Group to secure an extension of the Household Support Fund ahead of the election. We then jointly advocated for longer-term, stable investment and welcomed the announcement of the £1 billion-a-year CRF over three years.

Carers Tryst worked with DWP on the design of the programme and its guidance, and were pleased that caring responsibilities were formally recognised as a factor contributing to financial vulnerability. It is now for local authorities to determine how they allocate and use their funding. Carers Trust wants to see as many local authorities as possible working with local carer services to ensure that carers who need support from the CRF can access it.

Young adult carers and CA

21-hour rule

Abolish the 21-hour study rule, or at minimum increase it to 25 hours to reflect modern qualifications such as T-Levels.

The 21-hour rule should be abolished. It acts as a barrier to young adult carers who want to remain in education and is inconsistent with the government's objectives on youth education and training. Ideally, it should be removed entirely, but as a minimum the study limit must be increased to 25 hours.

The current approach creates a contradiction: DWP accepts responsibility for supporting part-time students, yet full-time students are referred to the Department for Education. Like the earnings limit, the 21-hour rule functions as a blunt anti-fraud measure and no longer reflects the modern education system.

Although the government argues that full-time students should be supported through the education maintenance system rather than the benefits system, in practice neither system is meeting the needs of young adult carers.

The introduction of T-levels, which require up to 25 hours of study per week, has exacerbated this problem. Many young adult carers are unable to take these qualifications because the 21-hour rule prevents them from receiving Carer's Allowance while studying.

According to the Learning and Work Institute, extending Carer's Allowance to all eligible young adult carers aged 16–19 taking qualifications requiring up to 25 hours of study would cost approximately £58 million per year. Extending eligibility to all young adult carers in education would cost around £100 million. In the context of overall welfare spending, this represents a cost-effective investment with significant long-term benefits for young people's employment and life outcomes.

Young Adult Carers and NEET

The needs of young adult carers must be taken into account through the Milburn Report and in government programmes such as the Youth Guarantee

Young adult carers (YACs)—young people aged 16–25 who provide unpaid care—remain largely overlooked in national policy on education, employment and training. Although an estimated 500,000 YACs live in the UK, they face barriers that significantly increase their risk of becoming NEET. Addressing these issues requires coordinated action across government.

The APPG for Young Carers and Young Adult Carers has recently published a report outlining these barriers. The Milburn Report also provides an important opportunity to highlight the challenges facing YACs, and we are working closely with its authors to ensure young carers' voices are represented. Early intervention in education is essential. We acknowledge that many of the measures that would reduce the number of young adult carers becoming NEET are not within DWP's remit; however, this is why it is crucial that cross-government action is taken. Carers Trust recommend:

Early Identification and Support in Education

- Introduce a Young Carer Lead in every school and college.
- Establish a Young Carers Premium to provide consistent funding.
- Implement universal early identification processes to reduce NEET risk.

Reform Financial Support

- Add young adult carers to the defined vulnerable groups for the 16–19 Bursary Fund.
- Abolish the 21-hour rule or raise it to at least 25 hours to reflect T-level requirements.

Improve Employment Support

- Provide national training for employment advisers and Youth Hub staff.
- Encourage employer-led adjustments and introduce paid carers' leave.

Learning from Scotland

- Scotland's Carer Support Payment and Young Carers Grant offer valuable models for effective reform that expands opportunities.

Economic Impact

Carers Trust undertook research last year to investigate the impact on the economy of carers being out of paid work. The research found that with appropriate support, an estimated 70,000 non-working, unpaid carers aged 16–24 could enter employment, with an annual opportunity cost of £0.7–£1.1 billion.

Health and care

To ensure carers can continue supporting people to live well for longer - without experiencing burnout or worsening health - the UK Government must invest in social care, including stronger community-based support. Early identification of carers of all ages and timely social care intervention are essential to preventing avoidable health decline.

Census data highlights the scale of the challenge: unpaid carers are more likely to have a disability (27.9%) than non-carers (17.5%), and more report poor or very poor health (7.2% compared with 5.4%). Nearly half (49%) experience at least one adverse health effect as a result of their caring responsibilities.

Disabled carers

Carers report that the Department for Work and Pensions often appears not to recognise that a person can be disabled or receiving disability benefits while also providing significant unpaid care.

Caring has well-documented impacts on carers' health, underscoring the importance of local carer services in preventing needs from escalating. Around 150,000 carers receive both Carer's Allowance and Personal Independence Payment, illustrating the overlap between caring responsibilities and disability.

DWP's research on Carer's Allowance claimants found that 40% had a mental or physical health condition. Of these, 58% said their condition affected their ability to carry out day-to-day tasks to some extent, and 17% said it affected them significantly. Among reported health conditions, 45% related to mental health, 30% to mobility, and 29% to stamina, breathing, or fatigue.

Combining work and care

Invest in targeted employment support for carers and scale local carer services already delivering proven results.
Many carers are unable to work due to the intensity of their responsibilities, underscoring the need for robust financial support to prevent poverty. Only 16% of Carer's Allowance claimants are in paid employment, while 72% are not; among those not working, 69% cite caring duties as the primary barrier.

Supporting carers is a cross-government responsibility. For those who can work, assistance is needed both to enter employment and to remain in it. Carers Trust is engaging with the Department for Business and Trade on its consultation on employment rights for carers and has helped secure carers' involvement in its Lived Experience Group. Employment support - both into work and in work - remains under-resourced, despite evident economic benefits. Around 30 local carer services currently provide employment support, with a further 30 ready to do so if funded.

Research by Cambridge Econometrics, conducted with Carers Trust, Phoenix Group and the Standard Life Centre for the Future of Retirement, highlights the significant opportunity cost of unpaid carers being out of the workforce. An estimated 524,000 working-age carers could enter employment with the right support, representing up to £16.9 billion in economic gain. Most of this (£10.1 billion) would come from increased household income, alongside reduced welfare spending (up to £2.8 billion) and £4 billion in additional tax revenue. Wider economic benefits total more than £7 billion through increased consumption and growth.

Women - particularly those aged 25–64 - are disproportionately affected. Women carers aged 50–64 alone could generate £4.8 billion in benefits if employed at levels comparable with non-carers. There are also an estimated 70,000 unpaid carers aged 16–24 who could be working; their exclusion from the workforce carries an opportunity cost of £0.7–£1.1 billion. Overall, 1.4 million unpaid carers aged 16–64 are out of work, representing a total potential opportunity cost of up to £47.7 billion.

Carers Trust programme supporting carers into work

Working for Carers supported 1,266 unpaid and former carers across all 33 London boroughs to move into or closer to employment. The programme, funded by the European Social Fund and The National Lottery Community Fund from 2016 to 2023, provided free, tailored support including job-search assistance, CV and interview guidance, wellbeing support, IT skills, and access to training and volunteering opportunities.

More than 82% of participants were economically inactive when they joined, many having been out of work for years. During the programme, 50% began job searching actively, with 17% progressing to search independently. In addition, 59% undertook training, 14% joined volunteering opportunities, and 13% moved into education or training. Overall, 22% entered employment, and 72% of those sustained work for at least 26 out of 32 weeks after exiting the project.

From Carers Trust's Network

Newcastle Carers, North Tyneside Carers' Centre and Carers Northumberland are working together to deliver the Working for Carers project. They provide friendly and specialised support for unpaid carers aged 16+ to find a job, maintain employment, access education, training and volunteering opportunities.

Funded by the North East Combined Authority via the UK government's UK Shared Prosperity Fund.

How it works:

- Provide specialist support to carers to enable them to balance caring responsibilities with their job, training or school
- help to find a job, advance in carers' current role, access education, volunteering, and training opportunities.
- Also works with employers who can access support to create carer-friendly workplaces. Can offer one to one support for individual employers to help them understand carer needs, recognise their skills and support carers returning to work

Last year:

- 196 organisations engaged with to create carer-friendly workplaces, including implementing the Carer's Leave Act.
- 155 carers in employment crisis have been supported to remain in work
- 229 carers reported their employability skills have been developed.
- 157 out-of-work carers have been supported to job search.
- 140 carers have started a job, work experience, or volunteer role as a direct result of support from the project

So far this year:

- 177 carers supported (of this 29% were young adult carers, almost 2 in 5 were from an ethnic minority group)
- 68% carers accessing job search guidance gained employment
- 100% carers reported that a barrier was removed towards work or education
- 140 organisations were engaged with to access employer support

Reforms to PIP

Ensure any changes to PIP eligibility do not reduce support currently received by disabled people or increase pressure on unpaid carers.
Around half of Carer's Allowance claimants care for someone receiving PIP, and approximately 150,000 carers receive both benefits. A further group of PIP recipients provide unpaid care but cannot access Carer's Allowance due to restrictive eligibility criteria.

We are keen to work with the Review to ensure disabled people and their carers receive the financial support they need. Any tightening of PIP eligibility could place a double burden on households: a reduction in income and increased pressure on unpaid carers if disabled people lose support designed to help them live independently.

April 2026