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Policy breakfast: The case for reform of Carer's Allowance

Co-hosted by Steve Darling MP

Carer's Allowance has barely changed since it was introduced almost 50 years ago. Award-winning investigative journalism by the Guardian, and the subsequent independent review of overpayments, have drawn attention to the hardship and stress experienced by carers for often minor breaches of the earnings threshold. We will discuss the research evidence in favour of broader reform of Carer's Allowance in order to modernise this benefit, and explore possible policy options drawing on learning from other countries.

Tuesday 10th June 2025
08.30am - 10.30am
Churchill Room, the House of Commons

AGENDA

08:30 - 08:45	Arrival and breakfast
08:45 - 08:50	Steve Darling MP Welcome, introductions and aims for the event
08:50 - 09:00	Leanne Green and Alison Hattersley Reflections from personal experiences of claiming Carer's Allowance
09:00 - 09:20	Professor Kate Hamblin, Becky Driscoll, Dr Louise Overton and Dr Maxine Watkins <ul style="list-style-type: none"> • Centre for Care presentation: What does the research evidence tell us about the need to reform Carer's Allowance? • Why does Carer's Allowance need reform? What are the major issues with its current design and implementation? • What are the possible solutions? • What can we learn from other countries that have alternative approaches to carers' benefits?
09:20 - 09:30	Questions to presenters
09:30 - 10:30	Facilitated roundtable discussion (<i>Please note Chatham House rules apply</i>) <ol style="list-style-type: none"> 1. What are the underpinning principles and key areas of focus for reform? 2. How can we make this happen?
10:30 - 11:00	Informal networking

**Steve Darling MP**

I'm delighted to welcome you to this morning's roundtable on Carer's Allowance reform. Since it was introduced in 1976, Carer's Allowance has changed very little, while the realities of care and work have shifted dramatically. At just £83.30 a week, it is no longer fit for purpose: its low rate and complex rules penalise those who try to work, and nearly a third of claimants receive no payment due to the overlapping benefits rule. With at least 5.8 million carers in the UK, their vital, often invisible, contribution must be properly recognised.

Every day, 600 people give up paid work to care for a loved one,¹ often at huge personal and financial cost. Nearly half of those receiving Carer's Allowance are cutting back on essentials like food and heating.² Yet unpaid carers save the state an estimated £184 billion each year – more than the NHS budget in England.³ At a time when the government is proposing changes to disability benefits, it is more important than ever to ask how we support carers fairly, sustainably, and with the dignity they deserve. I hope today's discussion will help shape that urgent reform.

References:

¹ Carers UK (2019) Juggling work and unpaid care. A growing issue

² Carers UK (2023) State of Caring 2023: The impact of caring on: finances, London: Carers UK.

³ Petrillo, M., Zhang, J., and Bennett, M.R. (2024) Valuing Carers 2021/2022: the value of unpaid care in the UK. London: Carers UK.

Professor Kate Hamblin, Becky Driscoll, Dr Louise Overton and Dr Maxine Watkins, Centre for Care

Carers make a huge contribution to our economy and our public services. However, caring often has a significant impact on people's financial wellbeing - this can be a source of great anxiety at a time when life is already stressful. It is time for review of the underpinning principles which determine the amount and criteria; in its current form, Carer's Allowance does not compensate people for lost employment and does not recognise the additional costs of caring. Its value relative to the national minimum wage, has consistently declined over time. It creates perverse incentives for those who want to stay in paid work. In addition, without access to professional welfare benefits advice, navigating the benefits system is simply too complex and overwhelming for many carers.

In this short overview, we will explore the current policy context of Carer's Allowance, some of the longstanding issues with its design and implementation, and share highlights from our latest research with carers about their financial wellbeing. We will look at alternative approaches, including Scotland, Ireland and Australia, and explore possible options to address these challenges.



Professor Kate Hamblin,
Director, Centre for Care



Becky Driscoll
Centre for Care



Dr Louise Overton
Centre for Care



Dr Maxine Watkins
Centre for Care

WHY IS CARER'S ALLOWANCE REFORM IMPORTANT?



Leanne Green, unpaid carer:

"I am proud to be a carer for my wonderful little boy, caring for him is the greatest privilege of my life. But I do wish carers were valued and recognised; carers are a vital part of the social care system and without them, it would crumble! I feel that my responsibility as a carer is as valuable as working but I am not compensated accordingly. My Carer's Allowance goes into my bank account each month, and then the very same amount is deducted from my Universal Credit, due to the overlapping benefits rule. Carer's Allowance needs urgent reform - the benefit should reflect the incredible contribution that carers make to society. Carers should be respected and paid appropriately for the relentless jobs they do - with no breaks, no sick days, and no holidays. Carers do it because they love the people they care for. But that love doesn't pay the bills."



Alison Hattersley, unpaid carer

"I am in my 70th year as a carer. First to my father when I was eight years old, then to my son and my mother. When I became a carer I had no understanding of the challenges that lay ahead. My son was born in 1985 and my life changed overnight; my career came to an immediate halt, the family income halved and I had to learn how to be a carer to a newborn baby with serious health issues. Over the years my husband has declined promotions due to family commitments, and he had two jobs because the household outgoings were more than our income. Money isn't everything, but caring has a huge impact on finances and your capacity to work. It is time that Carer's Allowance reflects the sacrifices that are made to care. Carer's Allowance needs to be administered correctly without risk of overpayment, and it should compensate carers adequately in recognition of what they do."

RELEVANT REPORTS FROM STAKEHOLDERS

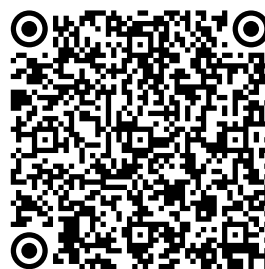
Carers UK



Poverty and financial hardship of unpaid carers in the UK (2024)



Carer's Allowance Overpayment report (2024)

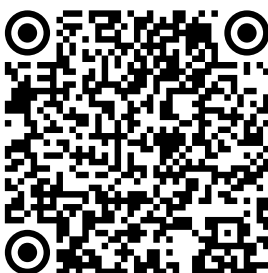


State of Caring 2024: the impact of unpaid caring on finances



Briefing on Pathways to Work Green Paper: Impact on unpaid carers (2025)

Other organisations



Women's Budget Group (2024) Making care visible and valued



Carers Trust (2025) Briefing the need to reform carers allowance



Centre for Ageing Better (2020) Supporting carers back into work: Insights from the Working Potential project



Independent Age (2024) Jumping through hoops: Reducing the complexity of the social security system for older people



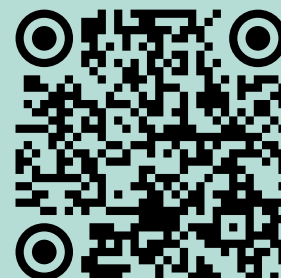
Motor Neurone Disease Association (2024) The MND Carer Triple Burden: Rising Costs, Falling Earnings and Benefits Shortfalls

THE UNPAID CARE DASHBOARD

The Unpaid Care Dashboard was created by the Centre for Care at the University of Sheffield. The dashboard is an online platform that incorporates Census data on unpaid carers from England and Wales.

This interactive tool helps to explore patterns of unpaid care and can separate data by local authority, age, gender, intensity of care provided and changes over time. It is designed to help policy makers, practitioners and the public to understand unpaid carers locally.

The dashboard builds on findings from Valuing Carers 2021: England and Wales which estimated the annual value of unpaid care to be £162 billion - almost equivalent to a second NHS.



**Centre
for Care**

The Centre for Care is an ESRC-funded research centre, which co-produces excellent research on care topics that really matter. We work closely with partner organisations in the care sector including Carers UK, and people with lived experience. The Centre for Care links experts on care in 5 universities, 3 major charities including Carers UK, SCIE, National Children's Bureau as well and the UK's Office for National Statistics.

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