This is a report to government. The Task Force membership comprised representation from central and local government, professional bodies and third sector organisations. A full list of members can be found on page 46.
Preface
This document is a report by Caroline Waters, Director of People Policy at BT, and Jonathan Portes, Director of Children and Poverty Directorate at the Department for Work and Pension, into the deliberations of the Employment Task Force which was set up as part of the Prime Minister’s New Deal for Carers. The Task Force, which comprises representatives of Government departments and other key stakeholder organisation, The Task Force were asked to consider the actions Government could take to improve the employment position of cares in Great Britain. Caroline and Jonathan jointly chaired the group.

This document is a report from the Task Force to Government. It is not necessarily a representation of Government’s views or a commitment that Government will act on any of the recommendations.

Discussions took place under Chatham House Rules and views of individual members are not ascribed in this report.

Introduction
We live in an ageing society. Birth rates have been below replacement level for a generation. People are living longer but healthy life expectancy has been rising at a slower rate than overall life expectancy (although there are early indications that this trend may have changed in recent years). Improvements in health care and technology, coupled with changes in health service policy and individuals’ aspirations for their own care, have led to more people being cared for in their own homes. These trends are set to continue.

The UK is experiencing the longest period of sustained economic growth in its history. But while we now have more people in work than ever before, the number of people active in the labour market must continue to expand if we are to avoid the build up of inflationary pressures.

The vast majority of working age carers are in paid work or would like to work, either now or at some point in the future.

There are 4.3 million working age carers in Great Britain. Two-thirds already combine paid work and care. Over half (55%) of those who are not working say they want to do so (CES Study1). But while carers would like the opportunity to continue in paid work, caring obligations can often make this

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1 In the CES study, 55% of 751 carers of working age who were outside paid employment said ‘I would rather be in paid work, but the services available to those I care for do not make a job possible for me’. As the sample is skewed towards the heavy end of caring this probably underestimates the % who would rather combine their caring with paid work (Yeandle et al 2007.)
impossible. It is estimated that as many as 1 in 5 carers have left or turned down a job because of their caring responsibilities.\(^2\)

And this problem will only get worse as the demand for care continues to rise. The Wanless Report\(^3\) predicts a 50% increase in demand for unpaid care between 2002 and 2026. Similarly, Carers UK predicts that the number of carers will increase to 9 million by 2037.

There are over one and a half million carers aged between 25 and 59 years and half of these are under 45 years of age. This is prime working age. These people will already have acquired a significant level of skills and experience that will be of great value to employers. And they still have at least 20 working years ahead, more as policies to enable people to extend their working lives take effect. The labour market cannot afford to lose the skills and experience of these people. We already have one of the lowest productivity rates in the OECD. Any increase in skilled workers leaving the labour market because of caring duties will only serve to exacerbate this situation.

Figure 1 shows the impact that caring has on people’s ability to engage in the labour market. Unsurprisingly, higher levels of caring responsibility are strongly correlated with lower levels of paid work.

Figure 1

![chart showing people of working age living in a household with no working adult, by amount of care](image)

\(^2\) BMRB/Equal Opportunities Survey in 2004
\(^3\) Sir Derek Wanless’s report for the King’s Fund Securing Good Care for Older People and ‘It Could Be You: A Report on the Chances of Becoming a Carer’ (2001)
As well as a correlation between caring and worklessness, caring also has other impacts on labour market attachment. For example, women with relatively low level caring responsibilities are more likely to be in only part time work than women with no caring responsibilities. And all labour market engagement tails off significantly as the hours of providing care increase.

Source: 2001 Census

Caring can lead to isolation, poor health and poverty. People with significant caring responsibilities are twice as likely to be in poor health as non-carers. In a survey of 3,000 carers\(^4\), 72% said they were worse off after they became a carer and 30% struggled to pay essential bills. Extended periods out of work can of themselves lead to poorer health outcomes as well as to loss of marketable skills. All of these issues will drive carers further from the labour market and make it harder to find a job even when caring responsibilities come to an end.

There is increasing evidence of the business case for supporting carers in work. By making paid work attractive to carers, employers can increase the pool of available labour to improve the chances of recruiting the most suitable applicants. They will lose fewer skilled and experienced staff to full-time caring. Productivity can increase and absenteeism reduce. Greater flexibility

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\(^4\) Carers UK, Real Change not Short Change, 2007
can lead to improved customer service and greater responsiveness to clients’ requirements. Making it easy for carers to balance work and family life should also reduce premature retirement, which is important in the context of the need to sustain an ageing workforce in an ageing society. More responsiveness to carers’ needs will mean a happier and more loyal workforce and improved industrial relations have been reported by 97% of employers in a recent Employment Trend survey5.

The argument for greater flexibility in the workplace seems to be gaining greater acceptance within the business community. The CBI’s Employment Trends Survey 2007 shows that the proportion of employers who thought the impact of the right to request flexible working (introduced for parents of young and disabled children in 2003 and extended to carers of adults in 2007) was either positive or neutral was as follows:

- Labour cost: 78%
- Customer service: 86%
- Absence rates: 97%
- Productivity: 90%
- Recruitment & retention: 99%
- Employee relations: 97%

We have the opportunity to build on this good will, promulgating the advantages of flexibility more widely and encouraging employers to develop good working practices that go beyond the statutory minimum.

So enabling carers to combine paid work and care can have benefits for the individual carer, for business, for the economy as a whole and for civil society.

The issues

The Labour market.
There are now more people in the UK in work than ever before. Over 29 million people are currently active in the labour market. The employment rate currently stands at 74% and unemployment levels are at their lowest in a generation. However, there are still high levels of inactivity (non-engagement) and almost 1.5 million carers are not in paid work. As the economy continues to expand the labour market tightens and, as with any commodity, scarcity increases the price. So we need to increase the pool of available labour to counteract these inflationary pressures. It is estimated that we will need 2m more workers over the next 25 years. Management of the labour market is critical to the effective management of the economy. In addition, an aging population means that the ‘dependency ratio’ (the number of people in work relative to the number of people requiring support) is continuing to increase, making it vital that as many working age people as possible are in employment.

5 CBI Employment Trends Survey 2007
Demographic and allied issues.
The population is ageing. The proportion of the population with a limiting long term illness is rising. Better healthcare means more babies born with serious illnesses/disabilities survive. More people who require care are expressing a preference to remain in their homes. Changes to support structures mean more conditions are manageable within the home. Hospital policies around early discharge add to this. It is estimated that as a result of these changes we will need 3 million more carers over the next 25 years.

Carers and paid work.
Overall among those of working age, 72% of male and 62% of female carers combine their caring role with paid work. As expected, those providing the greatest amounts of care find it hardest to enter or sustain paid work. For those providing over 50 hours of care only 45% of men and 35% of women (compared with 76% and 66% of non-carers) remain in paid work. For those carers who are in employment, there are several issues that can impact on their earning capacity. Carers often need to work close to home which can limit their career prospects. They also become more concentrated in lower level occupations, particularly if they reduce their hours to part-time. Part time positions are often low paid with little opportunity for progression.

Equality issues
Overall, women provide more hours of care than men, and they suffer the consequences of this in their reduced career progression, earning power, pension provision, etc. Among carers in paid work, women are much more likely than men to be working part time. And often in low paid, low grade jobs. This impact often affects them across the life course, and is an important factor contributing to greater poverty among women in later life.

Health issues
Carers are more likely to suffer from poor health than the general population. There are a variety of reasons for this but there is evidence that the stress of trying to balance the competing demands of family and employer without adequate support is a significant contributory factor. Those with heavy caring responsibilities are between two and three times more likely to suffer from general poor health. For those carers not in work and on low income, we know that extended periods away from the labour market can have a detrimental impact on health outcomes.

Skills
Working carers are more likely to be unqualified and less likely to hold university degrees than other people in employment. Extended periods out of work means skills will atrophy and the new skills demanded in a dynamic

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8 In Poor Health: the impact of caring on health, Carers UK 2004
Labour market will not be learnt.

For young carers, education can also be adversely affected by care. Those aged between 16 and 24 years who are carers have lower rates of participation in further and higher education than other young people, with consequential impact on their future employability and career prospects.\textsuperscript{10}

**Our aims**

It is the view of the Task Force that the aims of the Government in this area should be:

- To make combining paid work with care a real choice for as many carers as possible.
- To ensure that the rising demand for care does not reduce the number of people active in the labour market.
- To reduce the number of people who drop out of paid work due to caring.
- To reduce the number of carers who face financial hardship.
- To reduce the number of carers who develop health problems themselves due to the pressures of combining paid work and care.

**The stakeholders**

**Carers**

It is helpful to separate the issue of working-age carers into three broad categories.

The first category relates to those who are out of work but whose caring responsibilities are either short term or are coming to an end. For this group the most important issues are the actions we could take to prepare them for the time when their caring responsibilities end. These might include initiatives to ensure that carers remain in touch with employers or the labour market in general, or actions to ensure that their skills are kept up to date or enhanced and that the return to paid work is made as smooth as possible.

The second category relates to carers who are either not in employment or are currently engaged in only small amounts of paid work. Are there ways of providing help or services to enable those carers who wish to do so to combine paid work and care, thus avoiding prolonged periods of labour market detachment? Can we encourage more employers to offer greater flexibility in working patterns so that all are operating at the level of the best? Or could better incentives make to paid work more attractive to carers? Specific proposals in this area might include improvements to the functioning of the tax and benefits system.

\textsuperscript{10} Yeandle and Buckner 2007, CES Report 6, p 21 (Figure 6.14).
The third category relates to carers who are already trying to balance paid work with their caring responsibilities. Here we need to develop strategies to help these carers to achieve a sustainable balance between paid work and care through improved services and support and greater flexibility within the workplace. This will reduce the pressures on carers which can damage their health and wellbeing, and increase their chances of remaining in paid work.

From the Government’s perspective, initiatives in each of the three areas above should be attractive. While they may involve additional funding, it should be possible to demonstrate a return on that investment. More carers would be in employment which would be helpful from the macro-economic perspective as well as ensuring that fewer carers experienced income poverty, a key Government objective.

Care services.
The provision of affordable and accessible care services is a significant issue. There is already a shortage of supply and this needs to be addressed. But ensuring services support those in paid work is not simply a question of additional resources. Carers consistently cite lack of information availability as a major barrier to accessing the services they need. Service providers need to better understand the needs of working carers and to configure services accordingly. Responsiveness and flexibility of provision are key issues here and there is also a need to better join up the various elements of the care package.

The overall availability of care services is an increasing problem. How do we stimulate the market to ensure that supply? How can we improve the quality of the workforce without increasing costs?

Financial support system.
The Income Task Force has lead responsibility for recommending reforms to the tax and benefit systems. In considering these issues it is important that they have regard to the impact of the current system, and any reforms they propose, on work incentives. We need to remove disincentives to work in the tax/benefit system. The eligibility rules for Carers Allowance have significant cliff edges. Improving the availability of in-work support may help more carers make the transition into employment.

Employers.
Caring is something that can affect people in all walks of life and all occupations. This means that the increasing demands on carers is an issue for all employers. Employers who understand the difficulties facing carers and allow them the flexibility they need can help ensure that all their staff achieve a balance between these competing demands on their time. The current tight labour market means employers need to seek out new pools of labour. Losing skilled staff to caring is very costly. So these flexibilities can have significant advantages for employers as well as employees. How do we get
these messages across to all employers? How can we encourage more flexibility without recourse to legislation?

Employment support services.
Since 1997 the welfare system in the UK has evolved from a passive system designed to prevent financial hardship to an active system of support to re-engage with the labour market. Most of this help has been structured around various ‘client groups’; young unemployed, lone parents, older workers, etc. While many carers fall within one of these client groups and are able to access additional help, there is little that is carer-specific in the current system. There are no carer ‘experts’ within Jobcentre Plus who understand the special requirements of carers whose needs have not been a top-level priority until now. We have the opportunity now to put arrangements in place that will benefit carers before the full impact of population ageing is felt. However, it is important that any work-based help within the welfare system remains voluntary. Carers should not be mandated into programmes, as is increasingly the case with other groups, as this is likely to be counter-productive.

Task Force Proposals

The Employment Task Force has looked at a number of proposals that could potentially help carers to obtain or remain in paid work. A very diverse group, the Task Force represents a wide range of opinion. It has not, therefore, always been possible to reach consensus on all of these propositions. It should also be noted that some of the proposals will be strongly impacted by recommendations of other Task Forces, in particular the Income Task Force.

Insofar as it is possible to do so, the proposals have been grouped together under the following headings. First are those proposals designed to help those not in paid work to move closer to the labour market. Second, those which will aid the transition into work. Third, those designed to help those already in paid work to remain there. The final group consists of more generic proposals to help carers to balance paid work with their caring responsibilities. It should be recognised that some proposals will impact on more than one of these areas.

Labour market (re)attachment

- Introduce a flexible job ‘marker’ for vacancies held on Jobcentre Plus job banks.
- Introduce Care Partnership Managers in Jobcentre Plus to oversee strategic issues related to carers and the services carers and users need across each JCP district.
- Introduce specialist training for JCP advisers who work with carers.
• Introduce measures (eg flexibility/home-based learning) to ensure that carers – particularly those aged 16-24 – can access the education/training they need.

• Fund replacement care for those who are participating in approved training.

• Ensure all carers have access to appropriate employment programmes and consider the feasibility of using the voluntary sector as delivery partners.

**Transition into work**

• Changes to Carers Allowance to remove the cliff edges and allow gradual transition between benefit support and work.

• Reduce the qualifying hours of work for carers in tax credit from 30 to 16 (Consensus not reached on this proposal)

• Extended the definition of carers to ensure that all carers are covered by the right to request flexible working

• Introduce a ‘day one’ right to request flexible working (Consensus not reached on this proposal).

**Balancing paid work and care**

• Place a legal duty on local authorities to ensure there are sufficient care services in place to meet the needs of carers who wish to work.

• Introduce a duty on LAs to provide information on the availability of services for carers.

• Improve the accessibility and affordability of childcare for parent carers.

• Introduce ‘Statutory Care Leave’ for working carers (Consensus not reached on this proposal).

• Promote the business case for supporting carers in the workplace.

• Introduce a ‘care voucher’ scheme (Consensus not reached on this proposal).

Further details on each of these proposals are contained in the Annex.
Generic proposals

In addition to the proposals related to improving the employment position of carers, the Task Force has also put forward some propositions of a more ‘generic’ nature which, if implemented, would improve the position of carers in other areas.

The first of these is that all Government strategies and all proposals for legislative change should be ‘carer proofed’. This mirrors the current requirement on public bodies to consider the implications of new initiatives in relation to their impact on race, disability and gender. This would ensure that policy makers kept the particular needs of carers in mind when developing new initiatives. This should include ensuring that Regional Development Agencies and other bodies responsible for drawing up strategic plans incorporate carers’ needs into redevelopment planning.

Some members of the task force propose that the protection afforded to disabled people under the Disability Discrimination Act should be extended to their carers. Thus carers would have recourse to employment tribunals to pursue claims for unfair dismissal if they believe that their dismissal is due to their association with a disabled person. This may be required of the Government if the European Court of Justice finds against the Government in the case of Coleman. Judgment is expected in June 2008. Additionally, some members of the Task Force propose that consideration should be given to extending the right to ‘reasonable adjustments’ in the DDA to carers. It is recommended that the Government review the position on these two issues following the ECJ judgement on Coleman.

In order to effectively implement and monitor the impact of these proposals, and the effect of the wider carers strategy, it is essential that we have robust data on carers and in particular on their employment status and health. We therefore propose that the question on carers is retained in the 2011 Census. As well as the practical need for this data, there was considerable concern among Taskforce members that dropping this question would send a negative message to carers and would be at odds with the Government’s intention to better recognise carers’ contribution. It would also reduce the ability to measure the impact of the Prime Ministers review and render impossible statistical analysis of carers’ situation at local level.

Cost benefit analysis of proposals

We have provided broad costings for each of the measures the task force has considered. Many of the proposals are new and innovative and the costings are sensitive to the assumptions that underpin them. As many of these assumptions are untested all costings come with significant health warnings.
Finally

We would like to thank all the members of the Task Force for giving their valuable time and sharing their expertise and for their enthusiasm and commitment in taking this work forward. We have endeavoured to preserve the integrity of the arguments presented by all sides on those few occasions where taskforce members were unable to reach consensus. In particular we would like to thank Sue Yeandle of the University of Leeds for her generosity in sharing her research findings with us.

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Director, People & Policy, BT  
(Joint Chair)

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FLEXIBLE JOB-SEARCH TOOL FOR JOBCENTRE PLUS JOB BANK

Description
Jobcentre Plus clients and their advisers have access to computer-based job banks which list current vacancies. When filling vacancies employers are asked to provide details of some of the flexibilities they are willing to provide. However, there are some details which employers are not prompted to provide. This proposition would result in the introduction of additional ‘fields’ that would allow for the capture of this information and readily enable flexible working opportunities to be identified.

Currently those searching Jobcentre Plus vacancies can set certain parameters for the jobs they are interested in, for example, the type of occupation, pay range, qualification requirement, hours or travel to work distance. While it is possible to pre-define some flexibilities, such as the number of hours, which days of the week, week-end working or shift, other flexibilities cannot be specified. By introducing this marker clients would be able to further refine their search by specifying such criteria as flex-time, job-sharing, home working, compressed hours, etc

Objective
To make it easier for carers and their advisers to identify job vacancies that offer the flexibilities they need to combine care and paid work.

Benefits
Would speed the search process and ensure easy access to all vacancies that meet the specific needs of individual carers. The existence of a marker would also act as encouragement to employers and JCP staff tasked with accepting vacancies to specify the flexibilities that are on offer.

The ability to access flexible working opportunities has value to other priority client groups, such as lone parents, disabled people, etc making it a valuable tool for Jobcentre Plus and their clients.

Disadvantages
None identified.

Financial and other implications
There would be cost implications for Jobcentre Plus in amending IT systems (up to nine different systems will be affected). There will also be some
marginal (unquantifiable) on-going costs if employer-facing staff are to ‘sell’ the importance of flexibility in maximising the response to job vacancies.

Cost: one-off cost of around £3m
Impact: Medium
Difficulty: Medium – requires the co-ordination of changes to nine separate IT systems.
Risk: Low

**Recommendation**
That the flexible working marker be introduced as soon as practicable.
INTRODUCE CARE PARTNERSHIP MANAGERS

Description
Care Partnership Managers would be senior level (Higher Executive Officer or equivalent) Jobcentre Plus staff tasked with overseeing strategic issues related to carers and care services across each JCP district. They would provide the focus on carer issues in Jobcentre Plus and ensure that employment related services reflect the needs of carers.

Objectives
Jobcentre Plus is in an ideal position to help carers overcome barriers to facilitate the move into paid work and out of poverty. To maximise the support offered to carers, CPMs would:

- Support advisers to develop their knowledge and skills in relation to carers and care issues, particularly in relation to labour market participation; enabling Advisers to confidently discuss options with carers and be able to signpost to further support and services
- Ensure up to date and accurate information is available to all customer facing staff, enabling them to address care issues and advise carers how to overcome barriers.
- Maintain close working relationships with LAs and health service partners

They would also work with LAs and health service partners to ensure that intelligence about the local care market and customer needs is available to JCP and that LAs and health service partners are aware of the service needs of working carers, using this to ensure that key issues for those seeking to move into paid work are addressed within local provision.

Benefits
There are currently no resources in Jobcentre Plus directed exclusively at the needs of carers. CPMs would provide a strategic level resource to deal with all issues related to carers and their employment position. They would help JCP management to understand the particular needs of carers and to factor these in to business planning. They would provide an outward facing service to employers, local authorities and other key players to ensure the needs of carers were met.

Disadvantages
None identified.

Financial and other implications
Cost: One CPM at Band D (Higher Executive Officer) per Jobcentre Plus would cost around £2.5m per annum.
Impact: Medium
Difficulty: Low
Risk: Low

It should be noted that, as well as a tight financial position, Jobcentre Plus also have strict headcount limits imposed by DWP Ministers. The headcount implications of this proposal will also need resolving.

**Recommendation**
That the recruitment and training of Care Partnership Managers for each Jobcentre Plus district commence as soon as is practicable. The target should be to ensure national coverage by April 2009.
SPECIALIST TRAINING FOR JCP ADVISERS

Description
Introduce specialist training for JCP advisers who work with carers.

Objectives
Jobcentre Plus advisers currently receive little in the way of training that will equip them to deal with the specific requirements of carers. By improving training, staff would be made more aware of the needs of carers and would be better able to assist them in reattaching to the labour market.

Benefits
JCP advisers would find it easier to give accurate advice to carers seeking to return to paid work.

Disadvantages
There are currently no mechanisms for engaging with carers who are not in receipt of a benefit administered by Jobcentre Plus and so the help available to working carers may have to be limited to those who are working part time only.

Financial and other implications
Cost: Amending materials to ensure they remain fit for purpose should be part of baseline expenditure for Jobcentre Plus. There are cost implications of delivering new material to existing advisers and, potentially, costs in back-filling posts to cover absence on training. Provisional estimates, based upon a half day e-learning course for all existing advisers would be around £2m one-off cost.
Impact: Low
Difficulty: Low
Risk: Low

Recommendation
JCP should review its training for advisers and introduce improved provision in relation to the particular needs of carers. JCP should engage with key carers organisations to draw on their expertise in designing and delivering carer-specific training.
ACCESS TO SKILLS TRAINING

Description
To review the provision of skills training to ensure that it fully meets the needs of carers. In particular, to ensure that training and the support necessary to enable engagement with training is provided in a flexible manner so that it can be fitted around caring responsibilities. In order to improve affordability Carers’ Allowance should be added to the list of fee remitted allowances.

Objective
Many carers have low levels of skills – partly because a high proportion come from disadvantaged backgrounds and partly because extended periods out of the labour market can lead to skills decaying or becoming outdated. If we are to ensure that carers are able to compete effectively for jobs and increase productivity when in paid work we must ensure they have the same opportunities to access skills training as other groups.

However, research indicates that there are often barriers, such as the cost of courses, the lack of flexible provision and the nature of courses on offer, which prevent them engaging in learning. The targets imposed on further education colleges for retention and achievement can also be prejudicial to carers who may have to drop in and out of learning if the cared for person’s needs intensify and this may act as a disincentive for a college to actively seek out carer students. This is despite the fact that colleges can claim a 12% uplift in funding for full time carers who are students. Information about this uplift is set out in the annual funding guidance for FE colleges, but appears to not be widely utilised by colleges. And, because many carers have been out of learning for many years, they often need high levels of support which can be an unwelcome burden on colleges.

For carers this means introducing measures such as greater flexibility of provision or home-based learning. This should ensure that carers – particularly those aged 16 to 24 who are less likely to be in education or training that non-carers – can access the education or training they need (NB compulsory education/training age will shortly be increasing to 18). We also need to consider the availability and affordability of replacement care for those participating in approved training.

Benefits
Increased skills levels increase carers’ chances of finding a job and progressing in a career. Higher skills levels increase the range of job opportunities thus increasing the likelihood of securing a job with the flexibilities needed to combine paid work and care. Keeping skills up to date can increase the speed with which carers can reattach to the labour market once caring responsibilities end.
The Government is moving towards a more demand led funding system for colleges which should be more responsive to the needs of individual learners, both in respect of the type of learning they wish to undertake and how and when this would be delivered. DIUS and DWP are already working to create a more effective and integrated employment and skills system which gives adults the support they need to find sustained employment and progress. This will improve access to training that will ultimately lead to sustainable employment. This should also impact on the timing and flexibility of courses which may allow people to start work whilst continuing training that they were already undertaking to completion and achievement of the skills they need to remain and progress in employment. Courses may be delivered through a variety of routes, including e-learning.

Alongside this DIUS is developing an adult advancement and careers service which will offer a universal service to all adults offering advice and guidance and other support services. Included in this will be a Skills Health Check which will be a personalised, initial assessment of skills and abilities; their career, learning and work objectives and the skills development needs to meet their goals. The assessment would serve as the starting point for the development of the individual's action plan to progress in learning and work. There will also be access to financial support and other help needed to progress into or within work. The new service will work in close partnership with Job Centre Plus and will be looking to join up advice services across a range of issues including housing, employment rights and childcare as well as skills and jobs. The service will reach out to disadvantaged clients, such as carers, making the service accessible. It will bring this about through an effective integration of face to face, on-line and telephone based services.

Disadvantages

None identified

Financial and other implications

Costs: None. It is the stated aim of the skills strategy to provide flexible learning solutions for all so there should be no additional costs of taking into account the needs of carers.
Impact: Medium
Difficulty: Low
Risk: Low

As the Government's skills strategy has already identified the need for flexible provision there should be no additional costs. There would be costs associated with adding Carers’ Allowance to the list of fee remitted allowances.

Recommendation
Overall the new skills strategy should go a long way towards meeting the needs of carers - as well as other adults. However, it is important that the strategy is 'carer proofed' to ensure that the new arrangements meet the specific requirements of carers. DIUS and DWP should be encouraged to make formal, public commitments ensure that carers needs are met and the delivery of this commitment, including plans for monitoring and reporting on progress.

The Task Force also recommend that Carers’ Allowance should be added to the list of fee remitted allowances to help more carers with low levels of skills.
**FINAL**

**FUND REPLACEMENT CARE FOR THOSE ON APPROVED TRAINING**

**Description**
If carers are to take full advantage of the training opportunities that are open to them then many may need access to replacement care. This would be provided free of charge to those carers not in full time work, who participate in employment-related programmes operated by Jobcentre Plus and who are accessing training opportunities approved by their personal advisor.

**Objectives**
While it should be possible to make training more accessible by making it more flexible this may not always be feasible. In certain circumstances it may be more efficient and cost effective to provide replacement care to enable carers to access the provision they need.

This provision would be limited to work-related training approved by JCP advisers. It would be similar to the provision currently available to lone parents which funds childcare while they undertake training.

**Benefits**
Would enable more carers to take up training opportunities and therefore lead to closer attachment to the labour market.

**Disadvantages**
Although no disadvantages have been identified, it must be recognised that there may be difficulties in implementation because:
- JCP, FE colleges and other training organisations have little experience in providing this service;
- BME carers' organisations say there is under provision of replacement care services that are culturally sensitive.

**Financial and other implications**
Costs: Costs are very difficult to estimate as there is very little information on which to base assumptions about demand. We do not know how many carers are not accessing training because of lack of replacement care, how much replacement care would be needed to allow them to participate or how effective the plans to improve flexibility of provision (see above) will be in mitigating this problem. Very provisional estimates, based upon numbers of carers in the system and the usage of childcare by parents undertaking training, indicate that costs may in the region of £7.5 m a year

Impact: Low
Difficulty: Low
Risk: Low
ACCESS TO EMPLOYMENT PROGRAMMES

Description
There is no ‘New Deal’ for carers within the benefits system. However, some carers do have access to other support programmes for which they satisfy eligibility criteria, eg New Deal for Lone Parents if they are also a lone parent.

It is not proposed that we create a New Deal programme specifically for carers but those who need help to reattach to the labour market must have access to appropriate support programmes. This includes the support of a personal adviser, access to re-skilling and education opportunities, help with jobsearch, etc.

It should be noted that access to New Deal provision would be on an entirely voluntary basis. There would be no question of compulsion.

It is also recommended that DWP and Jobcentre Plus investigate the feasibility of providing return to work support through voluntary sector organisations with experience of working with carers. The success of such programmes often depends on factors which are not about the individual themselves and which a mainstream private return to work provider might have little experience of, such as finding flexible care services or brokering a care package. The issue of sustainability in employment is much the same – it can depend on external as much as individual factors. The voluntary sector is well placed to deal with these issues.

Objective
To provide the support and assistance necessary to enable carers to successfully re-attach to the labour market.

Benefits
Carers would spend less time out of the labour market and be better prepared for work, leading to better retention and advancement.

Disadvantages
None identified.

Financial and other implications
Indicative costs: No additional costs. Part of Jobcentre Plus baseline funding.
Impact: Low
Difficulty: Low
Risk: Low

Recommendation
That all carers should have access to appropriate employment programmes and the Department for Work and Pensions should consider the feasibility of using the voluntary sector as delivery partners
FINANCIAL SUPPORT

Description
Recommendations for improvements to the financial support available to carers are the responsibility of a separate task force. However, it is important in considering the structure of financial support that account is taken of the impact this has on work incentives.

The main out-of-work benefit for carers is Carers Allowance. To be eligible a carer has to provide at least 35 hours of care a week and they cannot earn more than £95 a week. Both of these rules create ‘cliff edges’. Thus, for example, reducing the amount of care provided from 35 to 34 hours a week or increasing earnings from £95 to £96 a week means complete disqualification from any support from CA. It is recommended that the Income Task Force considers ways of reducing this cliff edge effect to allow for a more gradual transition between benefit support and paid work.

Objectives
To smooth the transition into work by removing or reducing any disincentives within the financial support system.

Benefits
Improving incentives to work would enable more carers to rejoin the work force. Introducing a taper into Carers Allowance would allow carers to gradually increase the hours of paid work they do and to choose a level of paid work commensurate with their caring responsibilities rather than one predetermined by the benefit system.

Disadvantages
Removing the cliff edges without creating cash losers will inevitably increase the cost to the exchequer. However, these costs will be mitigated if the changes have the desired behavioural effects and those receiving CA start to increase the amount of paid work they do.

Reducing the severity of the benefit trap, by replacing cliff edges with tapers, has the effect of extending its reach and results in greater numbers being caught, albeit in a shallower trap. So, for some, work incentives would be reduced rather than improved.

Cliff edges can have some perverse effects but are at least easy to understand. Tapers lead to much greater complexity, particularly the interaction of any CA taper with tax credits, housing benefit, council tax benefit, income tax and NI contributions. If those affected do not understand the impact of the change then it will have no incentive effect.

Financial and other implications
The cost implications depend upon the precise changes proposed. This will be covered in the report of the Income Task Force.
Recommendation
That the Income Task Force have regard to the work incentive implications of any proposals they make for improving the system of financial support for carers.
CHANGING THE WORK TEST IN WTC FROM 30 TO 16 HOURS

Description
At present carers have to satisfy the ‘standard’ criterion of working at least 30 hours per week in order to be eligible for working tax credit. The Employment Task Force has proposed that carers should have eligibility for working tax credit if they work for 16 hours or more, as is the case for those with disabilities or with dependent children.

Objectives
The argument for such a change is that those giving significant amounts of care are at disadvantage in the labour market. Generally they have lower skill levels, a narrow range of job options open to them, may have had periods out of the labour market impacting on career progression, etc, all of which reduces their earning potential. Moreover, giving significant amounts of care reduces the propensity to take a job if the rewards from trying to balance the conflicting priorities of paid work and care are considered insufficient. In this way carers are similar to other groups who already have access to WTC at 16 hours, ie those with children and those with disabilities.

Supporting people into paid work makes more sense than paying people to stay on benefit. Supporting people to stay in paid work makes more sense than allowing them to fall back onto benefits.

This option does not suffer from the ‘double provision’ disadvantage inherent in some additional support propositions, in so much as the cost is not already reflected in the level of DLA payable to the person being cared for. This is not about funding replacement care it is about supporting people into paid work.

Restricting eligibility to those giving significant amounts of care (ie over 35 hours a week) makes the proposition more affordable. While there would be some deadweight costs, ultimately this saves money by enabling more people to combine paid work and care.

Disadvantages
The main support for carers out of work is Carers Allowance. CA is an individual benefit whereas WTC is family based. So the large majority of carers taking up work of between 16 and 30 hours would still not qualify for help from WTC even if the rule was changed.

Even for individual carers, the effects are likely to be small and, without changes to CA, there will still be a cliff-edge effect for many. So this change would be unlikely to create significant work incentives.

Carers with children or who are themselves disabled already have access at 16 hours.
Lead responsibility for propositions that affect the tax and benefit system rests with the Financial Support Task Force. Enabling a more seamless transition from welfare into work is in large part dependant on the proposal the Task Force makes with regard to out of work support. Without knowing what those changes might be it is difficult for the Employment Task Force to make specific recommendations.

The tax credit system is operationally complex and fragile. Major changes to structure are being discouraged at the present time as they may compromise delivery. This change would have significant operational consequences but would benefit only a relatively small number people.

Financial and other implications
Costs: Detailed cost assessment has not been conducted. Estimates would be sensitive to assumptions about levels of take up but costs could, potentially, be very high.
Impact: Low
Difficulty: High
Risk: High

Recommendation
The Task Force are split on the proposal. Most members, having seen the evidence, do not see major advantages in adopting this proposal.

However, some Task Force members point out that discussions have tended to focus on CA recipients who make up only 500,000 of the 1.5 million working age carers out of work. While it may be difficult to move the definition of carer for tax credit purposes away from the CA definition this may be something for longer-term consideration.

In addition, some see this as a matter of principle. They see no reason why carers should be denied access at 16 hours when parents and disabled people have this right. However, the change would affect only a small number of people and the impact on individuals would also be small. Such a major change for such a small gain does not seem very attractive given the current administrative difficulties within the tax credit system.
EXTENDING THE RIGHT TO REQUEST FLEXIBLE WORKING

Description
In April 2007 the right to request flexible working was extended to cover the majority of carers ie those who care for relatives or where the person cared for lives in the same house as the carer. This covers around 80% of all carers. This right, which is not a right to flexible working but simply a right to ask an employer to seriously consider a request, applies only to those who have been in their current employment for a continuous period of 26 weeks or more.

While it is right that the Government should fully evaluate the changes it has recently introduced, the Prime Minister, in a recent speech to the CBI, made clear that “we believe that the flexibility you want as employers can be matched over time by more rights to request flexible working” a point he reiterated at the carers consultative event in Leeds when he said he wants to “see what we can do around the right to request flexible working where people are combining caring responsibilities with work”.

The majority of the Task Force believe that, in setting out the vision for carers for the next 10 years and beyond, the Government should commit to a review of these rights. In particular, Task Force members put forward the following two propositions. The first is to review the definition of carers to encompass all carers. Second is to consider a ‘day one’ right for all groups currently covered by the legislation so that employees would not be required to serve a ‘qualifying period’ in a job before they were entitled to make such a request. As is the case now, employers would be required to give serious consideration to any such requests but would be permitted to deny flexibility where there were sound business reasons for doing so. Such a move would give day one rights to approximately 14.5 million employees.

The right to request flexible working has other requirements: it must be a permanent change to the contract of employment and only one request per year is allowed. These rules, while offering protection and certainty to both employer and employee, do not always meet the unpredictable and often changing needs of carers or businesses need for agility. The need for contractual revisions also creates an avoidable administrative cost to business. The case for their removal should be considered.

Objectives
Clearly the ability to work flexibly can be extremely important for those employees with significant caring responsibilities. Increasing the number of jobs where carers can fit their working patterns and other working arrangements around the needs of the person they care for will enable more carers to obtain or retain paid work.

Lack of flexibility can be a significant barrier for those who are not in work but wish to take up employment. However, the 26 week rule means that these people have no legal right to request flexibility. The same applies to carers.
who have to change employers because of caring duties (eg those who have to move to be near a sick relative). In such circumstances it is often impossible to work for six months in a job without the necessary flexibilities.

The Government is investing significant sums of money in programmes designed to move people from welfare into work. For many people, the ability to work flexibly is a key consideration. The most difficult time for these people is the point of transition into work. Most who fail and fall back onto benefit do so in the first few weeks when the problems and pressures are at their greatest.

Benefits
Currently the right to request applies only where the person being cared for is a spouse, partner, civil partner, relative or someone who lives at the same address as the carer. The scope of the current legislation means that around 20% of carers, many providing significant levels of care, are denied this right. And this position will get worse as the number of carers rises.

Many people are in employment at the time they become carers. For them the 26 week qualifying period will not generally be a problem, unless the onset of caring duties results in them having to change jobs. However, for carers who are seeking to move back into paid work this rule can present a significant obstacle. A day one right to request flexibility would be of significant help in easing pressure at the critical point of transition back into employment.

Greater flexibility is good for business. Legitimisation through legislation makes it easier for employees to contemplate making applications for flexibilities. This in turn will make it easier for employers to retain skilled and experienced staff. A day one right would widen the pool of potential recruits giving employers greater choice, an important consideration in a tight labour market. Overall 17 per cent of employees in the past 2 years had made a request to change how they regularly work for a sustained period of time\textsuperscript{11}. Of this 17 per cent, the majority of employees (78 per cent) had their request either partly (16 per cent) or fully (60 per cent) agreed.

CBI’s employment trends survey (2007) undertaken 3 months after the right to request was extended to carers, indicates that employers are just as likely to grant requests from parents (94 per cent) as they were from carers (93 per cent). The survey shows that the proportion of employers who thought the impact of the right to request flexible working was either positive or neutral in each of the following areas was:

\begin{itemize}
  \item Labour cost: 78% 
  \item Customer service: 86% 
  \item Absence rates: 97% 
\end{itemize}

The vast majority of employers (92 per cent) said that they would consider a request to change a working pattern from any employee\(^{12}\). Of those who said they wouldn’t consider requests from any employee, many cited specific responses in terms of job roles for which a request would not be considered.

Overall there appears to be a positive or neutral impact of flexible working on businesses. The most positive impact appears to be on employee relations: 74 per cent of employers in the Employment Trends Survey and 58 per cent of employers in the Work Life Balance survey. In the main labour costs were reported as neutral or positive, although 22 per cent did report a negative impact\(^{13}\). However, assessment of the impacts of the Employment Act 2002 (including the introduction of flexible working) found that even when employers reported increase in costs, 64 per cent felt that the benefits outweighed the costs (9 per cent) or that the costs and benefits were about the same (55 per cent)\(^{14}\).

Evidence from the Government’s former Work Life Balance Challenge Fund\(^{15}\) reveals that workplaces with flexible working policies have reported financial savings (81 per cent), reduction in staff turnover (68 per cent), a reduction in absenteeism (50 per cent) and improved productivity (50 per cent).

Regulatory Impact Assessments\(^{16}\) have identified substantial benefits for carers in terms of better employment prospects and better family life. Benefits for employers include savings in recruitment costs (\(£140k\) to \(£3m/yr\)), increased productivity/profits (\(£0.5m-£94m/yr\) and savings in absence costs (\(£4m- £10m/yr\)).

The 2006 RIA\(^{17}\) estimated that the total benefit of extending the right to carers would be \(£80.6m\) in the first year and \(£157.3m\) in the second year. The total costs were estimated as \(£116.4m\) in the first year and \(£153m\) in the second year. Although the initial costs outweigh the quantifiable benefits to employers in the longer term (second year and beyond) benefits outweigh the costs. In addition there are other non quantifiable but important benefits to employers and individuals as outlined above.

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\(^{13}\) CBI (2007) Employment Trends Survey
\(^{15}\) DTI (2004) Challenge Fund Round 4 Final reports Evaluation
\(^{16}\) 2005 Compendium of Regulatory Impacts Assessment Volume One Employment Relations Research Series No 48
\(^{17}\) 2006 Compendium of Regulatory Impacts Assessment Volume One Employment Relations Research Series No 74
Flexibility is good for the economy as it will enable more people to work, sustaining economic growth and reducing inflationary pressures.

Disadvantages
The Government’s approach to employment legislation has been to move forward in small increments, taking employers with them at each stage. In this way they have maintained the level of employer support necessary to ensure success and are achieving a culture change in the way business considers flexible working. The legislation extending the right to request flexible working to carers has been implemented only recently and the impact has not been fully evaluated. The Government recently announced its intention to extend the right to parents of children up to age 16, following recommendations in Imelda Walsh’s independent review of the appropriate age cut-off. Extending the right to parents of older children is a significant addition of the right and further significant change will compromise the wider business support for the right that has been central to its success.

Some members of the Task Force argue strongly that a qualifying period is required before a request is made in order for employers to make an assessment as to whether the employee is willing and able to perform the tasks that their role requires, particular if they wish to perform their duties away from the workplace. They are very clear that it is impossible to legislate to achieve that level of trust, and that it can only be formed through getting to know the individual employee over a period of time. However, other Task Force members point to the fact that subjective judgements about the degree to which an employer trusts an individual employee are not relevant considerations under current flexible working legislation.

The right to request could not practically be made a day one right for carers alone. It would have to be made a day one right for everyone covered – currently parents of young and disabled children in addition to carers. Using these categories alone (as currently defined in the regulations), initial work indicates that a day one right would extend the right to 10 million more people, bringing a cost to business of £100 million a year in handling requests. The extension of the right to parents of children up to age 16 will increase the costs of a day one cost right still further.

More could be done to promote the current right to request and to encourage employers to be more flexible for other carers, thus obviating the need for legislation.

Financial and other implications
Indicative costs: The costs for Government are low. The cost to business of handling requests could be in the region of £100 million a year but it is
expected that, in the longer run, these costs will be outweighed by lower recruitment costs, lower levels of absence and increased productivity.

Impact: High
Difficulty: Low, though would require primary legislation.
Risk: High risk of loss of business support for the employment agenda.

**Recommendation**

The Task Force are in agreement that the definition of carers should be revisited with the aim of extending the flexible work provision to the 20% of carers not currently covered. However, there are deep divisions on the question of day one rights.

The Task Force consider that it would not be possible to abolish the qualifying period for carers to request flexible working without doing so for other groups who currently have an entitlement (ie. parents).

Some Task Force members argue that making flexible working a day one right may have wider ramifications across employment law, where other employee rights, such as paid maternity and paternity leave all rely on a qualifying period in which the employer and employee get to know each other and develop a relationship of trust. They feel this relationship is particularly important for flexible working, where work patterns such as working from home or compressed hours require a high level of understanding and trust between the two parties. They believe it would be extremely difficult to legislate for this.

The majority of Task Force members believe that a right to request flexible working with no qualifying period would remove a significant obstacle for carers (and parents) trying to re-enter the labour market. They point to the macro-economic benefits to business that can be achieved through flexible working, which include staff retention and lower recruitment and retraining costs. They also point to the fact that a request can be turned down only for business reasons – not because of personal value judgements - and that it should be perfectly feasible for employers to consider the degree of flexibility they are able to offer before they even advertise a job vacancy. They also point to the fact that many thousands of employers of all sizes are already voluntarily doing this.
DUTY ON LOCAL AUTHORITIES

Proposition
A legal duty could be placed on local authorities to ensure there are sufficient care services in place within their areas to meet the needs of carers who wish to engage in paid work.

There is a large body of evidence that indicates a significant under supply of care services. This duty would require local authorities to act as ‘market managers’, to encourage and stimulate the market to meet unmet demand for care service.

Each top tier local authority would be required to conduct periodic audits of demand for care services in their areas. These audits would place specific emphasis on the needs of working carers and would identify the type and range of services required, along with other issues such as accessibility, flexibility, etc. Once the demand for services was identified it would be the responsibility of the local authority to take all reasonable action to secure sufficient care service to enable those needs to be met.

While local authorities may well provide some of the services to meet some of the demand identified, their primary role, in the context of this duty, would be to ensure the continuation of a mixed market with a range of providers to give as wide a choice as possible.

This duty would be similar to that in the Childcare Act 2006 which requires local authorities in England and Wales to secure sufficient childcare to meet the needs of working parents in their areas.

Objectives
To ensure that carers have access to the services they need to enable them to take up or remain in paid work. This would be achieved by identifying the level of demand for different care services within the local area and ensuring that, as far as possible, the market responds to any unmet need.

Benefits
As outlined above, there is evidence to suggest a significant under supply of care services. An unknown factor is causing distortions in the market which is failing to either recognise or respond to this unmet demand. This is not a new phenomenon and it seems unlikely that market forces alone will provide the solution. Action by an outside agency is needed to mitigate the effect of these distortions and ensure a better match between supply and demand.

As this is about the provision of services at the local level then local authorities should be well placed to provide this function. It also fits well with the Government’s over-arching philosophy of devolving responsibilities to local level. Local authorities already have a similar duty in respect of the provision of childcare. Their experiences as market managers in this context
should hold them in good stead for fulfilling a similar role in respect of care services.

Disadvantages
This is a new responsibility so creates new costs and places new burdens on local authorities. It would require the cooperation of the devolved administrations in Scotland and Wales (although an ‘England only’ duty would be possible if not desirable). Local authorities are currently subject to a high level of demand from central government and so there may be capacity issues. The degree of competence with which local authorities perform this task may vary which will increase the risk of ‘postcode lottery’.

There is a risk that a duty to ‘secure’ care services might be interpreted as a duty to ‘provide’ care services. This risk may be higher in this context than in the extant childcare legislation as local authorities do have responsibilities to provide care services. A duty to provide (rather than secure) care service would have significant spending implications for local authorities.

Financial and other implications
Costs: under £5 m per annum
Impact: High
Difficulty: Medium
Risk: High

This would clearly represent a new ‘burden’ on local authorities. As well as the cost implications there is an issue about how many burdens from central Government local authorities can absorb. It may also be argued that continuing legislation of this nature undermines the new relationship between central and local government as enshrined in the LAA indicator set.

Recommendation
The Task Force recommend that the Government consider the introduction of a new duty on local authorities to assess the demand for care services to meet the needs of working carers in their areas and to take reasonable steps to secure sufficient supply.
CARE INFORMATION SERVICE

Description
It is proposed that a new legal duty be placed on local authorities to establish and maintain a service to provide information, advice and assistance to carers in relation to care services in their area. This duty would link to the duty above to secure sufficient care service to meet the needs of working carers.

Objectives
A recurring theme when talking to carers is the lack of information about the services that are available and how they can be accessed. Many carers cite this as the single biggest difficulty they have in trying to balance caring and paid work.

Again there are parallels with childcare where LAs have a legal duty to provide children's information services to help working parents to access suitable childcare.

Benefits
Would provide one point of contact for those with care needs that is easily identifiable and accessible. This service would be of particular value where the carer and the person being cared for live in different areas.

Disadvantages
This would clearly represent a new ‘burden’ on LAs and there would be cost implications.

Financial and other implications
Costs: Low
Impact: High
Difficulty: Medium
Risk: Low

Recommendation
The Task Force recommend that this new duty be introduced as soon as a suitable legislative vehicle can be found. The aim should be to have the new service in place in all local authorities by April 2010.
IMPROVE THE ACCESSIBILITY AND AFFORDABILITY OF CHILDCARE FOR PARENT CARERS

Description
Childcare can be a particular problem for families with disabled children. A number of studies have provided strong evidence of the extent of difficulties with both access to childcare and with affordability.

In terms of affordability, the cost of childcare for disabled children is often significantly higher than for a non-disabled child. Additional costs arise for a number of reasons: the need for specialist workers, additional equipment, the need for one to one care, etc. However, the Tax Credits limits are the same for a disabled as for a non disabled child.

There is also significant under-supply of childcare that meets the needs of disabled children. In part this is due to the affordability issue as this depresses potential demand. But it is also the case that the Government's investment in the supply side has concentrated on mainstream provision. Greater supply side subsidy would increase the availability of care suited to the needs of disabled children.

Objective
To improve the affordability and accessibility of childcare for disabled children to enable more parent carers to return to paid work.

Benefits
There are social and economic benefits from increasing the number of parent carers engaged in the labour market.

Disadvantages
Care needs of children are different from those of adults. For example, a person caring for an adult may be able to work full-time with only an hour or two replacement care a day (eg someone to check the person they care for is OK and provide them with a meal, etc). However, children need full-time care and if their level of disability requires care provided on a one to one basis the macro-economic benefits of doing so are unclear.

Financial and other implications
Cost: Medium
Impact: Low
Difficulty: High
Risk: Low

Recommendation
The provision of childcare suited to the needs of parent carers is the responsibility of the Sure Start Childcare Strategy rather than the carers strategy. The Employment Task Force do not, therefore, believe it is appropriate to make any specific recommendations with regard to childcare. However, the Task Force wish to emphasise the importance of childcare in
enabling parent carers to balance their work and families lives and would encourage DCSF and HMT to take all reasonable steps to improve the availability and affordability of care services for disabled children.
INTRODUCE STATUTORY CARE LEAVE

Description
Introduce the right for those who have been in work for a set qualifying period to a period of unpaid ‘care leave’. Thus employees who had been in their job for, say, 26 weeks or more would be entitled to a period of up to 26 weeks unpaid leave (the exact details would be subject to consultation and further consideration). Employees would have the right, subject to appropriate notice, to return to their job at any point within the leave period.

Objective
To provide employees with caring responsibilities a period in which they can adjust to the new demands of caring, deal with a period of crisis and develop strategies for combining care with paid work. This would prevent short-term problems resulting in long-term detachment from the labour market. It would also save employers the cost of unnecessary recruitment.

Benefits
Statutory leave may enable carers who would otherwise be forced to give up work, a buffer period which may allow them to keep in touch with the labour market. By maintaining links with their employer we would hope that most carers who take Statutory Care Leave would return to their original jobs once they had adjusted to their new circumstances.

As well as improving the overall employment level this proposal may also help with other aspects of the labour market. For example, carers who fall out of work will often rejoin the labour market in lower status jobs, particularly if working part-time is the only way they can balance work and care. Helping more carers to return to their previous employment should reduce levels of poverty amongst carers as well as increasing overall productivity levels.

Disadvantages
Would require employers to either carry vacancies or find temporary cover for those on leave. Increases uncertainty as employers could not be sure that a person on care leave would return to them. Potential cost in retraining staff returning to work after a substantial break.

Financial and other implications
Cost: The cost to Government of implementation would be low. There is potential for savings within the benefit system as more carers would remain in work. There would be costs to business recruiting and training temporary staff and re-training returners. These costs would be mitigated by the fact that they will retain skilled workers who would otherwise fall out of employment.
Impact: Medium
Difficulty: Low
Risk: Medium to high.

Recommendation
The Task Force are split on this proposal. Some members see this as an important provision that would reduce the risk of carers dropping out of the
work force while they adjust to their new circumstances. This would benefit carers, their employers and the economy as a whole.

Others argue that there is already provision for ‘emergency time off for dependents’ and that further legislation is unnecessary as many employers are sensitive to the needs of their workforce and will allow the necessary flexibility. They also point out that some employers and their representative organisations would oppose the idea and that changes in employment law have been successful because they have progressed in an incremental and consensual manner.
INTRODUCE STATUTORY CARE PAY

Description
Introduce a ‘Statutory Carers Pay’ system where the carer is paid the equivalent of statutory maternity pay whilst they are taking Statutory Care Leave. Statutory Carers Pay would be non-contributory and non-means tested but there would be a qualifying period of 26 weeks continuous employment [with the same employer] before entitlement begins. There would be no eligibility for Carers Allowance, Income Support, JSA, etc while SCP was in payment. This links with the proposal above to introduce a right to return to the employer at the end of a set period of care leave.

Objectives
The purpose of the proposal is to make it possible for carers to take a period of Statutory Care Leave. The option to take Care Leave needs to be a genuine choice for all carers (the benefits of this are described under the previous recommendation) and without pay, carers are much less likely to take it. They may therefore give up work and claim state benefits.

Benefits
Statutory pay would allow carers, particularly those on lower incomes, to take advantage of any period of statutory leave (see above) thereby making that proposal a more effective measure. It would allow more carers to remain in work, improving the operation of the labour market and ensuring individual employers retained skilled and experienced staff.

Disadvantages
It is relatively easy for employers to determine entitlement to maternity leave and pay because there are not degrees of pregnancy in the same way that there are degrees of caring responsibilities. To ensure operability of the scheme there may need to be restricted eligibility, eg where the person cared for has a terminal illness or has eligibility for disability living allowance (though delays in determining entitlement to DLA may make this infeasible).

There would be additional burdens and costs on employers

Potentially, cost to government if the costs of statutory carers pay is reimbursed to employers.

Financial and other implications
Costs: No detailed analysis of cost has been conducted but could potentially be very high
Impact: Low
Difficulty: High
Risk: Low

Costs are difficult to estimate. They would be dependent upon the number of carers who took up the offer and on the average length of the claim.
Recommendation
There was strong opposition from some members of the Task Force to this proposal. While some thought the idea had some merit the Task Force agreed that it was not possible to consider this aspect of potential financial support for carers in isolation. The Task Force therefore remitted this proposition to the Income Task Force for their consideration.
PROMOTING THE BUSINESS CASE FOR SUPPORTING CARERS IN THE WORKPLACE

There is an increasingly strong evidence base in support of the contention that allowing employees to maintain a good work/life balance is good for business.

It is instructive to note that some of our most successful, blue chip companies are the ones who offer the best packages of support for their staff. The motive for this is not just altruism. Flexibility can have a direct impact on the bottom line.

Offering flexibility can increase the pool of available talent at the recruitment stage and ensure that the services of skilled and experienced staff are retained. The CBI’s Employment Trends Survey 2007 shows that the vast majority of employers thought the impact of the right to request flexible working was either positive or neutral in relation to labour cost (78%), customer service (86%), absence rates (97%), productivity (90%), recruitment & retention (99%) and employee relations (97%).

But, while many employers are persuaded as to the advantages of flexibility, there are some who remain to be convinced. We, therefore, propose producing a “good practice guide” for employers on carers needs and on the advantages of a flexible approach. This will include case studies and examples and will be produced and marketed through the business community so that it is not viewed as a product of either Government or the lobby.

We hope to gather support from a range of high profile, sector-leading employers who offer flexibilities beyond the statutory minimum. Ideally we are looking for employers who automatically offer flexible working – as opposed simply to the right to request flexibility - to all employees from day one of their employment. We will use these employers as exemplars to encourage others to follow suit.

As part of this proposal the Task Force also recommends that consideration be given to setting up a specialist SME advisory service to assist small businesses in signposting carers to guidance, support to employers in identifying options for flexible working and reviewing their business impact.

This should be pump-primed with government support and developed in consultation with relevant agencies, to create a self-funding membership/contributions-based service SMEs can join to access the expert, professional support that larger organisations can offer in-house. It may be possible to achieve this by linking with existing information sources eg. ACAS, Enterprise Directorate.
The objective would be to improve the support given to SMEs who may struggle with new legislation and have less access to other information which would help their employees. It would also give employees access to a source of information which they can share with their employers.

Financial and other implications
Indicative costs: Low
Impact: High
Difficulty: Low
Risk: Low

Recommendation
That this proposal is taken forward as soon as possible after the announcement of the new Carers Strategy.
CARE VOUCHERS

Description
A care voucher scheme has been suggested as the best framework to provide carers in employment with appropriate care and support services tailored to individual needs.

The proposal is similar to the existing scheme for childcare vouchers. Vouchers would be offered to employees under salary sacrifice arrangements and would be redeemable against qualifying care. The advantage of vouchers is that they are exempt from income tax and both primary and secondary national insurance contributions. In addition, the administrative costs incurred by employers in supporting the scheme would be exempt from any PAYE or NI liabilities.

Estimates from the London School of Economics, commissioned by the Care Vouchers Campaign put the costs of provision of such a system at between £21m and £120m per annum. But these estimates are very sensitive to untested assumptions about levels of take up and could significant under estimate the actual costs.

Benefits
Vouchers would enable carers to purchase additional care and support services thus helping them to balance paid work and care responsibilities. They could also be used to purchase respite care. In this way they would alleviate pressure on workers with caring responsibilities, helping them to remain in paid work.

By increasing the effective level of wages vouchers may also provide an additional incentive for non-working carers to return to paid work.

Vouchers would bring more funding into care and support services.

There is currently an under supply of care services. Because vouchers can be exchanged only for such services they have significant potential to stimulate supply within the market.

Vouchers could have the effect of raising standards of care through a third party accreditation or approval system, such as exists in childcare. If vouchers are redeemable only against accredited provision this could provide a means of ensuring service providers are of a high quality – for example, that all staff have criminal record and background checks.

Vouchers have the potential to help employers with recruitment and retention, especially of older and female workers, and to improve the motivation and productivity of staff.

Disadvantages
The first argument is that the Government is already making a significant contribution towards the costs of care through support for the care receiver. The care element in Disability Living Allowance and Attendance Allowance are a contribution towards the additional costs of disability, which can include the need to pay for care. So there is already recognition within the support system of the care needs that vouchers are intended to address. The combined cost of the care element in DLA and of AA is currently £8.8 billion per annum. The State is also making significant contributions in the form of service provision which is worth about £12.6 billion a year.

The second point is that vouchers are poorly targeted and regressive. Universal access means that they would be available to people who do not really need additional financial help or who do not have a problem with balancing care and work. There would be no link to the income of the care recipient. Moreover, they are of greater value to higher earners who pay more in tax and NICs. Indeed, those earning round the level of the national minimum wage are likely to see little or no benefit from a voucher scheme. This is contrary to the government’s policy of focussing on those with highest needs and lowest means.

The analogy with childcare vouchers is imperfect. Children are rarely financially independent and have no income source, whereas adults that need care will generally have some financial resources at their disposal, as well as state provided care or benefits mentioned above and their financial position may be very different to the care giver.

While it is possible that vouchers may help to stimulate the market and increase the supply of care services there may be better ways of achieving this, such as personal care budgets or a ‘market management’ role for local authorities.

Financial and other implications
Costs: Provisional estimates put the cost between £21m and £120m per annum. However, these figures are very sensitive to untested assumptions about take up. Costs could be substantially higher.
Impact: High
Difficulty: Medium
Risk: Low

Recommendation

The Task Force are split on this proposal. Some members point to the fact that such a scheme would be expensive, regressive and lead, in some instances, to double provision of public money for the same expense. They also point out that the impact of vouchers on employability is uncertain and untested. They argue that a voucher scheme would not provide the most appropriate, fair or cost effective mechanism of support for working carers.

Other members of the task force believe that universal provision such as this will have a significant impact on enabling carers to balance paid work with
caring. It would achieve this by putting more resources at the disposal of carers and by enabling a great degree of flexibility for carers to build a support package around their individual needs. And as the vouchers can be redeemed only against care services there is significant potential to stimulate the market. If BT’s experience of child care vouchers is anything to go by this is also a key retention tool both generically and particularly for carers.
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