



Tax breaks for care vouchers would help plug widening ‘care gap’

Major new LSE research shows economic benefits of care voucher scheme

A group of leading employers and charities today (11 July) call on Prime Minister Gordon Brown to help carers balance work with their caring responsibilities by giving a tax break for care vouchers. The vouchers would be provided by employers, as a benefit to help their staff who are carers.

The tax break would be used to buy a range of services that older and disabled people say they need, including extra home care, home repairs, gardening, chiropody and other preventative services. A similar scheme is already helping parents with the costs of childcare and could easily be adapted to meet the needs of carers of older or disabled people. Research from the *London School of Economics*, released today, reveals the economic benefits of the proposal. It predicts that for only £37m investment from government, £83m could be generated for care services. This could pay for an extra 5.5 million hours of home care.

The research shows that the vouchers would be an effective and affordable way to bring extra funding to older and disabled people, and would help businesses to retain the skills of their valued and experienced employees – particularly older and female workers.

Our rapidly ageing society is creating massive demand for care services, reducing the number of people of working age in the population and draining the workforce of crucial skills. New ways must be found to help working carers carry on working and caring. Caring is a major cause of early retirement. Currently, 70% of carers under 50 and 80% aged 50 – 60 are forced to give up work to care.

Care vouchers offer a new and innovative way to help carers buy the extra support they need, but which the government does not provide. Most local authorities have drastically cut back care services: now only people with the most severe needs get help from their Council, as the ‘care gap’ widens.

Three in five people will care for someone during their lives. Within 30 years, more than 25% of the population will be over 65 and the number of carers will rise to 9 million. More help is needed immediately to cope with these dramatic changes.

The new right to request flexible working in the 2006 Work and Families Act is a step in the right direction. By giving tax breaks for care vouchers, Gordon Brown can show that carers, and the older and disabled people that rely on them, are a real priority for his new government.

Notes for editors:

- The Campaign for Care Vouchers is supported by a broad group organisations, including:

Charities, Commissions, Institutes: Carers UK, the Chartered Institute of Personnel and Development (CIPD), Counsel and Care, Crossroads Association, Disability Rights Commission (DRC), Equal Opportunities Commission (EOC), Help the Aged, The Age and Employment Network, The Princess Royal Trust for Carers and Working Families.

Employers: BT, Ford UK, HBOS Group, Hertfordshire County Council, HSBC, IBM, John Lewis Partnership, KPMG, Lloyds TSB, Nationwide Building Society, Nestor Healthcare, Tunstall Group.

- It is jointly sponsored by Accor Services, Busy Bees Ltd, Grassroots Group and Sodexo Pass.
- **Case studies, supporting quotations, and interviews with spokespeople can be obtained by contacting the campaign co-ordinator, Marc Woolfson, on 020 7222 9500 / 07960 476 947.**
- Copies of the report, and further details, are available at www.carevouchercampaign.co.uk

Quotes from supporters:

Stephen Burke, Chief Executive, Counsel and Care: "Our ageing population and ageing workforce mean that many more carers are working while looking after an older person. Employers and government could support these carers and attract others back into work by offering care vouchers with tax breaks. Care vouchers would help close the 'care-gap' in Britain."

Elizabeth McLennan, Policy Officer at Help the Aged: "Help the Aged is pleased to support the call for care vouchers to be a standard option from all employers. The vouchers are a great way of releasing money for the benefit of older people and give them a wider choice of services which can help them live independently in their community. Many older people will benefit from the additional help that these vouchers will be able to provide. They will be in the driving seat of maintaining their independence, choice and control."

Imelda Redmond, Chief Executive of Carers UK: "Every day we hear from carers who are forced to give up work because they cannot juggle work and caring. Having access to care services would make all the difference, in the same way that childcare does. It is a scandal that we treat carers differently to parents, given our ageing population and shortage of skilled workers. Its time for action: a system of care vouchers would be a win-win policy for Government, employers and carers."

Sarah Jackson, Chief Executive, Working Families: "We welcome this report as a helpful contribution to the debate on how to support carers remain in employment. We encourage employers to provide the widest possible support to enable their employees to balance caring and working responsibilities. Legislation has recognised that carers of older relatives need flexibility in the workplace. The time is right to consider how care vouchers can help retain skilled employees while ensuring that older people receive the highest quality of care".

Jenny Leitch, Director of Operational Services, Crossroads: "Crossroads Caring for Carers has been providing practical help, support and breaks for carers for over 30 years. In 2005-06 40% of the carers we supported were of working age – 19-60 years so either not working, and probably experiencing difficulties around that, or juggling work or study with their caring role. We support this campaign seeking the same rights to tax-free vouchers for alternative support, as working parents enjoy in relation to child care costs.

The campaign brings to mind two particular carers with whom I worked 20 years ago. One was very indignant that he had to pay for assistance for his wife from his taxed income. The other, who held down a high-powered research job, eventually had to give up work to care. His wife died within a few months of giving up a fast-paced job which it was impossible to resume. Care vouchers could have helped both these carers.

The introduction of adult care vouchers will also engage more employers in supporting staff who are carers appropriately, and help more people who provide unpaid care for a relative or friend to understand that the term 'carer' applies to them. They will then find there is a range of services and support to assist them. When Associated Television, producers of the eponymous TV soap opera, funded the first Crossroads Scheme to support carers in Rugby, in 1974, the term carer was unknown, and services in the carers' own right non-existent. There is now legislation to assist carers; there are benefits, services, support groups and information lines; but if people do not realise that 'carer' applies to them, they miss out. The campaign for tax free vouchers and their distribution by employers, will help us reach many of those 'hidden carers'."

Hywel Francis MP, Chairman of the All-Party Parliamentary Group on Carers: "The All Party Group has long campaigned for a better deal for carers. The Group urges Gordon Brown to take serious note of the campaign to introduce a tax break on a voucher scheme for carers - which is supported by employers, carers, charities and campaigning groups. As the population ages, and more people require care, I believe that care vouchers could provide a vital new source of funding for care services, helping to support carers to stay in work and ensuring that care recipients - of all ages - receive the vital services they need."

Alan Warner Director of People and Property, Hertfordshire County Council – Beacon Council Supporting Carers: "At Hertfordshire County Council we are committed to offering our employees the support they need to balance their working lives with their caring responsibilities. We are delighted to offer our support to the campaign for the introduction of Care Vouchers, which offers practical support for the growing number of people with caring responsibilities."

Sue Jex, Group Head of Diversity, HSBC Bank: "The introduction of a care voucher scheme would give employees flexibility and choice around how they arrange both personal care and support for their relatives. Publicised well, the scheme would be an attractive proposition, with some real benefits to employers, including increased productivity, reduced absenteeism and improved staff retention and morale. This is about fostering the well-being of both employees and their families, ensuring that employees are given support to enable them to balance caring responsibilities with full or part-time work".

Charles Cotton, Reward Adviser at the Chartered Institute of Personnel and Development: "By encouraging better support for employees with caring responsibilities, Government could benefit from reduced long-term care costs, carers will benefit from a reduction in the stresses and strains that can go with caring, and employers can benefit from a less stressed, better motivated and more productive work force. As we face an ageing population likely to create many more working people with caring responsibilities over the coming decades, this modest proposal offers a real win-win return for Government, carers, tax payers and employers alike."

Paul Backhouse, Head of Personnel Policy & Benefits. John Lewis Partnership: "We wish to support all our Partners as they balance their work with their home lives and responsibilities". The commitment of looking after elderly relatives is becoming more of an issue for employers and employees as life expectancy of the population increases. Backhouse says, "We feel that providing a benefit to our Partners in the form of care vouchers for older people further reinforces the Partnership's aim of being an employer of distinction".

Caroline Waters, Director of People & Policy, BT: "At BT we recognise that society will see an increase in the need for care with as many as 3 out of every 5 people in the UK caring at some stage in their lives. We believe that employer-supported adult care schemes will help carers engage with

work and improve the quality of life for those being cared for. That's why BT is pleased to support the further development of this proposal."

Shaheen Akram, Diversity Manager, Ford of Britain: "As leading employers in the field of diversity and equality of opportunity, we recognise the important role that employers can play in supporting staff with caring responsibilities. We welcome this campaign and feel that offering care vouchers as part of salary sacrifice for older people's services, would benefit our employees, their elderly relatives and our business."

Janice Banks, Head of Corporate Personnel, Nationwide Building Society: "At Nationwide Building Society we are committed to diversity and equality of opportunity for all our employees and are pleased to be able to support this initiative. The UK workforce is growing steadily older and as an employer we have to respond to this. At some stage each and every one of us in the future may be required to look after elderly parents or friends who are infirm or incapacitated in some way and we should have corporate policies and practices to enable employees to deal with these responsibilities sensitively. Eldercare is an important part of this and the society is committed to meeting this challenge in the future."

Case Studies:

John Lewis Partnership

With the commitment of looking after elderly relatives becoming more of an issue for employers and employees, the Partnership is supporting a proposal to Government for the introduction of salary sacrifice on eldercare vouchers.

One member of staff with current eldercare responsibilities is Jackie, who works at John Lewis Milton Keynes. Jackie cares for her 85 year old father and previously worked full time. She has now had to reduce her hours to a part time contract in order to better fulfil her caring duties. At the moment her father manages ably in his own home with support from Jackie. However, there have been times when she has had to dash away from work to attend to him after a fall or other crisis. Jackie says, ***'it's not easy to work full time without feeling guilty - guilty that I'm not caring for my Dad while I'm working and guilty that I'm not working if I have to rush home'***. Hence her reduction in hours.

Jackie knows that at any time, there is someone to turn to at work for advice and support. This person is Philippa Meaden, Assistant Registrar.

The Partnership's unique constitution states that Registrars have independent status and are responsible for ensuring that the Partnership's principles and policies are applied consistently. One key function is to provide advice and Philippa has been a great support to Jackie. Philippa says ***'more and more Partners across the business are facing pressure to care for elderly relatives. It is important to raise awareness of the issues and I'm pleased the Partnership is involved in this'***.

There may come a time when Jackie's father needs more help at home, perhaps help with gardening or shopping, or some personal care and for this reason Jackie supports the idea of eldercare vouchers saying ***'my father is an independent and proud man, but one day things might be different and I can certainly see the advantages that this scheme could offer to others in similar positions'***.

HSBC Bank plc

Sarah is 39 years old, has worked for HSBC for over 20 years and has been the joint carer for her 68 year old disabled Mum for the past 17 years. Her Mum is diabetic and paralysed down one side following a severe stroke, which left her needing to use a wheelchair. Sarah says, "You really don't think about how people cope in this sort of situation until it happens to you".

When Sarah's Mum had her stroke and subsequently came out of hospital, her employer was very understanding. They allowed her some flexibility to cover hospital visits and when her Mum came home she took 2 weeks holiday followed by 2 weeks compassionate leave to help settle the family into a routine, with support from the social services who helped train the family in aspects of Sarah's Mum's care needs.

When the stroke happened Sarah's Dad was still alive, although not in good health himself. He was at home all day and could only manage general tasks. After a while he became unable to continue and social services were approached for assistance, as both Sarah and her sister worked full time. This was unsuccessful, so with only some assistance from a private care agency for whose services the family had to pay, Sarah and her sister had to meet the full care needs of their Mum whilst continuing to work.

The provision of care vouchers would have enabled Sarah and her sister to select the most appropriate level of support required from a range of accredited and pre-approved providers, giving them control over the arrangements made for the ongoing care of both of their parents.

Their employer would have been able to support them with the cost of this care through the vouchers benefit in kind approach. Sarah and her sister would have benefited from the N.I. and tax contributions. Their employer would have been exempt from N.I. and tax contributions for the administrative costs of running the scheme.

When Sarah's Dad passed away in 1998, Sarah and her sister faced new problems with their Mum totally alone in the house all day. Concerns were somewhat relieved by the emergency telephone line and buzzer installed but this did not make Sarah feel totally assured about her Mum's health or safety whilst she was at work.

Most of the time, Sarah's routine works well but when this breaks down, such as when a carer doesn't turn up for an appointment, then difficulties arise. This can be extremely distressing and worrying. At times like these Sarah or her sister have no alternative but to take time off work at very short notice to be with their Mum.

With the introduction of a care voucher service, Sarah would be able to make important choices about the services she accesses to ensure they meet her mother's specific needs. For example, she might have been able to select a carer who lives closer to her mother's home, which would have reduced the risk of missed appointments.

Accessing a service that meets their specific requirements would help maintain their mother's quality of life. It would allow Sarah and her sister to feel more confident that their mother was being adequately cared for, thus reducing their levels of stress and increasing their productivity at work. Sarah may also have the flexibility to choose from other services that can help improve her mother's general well-being, for example, cleaning services, help with shopping and chiropody.

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