

Terms of Reference for the Independent Review of Carer's Allowance overpayments

Purpose

1. This independent review is commissioned by the Secretary of State for Work and Pensions to establish how overpayments of Carer's Allowance linked to earnings have occurred, what can best be done to support those who have accrued them, and how to reduce the risk of these problems occurring in future.
2. The review is non-statutory and is convened to provide recommendations within its scope to the Secretary of State for Work and Pensions.

Context

3. The number and value of overpayments of Carer's Allowance linked to earnings has been an issue of political and public interest for some years. The nature of the benefit, where exceeding the weekly earnings limit means an individual is no longer eligible to receive any Carer's Allowance in that week, means that overpayments can build up relatively rapidly.
4. Reports of carers accruing large amounts of overpayments of Carer's Allowance due to their earnings have been widely reported in the media. The Work and Pensions Select Committee in the last Parliament took evidence on Carer's Allowance overpayments and commissioned work by the National Audit Office.
5. This review has been commissioned to obtain an independent view of the situation and its causes, and to recommend potential solutions for the Government to consider.

Scope

6. The independent review will outline how the current situation has arisen and explore what the Government can do in future to ensure that carers do not accrue large overpayments of Carer's Allowance because of their earnings. It should consider:
 - a. How overpayments of Carer's Allowance linked to earnings accrued and why this has happened;
 - b. What changes can be made to reduce the risk of such overpayments accruing in future; and
 - c. With respect to overpayments already made, how we can best support those who have accrued them.

7. The review should give due regard to the potential sustainability and long-term impacts of any recommended changes.
8. The review should be limited to Carer's Allowance overpayments related to earnings. The review will not cover eligibility requirements for Carer's Allowance, or broader support for unpaid carers, financial or otherwise.
9. The review will cover England and Wales. Carer's Allowance is a devolved matter in Scotland, and a transferred one in Northern Ireland.
10. The review is not a substitute for legal proceedings and the existence of the review does not prejudice any business-as-usual action by DWP.

Review team and operation of the review

11. The Independent Reviewer will be Liz Sayce OBE, former Disability Rights UK Chief Executive and interim chair of the Social Security Advisory Committee, now visiting professor in practice at LSE.
12. The Independent Reviewer will convene a small advisory panel to provide advice and act as a critical friend to the review.
13. Secretariat support will be provided by the Department for Work and Pensions.
14. The Independent Reviewer and panel will comply with all relevant confidentiality provisions and requirements.
15. The review will include a process for individuals and stakeholders to input their evidence and views, and these will be taken into account in drawing conclusions and developing recommendations. This will include roundtable events to test the lines of enquiry for the review and emerging conclusions.
16. All Government departments and/or agencies are expected to cooperate with this review, and to provide the Independent Reviewer with access to all relevant information necessary.

Deliverables

17. The review's findings and recommendations must be submitted to the Secretary of State for Work and Pensions at a date determined by the Minister for Social Security and Disability, expected to be in early summer 2025. The content of the report is the sole responsibility of the reviewer appointed to conduct the work, who will have the final say on all key outputs and recommendations. The timing and manner of the publication of the

independent report will be determined by the Secretary of State for Work and Pensions.