What could make the difference?

Care leavers and the welfare benefits system
## Abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>DCSF</td>
<td>Department for Children Schools and Families</td>
</tr>
<tr>
<td>DLA</td>
<td>Disability Living Allowance</td>
</tr>
<tr>
<td>DWP</td>
<td>Department for Work and Pensions</td>
</tr>
<tr>
<td>ESA</td>
<td>Employment Support Allowance</td>
</tr>
<tr>
<td>ETE</td>
<td>Education, Training and Employment</td>
</tr>
<tr>
<td>HB</td>
<td>Housing Benefit</td>
</tr>
<tr>
<td>HMRC</td>
<td>HM Revenue and Custom</td>
</tr>
<tr>
<td>IB</td>
<td>Incapacity Benefit</td>
</tr>
<tr>
<td>IS</td>
<td>Income Support</td>
</tr>
<tr>
<td>JSA</td>
<td>Jobseekers Allowance</td>
</tr>
<tr>
<td>LHA</td>
<td>Local Housing Allowance</td>
</tr>
<tr>
<td>NCAS</td>
<td>National Care Advisory Service</td>
</tr>
<tr>
<td>UASC</td>
<td>Unaccompanied Asylum Seeking Children</td>
</tr>
</tbody>
</table>
### Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Summary</td>
<td>2</td>
</tr>
<tr>
<td>Introduction</td>
<td>6</td>
</tr>
<tr>
<td>Compressed and accelerated transitions</td>
<td>6</td>
</tr>
<tr>
<td>Catching up with Care Matters policy</td>
<td>6</td>
</tr>
<tr>
<td><strong>Barriers to overcome</strong></td>
<td>7</td>
</tr>
<tr>
<td>Inconsistencies in support</td>
<td>7</td>
</tr>
<tr>
<td>Problematic processes</td>
<td>8</td>
</tr>
<tr>
<td>Lack of information</td>
<td>9</td>
</tr>
<tr>
<td>Disincentives to move into education, training and employment</td>
<td>10</td>
</tr>
<tr>
<td>Disincentives to maintain accommodation</td>
<td>12</td>
</tr>
<tr>
<td><strong>Changing the system — Recommendations</strong></td>
<td>15</td>
</tr>
<tr>
<td>If this was my child what would I do?</td>
<td>15</td>
</tr>
<tr>
<td>Immediate improvements</td>
<td>16</td>
</tr>
<tr>
<td>Amending regulations</td>
<td>17</td>
</tr>
<tr>
<td><strong>Conclusion</strong></td>
<td>19</td>
</tr>
<tr>
<td><strong>Appendix</strong></td>
<td>20</td>
</tr>
<tr>
<td>1. Source of evidence</td>
<td>20</td>
</tr>
<tr>
<td>2. Current position: Care leavers’ benefits entitlements</td>
<td>20</td>
</tr>
</tbody>
</table>
Executive Summary

Introduction

Since the Children (Leaving Care) Act 2000, the Government and frontline practitioners have continued to extend the support offered to care leavers to minimise the disadvantage associated with spending time in care. However, achieving improvements in outcomes can be hampered by the current benefits system, which works against local authorities seeking to fill the parenting gap experienced by young people in and leaving care.

To explore the issues that care leavers face with the benefits system, at the request of the DCSF and the Children’s Minister, Delyth Morgan, NCAS organised a stakeholder seminar and conducted a scoping exercise in the sector. This report outlines the priority themes and solutions that emerged from this work.

Barriers to overcome

Filling the ‘parenting gap’

Young people in care are likely to leave home younger, and have more abrupt transitions to adulthood, than their peers. Most other young people remain in their family home and do not claim benefits at 18, especially if they are in further education. Yet the current system compels care leavers to. Many are expected to live independently and manage their own income and household, as soon as they reach legal adulthood, or to claim housing benefit to part fund continuing placements with former foster carers.

The Children (Leaving Care) Act 2000 enhanced corporate parents’ financial responsibilities for care leavers. It took 16 and 17 year old care leavers out of the benefits system and placed a duty on children’s services to provide for their accommodation and maintenance. Leaving care policy has progressed further since the Act and care leavers are increasingly supported by former foster carers and social services for longer, in some cases into their mid-20’s. However, the benefits system has not yet caught up with this change in policy.

Inconsistencies in support

The support for transitions from care that corporate parents provide is increasingly based on young people’s needs rather than their age. This is to ensure that young people are not arbitrarily pushed into independent living at a set age, without an assessment of their capacity to cope on their own. By contrast the benefits system entitles you to different types and levels of assistance depending on your age.

Limited children’s services’ budgets mean that even good corporate parents must ensure that young people maximise the income they can receive from the benefits system, though some local authorities may top up benefits or support young people outside the benefits system in specific circumstances through Section 24 payments. However, current guidance from government does not spell out when, or for how long, they should do this. As a result, there are great inconsistencies in practice across the country, which lead to great disparity in young people’s experience of leaving care: not all young people receive the same support or the support they need.

Problematic processes

Care leavers are an especially vulnerable group of young people and they can often be disadvantaged in a benefits system that is difficult to navigate. The call centre system and delays in processing claims are extra stressors at a time when young people are dealing with great change in their lives. Poor communication between services and lack of joint working processes can make it difficult for leaving care services to support young people with their claims.

Lack of information

The benefits system is not well understood by care leavers and leaving care workers, or even by those who operate within it. Many services report instances of misinformation from benefits officers and Jobcentre plus services and young people being denied benefits they are entitled to.

1 See footnote 6, page 7
Disincentives to move into education, training and employment (ETE)

One of the key government targets through Public Service Agreement 16 is to move care leavers into ETE, but the benefits system can hinder this move.

The short term and low paid employment opportunities open to the many care leavers with limited qualifications will not necessarily make them better off, and they can sometimes not participate in schemes that will improve their employability without losing benefits entitlements. Specialised support schemes set up by leaving care services to improve employability are not always recognised by Jobcentre plus services.

Care leavers may lose their benefits if they undertake activities for over 16 hours a week (e.g. if they undertake work experience programmes), or if they are too old to be entitled to support with second chance learning (i.e. to build up the qualifications that they have missed out on through interrupted educational careers when younger). Care leavers can currently access housing benefit and income support until the age of 21, if they are in non-advanced education, but only if their course starts before their 19th birthday.

Disincentives to maintain housing

Stable housing is essential for young people to engage with education, training and employment and make a successful transition to independent living.

The Local Housing Allowance (LHA) is the name for the way housing benefit payments for the private rented sector are calculated. Some young people find it difficult to manage their rent payments and, when LHA is paid straight to them, end up in arrears, threatening their tenancy. Although it is possible within the current system to arrange payments direct to the landlord, if a young person is deemed vulnerable, many leaving care services report that illustrating this can be difficult and a very negative process for the young person.

Younger care leavers (18—21) are exempt from the shared room rate that restricts people under 25 to a LHA payment equivalent to a room in a shared house. However, at age 22 care leavers are no longer exempt from this and so the properties that they have been resettled in, whilst in contact with the leaving care service (between 18—21), can become unaffordable as the amount of money they receive decreases.

More generally, having to claim housing benefit from 18, even if they continue to live with their former foster carers, does not replicate the experience of parenting that young people who continue to be supported by their parents receive. Their carers effectively become their landlords, which many carers and young people feel uncomfortable with.

Changing the system

If this was my own child, what would I do?

Corporate parenting encompasses the collective responsibility of local authorities to achieve good parenting for all children in their care. The benefits system is a poor replacement for the financial support that most people receive from their families.

The Government’s Care Matters white paper (2007) seeks to ensure that young people in and from care experience a gradual transition from care and have the same life chances and opportunities as other young people. The majority of young people living with their birth families are not expected to move into the benefits system when they reach the age of 18, and if they are in further education would be unable to access it. Young people leaving care should not be expected to access the benefits system any earlier than their peers.

In current guidance and legislation local authorities have a duty (or power, depending on the young person’s leaving care status), as their corporate parent, to support young people in education, training and employment, but are not expected to be care leavers primary source of funding when aged over 18. Young people are therefore generally expected to maximise their income from benefits.

2  www.cabinetoffice.gov.uk/about_the_cabinet_office/publicserviceagreements.aspx
This dual system is confusing, and instead of placing young people from care on the same footing as the majority of their peers (who remain in their family home), differentiates them.

Corporate parents should continue to offer financial support through Section 24 payments to young people who are in further education instead of pushing them onto benefits, and they should reclaim this money from benefits budgets. This would ensure that the up to 5,000 care leavers in England in further education are supported by their corporate parent in the same way that their peers are supported by their families.

To ensure consistency of practice across the country, the financial support that care leavers should expect from their corporate parents and its relationship to benefits should be outlined in detail in the DCSF guidance on transitions from care,3 which will clarify the provisions of the Children and Young Persons Act 2008.

Achieving this long term goal requires cross departmental budgets to be reapportioned via a reclaim mechanism to ensure that local authorities can support care leavers to remain out of the benefits system. We do not envisage that this change would need additional investment as the minimum allowances would remain the same. The significant difference is that young people would get their financial support via their corporate parent, who already supports them through the pathway planning process and can use this to respond to the needs and aspirations of the young person.

**Immediate improvements**

The above recommendation will remove a significant number of the issues with accessing benefits for care leavers. However, some young people from care will still need to access benefits, e.g. those claiming Jobseekers Allowance. There are a number of specific changes to the benefits system that would help young people leaving care and those that support them.

**Named contacts:** The role of the under-18 Specialist Advisers in Jobcentre plus services should be extended to cover care leavers (18–25) or, if there are no under-18 advisers, this role should be assigned to a designated worker. A benefits lead should be established in each leaving care team. These named contacts would improve communications, establish a framework for joint working, resolve many of the difficulties with processing benefits and keep up-to-date with entitlements and current issues for care leavers.

**Training:** As part of their extended role the named specialist advisers should be trained around care leavers specific benefits entitlements and needs. Joint training/meetings with leaving care services would be a cost effective way of training specialists, improving understanding of each other's services and developing links and keeping up to date with new developments.

**Paper claims:** The current preferred method within Jobcentres for processing applications for 16 and 17 year olds is in person at their local Jobcentre; this should be extended to care leavers (18–25). Those who wish will still be able to use the telephone system for their claims.

**Guidance on entitlements:** Easy to read and accessible guidance explaining the benefits entitlements of care leavers and current employability support offered under New Deal and Flexible New Deal should be developed with the support of the DWP and distributed to leaving care teams, benefit and Jobcentre plus offices.

**Joint working guidance:** Local authorities running employability schemes for care leavers should be recognised as ‘partner providers’ by Jobcentre plus, and such schemes would fulfil the requirements of Job seekers agreements. A blueprint of what these partner provider schemes would offer should be produced by NCAS national employability scheme (From Care2Work)4 and agreed by the DWP. A joint working guidance should be issued by the DWP and the DCSF, to clarify acceptable partnership agreements and define the roles of each service in processing...
benefits claims and improving care leavers’ employment prospects and social mobility.

**Payments of Local Housing Allowance:**
LHA claimants should be given the choice to specify that payments should be made straight to their landlord, without having to evidence vulnerability.

**Amending regulations**
Young people will get their financial support from leaving care teams until 21 under our proposal, but the Government’s Care Matters agenda recognises that care leavers have a high risk of experiencing delayed educational careers and as a result will require support for longer. The Children and Young Persons Act 2008 extends the role of the personal adviser and offers young people the opportunity to return to services for support with education and training until the age of 25. In line with this, several benefits regulations should be amended to facilitate access to education and ensure older care leavers get more seamless support.

**Training allowance:** The training allowance, which was confirmed in the welfare reform white paper Raising Expectation, Increasing Support, is currently available for 8 weeks training after 6 months on JSA or at the discretion of Jobcentre advisers. This should be automatically offered to care leavers (at any point of their claim) and allow them to undertake up to 6 months training.

**Second chance learning:** Given the often interrupted and delayed educational careers of many young people in and leaving care they are more in need of support with second chance learning than other young people. Care leavers should be able to take up non-advanced education at any point until their 25th birthday and continue to claim housing benefit and income support whilst studying. Entitlement should not be restricted to courses started before a young person’s 19th birthday and should allow young people to build on previous qualifications until they have achieved the equivalent of A-level qualifications.

**Extend the exemption to the shared room LHA rate:** The shared room LHA rate exemption that currently applies to care leavers between 18 and 21 should be extended until 25, to avoid tenancies that young people have been resettled to becoming unaffordable at age 22.

**Conclusion**

Our pre-seminar scoping illustrated that there are many more benefits issues that relate to care leavers than we can cover here. There are, for example, specific issues for disabled young people, those seeking asylum or who have children. NCAS plans to explore these issues further in our future policy work. We see the benefits seminar and this report as the beginning of a more formal debate on care leavers and benefits, with clear recommendations both for those that administer the benefits system and those that support care leavers to be pushed forward jointly between the DCSF and DWP, ourselves and local authorities.

The proposal of giving financial responsibility for care leavers in further education to their corporate parent would ‘level the playing field’, by placing them in the same position as other young people who would not claim benefits if living with their parents. Those who are not in education, training or employment would go through the traditional benefits route, but could, through local authorities as Jobcentre plus partner providers, be supported to engage with education training and employment by services that cater to, and understand, their needs.

Our proposals would also ‘iron out the creases’ in the current system, by making it easier to navigate for care leavers and those that support them. The recommendations aim to ensure that fewer young people become reliant on benefits and in danger of becoming entrenched in a benefits culture by the time they reach the age when leaving care services are withdrawn.

Reforming the financial responsibility for care leavers does not have to be more expensive, but it will require a careful look at how money is channelled in local authorities and through the benefits system. Consultation with young people and leaving care services around the practicalities of implementing this proposal is needed to ensure that any implementation takes account of the real cost to local authorities and ensure that budgets are reallocated and recharging systems in place accordingly.
Introduction

Since the Children (Leaving Care) Act 2000, the Government and frontline practitioners have continued to extend the support offered to care leavers to minimise the disadvantage associated with spending time in care. However, achieving improvements in outcomes can be hampered by the current benefits system, which works against local authorities seeking to fill the parenting gap experienced by young people in and leaving care.

To explore the issues that care leavers face with the benefits system, at the request of the DCSF and the Children’s Minister, Delyth Morgan, NCAS organised a stakeholder seminar and conducted a scoping exercise in the sector, drawing from individual feedback and existing evidence. This report outlines the priority themes and solutions that emerged from this work. More detail on the sources of the information contained is highlighted in the appendix. The appendix also provides a brief summary of care leavers’ benefits entitlements.

Compressed and accelerated transitions
Young people in care are likely to leave home younger and have more abrupt transitions to adulthood than their peers. Most other young people remain in their family home and do not claim benefits at 18, yet this is what the current system compels many care leavers to do. Many are still expected to live independently and manage their own income and household as soon as they reach legal adulthood, whilst others claim housing benefit to part fund the cost of continuing placements with former foster carers.

Catching up with Care Matters policy
As the role of the corporate parent was enhanced with the Children (Leaving Care) Act 2000, 16 and 17 year old care leavers were taken out of the benefits system and a duty was placed on children’s services to provide for their accommodation and maintenance. Since the Act the policy agenda has moved on further. As part of the Care Matters white paper, and the associated Children and Young Persons Act 2008, there is a drive to ensure that young people only leave care when they are ready and not before their 18th birthday, to mirror the fact that most other young people are likely to remain at home until their mid-20’s.

The Care Matters agenda includes initiatives such as the Staying Put pilots, which allow young people to remain with their former foster carers until they are 21 and the extension of the support of personal advisers until 25 for young people in education and training. However, the benefit system has not yet caught up with this policy to extend care leavers transition to adulthood.

“Whilst other young people their age are out celebrating, young people leaving care in further education must spend their 18th birthday putting in their claims for income support and housing benefit/local housing allowance.”

Leaving care manager

5 Exceptions include disabled young people and young parents who can claim some benefits — see Annex 2
Inconsistencies in support

The support for transitions from care that corporate parents provide is increasingly based on young people’s individual needs rather than their age. This approach ensures that young people are not pushed into independent living at a set age, without an assessment of their capacity to cope on their own. By contrast the benefits system entitles you to different types and levels of assistance depending on your age.

Limited social services’ budgets means that even good corporate parents must ensure that young people maximise the income they can receive from the benefits system, though some local authorities may top up benefits or support young people outside of the benefits system in specific circumstances through Section 24 payments. However, current guidance does not spell out when, or for how long, they should do this. As a result, at present, there are great inconsistencies in practice across the country, which lead to great disparity in young people’s experience of leaving care: not all young people receive the same support or the support they need.

“They haven’t helped me with my benefits for two and a half months. I don’t have any food money to live on, so they don’t care about my health in that respect.”

Care leaver

Care leavers find it very difficult to manage on the low incomes associated with benefits, especially without a family to fall back on. If they are single, they will get lower rates of Job Seekers Allowance (JSA) until 25, but, as they cannot remain at home with their families, they may have more costs to meet than other young people, and not all local authorities would compensate for this.

Young people also experience a great deal of financial uncertainty. Care leavers report being left for periods of time with no financial support, or with support on a week by week basis from their local authorities who will not commit to ongoing help while the young person is not in receipt of benefits. In other cases interim support is provided as a loan that the young person is requested to pay back.

---

6 Councils have a duty to assist ‘former relevant’ young people with the expenses associated with employment, education and training, although the guidance associated with the Children (Leaving Care) Act 2000 states that ‘the responsible authority does not have a primary financial-support role for this group. Former relevant children should derive their income from the same sources as their peers — through employment, student loans, welfare benefits and so on.’ However, the guidance goes on to state that ‘the same considerations continue to apply to this group’s special needs as set out in paragraph 9.70 of Volume 3 of The Children Act 1989 Guidance and Regulations. The power described there to provide assistance in kind or in cash becomes a duty under this 2000 Act in respect of former relevant children.’ (p.60) With young people who qualify for assistance under section 24, local authorities have the ‘power to provide assistance to these care leavers where this is connected with the young person’s employment (section 24B(1), education, or training (section 24B(2)) ... any such financial assistance or grant provided under section 24B(2) where this is connected to a course of education or training may be given up to the age of 24 (section 24B(3)).’ (p.66) Children (Leaving Care) Act 2000: Regulations and Guidance


---

NCAS • March 2010 What could make the difference? Care leavers and the welfare benefits system
Barriers to overcome

Problematic processes

Effective processing of claims is especially important during transitions on, off or between benefits, as young people may already be dealing with the increased stresses of their changed circumstances. Uncertainty of outcomes and delays in processing claims add more stress when young people are dealing with important transitions in their lives — they may be starting a new college course, establishing their first independent homes, or be dealing with the emotional isolation of living on their own.

Effective processing of claims is especially important during transitions on, off or between benefits, as young people may already be dealing with the increased stresses of their changed circumstances. Uncertainty of outcomes and delays in processing claims add more stress when young people are dealing with important transitions in their lives — they may be starting a new college course, establishing their first independent homes, or be dealing with the emotional isolation of living on their own.

Call centre applications

Several leaving care teams report that many young people find it difficult to make their benefit claim over the phone, e.g. they may have limited English language skills or misinterpret questions being asked and it is sometimes difficult for services to support young people through the process.

“After an initial call where basic details are communicated, the call centre calls back, usually several hours later to complete a 45 minute interview ... by which time the support worker is no longer with the young person”. Leaving care manager

Several leaving care teams also report that call centres will not always allow personal advisers to actively assist young people with communications. Although the system allows for paper applications, this is not always understood by benefits staff, or offered as an option. Care leavers may not have the communications skills to assert themselves and ask for a paper claim, even when they would prefer this.

Delays in processing claims

Leaving care services report delays in processing new claims or transfers between benefits. In one local authority new JSA and Housing Benefit (HB) claims take eight weeks to process, leaving young people to build up arrears relying on crisis loans and finding it difficult to budget. Several leaving care services report that young people are refused access to social fund and other payments, as leaving care teams will provide support until their benefits arrive. As good corporate parents local authorities generally support young people with Section 24 money, until their claim is processed, yet the local authority is unlikely to be able to claim the money back from the young person or the benefits system, which impacts on the budgets available for other services.

Children’s services leaving care teams are thus often compensating for the shortcomings of the benefits system and picking up the costs of delays. Much valuable staff time is also used to advocate and support young people on this issue. In addition, some leaving care managers report that children’s services emergency payments are sometimes wrongly seen as income and can prejudice young people’s benefits applications.

Poor communication between services

Good joint working between leaving care services and benefits staff is essential to ensure that packages of support are arranged promptly.

However, the role of leaving care services is sometimes not recognised and there are rarely systems in place for effective joint working. Leaving care managers report that, even when consent letters are in place, they find it difficult to establish channels of communication. The Department of Work and Pensions (DWP) guide ‘Working with Customer representatives’, which provides implicit consent to share information, is sometimes not adhered to. In some cases enquiries from leaving care staff are only dealt with if the young person is present.

“When a young person gets into problems with their money (payments stopped etc.) they often approach us for money in lieu. Normally I would ask the caseworker to check that the claim is active and in place and the reason for delay, before agreeing to pay the shortfall. Without a working link between us and the local DWP this becomes
impossible and we end up agreeing (or not) payments without knowing the full situation. This could result in double payments, us putting a ‘sticking plaster’ on a situation that, if we had the full facts, we would have chosen another course of action for”. Leaving care manager

Many services lack named contacts within Jobcentre plus or benefits offices that they can turn to with queries regarding care leavers’ benefits claims. Despite these problems, there are examples of good joint working around the country. Several leaving care teams have Connexion’s workers or Welfare rights officers seconded to them and this has been shown to be particularly effective, as has regular liaison meetings.

In Bradford the leaving care team can raise issues at bi-monthly Partnership Liaison Meetings with the DWP and specific cases can be raised by email with the Partnership Liaison Manager — these processes help to resolve specific case issues and help understand difficulties in non resolved issues.

Poor planning of transitions

Pathway planning ensures that the local authority knows exactly when a young person is likely to be entitled to, or in need of benefits (i.e. at age 18). Yet there are generally no systems to submit claims in preparation for the transition from care. Several leaving care managers report that, although early applications (prior to a young person’s 18th birthday) are allowed in regulations, they are disallowed verbally. Several leaving care teams report that some young people have to wait several weeks after they turn 18 for their claims to be processed, despite all documentation being received. Similarly, there are delays in processing claims for care leavers coming out of custody.

A pilot is currently running in the West Midlands (Dudley, Wolverhampton, and Smethwick) to streamline the process for care leavers benefits claims. The process allows for claims forms to be issued and completed 2–4 weeks prior to young persons 18th birthday with leaving care personal advisers (PA) helping the young person to complete them and check that they have the documentation needed for them to be processed. The young person is initially seen by the 16/17 Advisor at the Jobcentre and the Work Focussed Interview is completed on or shortly after the 18th Birthday (they are not allowed to have this until they have turned 18). Named contacts within the Benefits Delivery Office process and fast-track claims and deal with any enquiries from the leaving care team. The Personal Adviser can discuss any problems with payments with the named contact, provided there is a disclosure mandate.

Lack of information

Care leavers are an especially vulnerable group of young people and they can often be disadvantaged in a benefits system that is difficult to navigate.

System not understood by care leavers and leaving care workers

“You don’t know if you are even receiving the right benefit”. Care leaver

Young people say that they need more help to understand benefits entitlements and application processes and that this should be included in pathway planning. They value workers who ensure that appropriate payments of grants and benefits are in place before they leave care.9

The lack of clarity around benefits can act as a disincentive to move into education, training and employment (ETE). Uncertainty of what impact taking up ETE could have may make young people more reluctant to change their circumstances. One authority worked with a self-employed single young woman who, when asking about maternity payments, received four different answers — from no entitlement to being able to get JSA whilst actively looking for work.

Understanding processes better can make the claims process more efficient. Jobcentre plus can process claims more quickly if leaving care services support young people to bring the right paperwork to interviews, i.e. information on when they were legally discharged from care, under what Act they were supported, and what other provision there is available to support them.

**Lack of knowledge of care leavers and leaving care services within benefits services**

Benefits agencies have limited experience of working with young people, as most 16—19 year olds are outside of the benefits system. Young people in and from care accessing benefits are an even smaller group. Lack of regular contact can further limit advisers’ understanding of care leavers’ needs and legal situation. The difference between the support provided under Section 17, 20 or 24 of the Children Act 1989 will be unclear to most Jobcentre Plus staff, yet are crucial to benefits entitlement. This can lead to incorrect advice or refusal of claims. Several local authorities report that the exemption for care leavers 18—21 from the shared room rent Local Housing Allowance (LHA) restriction is not recognised and that leaving care team have to contest decisions to get the appropriate level of LHA. Local authorities also report instances of income support claims being wrongly rejected for young parents or young people turning 18 and in education or employment schemes that qualifies them for support.

Some leaving care teams also report that advisers can be put off by young people with challenging behaviours and become unhelpful. They do not recognise the complex needs and vulnerability of some care leavers that may require services to be more flexible.

**Disincentives to move into education, training and employment**

One of the key government targets through Public Service Agreement 16 is to move care leavers into education training and employment, but the benefits system can hinder this move.

**Short term and low paid work**

“**Why would you work a crappy job if you were not going to be much better off?**”

Care leaver

Care leavers tend to have poorer qualifications and less work experience than other young people. Some feel that it does not pay to move off benefits because they can only get short term and/or low paid work. Delays in processing claims could leave them for periods of time without money when they move between unemployment and short-term positions (or training courses). As a result some young people think this is not worth the risk. High rents and the low income thresholds for entitlement to housing benefit (HB) also make low paid employment unattractive.

“They say I am not entitled to the back to work bonus (Job Grant) as they don’t class the traineeships as employment; however the £85 I will get is seen as income. It should be further education, then I would get help with things like travel costs.” Care leaver
With Housing Benefit a young person has to contribute 65% of their after-tax earnings towards their housing costs, ignoring an amount equivalent to JSA and normally another £5 a week. This ‘taper’ applies to all HB claimants but bites hardest on younger claimants because their JSA rate is lower in the first place. A 26 year old worker earning £120 a week will get more housing benefit than a 20 year old worker earning the same amount. An unemployed young person will get JSA of £50.95 a week, and their £80 a week rent met by HB. If they get a job paying £107 a week, they will pay £34 towards their rent. So instead of being £56 a week better-off by working, the gain drops to just £22. Fares to work could wipe out some or even all of that ‘gain’.

“We had a case where one of a JSA joint claiming couple started an apprenticeship on a £70/80 wage. Because it is counted as full-time employment and not training, neither the claimant nor their partner were able to obtain any JSA. [Due to their age, they cannot get Working Tax Credits.] This means that the couple are £10–20 worse off whilst the apprentice is working 37 hours per week and trying to better themselves”. Leaving care manager

Where agreements have been reached between leaving care services and Jobcentre plus they will generally not allow young people to continue to receive benefits if they undertake activity that exceeds 16 hours. The requirement that young people must be available for job interviews also limits the opportunities that are available.

Part time employment for young people in further education

Some care leavers over 18 in further education find it impractical and not worthwhile to get a part-time job like other young people their age do, because they would lose some or all of their entitlement to Income Support (IS) and HB/LHA. There are very few part-time jobs that pay enough to compensate for this, particularly if young people are living in supported accommodation like foyers and supported lodgings (which they are encouraged to do) that can have high rents. This disadvantages young people leaving care in the long-term, as they do not have the extra income or the work experience that other students can offer when they apply for their first job.

16-hour rule for part-time students

The 16-hour rule restricts people from claiming JSA and therefore housing benefit, if they are studying for more than 16-hours a week. Local authorities report that the 16-hour rule is a great disincentive for care
Barriers to overcome

leavers to move into training and education. An amendment to the 16-hour rule was proposed in the welfare reform green paper so that “those who have been receiving JSA for more than six months – or those whose personal advisers believe need urgent help to update skills – will be able to take part in full-time employment-related training for up to eight weeks while receiving a training allowance.”12 The welfare reform white paper confirmed that this is being trialled in the West Midlands13 and the additional support should become available as the Flexible New Deal is rolled out across the country.

However, waiting for 6 months before qualifying for support can lead to a loss of motivation to engage in ETE. In addition, eight weeks of employment related training may not meet the needs of all young people leaving care. Many courses that provide real quality employment opportunities are longer. Many care leavers, who fall into the harder to reach, more vulnerable group are further behind their peers in terms of qualifications and require a slower build-up to engage with employment, education and training.

“We had seven young people going to university last year and they were all one or two academic years behind their peers, starting university at 20 and 21. They were the most able care leavers that we support; imagine how much catching up those who are less able have to do”.
Leaving care manager

Second chance learning

From April 2009 all young people who have missed out on education can take up non-advanced training (up to A-level) and continue to claim IS/HB until they turn 21. The extension of support for second-chance learning is welcome, but 21 may still be a too early cut off for those young people whose experience of care is coupled with disrupted education. Young people are also still required to commence any course before their 19th birthday, which may preclude many who are in need of this support. Care Matters extends support of a personal advisor to care leavers, who are in, and seeking, education up until age of 25. It would be consistent with these policies to extend entitlement to financial support for second chance learning for care leavers through IS and HB to age 25.

Additionally, clarification of the definition of a ‘course’ under the rules is needed. Many qualifications build on each other, however a series of inter-linked qualifications may not be interpreted as a single course for the purposes of IS and HB payments, e.g. gaining an NVQ level 1 may be deemed the end of that course, even though the young person plans to progress to NVQ level 2. If the progression is timed to happen after a young person’s 19th birthday, they may be deemed not to be entitled to IS/HB.

Disincentives to maintain accommodation

Stable housing is a prerequisite for young people to be able to engage with education, training and employment and make a successful transition to independent living. The two issues that were raised most frequently by leaving care services in relation to housing and benefits related to the Local Housing Allowance (LHA), which is the name for the way housing benefit payments for the private rented sector are calculated.

Local housing allowance — payments to landlords

With LHA, payments are generally made to the claimant who then has to pay their landlord rent. This was introduced to encourage financial independence and responsibility. It gives tenants more power against landlords who do not maintain the

standard of their properties. However, several local authorities report that care leavers receiving LHA often fail to make their rent payments, so they build up arrears and risk eviction. If they are evicted, this can also have a negative impact on future housing options as the young person may be deemed intentionally homeless and/or end up in unsuitable temporary accommodation such as bed and breakfast accommodation.

Although it is possible within the current system to arrange payments direct to the landlord, if the young person is identified as vulnerable, many leaving care services report that this can be difficult and a very negative process for the young person. Care leavers, or the person supporting them in completing a housing benefit application, have to outline why they are vulnerable and provide a great deal of sensitive information. Recent changes made by the DWP to the Local Housing Allowance guidance manual boosted the importance of the local authority homelessness team or the homelessness prevention team in the process whereby a local authority decides whether to make a housing benefit payment direct to the landlord rather than the tenant. However, the same provision was not made for leaving care services, despite research highlighting care leavers’ high risk of homelessness and poor housing outcomes.14

“The guidance identifies that where a household has been helped through the local authority homelessness prevention scheme or housed through that service’s landlord assisted tenancy scheme this ‘will often be reliable evidence that a person has had difficulties managing their rent in the past and in many cases safeguarding is likely to be appropriate’ to trigger ‘safeguarding’ and direct landlord payments.”15

Local housing allowance — shared room rent

If you are single and under 25 you can only get Local Housing Allowance for the equivalent of bed-sit accommodation or a room in shared accommodation. Care leavers between 18 and 21 are exempt from this and can claim for a 1 bed property. However, this no longer applies once they reach 22. Hence some young people may have been resettled into accommodation that they can no longer afford when they reach 22, as the amount of money they receive for their rent falls. This also coincides with the time when leaving care support is withdrawn from many young people, unless they are continuing in education and training.

Care leavers are particularly vulnerable to homelessness, which is why they are a priority group for housing under homelessness legislation and, presumably, why the 18–21 exemption for care leavers was introduced. For some young people leaving care, who have had difficult experiences, shared accommodation is not appropriate. The system also disadvantages care leavers that are resettled in the private rented sector, as this does not apply to social housing. Young people in areas with limited social housing will be especially disadvantaged.

14 Stein, M (2009) Increasing the number of care leavers in ‘settled, safe accommodation’ Vulnerable/Looked after children — Research review 3, Centre for Excellence in Outcomes (C4EO), p.15
15 CLG (2010) Note to Local Authority Homelessness/Housing Options Services: Revision to the DWP Local Housing Allowance Guidance Manual covering the criteria for when Housing Benefit should be paid direct to a landlord rather than the tenant. (Sent via e-mail 11 January 2010)
Having to claim benefits whilst staying on with foster carers

Several local authorities seek to support young people to stay on with their former foster carers after their 18th birthday, to replicate the experience of most young people. Staying Put is a DCSF pilot evaluating how such initiatives could be extended across England. When a young person turns 18, their status and the budgets that pay for their accommodation change. Whereas foster carers are paid a fostering allowance, funding post-18 (depending on local arrangements) may come from a combination of housing benefit, Supporting People and the local authority. Many carers and young people feel uncomfortable with this change in their relationship and that the young person may be required to claim housing benefit and pay this in rent to their carer, which would not happen for young people who live with their birth family.

From carer to landlord

It is a positive development that many local authorities, not just those involved in the Staying Put pilots, support young people to stay with their foster carers after they turn 18. However, in many cases where foster placements are converted into supported lodgings the young people have to claim housing benefit from 18 and pay their former carers rent. This does not replicate the experience of parenting that young people who continue to be supported by their parents receive. Their carers effectively become landlords/ladies and the young person an ‘excluded licensee’, which many carers and young people feel uncomfortable with.

In order to support ‘foster care conversions’ Devon leaving care team have negotiated an arrangement with their district authorities where the housing benefit for young people in these conversions is paid to the leaving care team. Although the young person has to make a housing benefit claim, the leaving care team is able to continue the arrangement on similar terms to the fostering placement. The remainder of the cost is split between the district council housing department and the leaving care service.
If this was my child what would I do?

Corporate parenting encompasses the collective responsibility of local authorities to achieve good parenting for all children in their care. The benefits system is a poor replacement for the financial support that most people receive from their families.

“We will ensure that children in care get a softer landing into adulthood, instead of being pushed out too early by the system.”

Alan Johnson, Secretary of State for Education and Skills, Care Matters: Time for Change, 2007

The Care Matters white paper seeks to ensure that young people in and from care experience a gradual transition and have the same life chances and opportunities as other young people. The majority of young people living with their birth families are not expected to move into the benefits system when they reach the age of 18. Indeed, they would be unable to claim benefits whilst in further education, unless they are ‘estranged’ from their parents. Young people leaving care should not be expected to access the benefits system any earlier than their peers.

In current guidance and legislation local authorities have a duty (or power, depending on the young person’s leaving care status), as their corporate parent, to support young people in education, training and employment, but they are not expected to be the young person’s primary source of funding. This dual system is confusing, and instead of placing young people from care on the same footing as the majority of their peers (who remain in their family home), differentiates them.

Transferring responsibility and finance to corporate parents

Corporate parents should continue to offer financial support through Section 24 payments to young people who are in further education instead of pushing them onto benefits, and they should reclaim this money from benefits budgets. This would ensure that the up to 5,000 care leavers in England in further education are supported by their corporate parent in the same way that their peers are supported by their families.16

There are no statistics on the number of young people from care claiming benefits. The only reliable data on care leavers in further education is the data provided by National Indicator 148, on care leavers’ activity at age 19. In England last year 28% of care leavers (1,600) were in further education at 19. If we presume similar rates of care leavers are in education 18–21 and that they are generally claiming IS/HB whilst studying this proposal would affect approximately 4,800 young people. Local benefits services would no longer have the administrative costs associated with dealing with these claims, and although there will be some additional administrative costs for local authorities, leaving care teams would be able to redirect the resources currently spent on maintaining young people’s benefits claims to assisting them with their education and training.

To ensure consistency of practice across the country, the financial support that care

---

leavers should expect from their corporate parents and its relationship to benefits should be outlined in detail in the DCSF guidance on transitions from care, which will clarify the provisions of the Children and Young Persons Act 2008.  

Achieving this long term goal requires cross departmental budgets to be reapportioned via a reclaim mechanism to ensure that local authorities can support care leavers to remain out of the benefits system. We do not envisage that this change would need additional investment as the allowances remain the same. The significant difference is that young people would get their financial support via their corporate parent, who already supports them through the pathway planning process and can use this to respond to the needs and aspirations of the young person.

Immediate improvements

The above recommendation will remove a significant number of the issues with accessing benefits for care leavers. However, some young people from care will still need to access benefits, e.g. those claiming Jobseekers allowance. There are a number of specific changes to the benefits system that would help young people leaving care and those that support them.

Named contacts

The role of the under-18 Specialist Advisers in Jobcentre plus services should be extended to cover care leavers (18–25) or this role should be assigned to a designated worker if there are no under-18 advisers. A benefits lead should be established in each leaving care team. The numbers of care leavers accessing benefits in each local authority is likely to relatively small and would not create a great additional administrative burden.

Last year 1,600 care leavers in England (26%) were not in education and training and employment for reasons other than disability or illness at age 19. There is no data on the benefit status of this group, but they are the closest proxy to the numbers of care leavers on JSA. Based on this figure, an estimated 4,800 care leavers between 18–21 are claiming JSA, or an average of 32 young people per local authority, per year. Although, there are of course local authorities where the numbers would be significantly higher or significantly lower than this, depending of the population of looked after children and care leavers.

These named contacts could improve communications, establish a framework for better joint working and resolve many of the difficulties with processing benefits. The pilot in the West Midlands provides a model for how this can be achieved. With a focus on care leavers and benefits built into their roles, these individuals will be able to keep up to date specific entitlements and needs of care leavers and support their teams to meet their needs appropriately.

Training for specialist on care leavers entitlements and need

As part of their extended role advisers taking on the responsibility for dealing with care leavers should be trained on care leavers specific benefits entitlements and needs.

Joint training and meetings with leaving care services would be a cost effective way of training specialists and could also provide opportunities to gain an understanding of each other’s services, develop links and keep up to date with new developments.

Paper claims

The current preferred method within Jobcentres for processing applications for 16 and 17 year olds is in person, dealt with by the under-18 specialist advisor. In line with this role being extended to care leavers, paper claims should become the preferred method for this group and automatically

---

17 See footnote 3, page 4
offered to all care leavers. This will bypass many of the difficulties that care leavers currently experience with call centre claims. Those who wish to will still be able to use the telephone system for their claims.

**Guidance on entitlements for young people and workers**

Easy to read and accessible guidance explaining the benefits entitlements of care leavers and current employability schemes offered under New Deal and Flexible New Deal should be developed with the support of the DWP and distributed to leaving care teams, benefit and Jobcentre plus offices. This would provide a reference point for care leavers, leaving care services and jobcentre plus workers and would address the confusion that currently exists within the system. Further information around current welfare reform will also support leaving care services in their work to improve employability of care leavers.

**Joint working guidance**

Local authorities running employability schemes for care leavers should be recognised as ‘partner providers’ by Jobcentre plus, and such schemes would fulfil the requirements of Job seekers agreements. A blue print of what such partner provider schemes would offer, should be produced by NCAS national employability scheme ‘From Care2Work’ and agreed by the DWP.

Joint working guidance should be issued by the DWP and the DCSF, to clarify acceptable partnership agreements and define the roles of each service in processing benefits claims and improving care leavers’ employment prospects and social mobility. In addition the guidance should:

- Include recognition of the roles of personal advisers or other people who support care leavers (e.g. foster carers) as advocates and representatives for young people, to chase and pursue claims.
- Clarify that requests can be made for paper claims and Local Housing allowance payments direct to private landlords or leaving care teams.
- Include processes for pre-registering claims and fast-tracking care leavers’ benefits applications in line with the West Midlands pilot.
- Include processes for how housing benefit payments can be channelled through leaving care teams following the model developed in Devon.
- Highlight that care leavers should be given the option to be fast tracked to the support stage of the flexible new deal.
- Clarify whether a course of study recognised for the purposes of second chance learning and entitlement to income support and housing benefit can include a series of qualifications that build on each other.

**Payments of Local Housing Allowance**

LHA claimants should be given the choice to specify that payments should be made straight to their landlord, without having to evidence vulnerability. If not, a statement of vulnerability from the leaving care service should be sufficient, if the young person agrees with this arrangement. Services would be able to advise young people who they do not feel are ready to manage their rent to request direct payments to landlords to avoid potential rent arrears, without removing the choice from young people to manage this themselves.

**Amending regulations**

Young people will get their financial support from leaving care teams until 21 under our proposal, but the Government’s Care Matters agenda recognises that care leavers have a high risk of experiencing delayed educational careers and as a result will require support for longer. The Children and Young Persons Act 2008 extends the role of the personal adviser and offers young people the opportunity to return to services for support with education and training until the age of 25. In line with this, several benefits regulations should be amended to facilitate access to education and ensure older care leavers get more seamless support.
Training allowance

The training allowance, which was confirmed in the Welfare reform white paper, is currently available for eight weeks training after six months on JSA or at the discretion of Jobcentre advisers. Care leavers may require more support to move into employment. Therefore this should be automatically offered to care leavers (at any point of their claim) and allow them to undertake up to six months training.

Second chance learning

Given the often interrupted and delayed educational careers of many young people in and leaving care they are more in need with support for second chance learning than other young people. Care leavers should be able to take up non-advanced education at any point until their 25th birthday and continue to claim housing benefit and income support whilst studying. Entitlement should not be restricted to courses started before a young person’s 19th birthday and should allow young people to build on previous qualifications until they have achieved the equivalent of A-level qualifications.

Extend the exemption to the shared room Local Housing Allowance rate

The shared room local Housing Allowance rate exemption that currently applies to care leavers between 18 and 21 should be extended until 25, to avoid tenancies that young people have been resettled to becoming unaffordable at age 22.
Conclusion

Our pre-seminar scoping illustrated that there are many more benefits issues that relate to care leavers than we can cover here. We had feedback on specific issues for certain groups of care leavers, e.g. disabled young people, those seeking asylum or who have children. NCAS plans to explore these issues further in our future policy work. In addition, several authorities stressed the need for reforms to ensure that there are no financial disincentives for foster carers on benefits to offer young people to stay on with them after they turn 18. This should be an area that the DCSF, HM Revenue and Customs (HMRC) and DWP explores and resolves as part of the Staying Put pilots.

We see the work arising from the benefits seminar and this report as the beginning of a more formal debate on care leavers and benefits, with clear recommendations both for those that administer the benefits system and those that support care leavers, to be pushed forward jointly between the DCSF and DWP. NCAS plans to continue to explore the difficulties that young people leaving care face in relation to benefits as part of its ongoing policy work and through our employability scheme ‘From Care2Work’.

The long term proposal of giving financial responsibility for care leavers in further education to their corporate parent would ‘level the playing field’, by placing them in the same position as other young people who would not claim benefits if living with their parents. Those who are not in education, training or employment would go through the traditional benefits route, but could, through local authorities as Jobcentre plus partner providers, be supported to engage with education training and employment by services that cater to, and understand, their needs. There are a limited number of care leavers in the UK, yet the impact these changes would have on support for them would be extensive. It would work to allow the state to properly parent this group of young people and give them a start in life that does not set them up to rely on benefits.

Our proposals also offer more immediate solutions to ‘iron out the creases’ in the current system, by making it easier to navigate for care leavers and those that support them. The recommendations aim to ensure that fewer young people become reliant on benefits and in danger of becoming entrenched in a benefits culture by the time they reach the age when leaving care services are withdrawn.

Reforming the financial responsibility for care leavers does not have to be more expensive, but it will require a careful look at how money is channelled in local authorities and through the benefits system. Consultation with young people and leaving care services around the practicalities of implementing these recommendations is needed to ensure that any implementation takes account of the real cost to local authorities and ensure that budgets are reallocated or recharging systems in place accordingly.
1. Source of evidence

This report derives from a seminar with civil servants and practitioners in leaving care and benefits experts in April 2009 that looked at care leavers’ benefits issues and how to address them.

Prior to the seminar NCAS conducted a scoping exercise that pulled together evidence from: recent research; issues reported to the NCAS advice service; feedback from young people through the Yorkshire and Humber Regional Participation forum; and information from local authority leaving care services. The National Leaving Care Benchmarking Forum, coordinated by NCAS provided information both from a facilitated discussion around the issues and written comments and examples from individual services. Similarly, the London leaving care manager’s forum provided a joint response around the issues.

2. Current position: Care leavers’ benefits entitlements

This is not an exhaustive list of the welfare benefits available to care leavers, but gives an overview of the basic benefits entitlements that apply to this group. NCAS is working to produce a guide for young people about benefits, which will be published later this year.

Different rules apply to young people in care and care leavers pre- and post their 18th birthdays. 16 and 17 year olds who are in care or are care leavers, (except lone parents and disabled young people), are unable to claim benefits and will have their maintenance and accommodation paid for by children’s services as their corporate parent.

Lone parents can get Income support (IS) from the age of 16. Sick or disabled young people can claim incapacity benefit (IB) and/or income support from their 16th birthday. If their claim was made after October 28th 2008 however, they would be claiming the new Employment and Support Allowance (ESA) instead of IB and IS. Housing benefit is not payable to either group until they reach 18. Disability Living Allowance (DLA) is payable to people who are looked-after, although the care component might be suspended if the young person is in residential care.

Once young people reach 18 these rules no longer apply and they can claim IS, ESA, JSA, and HB under the normal rules. In many cases, although they may still remain in their placements after 18 (e.g. their foster placement is converted to supported lodgings), they will be expected to claim the relevant benefits for maintenance and accommodation costs.
The National Care Advisory Service (NCAS), as part of national charity Catch22, draws on its significant national experience of engaging disadvantaged young people leaving care, and supporting those working with those young people to improve services and outcomes. It has expertise in all aspects of policy and practice for care leavers. It maintains national links to leaving care services in England, supporting national and regional forums for managers and young people and undertaking direct work with local authorities.

NCAS is part of Catch22, the charity that helps young people out. Registered charity number 1124127.

Before we were Catch22 we were Rainer and Crime Concern, two national charities which merged in 2008.

For queries about the report contact: ncas@catch-22.org.uk
Report author: Linda Briheim-Crookall, Policy Manager, NCAS

March 2010