

**People Services  
Children Families & Learning  
Children's Social Care**

Finance Arrangements Leaving Care – September 2021 – v2  
Review Date: September 2022 – Laura Bissell

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**Darlington Children Service.**  
**Practice Guidance for Financial Management Re :Leaving Care Team**

**INTRODUCTION:** It is an expectation that all sources of discretionary funding, community care grants and allowances will be maximised by those working and supporting young people. It is a requirement that a record of all expenditure is kept on the young person's case file.

The following legislation and guidance should be considered:

**Children Leaving Care Act 2000**

**Transitions Guidance 2011**

**Children and Social Work Act 2017**

- ***for eligible children***, budgetary responsibility for funding their care and support needs as defined in the Pathway Plan and the responsibility will remain with Childrens Services. This will be managed through existing budgetary arrangements as defined by the Local Authority.
- ***for relevant children and former relevant young people***, the case management role will be transferred to staff of the Looked After Through Care Team acting in their capacity as social workers or Personal Advisers to young people. The Service Manager will delegate responsibility to authorise care and support payments identified and agreed through the Pathway Planning process, on completion of appropriate documents such as F2- Financial Request Forms. Such payments may be of regular nature and paid via BACS transfer to young peoples' bank accounts.
- ***for qualifying young people*** Section 24 monies will be accessed by Looked After Through Care Team in the same way that leaving care act monies are accessed for *relevant* and *former relevant* young people.

## **The Extent Of Financial Support Available**

- Every *eligible, relevant* or *former relevant* young person should have their financial needs assessed and included in their Pathway plans.
- *Eligible* and *relevant* young people (16/17 year olds), in many cases, will not be entitled to claim the means-tested benefits included within the Universal Credit umbrella and Housing Benefit. Responsibility for this financial support now lies with Children Services (for those 16+ on or after 01.10.2001). There are exceptions to this rule including lone parents, people with long-term health problems and people with disabilities, although they will still be excluded from Housing Benefit.
- The benefit entitlements of Former Relevant (over 18) young people remain unchanged, as do individuals' rights to claim non means-tested benefits such as, Employment & Support Allowance and Personal Independence Payment. Looked After Through Care Staff are expected to maximise the take up of benefits before making assessments for Children Services financial support.

It is the duty of the Childrens Services to ensure that the **income, maintenance and accommodation costs** of *Eligible* and *Relevant* young people are adequately covered in line with the Leaving Care Act 2000 and the Guidance included in this document. The Local Authority can also assist *Former Relevant* young people with income and accommodation where it is deemed appropriate to do so in the Pathway Plan.

Other areas where discretionary financial support may be offered via the Pathway Plan include **Education and Training**; help accessing **Employment**; grants for furniture, etc. when **Setting up Home**; assistance with maintaining **Contact** with important people; making use of **Leisure facilities**; purchasing **Specialist services**, such as counselling, etc.; and meeting any other **Contingencies and Emergencies** which may arise.

The following Guidance for dealing with all these areas of financial support should be adhered to when drawing up and reviewing Pathway Plans.

### **ACCOMMODATION COSTS**

- **Eligible** young people are those 16/17 year olds still 'looked after' by the Local Authority, so their accommodation costs will be met in the same way as other looked after children in foster care, residential placements, etc.

- **Relevant** young people are those 16/17 year olds who are no longer looked after and who cannot claim Housing Benefit or the Housing Element of Universal Credit for their accommodation costs. These young people's needs for housing – should be assessed and detailed in their Pathway Plan. Suitable accommodation should be commissioned for them on a Best Value basis, bearing in mind the level of support required and the cost of accommodation in that particular locality.

### **Accommodation Bands**

Suitable housing for young people can be grouped into three broad bands, with estimated price ranges as good value guides.

#### Independent : no additional support

Council or Housing Association flats

Privately rented flats/bedsits

Price Range: £75 - £110 per week

#### Supported/Semi-independent living

YMCA Foyer

Hostel

Voluntary sector shared house

Local Authority Supported Accommodation

Supported Lodgings

Staying Put

Price Range: £160 - £340 per week

#### High Support

Specialist Provider :

Price Range: £460 - £1,200 per week

**NB: When commissioning housing services, plans should include arrangements for how the accommodation is to be funded once the young person reaches 18. This may include arranging for a Pre-tenancy Determination of future Housing Benefit entitlement, or a commitment to top-up, etc. (authorised by Looked After Through Care Team Service Manager or Head of Service). Support levels should be reviewed in line with the pathway plan reviews at least six monthly.**

### **Arrangement with landlords/providers**

It is a minimum requirement that accommodation commissioned should be “suitable”, with full amenities, not hard-to-let or in high risk-problematic areas. **It should also not be insecure accommodation such as bed and breakfast hotels or night shelters.** The accommodation should afford the best possible start to the young people leaving care.

A three-way agreement should be made with the accommodation provider, the young person and Darlington Borough Council as part of the Pathway Plan including the financial commitments on both sides.

This agreement should cover the following:

- Arrangements for paying accommodation charges. The provider must invoice Children Services monthly for the accommodation, confirming that the young person is still living there.
- Arrangements for notifying any change of circumstances, such as the young person obtaining low paid employment, and how that might impact on payments. This should be the responsibility of the Personal Adviser, but supported housing providers, and other landlords where reasonable, might be expected to know of such changes and should be required to inform the department of any such changes.
- Any guarantee or bond required by the provider – e.g. as security against damage, etc, should be dealt with via the appropriate governmental scheme for the holding of such bonds.
- Plans for when the young person reaches 18.

The principle underpinning these arrangements should be that the financial support offered by the Local Authority is at least to the level that Housing Benefit would provide, taking account of the young person’s income and circumstances.

### **INCOME MAINTENANCE COSTS (living allowance)**

The income maintenance needs of young people must be identified in their Pathway Plans.

**Eligible** young people are those 16/17 year olds still looked after by the Local Authority, so their income will be dealt with through their placements in the normal way through their placement plans. *Eligible* and *Relevant* young people can also claim non-means tested benefits such as PIP, and Personal Advisors/Social Workers are expected to check eligibility for these benefits and actively help with claiming them.

**Relevant** young people, in many cases, will not be able to claim Universal Credit, so it will become the duty of Children's Services to ensure their income maintenance is paid until they reach 18. Exceptions to this include lone parents and people with disabilities, although Childrens Services may consider top-up payments.

The principle is that *Relevant* young people should be no worse off than other young persons by receiving financial support from Childrens Services, even where they do not cooperate with workers or adhere to agreements made under their Pathway Plans. The allowances should not fall below the level of Universal Credit, although incentives may be paid to encourage people to engage in work, training or non-compulsory education.

**Former Relevant** young people should be assisted to claim Universal Credit if required, although Childrens Services retains the discretion to offer financial assistance where it sees fit under the terms of the Pathway Plan.

### **Methods of Payment**

Where possible, young people's income maintenance should be paid direct into a bank account, **all young people in the care of the Local Authority should have a bank account**. Personal Advisers & Social Workers will be required to complete a F2 Finance Request Form and obtain the relevant signatures.

In exceptional circumstances where a young person is assessed as not being able to maintain a bank account, direct payments from the leaving care team can be made on an agreed basis. Such arrangements may be most appropriate where a young person has poor self-management skills, a chaotic lifestyle, or problems with drugs and alcohol, and may include part-payment direct to suppliers, use of vouchers and at least £20 cash.

The method of payment should be specified in the Pathway Plan.

### **Calculation of payment**

A young person's income should not fall below the level of Universal Credit.

Any PIP received by a young person should be disregarded when assessing their entitlement to income maintenance.

Where a young person is employed or has another source of income, they should be required to produce payslips or other evidence to assess their entitlement to assistance (They may need help in establishing a correct tax coding) They should also be required to provide written evidence if their employment ends.

To calculate their entitlement when earning: -

Under Universal Credit (UC) a young person gets to keep 37% of their wages and 63% is taken into account for calculation. Therefore, for every £1 they earn they get to keep 37p and 63p is reduced from the UC amount. There is no minimum or maximum hours to be worked.

If they have children and housing costs then the first £287 of their wages is not taken into account. If they have children but no housing the first £512 of their wages is not taken into account.

### **Incentives**

In the Benefit System, non-compliance with requirements such as keeping appointments with work coaches, careers interviews, actively seeking work and accessing universal credit journal results in sanctions, including loss of benefit.

Young people receiving income maintenance (living allowance) under Pathway Plans, however, are guaranteed their minimum income even if they do not keep to agreements.

It is possible to offer incentives to young people who take up places on training schemes, college courses or remain in non-compulsory education.

### **Young people on Apprenticeships**

Where a young person gains a place on a Apprenticeship, their allowance paid by the training provider should be topped up to the Universal Credit level plus £10. This should be reviewed as part of the Pathway Plan Review. The incentive will be linked to a minimum attendance rate (in normal circumstances 80%) and will be stopped if the attendance rate drops below this without good reason.

### Young people in non-compulsory education

Where a young person stays on at school past their statutory leaving date - e.g. to take A or AS Levels or Level 2/3 qualifications - or starts a similar non-advanced course at college, they should receive the UC rate.

- Where young people on Apprenticeship or in education take part-time jobs, the maintenance calculation should reflect this (as detailed above).
- Where young people's courses continue past their 18th birthday, accommodation costs should be paid until the official school leaving date. The accommodation costs will be fixed at specific rates such as boarding out allowance for foster carers.
- *Former relevant* young people starting new courses will not be entitled to these incentives.
- If a young person leaves their course or fails to comply with their agreed plan without good cause, their incentives will be removed.

### **SUPPORT IN EDUCATION AND TRAINING**

Apart from the income-based incentives for "*Relevant*" young people to participate in education and training, the Local Authority has a duty to support care-leavers in practical ways to enable them to gain academic and vocational qualifications.

This duty is also a requirement for Former Relevant young people regardless of their ETE status under the Children and Social Work Act 2017 and up to the young person's 25<sup>th</sup> birthday.

The educational and training needs of young people should be included in their Pathway Plans.

It should be borne in mind that most full-time students cannot claim means-tested benefits when in higher education, therefore the Local Authority will provide maintenance allowance and rent payments for the duration of the young person's **first** undergraduate degree. The young person must provide evidence of the passing each year before the next years' payment can be agreed.

### **Special equipment**

Some courses, such as catering, hairdressing, beauty therapy, etc. require students to provide special equipment or clothing. Other courses require the purchase of stationery, books or other educational materials.

The Pathway Plan should estimate the cost of these necessities and make provision for their purchase as priority items.

**NB** Account should be taken of any grants, 16-19 Bursaries Fund or other source of funding which could be accessed for this purpose before expenditure is agreed.

Young people will be provided with proof of LAC / Leaving Care Status to enable them to claim the 16-19 Bursary.

### **Other educational costs**

In some cases, young people may need to pay an enrolment fee to join a course, they may be required to go on field trips, events or longer visits. There may also be travel costs incurred to get them to the training provider or educational establishment.

These and any other essential expenditure attaching to a course should be provided for within the Pathway Plan.

**NB** Account should be taken of any other sources of funding, such as travel payments via training courses and the Education Department etc before expenditure is agreed.

### **Grants and Loans**

Eligibility for any grants or Student Loans - should be checked via each establishments procedures and with the student support contact.

It is Children Services policy that Student Loans should be fully utilised to pay tuition fees.

Darlington Borough Council will undertake to pay £2000 to the young person, completing their course in full, as an incentive payment. (This will be paid in 3 instalments of £666 over the duration of the course)

Provision for any grants or Student Loans should be detailed in the Pathway Plan.

Various bursaries are available, e.g. a local university offers a bursary of £1300 another university offers £4,500 for some students, and other bursaries for athletes, high



achievers. These should be explored by the young person and their advisor, support should be given to complete any application process.

The new Higher Education Principles published by the Department for Education on 14 March 2019 set out how universities – especially the most selective and best-resourced – should do more for young people leaving care by providing them with personal support through buddy systems as well as giving them money for course materials and to fully experience student life. The personal advisor and the young person should enter into a dialogue with universities to gain a full understanding of the support available.

### **Accommodation support and living away**

- Where a young person has to move away to study – e.g. University - the Pathway Plan should make provision for their living arrangements **both during term time and holiday periods**. Most universities now have provision for accommodation on campus during vacation periods as per the new Higher Education Principles.
- Funding should be made available to cover the **accommodation and income maintenance** needs of young people in these situations.
- When assessing accommodation costs, the mid-range of suitable properties in the local area should be used as a guide.
- It should be a minimum standard that care-leavers are entitled to support through one course of higher education.
- Educational support can continue up to the age of 25.

### **Expectations**

- That the young person draws down from the student loan. This ensures the student may remain eligible for other areas of financial support and charitable trusts.
- That young people will not be required to work during term time.
- That young people will seek employment during holiday periods.
- Provision of a deposit for term time accommodation is refunded to Darlington Borough Council Childrens Services.

## Allowances

- A personal allowance will be paid to a young person on a weekly basis for a 52 week year, unless a young person is in full time work during holiday periods. (This will be at Department of Work and Pension current rate.
- Costs associated with travel to and from the university at the beginning and end of term.
- Consideration to the provision of a student rail/coach card, that offers discounted fares if students are travelling daily to university.
- Accommodation costs for vacation accommodation will be as follows:

Where a young person is attending university and will return to a previous foster carer (staying put arrangement), or supported lodgings provider, an amount of £160 may be agreed during vacation periods. This being pro-rata for weekend returns. The young person will be expected to contribute £20 per week to this re: food etc. A retainer of £50 per young person will be paid during term time.

Eg: A young person attending university outside of London may expect to receive:

Source of income	Amount
Student loan to cover tuition fees	This can be checked at <a href="https://www.gov.uk/student-finance/new-fulltime-students">https://www.gov.uk/student-finance/new-fulltime-students</a>
Student loan to cover maintenance costs	This can be checked at <a href="https://www.gov.uk/student-finance/new-fulltime-students">https://www.gov.uk/student-finance/new-fulltime-students</a>
Personal allowance from the LA.	£3,062.80
Accommodation costs paid direct to landlord / accommodation provider.	Based on mid-range price for the local area.
Possible bursary from university	Approx £1000, depending on university.

Possible outgoings:

- Transport costs over and above student bus/rail card costs.
- Tuition fees (to be paid via the tuition fees loan).
- Assistance with vacation accommodation costs – to include food and clothing.
- Books and computer equipment.
- Leisure/social activities

**Notes**

Dependent on the young person's living arrangement, they may need to purchase items such as bedding crockery, etc. This will be drawn down from the young person's Setting Up Home Allowance. Record of expenditure will be kept by Personal Advisor and placed on the young person's file.

The young person (in consultation with their Personal Advisor) will need to establish a budget to ensure that all essential day to day living costs can be met from the total funds available to them. This will be recorded in the Pathway Plan.

The young person should also be advised that additional funding may be available from the university bursary fund and should be advised to/supported to contact the welfare service or access officer.

The equipment allowance is a minimum payment, some courses require students to purchase additional materials and equipment and additional funds can be released following agreement with the Service Manager.

No social and leisure, festival or birthday allowances are payable.

**Further Education**

Where a young person commences a course of further education that does not finish until after their 19<sup>th</sup> birthday, they will be eligible to receive Universal Credit and Housing Benefit from the age of 18 until their 19<sup>th</sup> birthday.

Young people will be provided with proof of LAC / Leaving Care Status to enable them to claim the 16-19 Bursary.

## **SUPPORT IN EMPLOYMENT**

In addition to starting work incentives for income and accommodation costs, Pathway Plans should detail any support to be offered to young people seeking employment.

Those not already working or participating in Education or Training (NEET) should be registered for work to qualify for assistance in job search and to receive National Insurance credits.

### **Support that may be offered might include -**

- Help with clothes for interviews
- Fares to get to interviews
- Special clothing or footwear not provided by the employer
- Purchase Provisional Driving Licence
- Help with transport costs during the first month of employment
- Help with any special needs/health issues

This list is not exhaustive and Pathway Plans should take account of individual circumstances when detailing support to be provided.

## **SUPPORT IN SETTING UP HOME**

When a young person leaves care, they may need assistance in obtaining furniture and equipment to enable them to settle successfully into their new accommodation.

The level of financial support to young people is expected to average £2,000 per young person.

There are many types of accommodation which young people may choose (see Guidance on Accommodation) see page 4.

There can also be no set age for claiming a Grant, because young people will move on at different times and in different circumstances.

Financial Assistance for setting up home may cover the following items -

- Carpets, floor coverings and curtains
- 'White goods", such as cooker, fridge & washing machine
- Lounge furniture
- Dining furniture
- Bedroom furniture
- Electrical items, such as TV, toaster, kettle, iron & hoover
- TV licence
- Bathroom items
- Cleaning items & materials
- Bedding & linen
- Cooking utensils
- Cutlery & crockery
- Decorating materials etc

This list is not exhaustive and Pathway plans should take account of individual circumstances when detailing support to be provided.

Where reasonable, good quality second hand items should be considered for purchase thus maximising the grant.

## **SUPPORT WITH CONTACT**

Pathway Plans should identify significant people with whom a young person needs to keep in contact and the methods by which the contact is to happen.

Where there are costs involved, arrangements should be made to ensure that the contact is facilitated to a reasonable level.

Normally, the issuing of travel tickets would be the preferred method of enabling contact, although the purchase of tickets or direct provision of transport may be more practical in some circumstances.

## **SUPPORT WITH LEISURE FACILITIES**

Young people should be encouraged to make use of leisure facilities and to pursue sports, hobbies and pastimes.

All young people will be provided with a 'Live' card which enables them to access free leisure including; swimming, gym and fitness classes within Darlington area. Any requests for these card must be made via the Participation Team.

Some young people may have particular talents or abilities which could and should be nurtured.

Financial support through a Pathway Plan might include -

- Help with sports equipment
- Help with musical instruments, tuition costs, exam fees, sheet music etc
- Help with membership fees of clubs, leisure centres, gyms etc
- Special training or coaching fees
- Music or singing lessons
- Courses or evening classes
- Swimming lessons

- Payment for services at sports clubs and facilities

This list is not exhaustive and Pathway plans should take account of individual circumstances when detailing support to be provided. The uptake of all discounts/ grants and local initiatives should be fully utilised, as well as a contribution from the young person to the overall cost.

### **SUPPORT WITH SPECIALIST SERVICES**

Some young people may have special needs, or require specialist help or counselling and these requirements should be set out in the Pathway Plan

Financial support through a Pathway plan might include -

- Specialist counselling fees, where these services cannot be accessed through the NHS)
- Special equipment costs (e g where a young person has special needs)
- Transport to access support services
- Transport to special cultural events and facilities.
- Transport to community support facilities.
- Help with accessing health advice and medical facilities

This list is not exhaustive and Pathway Plans should take account of individual circumstances when detailing support to be provided.

Where financial assistance is available from other sources, these should be explored and utilised.

### **SUPPORT WITH CONTINGENCIES AND EMERGENCIES**

Pathway Plans should always contain arrangements for contingencies and emergencies that may arise.

Generally, it will be the responsibility of the Personal Adviser to act as the first point of contact should the unexpected happen or things go wrong.

It is a guiding principal that the Local Authority should act as a good parent in these situations and that there is an understanding that young people do make mistakes and should be treated with sensitivity.

Where special financial support is required, Personal Advisers should refer to the Service Manager, Looked After Through Care Team for approval to act outside the Pathway Plan.



## Appendix 1

### Higher Education Funding

Students beginning University in 2021 are able to apply for a package of funding support which includes;

#### TUITION FEES

**Tuition Fee Loan** – This is not means tested and is available to cover the full cost of tuition fees each year at university. It is expected that Universities will be able to charge around £9,250 tuition fee for the academic year 2021/22. If a student chooses to take this loan it is paid directly to the University by Student Finance England.

#### LIVING COSTS

- **Maintenance Loan** – The maximum amount of maintenance loan available to students beginning their studies in 2021/22 is expected to be £9,488.
- **University Bursaries and Scholarships** – Those universities that charge the full tuition fee must give at least £305 back to students who are in receipt of the full maintenance grant in the form of a Bursary or Scholarship. Most universities are being much more generous than this and it is advisable to check individual university websites in order to find out what is available.

#### STUDENT LOAN REPAYMENTS

Some of the funding available to students can be taken in the form of a loan. The amount of Tuition Fee and Maintenance Loans that a student takes throughout their course are added together and are repaid as one loan once the student has left university. The loan will only become due in the April after the student leaves university. If at this time the student is earning between £19390-26575 dependent on loan type they can defer repayments until their income rises above this level.

Repayments are based on 9% of any income a former student has above the £19390 level. For example, if they are earning £20,000 per year they will pay back 9% of £1666 £4 per week.

Interest on the loan is currently linked to the rate of inflation and has been 2.4% since September 2006. If after 30 years of the loan becoming due for repayment the student

has not managed to clear their full debt any loan outstanding at this point will be written off by the government.

For detailed guidance see [www.gov.uk/studentloans](http://www.gov.uk/studentloans)

## USEFUL WEBSITES

- Stand Alone <http://standalone.org.uk/>
- PROPEL <http://propel.org.uk>
- The Become Trust <http://www.becomecharity.org.uk>
- Brightside <http://www.thebrightsidetrust.org>
- NNECL <http://www.nnecl.org>
- The Care Leaver Associations <http://www.careleavers.com>
- Student Finance \_All Domiciles <https://www.thestudentroom.co.uk>