

Leicester City Council

Social Care and Health

Children (Leaving Care) Act 2000

Financial Support for Care Leavers

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Financial Support for Care Leavers

Introduction

The Children (Leaving Care) Act introduced new duties on the Local Authority to provide financial support to certain children and young people defined by the Act. These duties include:-

- Financial responsibility for the maintenance and accommodation costs of “relevant” 16 and 17 year old care leavers
- The provision for care leavers aged 18-21 of general assistance and assistance with employment related and education related expenses, including the provision of vacation accommodation.

This paper sets out Leicester City Council’s policy for financial support of care leavers under the Children (Leaving Care) Act.

Appendix A details the rates of payment that will be made under each category. These rates will be reviewed on an annual basis.

Principles

In developing the financial support policy we have been guided by the following principles:-

- Leicester City Council fully accepts its duties to care leavers as set out in the Children (Leaving Care) Act and accompanying regulations
- The underlying aim of the legislation is to provide support for those young people who are without family support; it is not intended to replace or undermine parental support and responsibilities for young people living with parents but still subject to legal orders under the Children Act.
- The financial support system should encourage the pursuit of education, training and employment
- The financial support system should encourage placement stability
- Care leavers’ access to different sources of financial support will be dependent upon their age and circumstances, and wherever possible young people will be supported to maximise their income from a variety of sources
- Financial support to 16 and 17 year olds will be linked to, but will not be less than, income support rates
- The financial support provided will be clearly set out in the young person’s pathway plan and will be dependent on the individual young person’s circumstances at the time.

Eligibility for Financial Support

Young people are eligible for financial support under the Children (Leaving Care) Act if they meet certain specific criteria linked to the categories of eligible, relevant and former relevant introduced in the Act

(a) Eligible Young People

An eligible young person is;

- Aged 16 or 17 **AND**
- Has been looked after by the Local Authority for a period of 13 weeks since the age of 14 **AND**
- Remains looked after either under S.20 Children Act 1989 or by virtue of a Care Order

The period of 13 weeks need not have been continuous; however a planned series of short term breaks/placements, none of which exceeded four weeks, does not count towards eligibility.

Eligible young people remain looked after and will continue to be entitled to receive financial support through the looked after system whilst they remain living in a care placement.

Eligible young people living at home under Placement with Parents regulations will continue to be funded through the looked after system.

Once an eligible young person moves to a more independent living situation they will receive payments through the Children (Leaving Care) Act.

(b) Relevant Young People

A relevant young person is one who:

- Was previously “eligible” **AND**
- Is now not looked after by the Local Authority
- Is aged 16 or 17

The Regulations provide for an additional category of young person:

- Those young people who on reaching 16 are detained in a remand centre, young offender institution, any other institution ordered by a Court, or in hospital **AND** who, immediately prior to being detained or in hospital, had been looked after for 13 weeks since the age of 14

Young parents

- Relevant young people who are lone parents will still be able to claim social security benefits but not Housing Benefit. For all other purposes they are considered “relevant”.

(c) Former Relevant Young People

Former relevant young people are those who:

- Have reached the age of 18 **AND**
- Were previously eligible or relevant **AND**
- Are still under the age of 21.

If a former relevant young person is being supported in a programme of education or training, they remain former relevant until the agreed end of that programme (up to the maximum age of 24).

(d) Qualifying Young People over 16

Qualifying young people are those who:

- Are under 21 (24 if in education or training) **AND**
- Were looked after the age of 16 but are no longer looked after **AND**
- Do not meet the criteria to be an eligible child.

In practice this group is primarily young people who left care after the age of 16 but before the introduction of the Children (Leaving Care) Act in October 2001.

Financial Support System for Relevant Young People

This section also applies to eligible young people living semi-independently or independently.

Some relevant young people in particular circumstances may fall outside of this system. Please see exceptional circumstances section.

The financial support system has four distinct elements:

- Assistance with daily living and accommodation costs
- Assistance linked with Education, Training and Employment
- Assistance with setting up home
- Access to miscellaneous and emergency payments

1. Assistance with daily living and accommodation costs

The Children (Leaving Care) Act regulations state that a relevant young person has an absolute right that accommodation and maintenance should be provided by the responsible authority so long as his/her welfare requires it.

(i) Daily living costs

Personal Allowance

- The Children (Leaving Care) Act regulations require that young people must not be worse off financially than they would have been were they entitled to social security benefits.
- Leicester City Council will therefore ensure that all relevant young people have an income at least equivalent to the higher rate of Income Support for 16 and 17 year olds.
- It is the responsibility of the relevant young person to budget this personal allowance to meet their daily living costs including clothing, utility costs and accommodation costs not otherwise eligible for Housing Benefit funding (ineligible charges).
- For relevant young people in employment, if their income is below the level that would be available to them if they had remained in education (that is Personal Allowance plus EMA) their income will be topped up that level. If their income exceeds that level, no payments will be made.

Birthday and Festival Allowances

- An annual birthday allowance, including for their 18th birthday, will be paid to relevant young people and to eligible young people living semi-independently or independently.
- These young people will also be entitled to an annual festival allowance.
- These allowances are paid irrespective of the young person's income.

(ii) Accommodation costs

- In practice young people leaving care move to live in a variety of settings ranging from supported accommodation to independent tenancies. In all cases, irrespective of the young person's employment or training status, the Local Authority is responsible for accommodation and associated support costs (excluding ineligible charges) until a young person's 18th birthday.

- Leicester City council will therefore fund all accommodation and associated support costs for relevant young people. The young person will not be asked to contribute to these costs, **but will be expected to pay any ineligible charges from their personal allowance or own income.**
- Once the young person becomes 18 they will be responsible for meeting their own accommodation costs, including council tax through their own income and/or benefits. This will be made clear to the young person through the Pathway Planning process.

2. Assistance Linked with Education, Training and Employment

(i) Education/Training Top-up Allowance

- The majority of relevant young people entering Further Education will be eligible to receive a bursary from the college. The bursary is disregarded for social security and Housing Benefit purposes; it is also disregarded for Children (Leaving Care) Act purposes.
- Relevant young people in FE will therefore continue to receive a full personal allowance from the City Council.
- Those young people in FE who are not eligible to receive a bursary from their college will be supported to access other sources of financial support such as college access or hardship funds. Once these other options have been exhausted any short-fall will be met by the Department.
- Those young people on a recognised training scheme should be no worse off than young people entering FE. Young people will be supported to access all training allowances to which they are entitled, but if the young person's income remains below that of young people in FE (that is, personal allowance plus the bursary), the City Council will make an additional weekly payment to top-up the young person's income to that level. This payment will cease if the young person leaves their training course.

(ii) Starting Work/Training/FE grants

- Where a young person starts work, college or training course, a start-up grant will be available towards the cost of essential equipment and items associated with the work or course. It is expected that all other sources of funding will be exhausted before this grant is considered, and this should be discussed with the Social Worker/PA.
- Young people are entitled to claim this grant once. Further applications by a young person will be considered but payment of a second grant is discretionary and will be subject to available resources.

(iii) Travel Costs

- Where travel expenses are not met by a college or training provider, a young person will be assisted with reasonable travel costs to and from education and training, usually through an additional payment for a bus pass.

3. Assistance with setting up a home

(i) Independence Grant

- Eligible and relevant young people are entitled to an Independence Grant which is intended to assist with the costs of setting up home. The grant is paid in instalments and is used for any assistance with independence e.g., to buy

essential items when young people move from care to more independent living.

4. Access to miscellaneous and emergency payments

There are some miscellaneous and emergency payments that may be available to eligible and relevant young people. Such payments are at the discretion of the Service/Team Manager, and decisions as to whether payments will be made will be based on an assessment of each individual situation, and will be subject to budgetary constraints. Any young person in crisis and in need of emergency provision will be referred to the revenue and benefits department to ensure their immediate needs are met.

(i) Additional Travel costs

- Young people should be encouraged to maintain contact with family, extended family and other support network contacts. Where such contact has been agreed in the Pathway Plan and additional travel costs are incurred, consideration should be given to meeting these costs at the public transport rate.
- Young people may also incur additional travel costs for attending essential appointments – for example, asylum seeking young people needing to attend interviews at Asylum screening centres. Where there is no other way of funding these essential travel costs, consideration will be given to an additional payment at public transport rate.

(ii) Health needs

- Young people may have regular health needs such as dietary requirements that result in increased expenses. Every effort must be made to ensure that the young person claims free prescriptions and any welfare benefit entitlement before considering additional payments for health related matters. Where this cannot be achieved a weekly top-up should be considered.

(iii) Crisis Situations

Food parcels will be provided where necessary in emergency situations. In exceptional circumstances cash may be required. In this instance a crisis loan may be applied for (see below). In very rare circumstances additional funds may be agreed, however this will depend upon clear evidence of the severity of the situation. Where this relates to living independently, the Leaving Care Grant (LCG) may be used to cover these costs.

(iv) Crisis Loans

Crisis Loans can be obtained from the Leicester City Council Revenue and Benefits team based at Customer Services, Granby Street, Leicester. For information see <http://www.leicester.gov.uk/your-community/benefits-and-support/housing-benefit/community-support-grant>

(v) Additional Pathway Plan payments

- The Pathway planning process may identify additional needs with associated costs that cannot be met from any other source. Examples could include coaching and/or equipment for young people who have proven and sustained interest and talents in creative arts, sports, etc.
In these circumstances, with the agreement of the 16+ Team Manager/Service Manager, consideration can be given to additional

payments to meet these needs. This must be stipulated within the pathway plan and demonstrate a necessity in order to move towards agreed goals.

(vi) Driving Lessons

- All eligible and relevant young people over the age of 17 are able to apply for assistance with the costs of learning to drive. Access to funding will be based on an assessment of the young person's capacity to learn how to drive safely, including their ability to pass the necessary tests. The young person must also be able to demonstrate that they have a history of seeking and sustaining education, training and employment opportunities, they must demonstrate that they have commitment and resources to fund their own lessons or tests should they require this, in excess of what will be covered in the offer. The lessons required must be stipulated within the pathway plan.
- Approval of funding is given by the Service Manager, and will be subject to budgetary constraints.
- Where agreed, funding will cover the costs of:
 1. Provisional licence
 2. Up to 20 driving lessons.
 3. Theory test fee (1 only)
 4. Driving test fee (1 only)
 5. Full licence once test has been passed.
- Young people will be excluded from applying for or continuing their lessons where:
 1. They have had any driving-related convictions, charges or charges pending during the preceding 18 months or
 2. They have had any convictions, or charges pending in relation to violence, drugs or alcohol during the preceding 6 months or
 3. They have been in custody during the preceding 6 months or
 4. during a lesson they behave in any way which the driving instructor deems unacceptable
 5. There are issues about their own safety and those of other people
 6. They have no resources to fund ongoing lessons/retakes.

Exceptional Circumstances

(i) Relevant pregnant young women/young mothers

- Relevant pregnant young women are not able to claim social security benefits until the baby is born. During pregnancy the young person will continue to be supported financially under the Children (Leaving Care) Act and will receive an additional "milk money" allowance (equivalent to the rate paid through social security benefits) from when the pregnancy is confirmed until the baby is born.
- As relevant pregnant young women are not entitled to claim social security benefits until after the baby is born, they are also excluded from claiming a maternity grant pre-birth. As essential items for the baby will be needed in advance of the birth, a maternity grant equivalent to that provided by Social Security will be available to the young person from eleven weeks prior to the birth of the baby.
- After the baby is born relevant young mothers are then able to claim Income Support and will cease to receive a personal allowance.
- Once the relevant young mother has made a claim for Income support they are also able to claim the state maternity grant. Where young mothers have already received a maternity grant payment under Children (Leaving Care) Act payment system, it is expected that arrangements will be made for the

state maternity grant to be paid directly to the City Council. If not, the young person will be expected to make alternative arrangements to re-pay the advance.

(ii) Informal Accommodation Arrangements for relevant young people

- Relevant young people may make informal accommodation arrangements with family or friends, either in the short-term or on a longer-term basis. Unless there are clear reasons not to, these arrangements will be supported.
- In these circumstances the family member or friend will receive a contribution from the City Council towards the costs of providing accommodation for the young person.
- The young person will continue to receive their personal allowance and will be expected to contribute a part of this to the accommodation providers.

(iii) Relevant Young People who return home

- Regulations stipulate that a relevant young person who, after leaving care, returns home successfully to live with parents will cease to be classed as relevant after 6 months. Instead they will become a “qualifying young person” for whom the Local authority has a duty to provide general assistance rather than having responsibility to maintain the young person financially.
- When a relevant young person returns to live with parents, it is expected that parents will make a claim for Child Benefit for that young person. If the parent is in receipt of Income Support in their own right, they will also be able to claim an Income support allowance in respect of the young person.
- On occasions the financial circumstances of relevant young people may be a disincentive to them returning home. Whilst the Local authority will continue to work in partnership with both the young person and their parents to reach agreement over the best arrangements for the young person, in this situation parents who are offering the young person a home are accepting both the parental and financial responsibilities that arise from such a decision.

(iv) Relevant young people in custody

- A small monthly allowance will be paid to relevant young people in custody. The purpose of this payment is to help “normalise” the young person’s experience in custody where the majority of his/her peers will receive gifts in cash or kind from family or friends. Arrangements for payment of this allowance will need to be made with the young person.
- Relevant young people in custody retain their entitlement to birthday and festival allowances which will be retained until their release.

Financial Support System for Former Relevant Young People

Other than in certain circumstances linked to Further and Higher Education, Former Relevant Young People are eligible to claim state benefits and Housing Benefits under the normal rules. It is expected that daily living costs, accommodation costs and most other routine or emergency payment needs will therefore be met through the benefits system or through the young person's own income from employment.

The financial support system for former relevant young people has 2 main elements:

- Assistance with Education, Training and Employment
- Assistance with Setting up Home

There are particular issues relating to young people aged 18+ who remain living with their former foster carers, and these are detailed in the exceptional circumstances section.

1. Assistance with Education, Training and Employment

(i) Further Education

- The Pathway planning process will support and encourage young people to take up education and training opportunities, whilst also seeking to maximise a young person's income from social security benefits and other sources.
- Former relevant young people in Further Education are eligible to receive both Income Support and Housing Benefit until their 19th birthday.
- Where the course is classed as full-time and continues beyond the young person's 19th birthday, the Local Authority resumes financial support for the young person until the completion of the course. Other funding sources, such as college hardship or access funds must be explored, but Leicester City Council will ensure that the young person has a total weekly income equivalent to the current Income Support rate.
- Financial support from the City Council will continue at this level until the end of an agreed course of study, even if the young person is then aged over 21. It is expected that the young person will either then find employment or claim social security benefits as soon as possible.
- Where necessary the City Council will also pay reasonable costs of accommodation appropriate to the needs of the young person.
- For young people in residential FE, the City Council will also provide funding to secure appropriate vacation accommodation as necessary.
- As with young people in Higher Education, former relevant young people in FE will be able to supplement their income through part-time work. Any such income will be disregarded by the City Council whilst the young person remains in full-time education.
- If a young person withdraws from their course of study, the young person is expected to make a claim for Income support as soon as possible, at which point funding of their personal allowance will cease.
- If a young person fails to attend the course, the circumstances around this non-attendance will be looked into. The young person will be advised and supported to return to their course, but if they have not done so within 6 weeks then payment of their personal allowance will cease.

(ii) Higher Education

- Although funding for Higher education is discretionary under the Children (Leaving Care) Act, Leicester City Council positively supports and encourages care leavers to go on to Higher Education wherever possible
- An individual package of financial support will be available for care leavers. The actual level of funding will be dependent on the course being undertaken, the location, and the living arrangements of the young person at the time. In all cases the package of support will include:
 - 52 weeks accommodation costs
 - 52 weeks personal allowance at the level paid to relevant young people
 - Termly return travel to/from Leicester or other current home base
 - Additional travel to facilitate family/friends contact, up to 3 times a year
 - Essential base to campus return travel
 - One-off purchase or provision of a PC/Laptop
 - Annual essential book allowance
 - Additional allowance to cover the cost of other essential course related expenses such as field trips.
- Accommodation costs will be based on the average cost of student accommodation or halls of residence in that area, and will include funding for vacation accommodation.
- Consideration will also be given to making additional discretionary payments to cover other costs identified in the young person's pathway plan. This could include:
 - Society/club membership fees where this enhances their study or builds on established interests
 - Costs of internet connection where this is not otherwise available.
- Funding for Higher Education will not normally be available for young people who are classed as overseas students as the additional fees are prohibitive.
- As with their student peers, young people in HE will be encouraged to undertake part-time work to supplement their allowance.
- Young people will also be able to access student loans.
- Funding will continue at the agreed rate whilst the young person is attending their course. If the young person withdraws from or fails to attend their course, the circumstances around this will be looked into. The young person will be advised and supported to return to their studies but if they have not done so within 6 weeks then the funding package will cease, and the young person will be expected to support themselves financially through making benefit claims or through employment. This will need to be recorded within the pathway plan.

(iii) Employment and Training

- The Local Authority has a duty to provide assistance with the expenses associated with employment and training for former relevant young people, as well as a general duty to provide assistance.
- Where expenses linked to employment or training that cannot be met from other sources have been identified in the Pathway Plan for former relevant young people, consideration will be given to additional one-off funding. Examples might include the purchase of specific items such as essential safety wear or specialist equipment.

- If necessary, consideration will also be given to contributing to the cost of accommodation which enables the young person to live near the place where they are employed.

2. Assistance with Setting Up Home

(i) Independence Grant

- Former relevant young people are entitled to an Independence Grant which is intended to assist with the costs of setting up home. The grant is paid in instalments and is used to buy essential items when young people move from care to more independent living; typically the bulk of the grant is used to help furnish and equip a young person's first independent tenancy.

Exceptional circumstances

(i) Young People 18+ continuing to live with their ex-foster carers on the Staying Put Scheme

- Staying Put is an arrangement whereby a young person in foster care remains living with their former foster carer after their 18th birthday. As the young person is now an adult the living arrangements change - the young person is no longer in care and the carers are no longer fostering the young person; rather the young person is now a lodger and the carers are effectively landlords. The Staying Put Scheme is designed to promote a gradual transition from care to adulthood and to ensure that young people do not experience a sudden disruption to their living arrangements.

Fostering allowances paid in respect of children aged under 18 will vary depending on the type and nature of placement (mainstream, contract care, IFA, etc.) however Staying Put arrangements relate specifically to young people aged 18+ and therefore, allowances are standardised and reflect the changing nature of the arrangements.

When a young person reaches the age of 18 they should be supported to claim:

Income support/Job Seekers Allowance or
Employment and Support Allowance (if not already) and
Housing Benefit

- Young people meeting the Disability criteria will be referred for the Shared Lives scheme.
- Staying Put allowances are made up of different sources – a Supported lodgings payment made by Children's services, Housing Benefit where this can be claimed by the young person, and the young person's contribution. These sources combine to make up a weekly Staying Put allowance, 01/02/15 rate is £197.24.

For further information on Staying Put please visit <https://www.leicester.gov.uk/health-and-social-care/adoption-and-fostering/looked-after-children/leaving-care-support>

Financial Support for Qualifying Young People

Primary responsibility for financially supporting qualifying young people does not rest with the Local Authority. In the Children (Leaving Care) Act there is a duty on the Local Authority to provide general assistance to young people, as well as assistance related to education or training. In addition, there is a specific duty to provide assistance with accommodation during vacations for care leavers in full-time further education or higher education where this is necessary.

Financial support for qualifying young people is therefore limited to these specific areas. Funding will be discretionary and will be dependent on available resources. Access to funding will be via an assessment of the young person's needs where funding issues relating to employment, education and training are identified.

Examples where funding may be considered include the purchase of essential safety wear or specialist equipment related to employment.

Appendix 1

Payment Rates

The following payment rates apply from 1st April 2015 to 31st March 2016.

1. Financial Support for Relevant Young People

Assistance with Daily Living and Accommodation Costs

- Personal Allowance £57.90 per week
- Birthday Allowance £60
- Festival Allowance £50
- Accommodation Costs As identified in Pathway Plan less ineligible charges

Assistance Linked with Education, Training and Employment

- Starting work/training/FE grant £100 max

Assistance with Setting Up Home

- Independence Grant £2000 paid in instalments

Miscellaneous and Emergency Payments

- Crisis Loans £25 max, to be repaid at maximum of £4.50 a week

Exceptional Circumstances

- Maternity Grants £500, to be re-paid in full
- Contribution towards informal accommodation arrangements £25 a week
- Young people in custody £10 a month

2. Financial Support for Former Relevant Young People

Assistance with Education, Training and Employment

Further Education

- Personal Allowance £57.90 a week
- Accommodation costs As agreed in Pathway Plan, less ineligible charges

Higher Education

- Accommodation costs As agreed in Pathway Plan, less ineligible charges
- Purchase of PC £700 max
- Essential book allowance £150
- Other essential course costs £150 max
- LCC bursary £2000 paid in instalments

Assistance with Setting Up Home

- Independence Grant (formerly LCG) up to £2000 paid in instalments