

Report to the Cabinet

Meeting to be held on Thursday, 11 April 2019

Report of the Acting Director of Children's Social Care

Part I

Electoral Division affected:
(All Divisions);

Lancashire's Financial Procedures for Care Leavers

(Appendix 'A' refers)

Contact for further information:

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Executive Summary

Following a review of the Care Leavers Financial Entitlements, Appendix 'A' sets out a revised policy reflecting proposed changes to the existing financial arrangements.

This is deemed to be a Key Decision and the provisions of Standing Order C19 have been complied with.

Recommendation

Cabinet is asked to approve the updated Lancashire's Financial Procedures for Care Leavers and the increase in allowances as set out at Appendix 'A'.

Background and Advice

The Children (Leaving Care) Act 2000, stipulates that all local authorities must provide a range of statutory entitlements for young people leaving care. These entitlements are linked to accommodation, education, employment, training and financial support.

A review has been completed of current entitlements for care leavers in Lancashire, to provide a better and fairer service to them, and to support our aspirations for them as a corporate parent. This follows feedback from young people regarding the financial challenges they face and is aligned to the objectives in the Corporate Parenting Strategy 2018-2022, approved by Cabinet in December 2018. Objective 7 of the strategy outlines our commitment in ensuring that children and young people receive appropriate financial support.

The Setting up Home Allowance is based on assessed need. The allowance enables the young person to furnish their accommodation, once they have left care and are living independently. Young people live in a range of accommodation including supported accommodation, privately rented and social housing. The review of the Setting Up Home Allowance has factored in this range of accommodation and the additional purchases that the young person may need to consider, such as carpeting, curtain poles, curtains and blinds which are often not provided in social housing accommodation.

An increase in the allowance would give the young person flexibility in terms of where to purchase items and quality of goods. It is recommended that the Setting Up Home Allowance is increased to reflect inflation and increased consumer prices for household furniture and essential items. As there will be an expectation that local authorities will continue to support care leavers up to the age of 25 years regardless of their situation, this one off payment will in effect have to be spread over 8 years. The increase would therefore benefit the young person within changing legislation.

All local authorities also have a duty to support care leavers with Employment, Education and Training. Lancashire currently provides a Leaving Care Enhancement of £21 per week for young people who undertake part-time work or training opportunities as an incentive to continue in their work and education. It is proposed that the Leaving Care Enhancement is increased from the original amount set in 2011, to £25 per week to reflect increasing living costs.

It is proposed to introduce a Local Housing Allowance 20% rent top-up. This would enable some young people to secure suitable accommodation within their local community, where higher rent charges have been prohibitive in them being able to afford to live in the area. This would be available to those young people who have demonstrated an ability to maintain and manage a tenancy, and will be based on a thorough needs assessment.

The current financial procedures include Birthday Allowances for eligible young people (16 and 17 years of age) and Former Relevant Care Leavers (18th and 21st Birthday) but not for Former Relevant Care Leavers' 19th and 20th Birthdays. Also absent from the current financial procedures is a Christmas or religious festival allowance for Former Relevant Care Leavers. Although this is not a legal requirement within the leaving care regulations, this is recognised as good practice in other local authorities and sets the standard for good corporate parenting in Lancashire.

Details of the above are set out at Appendix 'A'.

Consultations

Consultation has taken place with young people, some of whom are members of the Corporate Parenting Board. They have outlined the financial challenges that they are encountered with and this feedback has been incorporated into the revised policy that is being presented.

Implications:

This item has the following implications, as indicated:

Risk management

As a Corporate Parent, the Council has responsibility to ensure that care leavers are supported to achieve financial stability, and this is a priority within our Corporate Parenting Strategy. The progress made in implementing the strategy will be subject to scrutiny and challenge by Ofsted during future inspections of children's services. The next Focus Visit by Ofsted, (due this year) will be on Permanence. It is likely that this will include care leavers.

Financial

The estimated cost of the proposals are as follows:

| Element | Current Cost | Proposed Cost | Additional cost per year |
|------------------------------------|----------------|----------------|--------------------------|
| Setting Up Home Allowance (a) | 280,594 | 135,506 | - |
| Setting Up Home Allowance (b) | - | 187,793 | 42,705 |
| Leaving Care Allowance Enhancement | 18,837 | 22,425 | 3,588 |
| Rent Top Up | - | 111,552 | 111,552 |
| Birthday Allowances | 17,715 | 29,525 | 11,810 |
| Total | 317,146 | 486,801 | 169,655 |

The current Setting Up Home Allowance is a £2,050 one-off payment. The proposal is to introduce two rates dependent upon the accommodation type:

- a) £2,250 for a young person entering privately rented accommodation.
- b) £2,450 for a young person entering social housing accommodation which will potentially incur additional costs.

The projected figure would be an estimated increase of £42,705 a year based on the current cohort.

The current Leaving Care Enhancement for young people who commence Further Education from the age of 19+ is currently £21 per week. The recommendation is to increase this to £25 per week which would be an estimated increase of £3,588 a year based on the current cohort.

The Birthday Allowances for 19 and 20 year olds will be paid at £25. This proposal would be an estimated increase in cost of £11,810 per year.

The proposal to provide a Rent Top-Up, capped at 20% to enable a young person to remain in their current community. Based on the current cohort this could be an additional cost of £111,552 per year. This assumes that all young people meeting

the criteria would apply for this top-up. It is not proposed that all young people would require this allowance, which would be based on a thorough needs assessment.

The approved 2019/20 budget for financial assistance to care leavers is £0.910m. The estimated cost of these proposals is £0.169m. The financial assistance to care leavers budget is forecasting an underspend position of £0.115m in 2018/19. Assuming the similar level of spend and demand occur in 2019/20, then the above proposals would potentially add a pressure of £0.055m. This assumes that all recommended financial entitlements as stated within this report are granted. If this was to occur then this additional cost would have to be managed within the service's overall budget and will be closely monitored throughout 2019/20.

List of Background Papers

| Paper | Date | Contact/Tel |
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| Reason for inclusion in Part II, if appropriate | | |
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