

Transitions to Adulthood: Improving the life chances of care leavers. *11th March 2020*

Summary

- This Budget is rightly being seen as an opportunity to level up the country and tackle the cost of living; this must begin with ensuring care leavers receive the same support that we would expect to provide to our own children.
- As of March 31st 2019 there were 29,930 care leavers between the ages of 18 and 21 year olds and 39% of these young people - 11,560¹ - were not in education, employment or training.
- The life chances of care leavers are far poorer than other young people their age across the UK. With no family to support them, care leavers require more education and support so they can cope with the financial pressures of adult life.
- We are delighted to see the long overdue extension of higher rates of housing benefit to care leavers until the age of 25, giving them housing stability beyond their 22nd birthday within the Budget.
- In response to leadership from the government, local authorities across the country have developed local offers for care leavers, leading to councils exempting care leavers from council tax, the creation of 'health passports' to help young people understand their health history and financial support for those care leavers who attend University².
- Central government must recognise that urgent reform is needed to some of the systems within its gift to create a 'national offer' to ensure every care leaver across the UK has the same opportunities as their peers.

Support up until the age of 25

The *Keep on Caring* strategy³ put into place additional support for care leavers up to the age of 25 through the extension of statutory duties and non-statutory recommendations to local authorities and civil society. The strategy made clear the 'moral obligation' the government has to care leavers to provide 'the support they need as they make the transition to adulthood and independent living.' The strategy for instance extended corporate parent duties of the state to a care leaver up into the age of 25. This extension was partly to improve the life chances of these young people and partly to reflect the growing recognition that all young people need more financial and social support up until the age of 25. For instance ONS statistics show the growing number of young people remaining in the family home in their twenties⁴ - an option not available for most care leavers. It is every government Department's responsibility to its very best for care leavers up until the age of 25. Many Departments are offering internships and apprenticeships for care leavers, but government must also look at how it can improve policy further to truly enable this group to take on opportunity; this begins with providing care leavers with all of the financial resources they need to lead a healthy, happy and productive life.

¹ <https://www.gov.uk/government/statistics/children-looked-after-in-england-including-adoption-2018-to-2019>

² <https://cdn.catch-22.org.uk/wp-content/uploads/2019/11/Local-Offer-GuideKey-Messages.pdf>

³ <https://www.gov.uk/government/publications/keep-on-caring-supporting-young-people-from-care-to-independence>

⁴ <https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/articles/milestonesjourneyinginto adulthood/2019-02-18>

Shared Accommodation Rate Exemption for Care Leavers

We are delighted to see within the budget a long overdue extension of higher rates of housing benefit to care leavers until the age of 25, giving them housing stability beyond their 22nd birthday⁵. Higher rates of housing benefit have also been announced for young homeless people aged 16 – 24, victims of domestic abuse and trafficking. This measure will be effective from October 2023 and all of these announced exemptions from the shared accommodation rate will cost the Exchequer £10 million in 2023-24 rising to £15 million in 2024-25.

The Children's Society has been campaigning on this issue since the 2016 Care Leavers Strategy, this exemption means that fewer young people will be at risk of rough sleeping and other forms of homelessness. Access to one-bedroom rate of LHA from their 18th birthday to their 25th birthday provides care leavers with more options as they exit care and begin to live independently. It also allows them to have complete control over their household. For most young people, the care and support they receive from their family does not cease on their 22nd birthday, and we are pleased to see the government recognise this by exempting care leavers from the shared accommodation rate.

The SAR does not cover the cost of living in shared accommodation across 81% of the country⁶. To mitigate this councils can use discretionary housing payments (DHP) to top-up the SAR – these are intended as short-term measures to cover transitional periods. The DHP must be continuously reapplied for with no guarantee it will be granted, adding an unnecessary level of stress and anxiety for care leavers. This is why from 2023, this exemption will be so valuable to care leavers.

We would urge MPs to seek clarification from the Minister as to what measures will be put in place in advance of the exemption being introduced in 2023. Options the DWP could explore include ensuring that Discretionary Housing Payments are available to care leavers automatically to support with the cost associated with the move to the SAR in the meantime.

National Council Tax Exemption for Care Leavers

Our previous research has shown that care leavers do not feel they have a practical understanding of finances and bills that they can use in everyday life. Often, when care leavers move into independent accommodation they begin to manage their own budget fully for the first time. This can lead to challenges such as knowing which bills to pay and how to pay them. When it comes to council tax, care leavers are a particularly vulnerable group and difficulties are common. As a priority bill, the enforcement measures available to councils to collect unpaid council tax are severe, which at its most extreme can result in a committal to prison.

Based on our research and campaigning, **over 100** councils in England have now exempted care leavers from paying council tax until they are 25, as well as Wales and Scotland introducing national exemptions. However, in some areas, councils say that the exemptions no longer apply if a young person moves from their home area. A national exemption would also ensure that there was a consistent framework of support for this group - wherever they lived in the country. We estimate that the cost of such a national exemption would be around **£21 – £22 million per year**. Local Authorities are also likely to make significant savings by not having to pursue the collection of small amounts of council tax debt from care leavers.

⁵ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/871799/Budget_2020_Web_Accessible_Complete.pdf

⁶ Crisis (2019) Cover the cost: how gaps in Local Housing Allowance are impacting homelessness

Given the growing national disparity in council tax exemptions for care leavers and rising council tax bills, it is only fair that central government now implements a nation-wide exemption to ensure all care leavers across the United Kingdom are equally protected from problem debt and financially supported up until their 25th birthday.

A National Offer for Care Leavers

The budget is an opportunity to level up the country and tackle the cost of living; this must begin with ensuring care leavers receive the same support that we would expect to provide to our own children. As of March 31st 2019 there were 29,930 care leavers between the ages of 18 and 21 year olds in England, these are amongst the most vulnerable young people in our society - through helping them to succeed now government could see substantial savings in the long run. The government have made strides today in ensuring care leavers are financially supported up until their 25th birthday, we are now asking the Government to go further to ensure all care-experienced young people have the same opportunities as everyone else – only then will the government truly level up all of society.

Questions for the Minister

- Can the Minister set out how measures in today's budget will help care leavers?
- What consideration has the Minister made of the merits of the government exempting care leavers from council tax until their 25th birthday?
- Will the Government provide Local Authorities with updated guidance on awarding Discretionary Housing Payments for care leavers until the shared accommodation rate exemption comes into force in 2023?
- Will the Government commit to reviewing their national offer to care leavers to ensure support is given across every government department up until their 25th birthday?