

<b>Item No.</b> 7.	<b>Classification:</b> Open	<b>Date:</b> 21 April 2011	<b>Meeting Name:</b> Corporate Parenting Committee
<b>Report title:</b>		Financial Management Support for children leaving care	
<b>Ward(s) or groups affected:</b>		All	
<b>From:</b>		Strategic Director of Children's Services	

## RECOMMENDATIONS

1. Corporate Parenting Committee note (Southwark bankers) to provide bank accounts for Looked After Children and support for children leaving care.
2. Corporate Parenting Committee request an update report as to implementation and review of proposed revisions to the savings scheme (under 16's).
3. Corporate Parenting Committee note decisions made with Speakerbox Council relating to implementation of leaving care grant arrangements.

## KEY POINTS

4. The Adolescent and Aftercare Service provides a range of interventions and training inputs to build the relevant knowledge, skills and resilience of care leavers to effectively manage their finances and recognise the risks of doorstep lending and other high (legalised) percentage loan arrangements.
5. The service will be developing a purchasing arrangement with a single provider for care leavers to equip their new homes which ensures best value whilst providing free delivery and cooker installation.

## BACKGROUND INFORMATION

6. Responsibilities for providing services for Southwark's care leavers rests with the Children Looked After Adolescent and Aftercare Service.
7. The Aftercare Service is subject to external scrutiny through key performance indicators relating to care leavers. These relate to the percentage of care leavers on their 19<sup>th</sup> birthday who are:
  - a) still in contact with their personal advisor
  - b) living in suitable accommodation
  - c) in employment, education and training

These performance indicators provide a helpful benchmark as to the effectiveness and impact of the Aftercare Service. These key performance indicators are subject to comparison with Southwark's statistical neighbours.

8. The Service has 5 teams which provide the full range of services for looked after

children and care leavers (13-21). These being: -

- Two teams for children in care (13-18)
  - Two Aftercare Teams for care leavers (18-21, 24 if in university or higher education)
  - A Team for Unaccompanied Minors and Unaccompanied Minor Care leavers.
9. Leaving care legislation requires that children in care should have a pathway plan in place at 16 years of age which lays out their future pathways to employment, education and training and preparations for independent living.
  10. Pathways plans should articulate the young person's needs assessment at 16 and what skills they would need to acquire over the following twenty four months to live independently from the age of 18. These skills would include how to budget and manage their income/expenditure and their own bank account.
  11. From the age of 18 care leavers have an allocated personal advisor who will monitor the implementation of their pathway plan to ensure the young person is able to fulfill their aspirations with regards to employment, education and training whilst maintaining their accommodation and financial stability.
  12. Young people growing up in their birth families have the security of falling back upon their parents or extended family for ongoing support and where appropriate can remain at home well beyond their 18<sup>th</sup> birthday. Looked after children are additionally vulnerable because they do not usually have an effective extended family network and have often experienced a chaotic lifestyle where self confidence and conflict resolution have not been developed. Many young people entering the care system over the last five years have unresolved immigration status. These young people are not unaccompanied minors but have arrived in the UK in families who have no status or who are claiming asylum. Some children coming into care have been privately fostered or trafficked which means there is nobody able to exercise parental responsibility.
  13. Looked after children entering the care system this way will have no immigration status when they reach the age of 18 which results in the benefit systems (DWP) deeming them as having "no recourse to public funds" until their status is resolved. This may take a considerable time, and require continued financial support from young people who cannot work or get other access to public funds.
  14. Whilst the Adolescent and Aftercare Service will support and facilitate the young person in care appointing a solicitor and obtaining legal aid, applications for resolution of status are not routinely commenced until the young person reaches the age of 18. Young people in this situation are additionally vulnerable with regards to financial problems as they are not eligible for full employment opportunities or universal benefits.

## **KEY ISSUES FOR CONSIDERATION**

15. The Adolescent and Aftercare Service have a number of initiatives in place to support young people reaching the age of 18 with the best possible opportunities to build a home and have financial management skills.

- **Partnership with Southwark Banks (RBS)**

16. The CLA Service has conducted a pilot in 2009/10 to support young people being able to open bank accounts even when they have limited documentation. It is proposed that this protocol will be extended during 2011/12 to include unaccompanied minors who routinely find it extremely difficult (if not impossible) to open bank accounts.
17. The RBS partnership manager has agreed to pilot the opening of 20 bank accounts for unaccompanied minors aged 17 using an agreed set of identification documents.
18. In addition the RBS protocol for 2011/12 will deliver two financial awareness training sessions delivered through the Adolescent and Aftercare group work programme. The protocol has also requested that RBS fund the children looked after GCSE celebration ceremony in October 2011.

- **Bank accounts for looked after children**

19. From March 2011 a new scheme has been introduced following consultation with Speakerbox and Southwark Foster Carers Association whereby all 16 and 17 year olds in care should have their own bank account (unless legal status precludes this).
20. From March 2011 all personal allowances which were routinely paid to the 17 year old by their foster carer or placement, will now be paid directly into their bank account. This will now afford all 17 year olds the opportunity to practice using a bank account for a minimum of twelve months before reaching the age of 18. This will require young people to become familiar with a regular income each week, how to read bank statements on line, and how to anticipate expenditure and income variations. The scheme will be reviewed in March 2012 with a potential to consider the scheme being expanded to 16 year olds.

- **Savings in preparation for leaving care**

21. Currently there is an ad hoc system where foster carers in Southwark are required to set aside £10 per week for older children in care. This has not been consistently applied across all placements types and has led to a great deal of confusion on the part of young people and carers. From March 2011 a uniform savings scheme has been introduced following consultation with staff, independent reviewing officers, Speakerbox and Southwark Foster Carers Association.
22. From March 2011 all young people in care aged 16 and 17 will now receive a weekly personal allowance of £45 (previously £55 - £58). This reduction in allowance will be compensated through the additional payment of £1,000 at 18 years in lieu of looked after children who have been in care since the age of 16. This will compliment the current leaving care grant of £1,300.
23. Southwark Foster Carers Association and other staff have suggested that this savings scheme could be expanded for all looked after children from the moment they come into care.

- **Savings Proposal**

24. It has been suggested that a consultation exercise is held with key partners including

looked after children themselves as to whether there should be a uniform savings scheme for all looked after children from the point they come into care.

25. The principle would be that a fixed amount would be set aside each week for the looked after person from the moment they enter into the care system. This would equate to £5.00 per week for all primary aged children and £10 per week for all secondary school aged children. This amount would be deducted from the allowances paid to the foster carers or placement providers. Potentially this could lead to significant amounts being available to support a young person leaving care. It is proposed that this exercise will take place over the coming six to nine months for implementation from April 2012.

- **Leaving Care Grant and Home Goods Package**

26. Southwark recently set the leaving care grant at £1,300 which was subject to further discussion at the recent meeting between the Southwark Corporate Parenting Committee and Speakerbox.
27. During earlier conversations about the leaving care grant and savings, young people had observed that negotiating the best prices for furniture and white goods was problematic as well as hidden costs such as deliveries and installation of cookers etc.
28. It has therefore been proposed that children's services should negotiate an agreed package for every care leaver with a single provider. This arrangement would ensure value for money, free delivery and maximise the purchasing power of the leaving care grant. This proposal has been well received but further consultations are required to identify the most appropriate provider (IKEA and Argos being suggested). Once this has been concluded the CLA Service will negotiate with the preferred provider to establish a core service and develop appropriate publicity.

- **Pathway Plans (developing skills)**

29. All pathway plans require placements and carers from the age of 16 to provide advice and guidance on budgeting, cooking and paying bills. Nearly 50% of all care leavers move to a semi independent placement at some point during their 17<sup>th</sup> year which enables them to live semi independently for between six and nine months with a named key worker with expertise in this area.
30. The pathway plan is reviewed every six months by the independent reviewing officer who is able to check progress against agreed milestones and where appropriate challenge the placement or foster carers as to progress being made.
31. If a young person is not able to develop sufficient skills to live independently (despite the support of a semi independent placement to assist preparation) then a referral can be made to the "supporting people" programme delivered through Southwark's joint protocol with housing. The supporting people programme provide supported accommodation for care leavers for a period of up to 2 years where the young person has a protected living environment and a weekly access to a support person. This enables the young adult to have a longer period of time to develop the necessary skills to live independently. During this period the care leaver will have access to a personal advisor and their pathway plan reviewed every six months. This will enable further input concerning the young person's financial and independent living skills.

- **Emergency Payment and Debt Management**

32. If a young person falls into arrears with utilities, council tax or rent there is a special programme available through the housing department where the care leaver will receive additional support. This scheme was initiated to work alongside the care leaver to reduce their arrears and avoid the situation deteriorating further. Allocated personal advisors are required to be well informed about the benefits system and how to access loans and grants where appropriate.
33. Care leavers are aware that if they are experiencing real difficulty with their finances they can be issued with an emergency payment by the CLA Service to provide temporary support while negotiations are held with benefits agencies, utilities or landlords.
34. The CLA Service has a petty cash system which is used for this purpose. It is envisaged that the new arrangements for paying young people directly through their bank accounts will improve this situation as young people will be required to begin more informed budgeting activities from a younger age. It is also intended that all emergency payments sought would require a joint evaluation of the care leaver's bank account to track how it was being used.
35. The development of the drop in service was also introduced as a measure to support young people who may be in financial difficulty. It provides a facility three days each week for the most vulnerable children and care leavers to visit the Adolescent and Aftercare Service for informal support. Whilst accessing input from a range of professionals from employment, education, health and substance misuse agencies, young people can also cook a meal and receive help with laundry and day to day living problems. The drop in is therefore able to fulfill an early intervention service for care leavers where the personal advisor is concerned that the young person may be isolated, vulnerable and unable to manage their money. Care leavers in such circumstances are particularly vulnerable to exploitation and having a constructive place to go each week to access support, advice and encouragement can be crucial.
36. In exceptional circumstances a personal advisor may make an application to the children in care placements panel chaired by the Head of Service for a one off Section 24 discretionary payment. There are occasions where care leavers may get into debt because of unforeseen circumstances or genuine confusion with housing benefit schemes or trying to negotiate the maze of regulations when attempting to work part time (impact on benefits, housing benefit etc). Exceptional one off payments are then used to enable creditors (usually landlords or utilities) to defer implementing legal proceedings against the care leaver. The children looked after placements panel is the main forum used by the Aftercare Service to avoid looked after children being evicted as a result of arrears. This is only used as a last resort as the personal advisor would usually intervene to ensure that all payments (plus small payments to cover arrears) are made directly to the landlord or utility provider.
37. The main reason why a care leaver might be evicted from their accommodation would be as a result of unacceptable behavior (involving neighbours) or significant damage being caused to the property, often caused by visitors invited in by the young person.

## Policy implications

38. The Government recently issued updated Children Act Guidance Volume 3: Planning Transition to Adulthood for Care Leavers. These regulations and guidance are intended to ensure that care leavers are given the same level of care and support their peers would expect from a reasonable parent and that they are provided with the opportunities and chances needed to help them move successfully to adulthood. The arrangements set out in this report contribute to Southwark's approach to supporting care leavers move to independence.

## Resource implications

39. The Adolescent and Aftercare Service delivers statutory provision for looked after children which is delivered within current resources allocated to the children's looked after service.

## Consultation

40. As part of the overall looked after service, the Adolescent and Aftercare Service has a key role in delivering direct involvement of young people in their individual service plan and in evaluating and shaping service delivery.

## Community impact statement

41. It is recognised that care leavers engaged in further education are more likely to be able to access the world of work and contribute to the local community. It is also clear that young people who have had the opportunity to open a bank account and understand how simple income and expenditure processes are managed will be more able to manage in the adult world.

42. Many of Southwark's looked after children do not begin to settle and make sense of their lives until they have left care. It is therefore crucial that the Adolescent and Aftercare Service maintain effective contact with care leavers up to the age of 21 to provide all the necessary support and encouragement. Over 95% of Southwark's care leavers at the age of 19 are still in touch with their personal advisor and living in suitable accommodation.

## BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Head of Service will provide a number of sample leaflets available to care leavers relating to leaving care grants and Aftercare services.	Bradenham Close, Boyson Road, SE17 2QB	Chris Saunders 020 7525 1039

## AUDIT TRAIL

<b>Lead Officer</b>	Assistant Director Children's Specialist Services & Safeguarding	
<b>Report Author</b>	Head of Services for Children in Care	
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