

**Kinship Care Alliance Second Reading Briefing on the  
Welfare Reform Bill 2011**

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Keeping children safe in their families

## Second Reading Briefing: August 2011

1. Family and friends carers are typically grandparents, older siblings or other relatives, who step in to care for a child because of parental difficulties, mental or physical ill health, domestic abuse, alcohol or substance misuse, imprisonment or bereavement. Many of these children have suffered similar multiple adverse experiences to those in the care system. Yet **family and friends carers often receive little or no financial or practical support, and many experience hardship as a result**. Almost six in 10 family and friends carers either reduce their working hours or give up work when they take on the care of a child<sup>i</sup>. They and the children they care for are the forgotten families of family policy.
2. There are estimated to be around 200,000 family and friends carers in the UK raising 200,000-300,000 children<sup>ii</sup>. Only 7,200 of these children in England & Wales, and 3000 in Scotland, are officially looked-after children in care, but many others would be in care if their relatives had not taken responsibility for them.
3. Research<sup>iii</sup> has established that the advantages of family and friends care for children are that:
  - a. The outcomes for these children are at least as good if not better when compared with children in unrelated foster care, but with far less support being provided.
  - b. Children feel loved and report high levels of satisfaction.
  - c. The placements tend to be more stable.
  - d. Children can more easily maintain a sense of family and cultural identity.
  - e. Children are more likely to maintain contact with family members.
4. All of the above has been recognised in new Statutory Guidance on family and friends care which states that support offered to children in family and friends care should be based on the needs of the child rather than the legal status of their living arrangements<sup>iv</sup>. Unfortunately, that is not the current case with DWP and HMRC policy, but an opportunity to do so now presents itself in the Welfare Reform Bill.
5. Whilst welcoming the Government's intention to make work pay, the Kinship Care Alliance is concerned that a number of measures in the Welfare Reform Bill undermine family and friends carers' capacity to care for children, and increase the likelihood that these arrangements will break down. This will not be in children's best interests and will increase the financial burden on the state as more children are taken into care. **If 5% of those currently in family friends care were in formal foster care, this would add £500 million a year to the cost of providing for children in care.**

### **Family and friends carers should be exempt from conditionality requirements of universal credit (Clause 57)**

6. One of the consequences of provisions contained in the Bill, and other policy changes being introduced, is that in future many more family and friends carers will be affected by conditionality requirements<sup>v</sup>. At the moment single family and friends carers claiming income support, like lone parents, do not have to look for work until the youngest child is seven; however from October this will be reduced to age 5 – and included under Universal Credit (Clause 57). This will directly affect many family and friends carers because children move into family and friends care at any age, not just during the early years. Evidence for the 2001 Census indicates that older children (over 12) make up a higher proportion of those in kinship care than in the

wider population<sup>vi</sup>. Furthermore, the increase in the state retirement age for women from 60 to 66 will mean increasing numbers of older grandparent carers will in future be expected to look for work.

7. We believe that family and friends carers should be recognised as a distinct group for benefit entitlements, to ensure that their capacity to care for vulnerable children and to save taxpayers the expense of keeping them in local authority care is not compromised. The ***Welfare Reform Bill must therefore be amended to ensure that family and friends carers are exempted from having to look for work, at least for the first year following a child coming to live with them.*** The Kinship Care Alliance has proposed a definition of family and friends carers, set out in the Appendix, to limit this protection to children who would otherwise be in care or where exceptional hardship would otherwise be caused.
8. For some carers, a year's exemption from being available for work would give them enough time to manage the upheaval in their lives before having to juggle work and care and would help tackle the disadvantage that older children moving into family and friends care face. Maternity leave and adoption leave recognise this adjustment period for other parents and carers, but there is no such adjustment period in law for family and friends carers despite the often considerable needs of the children they are taking on, and the fact that carers may have to give up work as a condition of the placement. Where a child has particularly challenging needs, carers may need conditionality requirements waived for a longer period, for example where a child has severe emotional or behavioural problems.
9. DWP policy on family and friends carers is out of step with the policy from the DfE which promotes family and friends care as the first option for children needing alternative care provided this is consistent with their welfare<sup>vii</sup>. Research indicates that many children in family and friends care have suffered similar multiple adverse experiences to those in unrelated foster care, and so there is no welfare case for treating these children differently to those who are looked after.
10. We believe that the DWP and HMRC should adopt a similar approach to the DfE to ensure that family and friends carers are able to provide vulnerable children with the care they need. This would require the following policy contradictions to be addressed:
  - a. It appears that, unlike other groups who will receive statutory exemption from work-related conditionality, the DWP plan is to set out in ***guidance***, rather than in regulations or on the face of the Bill, what job seeking requirements will be placed on family and friends carers and when these can be 'switched off'. This will mean individual Jobcentre Plus advisors exercising a high degree of discretion and individual family and friends carers having to advocate for themselves. These advisors are unlikely to have the experience or receive specialist training required to make appropriate and consistent decisions which are in the best interests of children. Hence, the new system is likely to result in a postcode lottery, with no certainty for carers, who need to know what financial support is available to them at the time they make a major decision about taking on the care of the child.
  - b. Local authority social work staff often 'broker' the arrangements that lead to a child being cared for by relatives or friends. Frequently the social worker stipulates to the carer that they should give up work or reduce their working hours in order to meet the child's needs. This does not present a benefit problem where

the child is placed with family and friends carers who are approved as formal foster carers, but it creates a significant problem for family and friend carers of children who are not looked after because they would be subject to normal conditionality rules irrespective of the needs of the child they are caring for.

***We therefore propose that there should be a provision on the face of the Bill (or at the very least in Regulation) that:***

- a. ***there should be an exemption from conditionality requirements for family and friends carers for one year after taking on the care of a child who is not their own; and***
- b. ***family and friends carers who are required by the local authority to give up work or reduce their hours in order to look after such a child are entitled to have their job seeking requirements 'switched off' for the duration of this requirement.***

11. If not adequately addressed, both these contradictions will act as a strong economic deterrent to family and friends carers stepping in order to avoid children becoming looked after. The only situation in which family and friends carers are entitled to financial support from the local authority is when the child is looked after in the care system. All other local authority support for family and friends carers is discretionary: at the moment only around a third of family and friends carers receive allowances from the local authority<sup>viii</sup> Where potential carers are deterred by the conditionality requirements of Universal Credit, they are more likely to wait until the child is looked after and then approach the local authority to take on the care of the child as a formal foster carer because this is the only way they can guarantee that they will receive the financial support they need and be exempt from work-related conditionality. This will result in more children becoming looked after which is precisely what DfE policy is seeking to avoid<sup>x</sup>.

#### **Benefit Cap (clauses 93 and 94)**

12. Family and friends carers in large households will be penalised for taking on the care of a child by the introduction of a cap for total household benefit payments as provided by Clauses 93 and 94 of the Bill. An estimated one in 10 family and friends carers live in households of five or more people, and so will be disproportionately affected by the benefit cap. Particularly for family and friends carers who also have their own children living at home, the cap on household benefits will act as a disincentive to provide care and is likely to lead to more children moving into care, either with that family (where the child would not attract benefits other than a fostering allowance, so would not count towards the capping figure) or an unrelated carer. ***We therefore propose that the exemption from the cap, already provided to households containing a child or adult in receipt of DLA or war pension, should be extended to family and friends carers where the children they are looking after would otherwise be in the care system or would otherwise suffer undue hardship (as defined in the Appendix).***

#### **Social fund Clause 69: Abolition of Social Fund payments**

13. We are concerned that the abolition of the Social Fund and transfer of responsibility to a discretionary fund managed by local authorities will result in severe hardship for some low income families who lack basic essentials such as beds, cookers or a washing machine. Especially when children move in in emergency, carers may have to buy beds, clothes and other essentials to meet the children's basic needs. This change is likely to have a very negative impact on the capacity of the poorest family

and friends carers to look after children and will be detrimental to children's welfare. The transferred funding for local authorities will not be ring-fenced and children's departments will be directly competing for funding with other services for the elderly and disabled adults.

### **Reduction in financial support for disabled children under Universal Credit; Abolition of Disability Living Allowance and Introduction of Personal Independence Payment (Clause 87)**

14. A high proportion of children in family and friends care have a disability or special needs. A recent survey of over 250 family and friends carers found that 7% are looking after a child with Asperger syndrome or autism and 16% are looking after a child with a learning difficulty or disability<sup>x</sup>. These figures are significantly higher than population averages. The proposed £27 a week reduction in support available for new claimants of Universal Credit who care for disabled children who do not receive the highest rate of DLA Care is estimated by the Government to affect 100,000 children, and will have a disproportionate impact on family and friends carers. ***We therefore propose that these provisions should not apply to family and friends carers.***

### **Older family and friends carers**

15. Around 25,000 family and friends carers are over the age of 65. It will be important that this group are not disadvantaged by the introduction of Universal Credit, and that they receive adequate support for children they are raising. A small number of older grandparent carers wish to continue working beyond the age of 65. Indeed this may help them to meet the unplanned costs of raising a child in later life. It is important that this group are able to access tailored support so that for them, work continues to pay if this is what they choose to do. It is unclear what the position of carer couples will be under Universal Credit where one is aged 65 but the other partner is younger.

### **Housing Benefit (Clause 68)**

16. We are concerned that the cap on housing benefit, especially on larger properties, and other changes, such as reduction of Local Housing Allowance to rents within the 30th percentile of local market rents, will put increased pressure on family and friends carers. Being forced to move house because housing benefit would not cover the cost of rent is likely to discourage potential family and friends carers from stepping forward and to place excessive strain on existing carers, increasing the number of children in care as a result – again contrary to DfE policy. ***We therefore propose that there should be an exemption to these provisions for family and friends carers.***

### **Case studies**

17. Paul is a 24 year old sibling carer of his six younger brothers and sisters. They were taken into care when their mother disappeared. Paul successfully secured a Special Guardianship Order for all 6 children to live with him, but social workers have stated that he cannot go back to work until the youngest (now 7) is at secondary school because of their vulnerability. Yet Jobcentre Plus now requires him to be seeking work.

Hazel is 58 and is being told by the Job Centre that she needs to come off income support in December this year as her youngest grandchild is approaching 7. Hazel cares for her 3 grandchildren who are now 12, 11 and 6 years old. The children were removed from parents after severe neglect due to their drug and alcohol misuse. Hazel's health is poor. She has applied for Disability Living Allowance but was turned down at appeal. Hazel was working full time before the children were placed with her but gave up that job to care for the children. Hazel is extremely worried about the consequences of being forced to try to find employment now. She feels she'll have to take a low paid job, find the money to cover childcare whilst leaving three extremely vulnerable, unsettled children in after school clubs or with a childminder.

## Conclusion

18. We believe that family and friends carers are vulnerable to unintended consequences as a result of provisions in the Bill. If this group are to continue to provide care to vulnerable children who would otherwise be in local authority care it is vital that the contribution they make is fully recognised when Universal Credit is introduced. This should not just be left to Guidance and the discretion of Jobcentre Plus advisors – **they should have their needs addressed on the face of the bill or in Regulation so that they entitlements are clear.** Supporting family and friends care makes sense for children, for the taxpayer and for our overburdened care system.

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<sup>i</sup> Wellard S and Wheatley, B, *What if we said no? Family and Friends Care: survey findings report*, Grandparents Plus, 2010.

<sup>ii</sup> Estimate from the Family Rights Group cited in Saunders H and Selwyn, J, *Evaluation of an informal kinship care team*, *Adoption and Fostering*, Summer, Vol 32:2, 2008.

<sup>iii</sup> Farmer & Moyers (2008) *Kinship Care: Fostering Effective Family and Friends Placement*; Hunt, Waterhouse & Lutman (2008) *Keeping Them in the Family: Outcomes for abused and neglected children placed with family or friends carers through care proceedings*

<sup>iv</sup> Department for Education, 2011 *Family and Friends Care: Statutory Guidance for Local Authorities*, para 4.6

<sup>v</sup> The situation for family and friends carers is different in Scotland.

<sup>vi</sup> Nandy, S and Selwyn J *Spotlight on kinship care: Using Census microdata to examine the extent and nature of kinship care in the UK*, Buttle Trust, 2011

<sup>vii</sup> S.22(C) Children Act 1989 & Department for Education, *ibid*, para 4.4

<sup>viii</sup> Wellard S and Wheatley, B, *ibid*.

<sup>ix</sup> Department for Education, *ibid*, para 2.19

<sup>x</sup> Wellard S and Wheatley, B, *ibid*.

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**Appendix: The circumstances in which it is proposed the exemptions should apply are:**

- a) Where the child comes to live with the carer as a result of plans made within a section 47 child protection enquiry and the local authority states that the child cannot remain with the parents in the current circumstances; or
- b) Where a child comes to live with the carer following a section 37 investigation and the local authority states that the child cannot remain with the parents in the current circumstances;
- c) Where a carer has secured a Residence Order or Special Guardianship Order to avoid a child being looked after, and there is professional evidence of the impairment of the parents' ability to care for the child; and/or
- d) Where the carer has a Residence Order or Special Guardianship Order arising out of care proceedings; or
- e) Where the carer has a Residence Order, Special Guardianship Order following the accommodation of a child.
- f) Where the child would suffer undue hardship if the exemption did not apply.