



Briefing and recommendations on

Family and Friends Care:

raising children within the wider family as an alternative to
care

Prepared by

Family Rights Group on behalf of the Kinship Care Alliance

Endorsed by:

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1. Introduction

Family and friends carers are typically grandparents, aunts or uncles, 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. Family and friends carers do exactly what the government wants to encourage people to do as part of 'Big Society': they step forward to help vulnerable children rather than waiting for the state care system to pick up the pieces. Yet these carers often receive little or no financial or practical support. They and the children they care for are the forgotten families of family policy.

There are no official statistics of the total number of children living with relatives but the estimated figure is 200,000-300,000¹ children. Only 7,200 of these children in England are officially looked after children in care, but many others would have to be in care if their relatives had not taken responsibility for them.

2. Why is family and friends care good for children?

The advantages for children who cannot live with their parents of being raised by family and friends carers compared to unrelated foster carers are:

- Children feel loved and report high levels of satisfaction.
- The placements tend to be more stable.
- Children can more easily maintain a sense of family and cultural identity.
- Children are more likely to maintain contact with family members.
- Children's behaviour is perceived to be less of a problem.

These positive outcomes for children in family and friends care are achieved despite the adverse circumstances in which many carers find themselves. It therefore seems reasonable to conclude that *these outcomes could be even better, and more children could be safely placed with family and friends, if there was proper investment in meeting these children's and their carers' needs.*

3. Why is family and friends care good for the public purse?

Family and friends carers raising a child who cannot live with his or her parents do so because of the love and security they feel they can offer the child. But they also save the state the huge amount of money that would have to be spent if the child was taken into care.

The total cost of looking after a child in care without any additional support needs, who remains in the same local authority foster placement over a twenty-month time period, has been calculated at £35,106. If the child has emotional and behavioural difficulties the total cost is more than six times higher: £215,756. If the child is in residential care, the standard

¹ Richards A and Tapsfield R (2003) *Funding Family and Friends Care: The Way Forward* (Family Rights Group)

unit cost is eight times higher than foster care.² Moreover, if the family member steps in prior to care proceedings, every unnecessary care case avoided saves more than £25,000 associated with the court process alone.³

All of these costs are saved when a vulnerable child is diverted from the care system by the intervention of a family and friends carer. A reduction of 5% in the care population could reduce expenditure on the care system in England and Wales by over £100 million a year.

4. What support is available at the moment?

The support available to family and friends carers is patchy and in many cases discretionary. There are a range of possible legal options for a child living with a family and friends carer and each category has different support:

If the child is living with the carer under a private arrangement (which may have been organised by the local authority):

- The carer can apply for child benefit and child tax credit for the child.
- If at least one of the child's parents has died, the carer may be able to claim Guardian's Allowance (£14.30 a week per child), but only in narrowly defined circumstances.
- The local authority has no duty to support the child, but has the power to provide support services if the child is assessed as being a child *in need*.

If the carer has gone to court and been granted a residence order or special guardianship order (which may have been requested by the local authority):

- The carer can apply for child benefit and child tax credit for the child.
- The local authority has a discretionary power to pay a residence order allowance or a special guardianship allowance. The criteria used and rates paid vary significantly across the country and even within authorities.
- The local authority has a general duty to provide special guardianship and adoption support services has no duty to support the individual child

If the child is looked after by the local authority, and placed with a family or friends foster carer:

- Foster carers are entitled to receive a fostering allowance and other support⁴.
- The child will have their own social worker, should have regular reviews and a right to leaving care services.

"These children have been through so much living with a heroin- and crack-addicted Mother. I want to give them the best possible start." - Grandparent carer

² Centre for child and family, Loughborough University, *Research evidence issue 7*

³ DfES/DCA/Welsh Assembly (2006) *Review of the Child Care Proceedings System in England and Wales*

⁴ as required by s.23 (2) CA 1989 and the Fostering Services Regulations 2002, Regulations 17, Department of Health 2002.

5. What is the impact of the current system?

Family or friends often start to care for a child because there is a crisis in the parental home. The children concerned may have experienced inadequate or inappropriate parenting, trauma or abuse. They are just as vulnerable as children who enter the care system, but the support they and their carers receive is much less.

Foster carers receive specific allowances from local authorities, paid at substantially higher rates than state benefits and tax credits, in recognition of the additional costs of raising a child who is not one's own child and who may have emotional difficulties. Costs, for example can arise from the child's challenging and destructive behaviour, bedwetting and difficult eating habits; maintaining contact with parents, siblings etc; time involved in engaging with the social workers and health and education staff who are involved with the child and attending meetings about the child. These costs are calculated by The Fostering Network to be fifty percent higher than the cost of caring for a birth child⁵.

However, for the majority of family and friends carers, taking on the responsibility of caring for someone else's children is a route into severe financial hardship.

There are four key financial difficulties that family and friends carers often face:

1. *The immediate costs of a child coming to live with the carer*

Many placements with family and friends carers occur in an emergency. Children may arrive on the doorstep with just the clothes they are wearing. In an internet survey⁶ of over 200 family and friends carers carried out by Family Rights Group in 2010, a third of the carers had spent between £500-£1000 and over a further third had spent over £1000 when the children arrived. The items most commonly bought were clothes and shoes, beds and bedding, other furniture, school uniform and toys.

2. *The costs of applying for a legal order*

Some family and friends carers incur large legal costs when applying for a residence order or special guardianship order to provide the child with security and permanence. The 2010 internet survey by Family Rights Group found that carers' expenditure on legal costs ranged up to £38,000, and the majority of those who incurred substantial costs received no financial assistance (many have modest savings, equity or earnings that make them ineligible for legal aid).

3. *Lost income as a result of the carer reducing or giving up work*

⁵ The Fostering Network (2004) *Allowances for Foster Carers* (The Fostering Network); Oldfield N (1997) *The Adequacy of Foster Care Allowances* (Ashgate)

⁶ Family Rights Group (Jan 2010) *The harsh reality – the financial situation of family and friends carers* www.frg.org.uk

In taking on the care of a young relative with complex needs, some family and friends carers have to reduce their hours, forego career opportunities, or give up work completely. In the 2010 internet survey:

- A third of respondents had left or lost their job or taken early retirement
- A quarter of respondents had reduced their working hours or taken a lower graded job to cope with looking after the child/ren.

Giving up or reducing work commitments has an immediate and long term impact on the carer's financial situation. Reducing hours means lost income, loss of working tax credit if hours drop below 16 a week, and loss of promotion prospects. Giving up work can mean loss of pension rights as well as income, and for some people this means having to draw state benefits for the first time. For older carers leaving their job may mean they will never be able to get back into the labour market.

4. *The ongoing costs of raising a child*

For many family and friends carers, the cost of providing for the children's day to day needs means giving up their own hopes of a comfortable and secure retirement. Some have to abandon plans to downsize their homes to fund their planned retirement, or have to spend their savings moving to a bigger home or extending their home to accommodate the children. For those older family and friends carers who have retired, there is real anxiety as they see their hard-earned savings dwindle away, knowing that there is no prospect of getting back to work to achieve financial security.

Carers often try to protect the children from the worst effects of their financial problems, choosing to go without things themselves so that they can spend more on the children.

"I lost my job as a direct result of having time off to attend court, care for the baby and attend his hospital appointments etc. My husband took redundancy and we had to sell our home and most of the furniture in order to pay the legal costs and fund a move of over 350 miles away to ensure the safety of our grandson...We went from a joint income of £76000 a year, a gorgeous home which we had worked hard for over 20 years to build - to having no home of our own, few possessions and living on an initial income of £9000." – Grandparent carer

"The main problem is that, because of my age, I will never work again which means there will be no more money coming in. When I calculated my financial needs for my retirement they did not include raising my grandson. I am now frightened to spend money on non-essentials such as holidays and meals out in case I don't have enough money as my grandson grows up." – Grandparent carer

6. Specific problems with current support system

1. *Family and friends foster carers receiving different rates*

Although entitled to receive the same fostering allowance as unrelated carers, many face financial discrimination in some local authorities: a survey in 2007-8 found that 25

authorities admitted to paying their family and friends foster carers at a lower rate than their other foster carers⁷.

2. *Carers who have a residence order or special guardianship order may get no support*

Because payments from local authorities are discretionary, carers may receive inadequate support or nothing at all. At a time of increased pressure on all budgets, having to rely on discretionary payments and services leaves these carers in a precarious position.

3. *Carers who need to use the welfare system face specific difficulties*

Although many family and friends carers are in work, some need to claim means-tested benefits as well as tax credits when a child comes to live with them. There are some significant problems with the benefits system's safety net for these carers.

- a) Changes to *income support rules* mean that lone family and friends carers who are permanently raising children aged 7 or over (from October 11 this will reduce to aged 5 or over) no longer qualify for income support but will be switched to Job Seeker's Allowance and must comply with specific job-seeking requirements. Moreover, from April 2013 people who are on Job Seeker's Allowance for over a year will lose 10% of their housing benefit. The responsibilities of taking on a child who isn't your own are recognised by the dispensation from this rule to move over to JSA given to foster carers, and family and friends carers who are *temporarily* caring for a child under 16 year old.
- b) *Guardian's Allowance* is payable to carers of children whose parents have died or where one parent has died and the other parent has been sentenced to a custodial sentence with a minimum of 2 years left to serve. However, a family and friends carer cannot receive Guardian's Allowance if the parent in custody has less than two years left of their sentence or is on remand. In one case, maternal grandparents were raising children whose mother was murdered by their father, but they did not qualify for Guardian's Allowance because the father was remanded in custody before sentencing.
- c) The proposed *benefits 'cap'* of approximately £500 a week is intended to ensure fairness between families who work and families who do not (*George Osborne, conference speech 4th October 2010*), and to ensure that families living on benefits take responsibility for the number of children they choose to have (*Jeremy Hunt, BBC2 Newsnight, 6th October 2010*). The proposed *changes to housing benefit*, including the national overall cap of the Local Housing Allowance and the local cap at the rate for a four bedroom property, have similar intentions. These proposed changes will have an unintentional detrimental impact on family and friends carers whose family size suddenly increases when they take on the care of someone else's children. Many family and friends carers already have dependent children or dependent elders in their household. Although most take in one or two children, some take in and look after large sibling groups. The combined household may overnight reach a size

⁷ The Fostering Network Survey of allowances and fee payment schemes 2007-08: recommended minimum allowances.

where it is affected by the total benefits 'cap' or the housing benefit changes. Family and friends carers are at risk of being pushed deeper into poverty and overcrowding, or of losing their home, by these proposed benefit changes.

- d) Carers are likely to be affected by the tapered reduction to child tax credit which will come in at a much lower earnings level than currently, so that from 2012 families with one child would receive no tax credits once they earn above £23275. Given that child tax credits are the main source of means that family and friends carers currently receive to cover the basic costs of bringing up an additional child, the likely reduction for households on modest earnings will be to hit them extremely hard.

7. What needs to be done?

Family and friends carers offer vulnerable children a safe and loving home, diverting them from the care system and saving the state a large amount of money, but this is often at the expense of their own well-being. In the interest both of fairness and the welfare of the children, and to prevent rising care costs in a child welfare and family justice system that is already struggling to cope to record care order applications, we believe family and friends carers should be better supported by being officially 'designed in' to our support systems. We propose:

1. Financial support

- a) A national financial allowance for friends and family carers who care for a child as an alternative to them being taken into care, where there is professional or judicial evidence that the parents are unable to care for the child.
- b) Changes to the benefits system
 - o Family and friends carers who are permanently raising a child should be exempt from income support rules which currently require that if the youngest child they are looking after is aged 7 or over they must comply with specific job-seeking requirements.
 - o The eligibility criteria for Guardian's Allowance should be amended to remove the requirement that a parent in prison must be convicted and sentenced, and must have a minimum of 2 years left to serve on their sentence
 - o Family and friends carers should be exempt from the proposed total cap on welfare benefits, like families caring for a disabled child.
 - o Family and friends carers should be exempt from the proposed caps on housing benefit.
- c) Within the child tax credit system an extra credit is awarded to family and friends carers who have parental responsibility, akin to credit awarded for disabled children.

- d) That changes to Education Maintenance Allowance recognize children who cannot live with their parents and are being raised by family and friends carers as disadvantaged and should be entitled to assistance.
- e) Help with legal costs. Relatives and friends should be entitled to public funding to cover their legal costs in order to secure the child's future with them, if their case meets the merits test.
- f) Ending local authority discrimination against family and friends foster carers in the rates of fostering allowance.

2. Local authority support

- a) The definition of who is 'a child in need' in the Children Act 1989 s.17 (10) should be amended to include "*(d) children being cared for by family members or friends*"
- b) Local authorities should be required to provide family and friends care support services, including a dedicated family and friends care worker/team and the commissioning of services from the voluntary sector. These should be similar to the duties on local authorities in respect of adoption support services. Government funding should be available to enable authorities to carry out such responsibilities.

3. Enabling more children to be raised within the family network

- a) Relatives should be assisted to come forward as carers by local authorities exploring all safe alternatives within the family network. Potential carers should have access to free independent legal advice and all children and their families in this situation should be offered a family group conference.
- b) Local authorities need to use a new child-centered approach to assessing the suitability of family and friends carers, that recognises the difference between this type of care and unrelated foster care.
- c) To enable family and friends carers to obtain parental responsibility without necessarily having to bring a case to court, we propose that there should be a provision for parents (with parental responsibility) to enter into a parental responsibility agreement with a relative (as defined in S105 CA 1989), as has already been extended to step parents.

4. Collection and publication of official statistics on family and friends care

4.1 There should be a statutory duty on local authorities to collect and publish official statistics of children in family and friends care to whom they provide support whether or not the child is looked after.

4.2 That Wave 4 of the Understanding Society survey incorporates specific data on family and friends carers and the circumstances in which they are raising children.