



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

Prepared by
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Endorsed by:

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We champion the wider
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Executive Summary

1. 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. ***These 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. 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. Only 7,200 of these children are officially looked after children in care, but many others would be in care if their relatives had not taken responsibility for them.
3. 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 may undermine family and friends carers' capacity to care for children, and increase the likelihood that these arrangements will breakdown. 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 independent foster care, this would add £500 million a year to the cost of providing for children in care.***

Family and friends carers should be recognised as a distinct group for benefit entitlements

4. 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 requirements¹. 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 **Clause 57** of the Bill provides for this to be reduced to age five. Furthermore, the increase in the state retirement age for women from 60 to 65 will mean increasing numbers of older grandparent carers will in future be expected to look for work.
5. 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 care is not compromised. The Welfare Reform Bill should 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. Children may move into family and friends care at any age, not just during the early years. 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. 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.

Restriction of entitlement to contributory Employment and Support Allowance (Clause 51)

6. Reducing contributory Employment and Support Allowance entitlement to one year will penalise older people who have worked and paid their contributions but suffer declining health in later years. This will particularly disadvantage family and friends carers, almost half of whom have a long term health condition or disability, which may well be linked to the stress related to family difficulties which led to them taking on the care of a child. Where a person approaching retirement age has to stop working due to poor health, they are likely to experience very significant hurdles to re-entering the labour market. Removing entitlement to contributions based ESA after a year is unfair and will place many older family and friends carers at risk of poverty.

Housing Benefit (Clause 68)

7. We are concerned that the cap on housing benefit and other changes such as reduction of Local Housing Allowance to 30% 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.***

Abolition of Disability Living Allowance and Introduction of Personal Independence Payment (Clause 83)

8. Restricting the payment of benefits (Clause 83) when a disabled person is in hospital or in a care home will have a disproportionate impact on family and friends carers and the children they are looking after. Grandparents Plus survey of family and friends carers found that 48% are raising at least one child with a disability or special needs and 59% of carers have a long term health condition or disability themselves. Particularly where a child or adult has frequent stays in hospital, restriction of payment of benefits is likely to cause hardship to families. Having a family member in hospital often causes additional expenses including the cost of travel to and from hospital, and having a seriously ill or disabled family member can mean a breadwinner has to give up their job or reduce their hours to care or to take their relative to appointments. This measure will cause additional stress and financial hardship for families who are already stressed and is likely to result in more children being taken into care.

Benefit cap (Clauses 93 and 94)

9. 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. ***We believe the exemption from the cap should be extended to family and friends carers where the children they are looking after would otherwise be in the care system.***

Kinship Care Alliance Briefing on the Welfare Reform Bill 2011

1. The Kinship Care Alliance supports the Government's aims of reforming welfare to make the benefit system fairer and simpler and to make work pay. We particularly support provisions in the Welfare Reform Bill to increase marginal earnings disregards to enable some claimants to keep a higher proportion of their benefits when they enter work rather than facing a pound for pound claw back of benefits. However we have a number of concerns about how some provisions in the Bill will affect grandparents and other family and friends carers who are bringing up children when parents are unable to do so.

Background: Family and friends (Kinship) Care

2. There are estimated to be around 200,000² family and friends carers in the UK, who are bringing up 200,000 to 300,000 children as a result of very difficult family circumstances such as parental death, drug or alcohol abuse, severe disability or illness, imprisonment or child abuse or neglect, many of whom would otherwise be in care. Many children in family and friends care have experienced similar multiple adversities in their birth families to those in the care system. 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.
3. Family and friends carers often face additional costs. 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 survey of over 200 family and friends carers carried out by Family Rights Group in 2010, two thirds had spent over £500 when the children arrived on items such as clothes and shoes, beds and bedding, other furniture, school uniform and toys. Many family and friends carers also incur legal costs when applying for a residence order or special guardianship order to provide the child with security and permanence and may be ineligible for Legal Aid because of modest income, savings or housing equity.
4. Most family and friends carers and the children they are raising are not officially recognised or counted (apart from the small minority who are legally recognised as foster carers). As a result, they are largely invisible to both policy makers and service providers, including the DWP and JobCentre Plus.

5. *We are concerned that some provisions in the Welfare Reform Bill will impact negatively on family and friends carers and lead to placements breaking down and more children going into care. Every child in independent foster care costs the state an average of £40,000 a year, and outcomes for children growing up in the care system are often poor. It would cost around £12 billion each year in care costs if all the children looked after by family and friends carers were in independent foster care. The care system is already under severe strain, with a national shortage of over 10,000 foster carers³ and applications for care proceedings having risen by 40% since the Baby Peter case⁴.*
6. Reinforcing similarly findings from an internet survey carried out by Family Rights Group, evidence from a survey of over 250 grandparents and other family and friends carers conducted by Grandparents Plus last summer⁵ found that 28% of family and friends carers gave up work when they took on the care of a child, and a further 29% reduced their hours. 88% of carers are under the age of 65 and four in 10 are under 55. Family and friends carers often tell us that social workers advised them to give up work to avoid their grandchild being taken into care, and yet only a minority, around one third, receive an allowance from their local authority. Research from The Grandparents' Association shows that 78% of carers find their financial situation worsens when children move in⁶. Whilst 48% of family and friends carers cite their own or their partner's job as their main source of income, and a further 34% cite either the state pension or an occupational or private pension as a main source of income, 20% of the sample are of working age and not working due to their caring commitments or own health condition (and do not have partner who is either in work or in receipt of a pension). This corresponds to around 40,000 individuals nationally.
7. At present only a small minority of family and friends carers (an estimated 4%, or 8,000 in the UK) are required to look for work. The majority of those receiving income replacement benefits are presently not subject to strong conditionality requirements because they are looking after a child under the age of 7, or because they are receiving Incapacity Benefit or Carers' Allowance, or because they are women aged over 60.
8. 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. At the moment lone family and friends carers, like lone parents, do not have to look for work until the youngest child is seven; however **Clause 57** of the Bill provides for this to be reduced to age five. Furthermore, the increase in the state retirement age for women from 60 to 65 will mean increasing numbers of older grandparent carers will in future be affected by conditionality.

9. The small number of family and friends carers currently affected by conditionality requirements, and their small number as a group in the population of Jobcentre Plus clients, means they are currently invisible as group to policy makers and frontline staff at Department for Work and Pensions and JobCentre Plus. We would like to see guidance strengthened so that staff are aware of the needs of this group.

The unique status of family and friends carers should be recognised within Universal Credit

10. Family and friends carers should be recognised as a distinctive group for benefit entitlements, to ensure that their capacity to care for vulnerable children and to save taxpayers the expense of keeping them in care is not compromised. We therefore recommend that the Welfare Reform Bill be amended ensure that family and friends carers are treated in a similar way to foster carers with regard to Income Support. Family and Friends carers should also be exempted from work availability conditionality requirements within Job Seeker's Allowance and Employment Support Allowance, at least for the first year following a child coming to live with them. For some carers, this would give them enough time to manage the upheaval in their lives before having to juggle work and care. Where a child has particularly challenging needs carers may need conditionality requirements waived for a longer period, for example if a child has severe emotional or behavioural problems. We believe there should be the flexibility for conditionality requirements to be waved until the child reaches the age of 16 as applies to lone foster carers (in relation to income support).
11. We welcome the Government's stated intention that conditionality requirements should be reasonable for that person, taking into account their particular capabilities and circumstances. We believe that the definition of carers who are exempted from conditionality should be extended to those looking after a child who is not their own who would otherwise be in the care system. On current estimates this would benefit around an additional 8,000 family and friends carers, providing care which would cost £500 million if the children were looked after by local authorities. These numbers are likely to rise significantly over time as conditionality is extended to groups previously exempt, for example some people currently on Incapacity Benefit, parents and other full-time carers where the youngest child is aged five or six and women aged between 60 and 65 who are not in work.

Older grandparent carers

12. Around 12% of 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.

13. It is unclear what the position of grandparent carer couples will be under Universal Credit where one has reached statutory retirement age whilst the other is still of working age.

Housing Benefit (Clause 68)

14. Around 22% of family and friends carers currently receive housing benefit, a higher proportion than population averages, and so this group will be disproportionately affected by the changes to housing benefit entitlement. Where a carer is living in rented accommodation and is receiving housing benefit (often because they have to give up work or reduce their hours when taking on the care of a child), it will be important for the wellbeing of the children and their own capacity to care that they are not forced to move house. We believe that family and friends carers should be exempted from the new housing benefit cap.
15. Even more than for other parents, community links with neighbours, friends, churches and community groups provide vital support to carers who are often bringing up children who have experienced multiple adverse experiences. For children who may be traumatised following parental bereavement, abuse or neglect or parental drug or alcohol abuse, continuity of schooling and friendship networks are of fundamental importance for their wellbeing and in reducing the risk factors of suffering enduring emotional damage and negative outcomes as adults. ***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.***

Benefit cap (Clauses 93 and 94)

16. We are concerned that some family and friends carers 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. Many family and friends carers are living in larger households as a result of taking in children, with an estimated one in 10 family and friends carers living in households of five or more people, and so will be disproportionately affected by the benefit cap. Particularly for large households where family and friends carers 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. ***We believe the exemption from the cap should be extended to family and friends carers where the children they are looking after would otherwise be in the care system.***

Childcare Costs

17. We welcome the Government's intention announced in the Welfare Reform White Paper that under Universal Credit help with childcare costs will be available to those who work less than 16 hours a week. We are concerned however that the maximum support available for childcare costs has been reduced from 80% to 70% and would not want to see any further reduction of childcare support.

Clause 51: Restriction of entitlement to contributory Employment and Support Allowance (ESA)

18. We are concerned that reducing contributory Employment and Support Allowance entitlement to a one year will penalise older people who have worked and paid their contributions but then suffer declining health in later years. This will particularly disadvantage family and friends carers, almost half of whom have a long term health condition or disability, which may well be linked to the stress related to family difficulties which led to them taking on the care of a child, but whose prior employment rates are the same as for other people of a similar age in the population. Where a person approaching retirement age has to stop working due to poor health, they are likely to experience very significant hurdles to re-entering the labour market. Removing entitlement to contributions based ESA after a year will place many older family and friends carers at risk of poverty.

Clause 69: Abolition of Social Fund payments

19. We are concerned that the abolition of the Social Fund 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 without notice carers may have to buy beds, clothes and other essentials to meet the children's basic needs. This change will 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.

Clause 83: Abolition of Disability Living Allowance and Introduction of Personal Independence Payment

20. We are concerned that provisions to restrict the payment of Personal Independence Payments (Clause 83) when a disabled person is in hospital or in a care home will have a disproportionate impact on family and friends carers and the children they are looking after. Grandparents Plus survey of family and friends carers found that 48% are raising at least one child with a disability or special needs and 59% of carers have a long term health condition or disability themselves.
21. Particularly where a disabled child or disabled carer has frequent stays in hospital, restriction of benefits is likely to cause hardship to families

who are likely to find it difficult to adjust to a sudden loss of income at a time when their expenses may be higher to pay for travel to and from hospital and help with childcare for other children. Having a seriously ill or disabled family member can also mean a breadwinner has to give up their job or reduce their hours to care for their relative or take them to hospital appointments. This measure will cause additional stress to families who are already stressed and is likely to result in more children being taken into care.

Conclusion

22. 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 through the introduction of Universal Credit. Supporting family and friends care makes sense for children, for the taxpayer and for our overburdened care system.

¹ The situation for family and friends carers is different in Scotland.

² Estimate from the Family Rights Group cited in Saunders H. and Selwyn, J 2008, Evaluation of an informal kinship care team, *Adoption and Fostering*, Summer, vol 32:2 pp 31-42

³ Estimate from The Fostering Network, <http://www.fostering.net/about-fostering/statistics-looked-after-children>

⁴ CAFCASS, 2010

<http://www.cafcass.gov.uk/pdf/1011%20care%20demand%20update%20Nov%202010%20Final.pdf>

⁵ Sarah Wellard and Ben Wheatley (2010) *Family and Friends Care What if we said no?*, Grandparents Plus

⁶ Bob Broad, *Grandparents Voices: A research study of the views of grandparents who face up to challenging family situations*, The Grandparents Association, 2010.