The Children's Society

Claiming after care

Care leavers and the benefits system

August 2017

Introduction

Last year, 11,440 care leavers aged 16 and over left the care of their local authority to start adult life.[1] Without the financial stability provided to the majority of young people by their parents, care leavers are much more likely to rely on support from the social security system. With the help of their personal advisers, this will mean that most submit a claim around their 18th birthday.

- Care leavers face 'heightened challenges and poorer outcomes during their journeys to independent adulthood.'[2]
- 40% of care leavers aged 19 - 21 are not in education, employment or training (NEET) compared with 14% of all 19 - 21 year olds.[3]
- Care leavers are less likely to access higher education (6% compared with 47% of the general population).[4]
- They are also more likely to experience homelessness and there is a much higher incidence of learning disability amongst this group.

The Government recognise that care leavers are one of the most vulnerable groups in society and have taken steps to increase support for them. The 2016 Care Leavers Strategy – 'Keep on caring' noted that outcomes for care leavers 'remain much worse than their counterparts' and identified that achieving financial stability for care leavers is vital.[5] Along with the steps taken across Whitehall as a result of the strategy, the Children and Social Work Bill[6] should also help to improve outcomes through the extension of care leaver support by local authorities up to the age of 25.

The Department of Work and Pensions, as part of its efforts to support care leavers, introduced a marker to identify care leavers on the Labour Market System to ensure they received better, more tailored, support. By October 2014, a total of 3,162 care leavers had self-identified and were visible on the system. To date, there is no such system for Universal Credit.

The Children's Society and care leavers

The Children's Society has a history of working with and supporting care leavers. We provide services that ensure their voices are heard when leaving care. Alongside this direct work, we also work with care leavers to improve the systems and structures they rely on for support at both the national and local level.

[1] Department for Education, Children Looked After in England (2015/16), https://www.gov.uk/government/statistics/children-looked-after-in-england-including-adoption-2015-to-2016
[2] Department for Education, Making a house a home: The house project evaluation, https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/600678/Making_a_house_a_home_the_house_project_evaluation.pdf, p.14
[3] Department for Education, Children Looked After in England (2015/16), https://www.gov.uk/government/statistics/children-looked-after-in-england-including-adoption-2015-to-2016
[4] Centre for Social Justice, Delivering a care leavers' strategy for traineeships and apprenticeships , 2016, p.8
[5] The Care Leavers Strategy, Keep on Caring: Supporting young people from care to independence, https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/535899/Care-Leaver-Strategy.pdf, 2016, p.6
[6] Children and Social Work Bill, http://services.parliament.uk/bills/2016-17/childrenandsocialwork.html

Our 2016 report, The Cost of Being Care Free[7] examined the financial support care leavers receive during their transition out of care. As a result of this report we have worked with 14 local authorities to create local exemptions for care leavers from council tax in order to improve their finances. We also lobbied on the Children and Social Work Bill for a 'National Offer for care leavers' to match the 'local offer' that the Bill requires local authorities to provide. This 'National Offer' focused on the financial support that the Government provides.

Care leavers and our practitioners tell us that their experiences of the welfare system and JobCentre Plus are not always happy ones. Care leavers can often face delays in payment, sanctions, and must make difficult decisions between taking up education and employment opportunities. Unlike other claimants, they must also maintain good relationships with both their personal adviser and their work coach in order to make a claim, because of the many inter-dependencies between JobCentre Plus and their local authority as their corporate parent.

Research from our report The Cost of Being Care Free found that care leavers who self-identify and are marked on the Labour Market System are three times more likely to receive a benefit sanction than a member of the general population. Between October 2013 and September 2015, 4,000 sanctions were applied to self-identified care leavers.[8]

Fresh evidence

In this paper, we aim to build on our previous work and provide further evidence of the financial difficulties faced by care leavers.

We have gathered case studies from practitioners working in our services and held a focus group with JobCentre Plus staff who have engaged with care leavers on a regular basis. We have also obtained new data about care leavers' participation in the Work Programme. Finally, we have prepared some financial profiles of five care leavers, highlighting the income they would expect to receive under Universal Credit and some of the difficult decisions they must make when trying to budget effectively.

Whilst preparing this document we have been reminded that although the cost of a mistake can be very high for a care leaver, the action needed to prevent many of the problems they encounter are quite simple. With more joined-up interaction between JobCentre Plus and local authorities, increased understanding and some additional support, we are certain that more care leavers can go on to flourish in adult life.

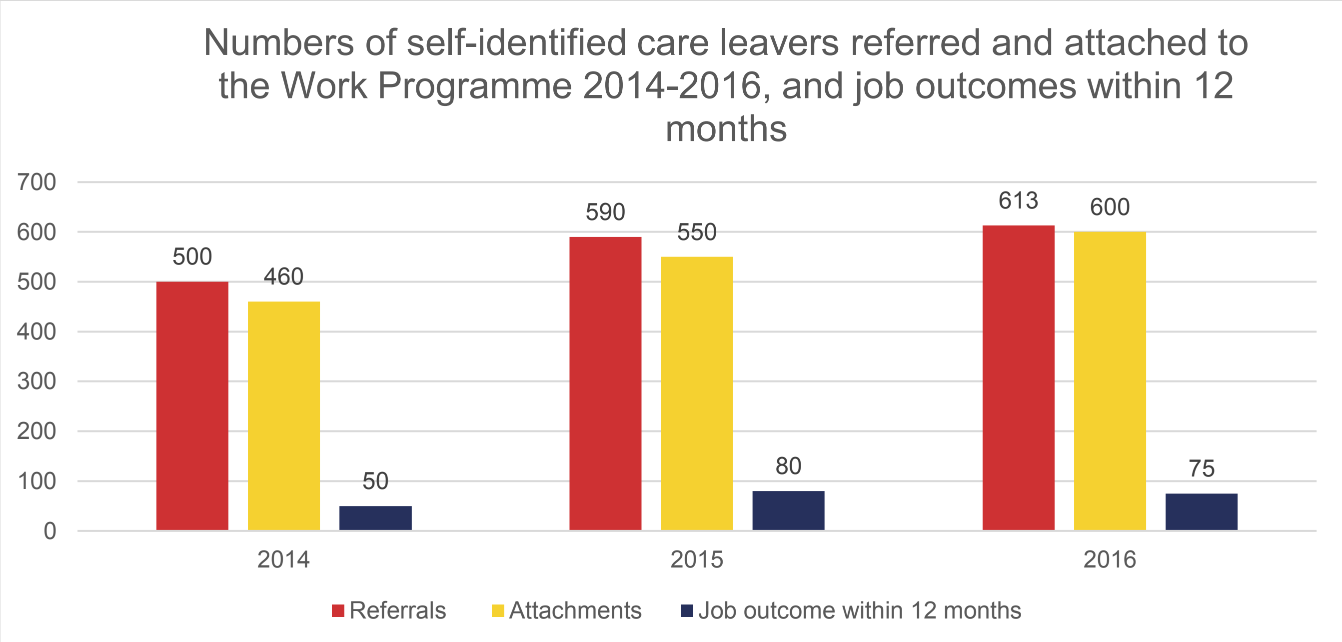
[7] The Children's Society, 2016, 'Cost of being care free' http://www.childrenssociety.org.uk/what-we-do/resources-and-publications/the-cost-of-being-care-free
[8] The Children's Society, The cost of being care free: The impact of poor financial education and removal of support on care leavers, September 2016, p.19

Department for Work and Pensions data on care leavers

For The Cost of Being Care Free we obtained data from the Department for Work and Pensions (DWP) about the number of sanctions that had been applied to care leavers between October 2013 and September 2015. For this paper we sought to update that data and to augment it with information about care leavers' participation in the Work Programme.

Care leavers and the Work Programme

Introduced in 2011 as a means to support unemployed people into work, the Work Programme ensured people could gain work experience whilst also receiving out of work entitlements. Although new participants to the programme ceased to be accepted from 1 April 2017, The Children's Society requested data from DWP in order to explore how effective the programme was in promoting positive employment outcomes for care leavers.



- Notes: (1) Job outcome data for 2015 is an extrapolation based on data provided in FoI.
- (2) Data for 2016 is extrapolated from first 9 months of that year. Job outcome rate based on assumption that the proportion would fall between 10-15%, so chose 12.5%.

The data revealed that 500 self-identified care leavers were referred to the work programme in 2014 and 590 were referred in 2015. Between 1 Jan - 30 Sept 2016, 460 self-identified care leavers were referred to the programme; if extrapolated, across the final quarter of 2016 we would expect an additional 153 care leavers would have been referred to the programme taking the total number referred to the programme in 2016 to approximately 613. We estimate that the total number of care leavers attached in 2016 was 600, based on an extrapolation of data provided for that year.

After a participant has spent a minimum amount of time gaining experience with their provider, a job outcome payment is made to that provider. The response from the Department revealed that amongst all of the groups for which data is collected, care leavers' outcomes were particularly poor. Overall, they were around half as likely to spend the minimum amount of time gaining work experience within a 12 month period than peers aged 18-24 claiming Job Seekers' Allowance. Based on this data, it is clear that the work programme did not operate effectively for care leavers as a group.

	Job outcomes as a % of referrals	
	2014	**2015**
All claimants	17.7	20.9
JSA 18 to 24	24.1	26.6
JSA 25 and over	21.7	24.3
JSA Prison Leavers	11.5	12.6
All self-identified Care Leavers	10.0	13.5
JSA Ex-Incapacity Benefits	16.6	21.7
ESA Volunteers	5.7	8.1

Care leavers and sanctions

In The Cost of Being Care Free, we found that there had been 4,390 decisions to apply a sanction to self-identified care leavers between October 2013 and September 2015.

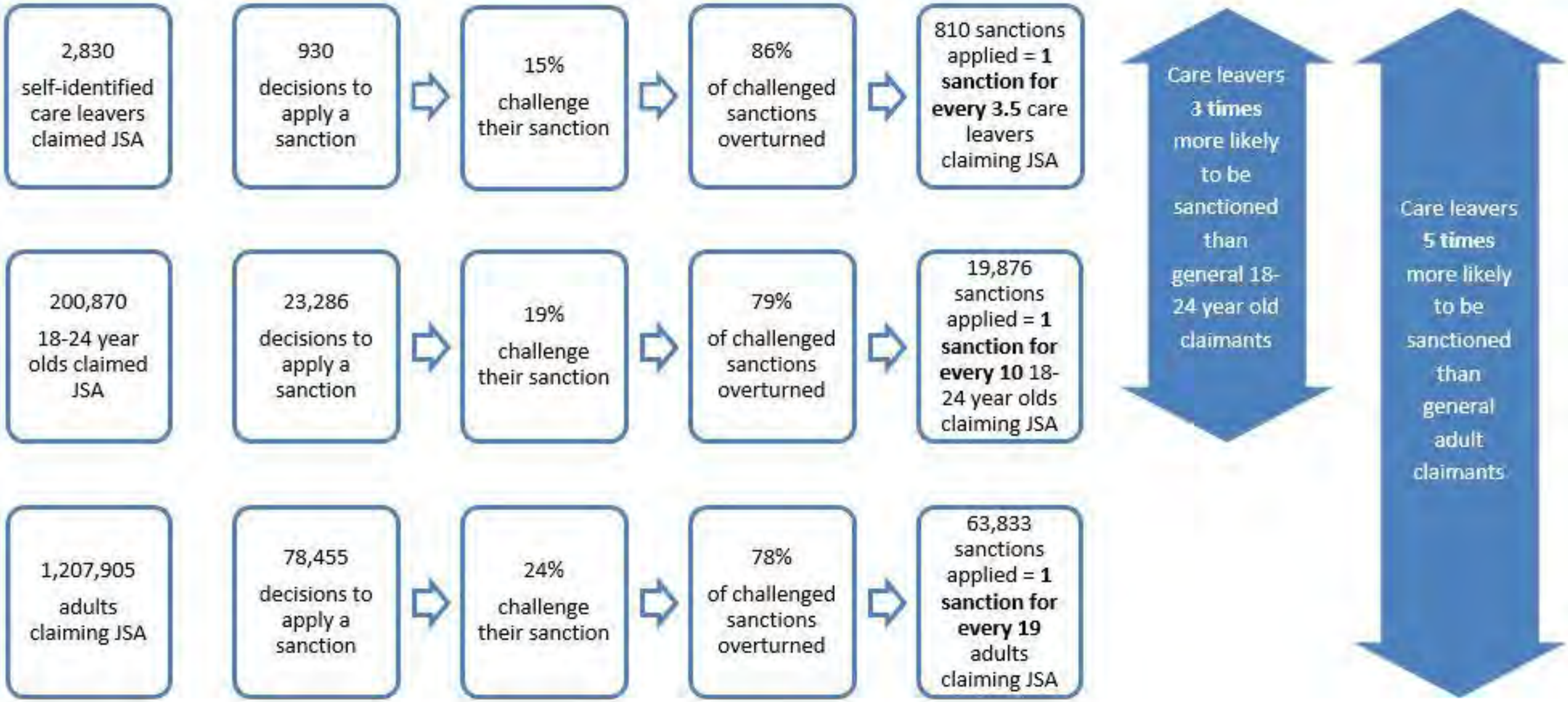
The report revealed that only 16% of care leavers challenged their sanction, compared with 23% of the general claimant population. However, when challenged, sanctions applied to self-identified care leavers were more likely to be overturned.

Our latest analysis, which covers sanctions data for the six months ending in September 2016, has found there were 930 decisions to apply a sanction to self-identified care leavers in this period. Although the absolute number of sanctions over the period is slightly lower than in the period in the cost of being care free, this should be seen in the context of a significant drop since then in the number of JSA sanctions and JSA claimants for the general population. This could be accounted for by a combination of an improving unemployment rate over the period and increasing numbers of claimants claiming the new Universal Credit rather than JSA.

The most recent analysis for the period April 2016 - September 2016 reveals that 15% of self-identified care leavers challenged the decision to sanction them, compared with 24% of all adult claimants. Compared to our previous work we found the rate of overturned sanctions to be higher during this period, standing at 86% compared to 62%. In total, 810 sanctions were applied during the latest period.

The latest data shows little overall change compared to our previous report, and although success rates for overturning sanctions does appear to have improved considerably (this is true across all groups) care leavers are still more vulnerable to sanctioning than others. Care leavers are three times more likely to be sanctioned than their peers claiming benefits and five times more likely than the general population of adult claimants.

JSA Sanctions for Care Leavers in Great Britain, 6 months ending September 2016



1. All care leaver claimant population and sanctions data from DWP FOI response 25th April 2017
2. Claimant population data for 18-24 year olds and adults (18-64 year olds) in Great Britain from NOMIS labour market statistics, claimant stocks and flows
3. Sanctions data for 18-24 year olds and adults (18-64 year olds) in Great Britain from DWP Stat-Xplore
4. Sanction challenges data includes challenges at decision review, mandatory reconsideration or appeal

Implications for the Youth Obligation

These findings should be utilised to inform the design and implementation of the new Youth Obligation which has been in operation since 1 April for young people aged 18-21 in areas administering Universal Credit.

The Youth Obligation combines aspects of both the current sanctions regime and the Work Programme. Its increased conditionality and accelerated move of claimants into some form of work runs the risk of replicating the worst parts of both the predecessor policies.

If the Youth Obligation is to prove a success, it must be changed to overcome these flaws. Given their vulnerability, it is essential that sanctions are not applied to care leavers without contact first being made with their personal adviser.

The intensive activity period also gives cause for concern. If care leavers are forced to enter this period too soon, or if they are unable to pause it once in progress if it becomes unmanageable they are likely to fail, and instead of moving them closer to work it may actually make work seem a lot further away or more difficult and risk demotivating care leavers.

Many of these potential problems can be avoided by reducing the consequences of sanctions on care leavers. We would recommend that the early warning system should always be used when a care leaver is at risk of being sanctioned. Work coaches should also be required to make contact with the care leaver's personal adviser before applying a sanction, and sanctions should not be applied above the levels set for 16 and 17 year olds.

Finally, thought should be given to the design of the intense activity period for vulnerable young people like care leavers. The ability to 'pause' the period should be made available to young people so they know that, if necessary, they can take a break without being penalised whilst they attend to other issues going on in their lives.

Financial profiles of care leavers

Based on our work with young people and practitioners to gather case studies, we wanted to present the financial implications of Universal Credit for care leavers. We have constructed six illustrative financial profiles examining the circumstances of care leavers in a variety of circumstances.

These illustrative cases focus on six different themes. The first considers some of the choices that care leavers often make around employment options and how when choosing their first jobs the rate of pay is often a more important consideration than the long term career prospects that a lower paid job might offer.

The second examines the high cost of supported accommodation and how difficult it is for care leavers to realise their earning potential when living in this kind of accommodation, resulting in them staying reliant on supported accommodation of much longer periods than they might otherwise.

The third case looks at the struggle faced by care leavers who, due to local housing supply, find themselves renting in the private rental sector. It demonstrates the shortfall that can be faced when local housing allowance rates do not closely match the local rental market and a specific problem that occurs when care leavers have to adapt to the loss of the crucial exemption from the shared accommodation rate.

The fourth example considers the situation faced by a care leaver who has limited capability for work due to a disability and compares their situation under Universal Credit to what they would experience under Income Support and the Employment and Support Allowance (ESA).

The fifth and sixth cases explore the financial situation of care leavers with children of their own, both as single parents and as couples.

In all cases we have left out Council Tax liabilities for simplicity. Rates of benefits are calculated at the 2017/18 rate unless otherwise stated.

Case One

A 21 year old care leaver living in a two bed council flat with another care leaver in East Cheshire. Rent of £139 a week shared equally giving him a monthly rent of £302. He has a Universal Credit claim.

He has been offered two jobs:

1) An apprenticeship, paid the first year apprentice wage, working 2 days a week (15 hours) and studying on the other three days.

2) A part time job working two days a week on minimum wage and studying a college course the other three days.

Costings - Apprentice
First year apprentice wage of £3.50 x 28 hours* = £98 a week or £426 a month
Monthly Universal Credit after taper (including housing) is £285
Total monthly income as apprentice: £711
After housing income: £409 per month
Per day (30 day month): £13.63 a day

Costings – slightly above Minimum Wage (net equivalent of £7.05 per hour)
Minimum wage of £7.05 x 28 hours* = £197.40 a week or £857.75 a month
Monthly Universal Credit after taper (including housing) is £13.39
Total monthly income on minimum wage: £ 871.14
After housing income: £569.14
Per day (30 day month): £18.97 a day

In the same scenario, but where the young person is 25, the amounts would change:

Costings – slightly above National Living Wage (net equivalent of £7.50 per hour)
National Living Wage: £7.50 x 28 hours = £210 a week or £912.50 a month
Monthly Universal Credit after taper (including housing) is £44.94
Total monthly income on National Living Wage and higher allowance: £957.50
After housing income: £655.50
Per day (30 day month): £21.85

* Of note, in both example one and two, the care leaver will still be subject to in-work conditionality requirements.

Case One highlights how, when it comes to choosing between an apprenticeship and a minimum wage job, care leavers are better off in the short term opting for the low paid work. In this scenario they would be £160 per month better off, almost £2,000 a year, for making such a decision. Many care leavers eschew this short-term logic, instead focusing on the higher income they know they will achieve if they can get additional qualifications through their apprenticeship and continuing their education.

The situation of the 25 year old is also improved over the younger care leavers. In this instance a small uplift in earnings of around £20 a month due to the National Living Wage (after the Universal

Credit taper at 63% is accounted for) is combined with the much larger gain of £66 due to the increased Standard Allowance in Universal Credit for the over 25s.

In all instances, each individual must run a household on their own as they are unlikely to be able to rely on family networks for cheaper accommodation and help with bills. For the apprentice, exemption from the first year apprenticeship wage would better incentivise work that has better long-term prospects, but for all care leavers under 25 an exemption from the lower standard allowance would significantly improve their ability to remain financially stable and sustain their tenancy over the long term.

Case Two

A 19 year old care leaver is struggling to move into independent living and so remains in supported accommodation to ensure that he is not put at risk of homelessness. As part of his progress to living independently, he has secured employment and is earning £1000 a month after tax. The rent in supported accommodation is high and he pays £913 a month. He has a Universal Credit claim.

<u>Costings</u>
The young person has net earnings of £1,000 a month
Monthly Universal Credit after taper (including housing) is £534.77
Total monthly income: £1534.77
After housing income: £622.77
Per day (30 day month): £20.76

<u>Once the same young person had progressed into independent living the scenario would change:</u>

<u>Costings</u>
The young person has net earnings of £1,000 a month
In this scenario the young person is no longer entitled to Universal Credit
Total monthly income: £1000
After housing income: £678
Per day (30 day month): £22.60

Supported accommodation is expensive and meets a real need of some care leavers who require extra support for a variety of reasons, including their health but also the trauma and disrupt many experienced both before, and whilst in the care system. In this scenario, these legitimate support needs make the care leaver in supported accommodation £50 a month worse off.

The maths also hides the lived reality where, in supported accommodation young people often feel that no matter what they earn it all seems to disappear on rent. This is particularly difficult where young people aspire to leave supported accommodation and live independently. It is very difficult to save for a deposit in these circumstances.

Case Three

A 21 year old care leaver renting a one bedroom flat on the private rental market in Liverpool. Rent is £344 a month. She is seeking work and has a Universal Credit Claim. As she is 21, she is exempted from the shared accommodation rate.

<u>Costings – Shared Accommodation Rate exemption</u>
Single allowance for an under 25 on Universal Credit is £251.77
LHA rate for a one bedroom in Liverpool is £90.90 per week or £393.90 a month.
Total monthly income: £645.67
Income after housing: £251.77
per day (30 day month): £8.39

<u>In the same scenario, but when the care leaver is 23 years of age and no longer exempt from the SAR</u>

<u>Costings – Subject to Shared Accommodation Rate</u>
Single allowance for an under 25 on Universal Credit is £251.77
LHA rate for a room in Liverpool is £57.77 per week or £250.33 a month.
Total monthly income: £502.10
Income after housing: £108.20
per day (30 day month): £3.61

The exemption from the shared accommodation rate provides care leavers with more options as they exit care and begin to live independently. It allows them to have complete control over their household – not having to split bills or rely on flatmates to make payments on their behalf.

The reduction in housing benefit from the one bedroom rate to the shared accommodation rate can put a care leaver's tenancy at risk. If they do not downsize to a shared room they are likely to struggle financially and, particularly if they are in education, the need to move home could be extremely disruptive.

Throughout the passage of the Children and Social Work Bill we lobbied for the Shared Accommodation Rate exemption to be extended to the age of 25. Below are a further two case studies we found on the issue:

James

James is 23 years old and is privately renting. James is receiving Job Seekers Allowance and Local Housing Allowance, which gives him a combined income of £463 per month. James' rent is £325 per month which is £114 more than the Housing Allowance he receives. James has to use his JSA to make up this shortfall meaning that nearly half of this allowance is lost paying rent. This leaves James with little money to cover the cost of gas, electricity, TV licence and food on top of paying council tax, social loan deductions and the payment of a Magistrates Court fine. James received his fine for not paying his TV licence as he was unable to afford it. James is also struggling to pay his utility bills, is struggling to cover the costs of living and has been unable to pay his last month's rent due to insufficient funds in his account.

James has been in his foster homes most of his life and then spent a number of years homeless. Since losing his full time job, James has struggled and is desperate to get back into work.

With thanks to Citizens Advice for providing this case study.

Nicole

Nicole is 21 years olds and is currently living in supported accommodation, which she has to leave. As a care leaver, Nicole will be eligible to be exempt from the shared accommodation rate restriction for Housing Benefit until the age of 22. If Nicole is to move into a one bedroom property, she will have to rely on Discretionary Housing Payments (DHP) to make up the shortfall between the shared accommodation rate and a one-bedroom rate.

Nicole has no choice but to rent self-contained accommodation but DHP is discretionary. Therefore the Nicole may be placing herself in a situation where her rent is unaffordable as it is dependent on whether she is granted DHP every six months or not.

With thanks to Citizens Advice for providing this case study.

Becky

Becky has had difficulty managing her finances after transitioning into independent living. Living in private rented accommodation, Becky finds that there is a significant shortfall between the housing element of her Universal Credit and her rent.

Becky's personal adviser has tried to work with Universal Credit to make sure the Housing Element of Becky's claim is paid directly to her landlord, to prevent her from falling into rent arrears. Initially this was unsuccessful and Becky had to attend court for rent arrears. She could have lost her house. It wasn't until Becky reached crisis point - attending court - that her Housing Element was paid directly to her landlord.

Case Four

A 21 year old care leaver is about to make a new claim on Universal Credit. He will be living in a one bedroom flat rented from a housing association. He has a disability and has limited capability for work. His weekly rent is £77.29. He pays £334.90 a month.

Costings under Universal Credit
Single allowance for an under 25 on Universal Credit is £251.77
Housing element of £334.90
PIP daily living component is £241.15
Total monthly income: £827.82
Income after housing: £492.92
Per day (30 day month): £16.43

In the same scenario, but where the young person has an existing claim under the pre-Universal Credit system

Costings pre-Universal Credit (weekly)
Severe Disability premium is £62.45
Employment and Support basic allowance is £73.10
With an addition of the work-related activity component of £29.05
Daily living component of PIP is £55.65
Housing benefit of £77.29
Total weekly income of £297.54
After housing income of £220.25
Daily rate of £31.46

A new Universal Credit claimant of this type would see their income after housing costs nearly halve – from £31 per day, to £16 per day as a result of three key changes.

Under the old system, as a result of receiving the mid-rate care component of DLA, the claimant would also of received the Severe Disability Premium as a top up to their Employment and Support Allowance – this additional support is worth around £3,250 per year.

The old system would also have seen younger ESA claimants receiving the over 25 rate of personal allowance. This would leave them approximately £15 a week better off than Universal Credit.

Finally, until 2017 a new claimant with limited capability for work would receive the Work Related Activity Component in their ESA (or Limited Capability for Work element in their Universal Credit). After 2017, the loss of the Work Related Activity Component will cost a claimant with limited capability for work around £29 per week.

This is going to make it much harder for young care leavers with a disability to move into independent living. Continued provision of the Severe Disability Premium under Universal Credit would make a particularly big difference towards securing a successful move into adulthood for this group.

Sophie

Sophie is 20 years old and is in part-time education. Sophie wanted to go back into full-time education but was advised to remain in part-time education by her work coach so she could keep her access to JSA and housing benefit. Sophie is on a lower level of JSA because of her participation in education and is required to seek work for 20 hours per week.

Sophie kept missing her appointments at Jobcentre Plus because of her college commitments. She suffers from Asperger syndrome and often bacame anxious when she was approached by her work coach about missed appointments and would cope by ignoring the notifications she received. As a result, Sophie was finally sanctioned for missing appointments. The longest sanction she received was for two months. These sanctions were appealed and eventually the appeal was successful. However, during the sanctions Sophie struggled at college and did not complete her course.

Sophie has been supported by a project worker at The Children's Society. Sophie's project worker believes her case was mismanaged by Jobcentre Plus as they arranged appointments at times when Sophie would be at college. Sophie's project worker also feels that she was not on the right benefits as they could not support her to be in education full time.

Case Five

A 20 year old care leaver with a new baby is living in a two bedroom council flat. She pays rent of £87.43 a week or £378.86 a month. She has a universal credit claim and is not in work.

Costings
Single allowance for an under 25 on Universal Credit is £251.77
Child element for one child is £231.67
Housing element of £378.88
Child benefit of £89.70
Total monthly income of £997.43
After housing income of £618.55
Per day income (30 day month): £20.62

In the same scenario, but where the young person has an existing claim under the pre-Universal Credit system and their baby was born prior to 2017

Costings pre-Universal Credit (weekly)
Income Support of £73.10
Family element of £10.45
Child element of £53.32
Child Benefit of £20.70
Housing Benefit of £87.43
Total weekly income of £245
After housing income of £157.57
Per day income of £22.51

In this scenario, the care leaver finds themselves over £50 a week worse off because of the removal of the family element and the reduce rate of standard allowance available because of their age.

Emma

Prior to leaving care, Emma did not have a pathway plan developed by her local authority and was not provided with a personal adviser. Emma came into contact with The Children's Society who worked with her to make sure that the local authority provided her with the leaving care support she was legally entitled to.

Due to the absence of local authority support, Emma had to wait eight weeks to receive the various allowances she was entitled to. Emma has a learning difficulty which would have made it very difficult for her to claim these benefits for herself. What is more, when Emma first signed-on to receive her benefits, the information was not recorded properly. This caused further delay and she had to go through the process again.

Emma has a two year old daughter who was on a child protection plan. Whilst waiting for her claim to be processed, Emma received limited support from the local authority Care and Emergency Needs team, in order to buy essentials such as nappies for her and her baby. When the local authority recognised that she was a care leaver and entitled to support, she received her setting up home allowance, which was £2,050.

Emma is currently applying for an apprenticeship in hairdressing. When she moves into her apprenticeship, Emma will lose her JSA but will earn approximately £120 per week. She will continue to receive her Child Benefit, Child Tax Credit and Housing Benefit. Emma's daughter is no longer on a Child Protection Plan but remains a Child in Need. Without the support of an advocate to get her the support she was entitled to, Emma has said that she thinks her daughter would have been taken into care and she would be homeless.

Case Six

A couple, one care leaver and his girlfriend, are living in a two bedroom council flat with their 18 month old child. They pay a rent of £87.43 a week or £378.86 a month. The mother is not working and the care leaver has just finished a college course and is looking for a job. They are both 20.

Costings
Couple element for an under 25 on Universal Credit is £395.20
Child element for one child is £277.08
Housing element of £378.88
Child benefit of £89.70
Total monthly income £1140.86
After housing income: £761.98
Per day (30 day month): £25.40

Comparison for the same couple but receiving pre-universal credit payments

Costings (weekly)
Income support allowance for couples over 18 is £114.85
Income support dependent children element is £66.90
Income support family element is £17.45
Child benefit is £20.70
Housing benefit is of £87.43
Total weekly income: £307.33
After housing income: £219.90
Per day: £31.41

The removal of the family element again results in a loss of income under Universal Credit compared to the old system. The bigger loss, however, is found in the age-dependent aspects of support. Under the old system couples where both were over the age of 18 accessed the full allowances. In Universal Credit however this couple face a significant loss compared to the old system because couples with children are also subject to the age limitations in the Standard Allowance.

Experiences of care leavers, personal advisers, support workers and work coaches

In our conversations with care leavers, work coaches and personal advisers, we found five key themes that often recurred. These themes included the role of professionals, engagement, housing, education, and some of the idiosyncrasies of the Universal Credit system itself.

Universal Credit

Throughout our conversations, it was often some of the key aspects of the Universal Credit system that posed problems for care leavers. In particular, two of the new system's hallmark features: that it is paid in arrears and in monthly instalments.

The payment of Universal Credit in arrears can create problems in the first month of any claim but, for care leavers, it can be particularly tough.

When processing a care leaver's first claim, job coaches told us how it can be difficult to gather all the information required. This was a particular problem when things like national insurance numbers, rental agreements, and immigration status were not resolved properly.

Personal advisers told us they found it frustrating that, despite being able to get everything in place before the care leaver turned 18, the claim could not be activated until the 18th birthday. They told us the major difficulty was not knowing how long it would take for the claim to be processed; whilst care leavers are excluded from 'waiting days' claims take a minimum of one week to process and then a further four weeks to arrive as payment is in arrears – in some cases much longer. Whilst they were aware of the option of an advance payment, they felt that care leavers should not have to start their independent life in arrears and knew that, in the first few months, it was of vital importance to maximise their income wherever possible.

Getting used to monthly instalments was another challenge for care leavers. Whilst many were used to having an allowance, they were not used to payments as large as Universal Credit. For those moving into independent living it was tough to budget accurately as, in the first few months, they were often unsure about how much their regular bills were going to cost like their electricity and water. Given this, they often found themselves short at the end of the month or using housing payments to cover other costs. Many were unaware that their benefits could be paid fortnightly on Universal Credit, for example, through Alternative Payment Arrangements.

In-work conditionality also can pose a significant problem in some cases. For many of the care leavers we spoke to, often their first jobs did not require many hours of work and so they still had requirements on them to seek further work. Many work coaches recognised that conditionality had to be eased off in these circumstances and a gradual approach taken to building up hours, but this was something they did at their own discretion and further advice might be needed to help them make sure they were supporting care leavers in the best possible way.

'Previously, we would work with care leavers to set up their benefits from six weeks prior to their 18th birthday so that they could roll onto their claim immediately. Under Universal Credit there are delays in their initial claim, which means that we are having to provide funds to cover their living expenses for the four week period whilst their claim is activated. Care leavers can get an advance payment, but that means they start their claim in arrears, which we wouldn't want for them.'

Personal adviser at a local authority

Professionals – the personal adviser and the work coach

In the case studies and the focus group sessions, many of the successes and frustrations care leavers faced when accessing Universal Credit and other payments centred on the professionals who were supposed to be supporting them in their claim.

Personal advisers were often criticised for not being contactable or for only supporting care leavers once they reached crisis point and were threatened with homelessness. It was also highlighted by our own practitioners, and work coaches, that personal advisers appeared to struggle, particularly when it came to understanding and engaging with Universal Credit.

The criticisms of work coaches tended to be different. Most centred on the process-driven nature of the system. That work coaches were often unable to go the extra mile because the system they work within did not allow them flexibility to do so.

The work coaches we spoke to were enthusiastic to support care leavers but recognised that when a young person fails to attend an appointment or is clearly struggling there is little they can do to help them – even contacting their personal adviser to flag up a problem fell afoul of consent procedures unless explicit consent was sought on every occasion from the care leaver themselves.

Having to juggle two vital relationships with professionals is not simple. Often the personal adviser holds crucial information in relation to a claim but the person a care leaver sees more regularly, and might have a better relationship with, is their work coach.

It's clear that instead of passing the young person back and forth, the professionals need to be empowered to work together. This would allow the young person the space to focus on their commitments as a claimant rather than getting frustrated and risk becoming disillusioned due to administrative problems.

We have come across two simple solutions to this issue. In Lancashire, we have seen how having a personal adviser logged as a designated person on a care leaver's claim can allow them to proactively solve administrative issues. This was reliant on JobCentre Plus staff on the helpline accepting the personal adviser's authority to engage with them on the care leaver's behalf. Such a system should work well, but is dependent on the care leaver having a good personal adviser.

In Trafford, the joint protocol with DWP allows for two-way communication between the named DWP staff member and the personal adviser on any issues a care leaver is facing with their claim. This system is felt to be better than the former solution as it allows each professional to hold the other one to account and does not put any barriers in place to hinder communication.

Alex

Alex is 19 years old and wants to become a chef. Whilst Alex has experienced a lot of turbulence in his school life such as exclusion, changing school and absence, he put in a big effort to achieve his GCSEs.

His journey from residential care to independence has been difficult. At the time of engaging with Jobcentre Plus he had been homeless and was living in temporary accommodation.

An advocate from The Children's Society has described how Jobcentre Plus did not understand Alex's specific vulnerabilities, or help him to reach his goals. Alex was required to undertake training and attend interviews for jobs which he wasn't interest in, and were not helpful in advancing his desired career.

Due to his situation, he did not have appropriate smart clothing to wear to his interviews. Alex eventually disengaged as he felt Jobcentre Plus were not taking into account his planned career. Because his Personal Adviser was involved, he was not sanctioned.

Although Alex disengaged from his responsibilities at Jobcentre Plus, he was still looking for work independently. He was regularly handing out his CV to cafés and restaurants in his local area. Alex got in touch with the neighbour of the residential home he lived in, who owned a café. They gave him a short, but paid, trial shift, which turned into a permanent job.

Engaging care leavers

A theme that recurred in our work collecting experiences from care leavers, personal advisers, work coaches and our own practitioners was around communication.

There was consensus that work coaches and personal advisers overly relied on phone calls to do their job. One personal adviser told us how a care leaver she had worked with had been promised a phone call to make arrangements on five occasions by her work coach and had not received a single call.

One of our own practitioners told us that care leavers often struggle with phone calls, sometimes because they do not have credit on their phone and so cannot make a return call but also because talking to an important decision-maker on the phone can be an anxious experience, particularly if you are struggling to get your own point across.

Care leavers and practitioners told us how much easier they find it when contact is made through methods they are familiar with. Relying on text or WhatsApp, even if it is to prompt them to prepare for a phone call later that day, can be an effective way to increase engagement.

Housing

Work coaches told us that one of their over-riding concerns when working with care leavers was around housing. Issues they face included unsafe housing, putting the young person at risk and preventing them from engaging properly with the conditions on their claim.

They also talked about the difficulties of direct payments to the claimant and organising Alternative Payment Arrangements. The problems here were different depending on whether the landlord was a social or private landlord.

Social landlords will often specify that they require Alternative Payment Arrangements as a precondition of any tenancy and this certainly helps care leavers to better manage their money. The main difficulty here was around the length of time it took to set up the alternative payment and the high likelihood of errors.

For private landlords the picture was more complex. If they were willing to take on a care leaver, they were unlikely to know about the option to have an alternative payment plan. Once the Universal Credit claim had begun, and all payments were being made direct to the care leaver, work coaches told us how difficult it was to change to alternative payment arrangements if things went wrong. This was particularly difficult if the young person insisted they did not want direct payments and wanted the money to come through their own bank account instead. As a result, for care leavers in the private rented sector, if things go wrong, the possibility of homelessness was felt to be very strong.

The current policy of direct payment does not appear to be well-supporting vulnerable young people. Young people told us retrospectively that, at least at first, they would have preferred to have alternative payment arrangements that saw payments made to their landlord. They felt they would be better able to manage direct housing element payments once they had got used to all their other bills. The option for Alternative Payment Arragments needs to be properly communicated to both care leavers and personal advisers in local authorities.

Education and work

When gathering experiences, we often spoke about some of the difficult decisions care leavers make when deciding what employment to take up and how to balance this alongside continuing education.

One of the issues our practitioners spoke about was the limited age range of eligibility for the 16-19 bursary for further education. When young people can access this it is crucial support, but care leavers often struggle in education at this age and find that it is not until they are older, often around 20 or 21, that they can fully engage in further education.

At this age there is only limited support available for young people in education who cannot live at home. Often young people have to consult closely with their work coach on the best way forward. Financial support during education is obviously crucial, however. Work coaches told us how they often used attendance at college as part of the conditionality around their claim whilst also trying support young people in finding suitable work to fit around their studies.

They also told us that often, after they had completed their studies, care leavers would ‘fall off the radar’ highlighting just how crucial the support available through Universal Credit and other payments is whilst they participate in further education.

'I have been a personal adviser since the Children (Leaving Care) Act 2000 came into force. Since then I have seen a lot of changes in the way in which leaving care support is provided and it's really positive that the support for care leavers will be extended up to the age of 25. However, in order to be able to best support these young people in their engagement with Jobcentre Plus, Universal credit and contact workers within these areas, I think that we need specific and in-depth training on Universal Credit before it is fully rolled out. People working in benefit services need to have better understanding of care leavers' needs and support networks.'

Personal adviser at a local authority

Recommendations for change

Our recommendations are focused on DWP and JobCentre Plus staff. We have, however, made some recommendations around housing benefit and local authority support as, during the course of our work, we also found these two elements to also be crucial in providing the best financial support for care leavers.

Our five key recommendations

Changing the nature and use of sanctions

The early warning system for sanctions should always be applied to care leavers. Work coaches should contact a care leaver's personal adviser before applying a sanction. When applied, sanctions should not be applied above the levels set for 16 and 17 year olds so that the financial burden is lessened and the sanction is lifted immediately when the care leaver re-engages and meets their claimant commitment.

Improved Entitlements

Care leavers should be eligible for the full Universal Credit Standard Allowance from the age of 18. The Shared Accommodation Rate Exemption should be extended to 25 years of age. The Severe Disability Premium should be carried forward from legacy benefits into Universal Credit so that care leavers with disabilities are supported to move into independent living.

Reducing the risk of debt whilst waiting for the first payment

Instead of offering an Advance Payment to care leavers - a form of loan which alters future payments and makes budgeting more difficult - care leavers should receive an 'Advance Grant' based on their maximum entitlement at the point of making their claim, whilst waiting for the first payment of their first claim.

Do not make care leavers the go-between

Where a care leaver's claim has administrative or technical problems which require solving, care leavers should not be passed from pillar to post. Personal Advisers should be able to be listed as a designated person to assist in a care leaver's claim and joint protocols between the local JobCentre Plus and the local authority should be put in place so that professionals working with a young person can contact each other.

Changing attitudes

The Department for Work and Pensions should produce training materials to change attitudes towards care leavers among job centre staff and increase their knowledge about how to support them. JobCentre Plus should explore ways to allow care leavers to participate in how local services are structured and how they are better supported into work.

Along with these five key changes, we have identified a number of other ways in which the relationships between care leavers, their work coaches and their personal advisers could be improved.

Recommendations for the Department for Work and Pensions

- DWP should introduce an apprenticeship bursary, similar to the higher education bursary, to support care leavers during the first year of their apprenticeship. This would provide better financial support, ensure better long-term employment prospects and provide increased parity between academic and technical education routes.

- DWP should bring forward the marker for care leavers under Universal Credit. Currently, care leavers can be flagged on the legacy benefits system if they tell their work coach they are leaving care but this is not yet available on Universal Credit. The marker should be as robust as the current marker for those leaving prison.

- For their first claim, care leavers should always have the option to have their housing element/housing benefit of their claim paid direct to the landlord communicated to both themselves and their personal adviser.

- DWP should further explore the early warning system for care leavers at risk of a sanction to see if it reduces the levels of sanctioning.

- DWP should produce a resource to help personal advisers better understand Universal Credit and the ways in which it can be tailored to meet the needs of care leavers.

Recommendations for JobCentre Plus staff

- JobCentre Plus and local authorities should establish joint protocols to allow personal advisers and work coaches to contact each other when a care leaver misses an appointment or appears to be struggling financially.

- JobCentre Plus staff should be encouraged to contact care leavers in a variety of ways, including text, in order to simplify communication.

- JobCentre Plus should proactively approach their local authorities to see if a service level agreement like a joint protocol would improve ways of working.

Recommendations for local authorities

- Local authorities should provide comprehensive training for their personal advisers on Universal Credit.

- Local authorities should establish service level agreements, like a joint protocol, with their local JobCentre Plus in order to allow better information sharing and in order to make it easier for professionals to help solve technical and administrative issues in a care leaver's claim.

- Local authority staff should be encouraged to contact care leavers in a variety of ways, including text, in order to simplify communication.

Appendix: JSA Sanctions for Care Leavers in Great Britain

JSA sanctions in Great Britain, Apr '16 to Sep '16			
	Self-identified care leavers[9]	18-24 year olds	All claimants
Total JSA claimants in period[10]	2,830	200,870	1,207,905
Original no. of sanctions applied[3]	930	23,286	78,455
No. of sanctions challenged[11],[12]	140	4,317	18,666
% of sanctions challenged	15.0%	18.5%	23.8%
No. of successful challenges[3,4]	120	3,414	14,621
% of challenges successful	85.7%	79.1%	78.3%
Final no. of sanctions applied	810	19,876	63,833
	1 sanction for every 3.5 claimants	1 sanction for every 10.1 claimants	1 sanction for every 18.9 claimants

JSA sanctions in Great Britain, Oct '15 to Mar '16			
	Self-identified care leavers[1]	18-24 year olds	All claimants
Total JSA claimants in period	2,980	305,780	1,438,485
Original no. of sanctions applied	960	34,188	108,760
No. of sanctions challenged	170	6,327	26,760
% of sanctions challenged	17.7%	18.5%	24.6%
No. of successful challenges	130	4,875	20,715
% of challenges successful	76.5%	77.0%	77.4%
Final no. of sanctions applied	830	29,316	88,050
	1 sanction for every 3.6 claimants	1 sanction for every 10.4 claimants	1 sanction for every 16.3 claimants

[9] All care leaver claimant population and sanctions data from DWP FOI response 25th April 2017
[10] Claimant population data for 18-24 year olds and adults (18-64 year olds) in Great Britain from NOMIS labour market statistics, claimant stocks and flows
[11] Sanctions data for 18-24 year olds and adults (18-64 year olds) in Great Britain from DWP Stat-Xplore
[12] Sanction challenges data includes challenges at decision review, mandatory reconsideration or appeal

It is a painful fact that many children and young people in England today are still suffering extreme hardship, abuse and neglect.

The Children's Society is a national charity that runs crucial local services and campaigns to change the law to help this country's most vulnerable children and young people.

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