

Options for increasing the Setting Up Home Grant for young people leaving care.

### **Executive Summary**

As part of our duty to our young people leaving care and ensuring that they have somewhere suitable to live, a setting up home grant should be provided to each eligible young person leaving care to assist them with necessary items that will enable them to live independently. The grant was implemented as part of the Leaving Care Act 2000. The grant was set at £2000 since its inception until April 2021.

In April 2021, the Council reviewed the provision of the setting up home grant and increased this to £2500.

This report sets out the options for increasing the Setting Up Home Grant in view of the increase in the cost of living.

### **Reason for bringing to the Corporate Parenting Board**

The Board requested an options paper setting out the financial impact of any increase in the Setting Up Home Grant. .

### **Recommendations**

- The Board is asked to consider the options

### **Background papers:**

None

### **Resource and legal considerations**

Local authority duties to young people and care leavers are set out in legislation:

- Children Act 1989
- Children (Leaving Care) Act 2000
- Children and Social Work Act 2017
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### **Performance Management**

Corporate Parenting Board ensures everyone works together to fulfil the corporate parenting role and to hold each other to account for making this happen.

- it acts as the visible organisational champion for looked after children and young people and care leavers, promoting their rights, entitlements and aspirations;
- the mobilisation and optimum use of resources available to get the best chance of success for children in care and to support care leavers to positively move on to live independently.

## **Council Corporate Plan Priorities:**

- Children have the best possible start and are safe from harm, happy, healthy and learning well.
- People have increased independence, improved health and can positively contribute to their communities.

## **Reducing inequalities**

The Corporate Parenting Strategy 2022-2025 sets out the response to secure improvements in the equality of services, which, when achieved will have a positive impact on our most vulnerable children, young people and families. By being effective Corporate Parents for Children in Care and Care Leavers, we collectively seek to redress the disadvantage that looked after children and care leavers face.

## **Contact Officers**

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## **Options for increasing Setting Up Home Grant for young people leaving care.**

### **1.0 Introduction**

- 1.1 As part of our duty to our young people leaving care and ensuring that they have somewhere suitable to live, a setting up home grant should be provided to each eligible young person leaving care to assist them with necessary items that will enable them to live independently. The grant was implemented as part of the Leaving Care Act 2000. The grant was set at £2000 since its inception until April 2021.

In April 2021, the Council reviewed the provision of the setting up home grant and increased this to £2500. Regionally, Walsall's offer is favourable across the region.

- 1.2 The Setting Up Home Grant is one element of financial support provided to care leavers as part of the local offer. It is an essential component to support the purchase of necessary household items that will enable young people to live independently.

- 1.3 In addition the following financial entitlements are in place:

- Council tax relief up to the age of 25 for all care leavers
- Accommodation and weekly allowances equivalent to state benefits for those who are not eligible to claim for benefits.
- Birthday ( £50 for 18<sup>th</sup> and 21<sup>st</sup> birthdays and £25 for 19<sup>th</sup> and 20<sup>th</sup> birthdays) and Festival allowances (£50) up to the age of 21
- The financial cost of key documents such as a passport or driving licence.
- For those in higher education at University or equivalent are offered a bursary of £2000 which is paid in 3 instalments, a weekly allowance, and vacation accommodation costs.
- To meet the cost of travel to maintain contact with family or previous carers who live at a distance to promote their network of support.
- Some education and training costs based on an assessment of need.
- Discretionary support when needed.
- Financial award for exceptional effort of £50
- Free leisure pass for those living in Walsall

### **1.4 Cost of living support payments:**

The Government is offering a range of support to help people pay their bills and our Personal Advisors will support our young people to access this support:

- Everyone in receipt of Universal Credit, Income Based ESA and eligible tax credit amounts will receive £650, paid in 2 instalments.
- Anyone in receipt of PIP or disability payments will receive £150.
- Every household will receive £400 for gas and electric payments.

In addition regionally both Severn Trent Water and South Staffordshire Water are offering discounted water tariffs totalling 70% and 60% off respectively.

- 1.5 We recognise that not all young people will receive these payments and they may not cover the costs throughout the year. Where young people are experiencing hardship and are in financial difficulty and need help with utilities, food or other essential items their personal adviser will, alongside the young person assess and support the particular need.
- 1.6 The National Leaving Care Benchmarking Forum published a report on the impact of cost of living following consultation with care experienced young people in August 2022. <https://cdn.catch-22.org.uk/wp-content/uploads/2022/08/NLCBF-Cost-of-Living-Report-August-2022.pdf>

*The report states “We can assume that the majority of care experienced young people are now in ongoing financial difficulty. Crisis support is no longer sufficient & having to access does not support positive self esteem and dignity. We need long term solutions which increase income or reduce outgoings and offer peace of mind and financial security.”*

The report makes the following recommendations for Government to consider:

1. Universal Credit - Make all care leavers eligible for the over 25 Rate Universal Credit from the age of 18. This is an increase from £61.22 to £77.28 per week.
  2. Universal Discounts - Reduce outgoings for young people leaving care through universal discounts to travel and utility bills.
  3. Educational Bursary: - Introduce an educational bursary for care experienced young people aged 18+ in Further education to support living costs & affordability of continuing in education.
  4. Household Support Fund: - All Local Authorities to ring fence part of their Household Support fund for care experienced young people & national government to issue guidance to support this.
- 1.7 Household Support Fund was introduced in October 2021, with funds allocated to each local authority to support vulnerable households in their area. The Government is providing an extra £500 million of local support which will be extended from this October to March 2023. Some local authorities have ring fenced part of their allocation for care experienced young people.

The allocation of the fund to Walsall from October 2022/23 has yet to be confirmed. We are working with Money, Home, Job to establish if a similar arrangement could be put in place based on anticipated need and numbers of care experienced young people known to the service.

## 2.0 Options for increasing the Setting Up Home Grant

- 2.1 The options for increasing the setting up home grant need to be considered within the context of the wider impact of the day to day cost of living expenses such as

food, clothing and utilities for care experienced young people.

The options below have been calculated based on the number of the young people in our care for 2022/23, 2023/24 and 2024/25 and projections for unaccompanied asylum seekers transferring to Walsall and new admissions to care.

	2022/23	2023/24	2024/25
<b>Young people leaving care</b>	53	63	56
<b>Anticipated USAC</b>	7	12	12
<b>Projected young people entering care.</b>	5	5	5
<b>Total</b>	65	80	73

## 2.2 Any increases to the Setting Up Home Grant will be a new budget pressure.

Options for increasing the Setting Up Home Grant for 2022/23 are calculated for all young people leaving care from 1st April 2022 based on an increase of £500 which equates to an uplift of 20% or a 5% uplift or applying an average inflationary increase over 12 months based on Consumer Price Index (CPI).

At 17<sup>th</sup> August 2022 the average 12 month CPI was 8.5%.

<b>No of young people 2022/23</b>	<b>5% uplift</b>	<b>8.5% uplift</b>	<b>£500 uplift (= 20%)</b>
65	£ 2,625	£ 2,713	£ 3000
<b>Additional budget required.</b>	<b>£ 8,125</b>	<b>£13,813</b>	<b>£ 32,500</b>

The table below sets out the cost if a 5% uplift is applied for 2023/24 and 2024/25.

<b>No of young people 2023/24</b>	<b>5% Uplift</b>	<b>No of young people 2024/25</b>	<b>5% Uplift</b>
80	£ 2,625	73	£ 2,756
	£ 2,756		£ 2,894
<b>Additional budget required.</b>	<b>£10,500</b>	<b>Additional budget required.</b>	<b>£10,060</b>

## 2.3 Proposed options

- We consider all available options to alleviate financial pressures for care experience young people for most in need to assist with day to day living expenses in consultation with our care experienced young people.
- We agree a methodology as to how any annual increases to the Setting Up Home Grant will be calculated for 2023/24; 2024/25 and 2025/26.