

Briefing for the House of Lords on amendments on kinship care to the Welfare Reform and Work Bill Clause 11 (Changes to child tax credit) & Clause 12 (Changes to child element of universal credit)

Page 13, line 12 at end insert

(b) the child is in the household as a result of a kinship care or private fostering arrangement.

page 13, line 23 after “responsible” insert

“, unless -

(a) the child is in the household as a result of a kinship care or private fostering arrangement.”

This briefing is drawn up by Family Rights Group on behalf of the Kinship Care Alliance and endorsed by:

Barnardo's	Buttle UK	Caritas Social Action Network	
Childhood Bereavement Network	Children England	The Children's Society	
CoramBaaf	The Fostering Network		
Grandparents Plus	Kinship Carers UK	Kinship 'Foster' Carers Group	
Mentor UK	Nagalro	The Open Nest	
Prison Advice and Care Trust	Quaker Social Action		
PAC-UK	TACT	Unison	YBont

Summary

There are an estimated 200,000 children being raised by kinship carers across the UK. Kinship carers are grandparents, older siblings and other relatives and friends who step in to care for children, many of whom would otherwise be in the care system.

Our survey, the largest undertaken of kinship carers has found:

- 49% of kinship carers have to give up work to take on the children, many are therefore forced into poverty.
- 22% of kinship carers have 3 or more children in their household. We therefore estimate there are around 29,000 large families with kin children.
- 63% are currently receiving child tax credit, which we estimate to be around 18,000 households.

We estimate the cost of exempting kinship carers will be around £30m in 2020/21 and that it would only **require around 200 kinship carers in 2020/21 to be financially prohibited from taking on a sibling group of 3 or more, for care and court costs to outweigh any public savings from the two child tax credit limit in that year.**

1. The Kinship Care Alliance is an informal network of organisations working with family and friends carers (also known as kinship carers) who subscribe to a set of shared aims and beliefs about family and friends care. Since 2006, members have been meeting regularly to develop a joint policy agenda and agree strategies to promote shared aims which are:
 - a) to prevent children from being unnecessarily raised outside their family,
 - b) to enhance outcomes for children who cannot live with their parents and who are living with relatives and
 - c) to secure improved recognition and support for family and friends carers.The Kinship Care Alliance is serviced by the charity Family Rights Group.
2. Family Rights Group, which drafted this response, is the charity in England and Wales that works with parents whose children are in need, at risk or are in the care system and with members of the wider family who are raising children who are unable to remain at home. Our expert advisers, who are child welfare lawyers, social workers, or advocates with equivalent experience, provide advice to over 6000 families a year via our free and confidential telephone and digital advice service. We advise parents and other family members about their rights and options when social workers or the courts make decisions about their children's welfare. We also campaign for families to have a voice, be treated fairly and get help early to prevent problems escalating. We lead the Kinship Care Alliance and champion family group conferences and other policies and practices that keep children safe in their family network.

3. There are an estimated 200,000 children being raised by kinship carers across the UK. Kinship carers are grandparents, older siblings and other relatives and friends who step in to care for children, many of whom would otherwise be in the care system. The current Government have a long standing commitment to ensuring families are stable and to create the best possible environment for children to flourishⁱ.
4. Children raised by kinship carers are typically unable to live safely with their parents due to parental abuse or neglect, alcohol or drug misuse, domestic violence, mental ill health, disability, imprisonment or bereavement. As evidence from the Centre for Social Justice showsⁱⁱ, these factors can have severely limiting effects on children's life chances.
5. 95% of children living in kinship care arrangements are not 'looked after' by the local authority. Therefore by keeping children out of the care system these kinship carers save the taxpayer billions of pounds each year in care costs. However, the financial cost of raising the child typically falls directly on the kinship carers themselves.
6. Most children in kinship care are doing significantly better than children in unrelated care, despite having suffered similar earlier adverse experiencesⁱⁱⁱ – in particular they feel more secure and have fewer emotional and behavioural problems and are also doing better academically. This is despite them receiving little or no local authority support.^{iv} Research shows that the main determinant of access to such support is the child's legal status, in particular whether the child is in or out the care system, rather than their needs.^v
7. By becoming the full-time carer of a child or children, often in an emergency, kinship carers face significant additional costs both in terms of equipment needed (eg: beds, school uniform, larger car) and maintenance costs. Their family size increases and can even double overnight. Unlike adopters, they are not entitled to a period of paid leave for the children to settle in, despite the children having suffered similar prior adversities. A recent survey we undertook of kinship carers found 49% of kinship carers had to give up work permanently to take on the children, thus becoming reliant on benefits^{vi}. The survey of kinship carers found that 57% received child tax credits and 30% housing benefit. Further analysis revealed that 22% of kinship carer households have 3 or more children and 63% of these households currently receive child tax credit.
8. The limiting of tax credits will plunge new kinship carers into severe poverty and may even jeopardise some placements. We are particularly concerned that the two child tax credit limit, when combined with the proposed reduction in the benefit cap

will also deter some potential kinship carers from coming forward to take on a sibling group of children or from taking on a child if they already have dependent children of their own. The prospect of being forced into severe debt, and possibly being financially forced to move home, away from their own children's school and support network, will inevitably and understandably prevent some potential kinship carers from taking on children.

9. The impact of these measures is that it could increase the number of children in care, which would not be in the children's best interests and could result in children being denied the chance of being raised in an otherwise suitable placement within their family network, thus impacting on the child and family members' right to respect for family life. It would also be at considerable cost to the Government – for one child to be in an independent foster care placement for a year costs £40,000^{vii}, whilst care proceedings amount to at least £25,000 per child^{viii}.

10. Calculation of potential implications of the introduction of the 2 child tax credit limit.

Around 200,000 children are being raised by kinship carers in the UK. On average, there are around 1.5 kin children per household, so we have estimated 132,000 kinship carer families in total. Our survey found 22% of kinship carers have 3 or more children in their household, so there are around 29,000 large families with kin children. Of these, we found 63% are currently receiving child tax credit, which would amount to around 18,000 households.

According to the Government's Impact Assessment, 640,000 families will be affected by this measure in 2020/21, out of the 872,000 larger families currently in receipt of tax credits – due to phasing in of the measure. So we are assuming that 73% of kinship carer families will be affected by 2020/21.

The average Exchequer saving per household is calculated at £2,132 (£1,365m saved across 640,000 households).

On this basis the estimated cost of exempting kinship carers will be around £30m in 2020/21 (i.e. 18,000 x 73% x £2,132/h/hold)

The cost of a child being in care for a year is £40,000. The cost of care proceedings is £25,000. **So it would only require around 200 kinship carers in 2020/21 to be financially prohibited from taking on a sibling group of 3 or more, for care and court costs to outweigh any savings from the two child tax credit limit in that year.**

Case example of a kinship carer who in future will be badly affected by the two child tax credit limit

Jane is a grandmother whose oldest grandson, Tom, suffered abuse when living with his parents (Jane's son & his wife). When Jane found out about the abuse, she stepped in and persuaded the local authority that Tom should live with her. A year later, she found out her daughter-in-law was pregnant again and the baby was, Liam, was removed at birth under a care order. Jane successfully got a special guardianship order from the court for Liam to permanently live with her.

Tragically earlier this year, her daughter, who was only in her early 20s, died suddenly from a heart condition, leaving two daughters, Yasmin and Kim. She is receiving no financial help from the local authority for the youngest grandson nor for the two girls.

Jane gave up work, on the insistence of the local authority, when she took on Tom. She now cannot go back to work, given that she is now singlehandedly raising four young children, all of whom have suffered trauma. Jane is already suffering financially, if she was not entitled to child tax credit for the two girls, it could put the placements in jeopardy.

11. This situation is further exacerbated when kinship carers take on a disabled child. The legislation as it currently stands means the 2 child limit for Child Tax Credit will apply to the child element for disabled children. The disability premium (the disabled and severely disabled child elements in Child Tax Credit) and an amount for each disabled child in Universal Credit will be protected regardless of the number of children in a family. However, the Child Element in Child Tax Credit and Universal Credit will only be paid in respect of two children in a family, even where the third child is disabled.
12. The Bill, as it stands, also sees the introduction of measures which mean that those making a new claim to Universal Credit can be disadvantaged in a way that is inconsistent with the approach applied through Tax Credits. For Child Tax Credits claims made after April 2017, more than 2 children could be included *providing* they were born before April 2017. Conversely, for Universal Credit the 2 child limit will be imposed regardless of when the children were born (unless the Universal Credit claim is linked to a previous Child Tax Credit claim).

Thank you for reading our briefing and please contact us if you would like further information.

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ⁱ Conservative Party Manifesto, Chapter Two: Making Britain More Family Friendly, 2010

ⁱⁱ Rethinking Child Poverty, Centre for Social Justice, 2012

ⁱⁱⁱ Selwyn et al (2013) The Poor Relations? Children & Informal Kinship Cares Speak Out (University of Bristol)

^{iv} Farmer, E and Moyers, S (2008) Kinship Care: Fostering Effective Family and Friends Placements (Jessica Kingsley Press)

^v Hunt & Waterhouse 2013 **It's Just Not Fair! Support, need and legal status in family and friends care** (FRG/Oxford University Centre for Family Law and Policy)

^{vi} Ashley C, Aziz R and Braun (D) (2015) Doing the right thing: a report on the experiences of kinship carers 2015 http://www.frg.org.uk/images/Kinship_Care_Alliance/151013%20Report%20on%20kinship%20carers%20survey.pdf

^{vii} Children in Care, National Audit Office, 2014

^{viii} DCA, DfE, Welsh Assembly Government (2006) Review of Child Care Proceedings <http://www.familieslink.co.uk/download/june07/Review%20of%20child%20care.pdf>