

# **Analysis of Local Authority costs incurred in support of Unaccompanied Asylum Seeking Children in the East Midlands**

**July 2017**

**East Midlands  
Strategic Migration Partnership**

# Analysis of Local Authority costs incurred in support of Unaccompanied Asylum Seeking Children in the East Midlands

July 2017

East Midlands Strategic Migration Partnership

## Table of Contents

|  |    |
|--|----|
| <b>1. Foreword</b>   | 2  |
| <b>2. Introduction</b>   | 3  |
| <b>3. Methodology</b>  | 3  |
| <b>4. Results</b>  | 3  |
| Placement costs  | 6  |
| Social work provision  | 6  |
| Education  | 6  |
| Health   | 6  |
| Legal costs  | 7  |
| Miscellaneous additional costs                                 | 7  |
| Full breakdown of regional UASC costs                          | 7  |
| Home Office UASC funding                                       | 9  |
| <b>5. Conclusions</b>  | 10 |
| Comparison with other research                                 | 11 |
| Current and future pressures on Local Authority services       | 11 |
| Increased funding for Unaccompanied Asylum Seeking Children    | 13 |
| <b>Acknowledgements</b>  | 13 |
| <b>6. Appendices</b>   | 14 |
| Appendix A: Examples of the impact of UASC on the VCS          | 14 |
| Appendix B: Children transferred under Dublin III Arrangements | 16 |
| Appendix C: Home Office UASC Funding Guidelines                | 17 |

## 1. Foreward

The following report confirms the actual costs incurred by Local Authorities in the East Midlands in providing care for Unaccompanied Asylum Seeking Children (UASC).

The East Midlands was an early adopter of the National Transfer Scheme (NTS) for UASC and the region continues to be a willing participant, subject to on-going individual local authority agreement. At the time of writing, 53 unaccompanied asylum seeking children have been transferred via the NTS, principally from Kent and London Boroughs, but also within region from Northamptonshire and via 'Dubs Amendment' (section 67 of the Immigration Act 2016) transfers from France.

All upper tier local authorities within the East Midlands region have UASC care responsibilities, irrespective of participation in the NTS. Local Authorities and Home Office colleagues are in agreement that it is important to understand the actual costs incurred in looking after UASC and East Midlands Councils has therefore undertaken a comprehensive review to provide this information. The results of this analysis are included in this report.

In summary, the analysis has established the regional average 'UASC cost' to local authorities in the East Midlands of £55,194 per annum, against the weighted average Home Office reimbursement of £30,231. The current funding shortfall is therefore £24,963 per UASC per annum, with Home Office funding covering just over half (55%) of the actual costs incurred by local authorities.

This represents a considerable financial burden. Councils are meeting the shortfall (currently £7.46m per annum in the East Midlands) from already pressed Children's Services budgets, and while there have been some bids to the Controlling Migration Fund, this will not go anywhere near to addressing the deficit in funding.

The Home Office announcement of a review of UASC funding is welcomed and this review has been submitted to inform this work. The current inadequacy of funding, coupled with significant capacity constraints, will inevitably challenge on-going participation in the NTS scheme and so it is hoped that the Home Office will make available funding that covers the actual costs of supporting UASC going forward.

**Cllr Heather Smith**

Chair

Regional Migration Board

## 2. Introduction

- 2.1** All of the upper tier local authorities within the East Midlands region<sup>1</sup> have unaccompanied asylum seeking children (UASC) in their care at the time of writing, with six of those nine authorities participating in the National Transfer Scheme (NTS).
- 2.2** This report sets out to establish a detailed analysis of the costs incurred by local authorities in support of UASC to determine a regional average cost, based on a snapshot of the total UASC cohort in local authority care within the region at the start of 2017. Data has been supplied by all nine upper tier authorities within the East Midlands, and represents a sample size of 299 unaccompanied children. Figures for the majority of the cost lines in the analysis were provided by the majority of local authorities, although data was not available from all authorities for every discrete cost line due to the structuring of internal budgets. The resulting regional average cost is compared to current Home Office funding in order to establish any differences between funding levels and actual costs incurred.

## 3. Methodology

- 3.1** Research was undertaken to collect individual UASC cost data from all nine upper tier local authorities within the region under the following service areas:
1. Social Work
  2. Placements
  3. Education
  4. Health
  5. Legal
  6. Miscellaneous
- 3.2** These data were reviewed, clarified and refined throughout the research process in order to ensure consistency of approach across the region. A regional average for UASC costs was calculated from these data sets across all identified cost lines, with a weighted average approach taken to placement costs based on the distribution of the current UASC population within each placement type.

- 3.3** The resulting regional average cost in supporting UASC was compared with current Home Office funding levels and the difference calculated, based on the total funding available for the current demographics within the regional UASC cohort.
- 3.4** The research methodology was designed to provide robust and verifiable results, and ensure that the conclusions are based on reliable evidence accurate as of the first half of 2017. The methodological approach taken is set out chronologically below:
- (i) In November 2016, the Association of Directors of Children's Services (ADCS) published its Safeguarding Pressures Phase 5 – Special Thematic Report of Unaccompanied Asylum Seeking and Refugee Children<sup>2</sup>. As part of this report, the ADCS presented the results of a national survey undertaken to evaluate the costs of supporting UASC.
  - (ii) East Midlands local authority UASC lead officers were consulted in December 2016, and it was agreed to conduct a regional analysis of UASC costs. The individual sources of costs reported in the ADCS research were discussed and modified as appropriate for this region, further sources of costs were identified, and a spreadsheet of UASC costs was agreed for completion by all nine authorities.
  - (iii) Local authorities populated the East Midlands costs spreadsheet with their individual financial data and initial returns were submitted to the Strategic Migration Partnership by the end of February 2017. Preliminary clarifications were sought and provided.
  - (iv) Initial results were reviewed and discussed with local authority UASC lead officers in March 2017 and a process of further refinement of the data sets agreed.
  - (v) Through March and April, the Strategic Migration Partnership met with each local authority UASC lead officer individually, with support from local authority finance officers as appropriate, to review, refine and confirm each cost line within the individual spreadsheets.

<sup>1</sup> Derby City Council, Derbyshire County Council, Leicester City Council, Leicestershire County Council, Lincolnshire County Council, Northamptonshire County Council, Nottingham City Council, Nottinghamshire County Council, Rutland County Council

<sup>2</sup> Safeguarding Pressures Phase 5 – Special Thematic Report of Unaccompanied Asylum Seeking and Refugee Children" (Nov 2016) The Association of Directors of Children's Services Ltd. [http://adcs.org.uk/assets/documentation/ADCS\\_UASC\\_Report\\_Final\\_FOR\\_PUBLICATION.pdf](http://adcs.org.uk/assets/documentation/ADCS_UASC_Report_Final_FOR_PUBLICATION.pdf)

- (vi) Based on the refined and verified data sets, the regional average for each cost line and a weighted average placement cost were calculated. These figures were then combined to produce the overall regional average cost per UASC per annum.
  - (vii) The weighted average Home Office UASC funding available to the region was calculated based on the established funding criteria (Legacy cases aged under 16, Legacy cases aged 16-17, National Rate/ Kent Referrals cases aged under 16, National Rate/ Kent Referrals cases aged 16-17). The resultant average Home Office funding level was compared with the regional average UASC costs and the difference calculated.
  - (viii) Additional information and data in relation to Dublin III cases and costs incurred by Voluntary and Community Sector organisations within the region were included for wider context.
  - (ix) The draft report was circulated to all contributing local authorities for comment and review, and the report finalised.
- 3.5 Comparison of the local authority data sets showed significant variance across a number of cost lines as well as overall average UASC costs for individual local authorities. The calculation of an average for each cost line across the data sets helps to mitigate the impact of any substantial variation in particular data points on the overall regional average cost.
- 3.6 The costs reported below may not entirely reflect previous local authority funding returns to the Home Office. The data provided for this analysis were intended to identify the full costs (i.e. all available significant costs) associated with local authority support of UASC, and included

costs currently excluded under Home Office funding criteria (e.g. education and health costs). Moreover, in their returns to the Home Office, some local authorities have not provided a full cost analysis over and above the funding ceiling. A request for greater clarity in the Home Office guidance outlining what is eligible for inclusion in UASC funding claims has arisen through this work. In the course of this analysis, several local authorities have identified additional UASC costs that will be included in future Home Office returns.

## 4. Results

- 4.1 Data from all nine upper tier local authorities were collated and an average cost for each cost line within the various service areas was calculated. In order to calculate the average placement cost, the average cost of each placement type was calculated and the regional distribution of UASC in each type of placement used to determine a weighted average placement cost for the region based on the current dispersion. The resulting regional average costs are tabulated below (Table 1).
- 4.2 Local authorities have adopted a conservative approach to identifying costs. Some cost lines were inaccessible to individual local authorities even where costs were known to occur. This was due to the structuring of budgets, particularly where recorded in other (non-social care) departmental budgets, and the resources available to access costs within the scope of this research.

**Table 1:**

Regional average total cost per UASC and breakdown across UASC support services, based on individual local authority costs data provided by all nine upper tier authorities within the East Midlands. (A more detailed breakdown of unit costs is provided in Table 2).

| <b>Service provided</b>   | <b>Nature of costs</b>   | <b>Average Cost (per UASC per annum)</b> |
|---|--|--|
| <b>1. Social Work</b><br>(including assessment, care planning and case management)  | Staff salaries (Team Manager, Social Workers, Independent Reviewing Officers, administrators, agency staff etc.), Referral process, Age Assessment processes (including cases that do not lead to LA care), Travel | £8,454                                   |
| <b>2. Placements</b><br>(foster care, residential, and semi-independent living)   | Placement finding services, placement costs (staffing, payments to foster carers, fostering panels, training), Miscellaneous payments (personal allowance, birthday and religious festival payments etc.)          | £40,850                                  |
| <b>3. Education</b><br>(costs incurred by LAs directly in support of UASC education, not including mainstream school provision)     | Virtual school support and staff costs, school integration support, educational equipment, ESOL provision  | £3,396                                   |
| <b>4. Health</b><br>(costs incurred by LAs directly in support of UASC health, not including costs incurred by CCGs or NHS England) | Initial Health Assessments and Review Health Assessments, Public Health Nursing Services, Mental health support identified but costs difficult to quantify (see comments below)                                    | £701                                     |
| <b>5. Legal</b>   | Age assessment challenges, Judicial Reviews, Care proceedings  | £896                                     |
| <b>6. Miscellaneous</b>   | Interpreters, advocacy and children's rights, funding for VCS services and support   | £897                                     |
| <b>Total local authority costs</b>  | <b>Regional average cost incurred by local authorities in support and care of one UASC per annum</b>   | <b>£55,194</b>                           |

### Placement costs

- 4.3** The results demonstrate that the service which incurs the greatest cost to local authorities, accounting for almost three-quarters (74.0%) of total UASC costs, is the provision of placements for the children and young people. Just over half (50.7%) of the UASC cohort are placed in independent foster placements (average cost of under 16 years old independent foster placement is £39,272; average cost of 16-17 years old independent foster placement is £42,654). Around a further third (36.5%) of the cohort are placed in semi-independent living accommodation (average cost for semi-independent living placements is £35,445). One in ten (10.5%) children and young people are placed with local authority foster carers (average cost of under 16 years old in-house foster placement is £21,200; average cost of 16-17 years old in-house foster placement is £23,595; these are the only placement types which do not in themselves exceed the average Home Office funding per UASC, cf. Table 3, below). Demand for suitable UASC foster care far outstrips the supply of in-house foster placements, necessitating the substantial utilisation of independent foster placements. Only a very small minority (2.4%) are placed in the most expensive placement type, registered children's home accommodation (with an average cost per placement of £133,491 per annum).

### Social work provision

- 4.4** Social work provision is the second most expensive service provided by local authorities to UASC, with the majority of these costs (92.1 %) derived from staff salaries. Premises costs, finance officer contributions and senior manager costs (above Team Manager Grade) have not been included. Indicative costs based on one local authority's data for the Service Manager and Strategic Manager's combined percentage contribution to UASC support was calculated to be £369.00 per UASC per annum. Similarly, for another local authority, indicative costs for Principal Accountant for People Services Directorate contribution was calculated to be £309.00 per UASC per annum. These two indicative costs combined would add an additional £678.00 per UASC per year. Moreover, there are likely to be other senior managers and finance officers contributing to local authority support of UASC which represent further staffing overheads.
- 4.5** Due to fluctuations in demand and difficulties reported in recruiting suitably qualified social workers, almost half (44.4%) of local authorities' staffing costs include agency staff. For these local authorities, agency social workers comprise, on average, 30% of the workforce. Agency staffing incurs higher costs than staff employed directly

by local authorities (agency social workers costs are, on average, 68% higher than in-house social worker salaries). Given the difficulties in social worker recruitment, any increase in UASC numbers would likely require the employment of additional agency staff, increasing further the costs of supporting UASC.

### Education

- 4.6** The largest component (35.2%) of local authority educational costs is the provision of virtual schools, including staff and equipment. Support for further education and colleges, as well as the provision of ESOL are identified as the two other main direct educational costs to local authorities. School places are funded from the Dedicated School Grant (DSG) and are not included here. However, for in-year admissions (i.e. if the UASC is not included in the October census) the school does not receive any DSG funding and will incur costs directly in support of the unaccompanied child (funding factors relevant to UASC would include basic entitlement, LAC, low prior attainment, and education as an additional language). One local authority calculated indicative costs for secondary school years 10 and 11 as £8,995 per pupil. However, this is likely to vary across local authorities with different local funding formulas.

### Health

- 4.7** Access to health services data was problematic for the majority of local authorities within the region. Where Children in Care nurses or similar are commissioned by the local authority, costs for Initial and Review Health Assessments were provided and constitute the majority of the local authority health costs identified in this research. Local authority Public Health costs for Nursing Services (School Health) were also identified. There was an acknowledgement that mental health provision is likely to be a significant factor in UASC support in the future, but little information on current demand was available. Average costs for an initial mental health assessment by local authority commissioned services were calculated to be £481.67 per UASC, with estimated costs for on-going psychiatric support potentially running into the thousands of pounds per child. Whilst in most cases it was not possible to assess the current demand for these services, data from one local authority indicated that on-going CAMHS support to one UASC in their care (2.4% demand) equated to £2,100 for a total of 6 sessions with the young person and 4 consultations with his carers. Further costs to the local CAMHS service was incurred in support of a second UASC placed in that area but under

the care of a different local authority. As UASC mental health needs (Post Traumatic Stress Disorder for example) emerge more fully, associated costs to local authorities could be a significant additional factor.

- 4.8** The regional average health cost therefore is a conservative estimate of current health costs borne by local authorities, and is likely to increase significantly in the future. It also takes no account of costs incurred by partner health agencies supporting UASC, NHS England and local CCGs. NHSE advised that local authorities were best placed to obtain financial data from providers for the services in their areas as each have different costs that they attach to items of service, (e.g. immunisations, initial GP and dental appointments, follow-up appointments). However, this research was unable to obtain data from health providers, due at least in part to the complexity of health service provision. As indicative costs: for GP registration, £600 per child is allowed within the Syrian VPRS funding guidelines; and £2,000 per child for secondary health care (including mental health).

### Legal costs

- 4.9** Legal costs incurred by local authorities included responding to challenges to age assessments, Judicial

Reviews, and enacting care proceedings. Access to UASC legal costs was problematic for some local authority UASC lead officers where costs relating to individual UASC were recorded in other departmental budgets outside of Children's Services and therefore not necessarily readily identifiable as relating to UASC cases. The regional average legal cost therefore is likely to be a conservative estimate of the true costs to local authorities. Legal Aid is available for legal costs associated with asylum applications.

### Miscellaneous additional costs

- 4.10** Various miscellaneous costs were identified, the largest component (57.0%) being the provision of interpreters (including meetings with social work staff, home visits, medical appointments, education, child protection, and immigration matters). Children's Rights Officers, advocacy, and Voluntary and Community Sector support services were sources of additional costs for a number of local authorities. Appendix A provides examples of VCS support within the region.

### Full breakdown of regional UASC costs

- 4.11** A full breakdown of costs under each of the service areas provided to UASC is given in Table 2, below.

**Table 2:**

Full breakdown of average regional UASC costs

|             | Service Provided                    | Regional Average Unit Cost (per UASC per year) | Notes   |
|-------------|-------------------------------------|--|---|
| <b>1.0</b>  | <b>Social Work</b>                  |  |   |
| <b>1.1</b>  | Referral process and allocation     | £546   |   |
| <b>1.2</b>  | Social Work Management              | £1,092   |   |
| <b>1.3</b>  | Social Workers (non-agency)         | £3,602   |   |
| <b>1.4</b>  | Ind. Reviewing Officer (non-agency) | £988   |   |
| <b>1.5</b>  | Social work support staff           | £1,202   |   |
| <b>1.6</b>  | Trafficking Assessment              | -  | Where applicable, included in other cost lines          |
| <b>1.7</b>  | CSE risk assessment                 | -  | Where applicable, included in other cost lines          |
| <b>1.8</b>  | If Missing, return interviews       | -  | Currently considered low likelihood, costs not included |
| <b>1.9</b>  | Merton Age Assessment               | £328   | Including costs incurred not leading to LA care         |
| <b>1.10</b> | Staff mileage costs                 | £337   |   |
| <b>1.11</b> | Agency Staffing                     | £359   | Agency social workers and IROs                          |
|             | Social work sub-total               | <b>£8,454</b>                                  |   |

|            |  |                |   |
|------------|--|----------------|---|
| <b>2.0</b> | <b>Placements</b>                      |                |   |
| <b>2.1</b> | Placement finding                      | £93            |   |
| <b>2.2</b> | Placement Costs <sup>3</sup>           |                | weighted average placement costs                                  |
|            | In-house foster care placement (U16)   | £1,147         | average cost per annum = £21,200, 5.41% of current UASC cohort    |
|            | In-house foster care placement (16-17) | £1,196         | average cost per annum = £23,595, 5.07% of current UASC cohort    |
|            | Independent foster placement (U16)     | £8,228         | average cost per annum = £39,272, 20.95% of current UASC cohort   |
|            | Independent foster placement (16-17)   | £12,681        | average cost per annum = £42,654, 29.73% of current UASC cohort   |
|            | Residential (U16)                      | £0             | 0% of current UASC cohort   |
|            | Residential (16-17)                    | £3,164         | average cost per annum = £133,491, 2.37% of current cohort        |
|            | Semi-Independent Living                | £12,934        | average cost per annum = £35,445, 36.49% of current UASC cohort   |
| <b>2.3</b> | Miscellaneous payments                 | £1,407         | personal allowance, birthday and religious festival payments etc. |
|            | Placements sub-total                   | <b>£40,850</b> |   |
| <b>3.0</b> | <b>Education</b>                       |                |   |
| <b>3.1</b> | Virtual school support                 | £1,197         |   |
| <b>3.2</b> | Primary or secondary school place      | £39            | Additional costs, not including Dedicated School Grant            |
| <b>3.3</b> | Further Education/College              | £690           |   |
| <b>3.4</b> | Alternative/PRU/special school         | £237           |   |
| <b>3.5</b> | Other Education Provision              | £375           |   |
| <b>3.6</b> | EHC assessment & SEND provision        | £0             |   |
| <b>3.7</b> | Equipment to support education         | £330           |   |
| <b>3.8</b> | ESOL training                          | £528           |   |
|            | Education sub-total                    | <b>£3,396</b>  |   |
| <b>4.0</b> | <b>Health</b>                          |                |   |
| <b>4.1</b> | Initial Health assessment              | £435           |   |
| <b>4.2</b> | Review Health Assessment (annual)      | £160           |   |
| <b>4.3</b> | Mental health support - CAMHS          | £65            | CAMHS initial assessment and further support                      |
| <b>4.4</b> | Nursing Services (School Health)       | £41            | Public Health   |
|            | Health sub-total                       | <b>£701</b>    |   |
| <b>5.0</b> | <b>Legal</b>                           |                |   |
| <b>5.1</b> | Combined legal costs                   | £896           | Age assessment challenges, JRs, and Care proceedings              |
|            | Legal costs sub-total                  | <b>£896</b>    |   |
| <b>6.0</b> | <b>Miscellaneous</b>                   |                |   |
| <b>6.1</b> | Interpreters                           | £511           |   |
| <b>6.2</b> | Advocacy and children's rights         | £148           |   |
| <b>6.3</b> | VCS services and support (LA-funded)   | £238           |   |
|            | Miscellaneous costs sub-total          | <b>£897</b>    |   |
|            |  |                |   |
|            | <b>Regional Average Total LA Costs</b> | <b>£55,194</b> | <b>per UASC per annum</b>   |

3 Placement Costs: The regional average cost of each placement type adjusted for the current percentage dispersal of the regional UASC cohort across the various types of placement, producing the weighted average placement cost contribution per UASC for each placement type.

### Home Office UASC funding

- 4.12 The Home Office funds local authorities with UASC in their care at the rates<sup>4</sup> given in Table 3. By calculating the percentage distribution of the current regional

UASC cohort across the four funding rates, the weighted average Home Office reimbursement per UASC per annum can be calculated for the East Midlands as £30,231 (Table 3).

**Table 3:**

Home Office funding rates 2016/17 against regional UASC demographics giving the average reimbursement to local authorities per UASC per annum.

| UASC Funding Category  |          | Home Office Funding Rates 2016/17 |           | Current regional UASC cohort demographics | Weighted Home Office funding contribution |
|--|----------|-----------------------------------|-----------|---|---|
|  |          | Per day                           | Per annum |   |   |
| Legacy Cases   | Under 16 | £95.00                            | £34,675   | 14.9%                                     | £5,167                                    |
|  | 16-17    | £71.00                            | £25,915   | 54.1%                                     | £14,020                                   |
| National Rate/Kent Referrals                                   | Under 16 | £114.00                           | £41,610   | 8.9%                                      | £3,703                                    |
|  | 16-17    | £91.00                            | £33,215   | 22.1%                                     | £7,341                                    |
| <b>Weighted average Home Office funding per UASC per annum</b> |          |                                   |           |   | <b>£30,231</b>                            |

## 5. Conclusions

- 5.1 This research clearly demonstrates a significant gap in UASC funding. The results of the financial analysis above give an average cost to local authorities supporting UASC in their care as £55,194 per UASC per annum. By comparison with the weighted average Home Office reimbursement per UASC per annum of £30,231, a current funding shortfall to East Midlands local authorities of £24,963 per UASC per annum can be identified. In other words, present Home Office funding levels cover just over half (54.8%) of the costs incurred by local authorities in support of the current UASC cohort.
- 5.2 It should be noted that this approach assumes that the costs incurred by local authorities are, on average, equivalent for legacy and enhanced rate cases. However, whilst parity is assumed for the average costs, the funding shortfall between the two cohorts will be different due to the differing Home Office funding rates. Local authorities are required to submit separate UASC funding returns for their legacy, National Rate, and Kent Referrals UASC

cohorts. Based on the demographics of UASC in the East Midlands in early 2017, the weighted average funding shortfall for legacy cases is calculated to be £27,387 per child per annum, whereas for each National Rate/Kent Referrals case, the weighted average shortfall per year is £19,570.

- 5.3 By providing enhanced funding tariffs for UASC arriving in the UK from 1st July 2016 or transferred through the NTS compared to 'legacy' case funding, the Government indicated that it "*recognises the burden placed on local authorities as a result of the increase in numbers of UASC.*"<sup>5</sup> However, the significant financial burden which local authorities continue to incur in support of legacy cases is not recognised by these enhanced rates. It is not unreasonable to postulate that parity of funding across all UASC categories at the enhanced rate might support local authorities currently unable to participate in the NTS on funding grounds to review their decisions. Therefore, a request arises through this research for the rationale for different funding tariffs to be reconsidered.

4 "Funding to local authorities: Financial year 2016/17 (Unaccompanied Asylum Seeking Children (UASC))" (Oct 2016) Home Office [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/561388/UASC\\_Funding\\_Instructions\\_\\_2016-17\\_version\\_3.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/561388/UASC_Funding_Instructions__2016-17_version_3.pdf)

5 "Government's response to the House of Lords European Union Committee report – Children in Crisis: unaccompanied migrant children in the EU" (Nov 2016) Unaccompanied minors in the EU inquiry, EU Home Affairs Sub-Committee. <http://www.parliament.uk/documents/lords-committees/eu-sub-com-f/unaccompanied-minors-in-the-eu/HOL-EU-Committee-Children-in-Crisis-report-Government-response.pdf>

- 5.4** Clearly, over time, the proportion of National Rate/Kent Referrals cases will increase, reducing the extent of the impact of the legacy funding shortfall. However, any financially beneficial effects of this will be likely to take some significant time to become appreciable: legacy cases comprise 69.0% of the current regional UASC cohort, with 21.6% of the legacy UASC cohort being under 16 years old. Moreover, this should be considered in the wider financial context discussed in this report, which overwhelmingly suggests an upwards pressure on costs. It is also important to recognise that local authorities will, in many cases, continue to have legal responsibility for legacy UASC as they become Care Leavers, for whom the current levels of funding are considered by local authorities to be a significant budgetary risk (see 4.18, below).
- 5.5** These results were based on a sample size of 299 unaccompanied migrant children and young people, which equates to a funding shortfall to the East Midlands of £7.46 million per year. Within this overall cohort, as at the end of March 2017, 85.3% were 'spontaneous' (or 'clandestine') arrivals within the East Midlands. Local authorities have a statutory duty of care for these UASC, which represent £6.36 million of the overall funding shortfall. National Transfer Scheme cases comprised 11.0% of the cohort (representing £0.82 million of the funding shortfall), and 'Dubs' cases (s.67 of the Immigration Act 2016) accounting for the remaining 3.7% of the total cohort (£0.28 million of the funding shortfall). Therefore, those local authorities within the region which are, or were previously, participating in the NTS and 'Dubs' arrangements are incurring a combined £1.1 million funding shortfall per annum through the voluntary participation in these schemes.
- 5.6** It should be noted that this shortfall is based on the full quantifiable costs to local authorities in supporting UASC, and includes certain local authority healthcare and education costs, both of which are currently excluded from Home Office UASC funding criteria (see Appendix C). However, these excluded costs combined equate to £4,097, and represent only 7.4% of the total identified costs. Indeed, the weighted average Home Office funding figure of £30,231 per UASC per annum does not fully cover the regional average placement costs alone (£40,850). As noted previously, the costs identified in this research do not include several unit costs that are included within Home Office funding guidelines, particularly finance salaries and premises costs. Although not included in the regional average calculated in this research, the Home Office's current maximum level for premises costs are

£1,095 per UASC per annum (Appendix C), which when combined with indicative finance officer costs (£309.00, see 3.4 above), add a further £1,404.00 to the overall actual costs.

### Comparison with other research

- 5.7** In November 2016, the Association of Directors of Children's Services (ADCS) published its Safeguarding Pressures Phase 5 – Special Thematic Report of Unaccompanied Asylum Seeking and Refugee Children<sup>2</sup>. Within that report, their financial analysis concluded that, "Currently, and at best the enhanced Home Office grant rates cover no more than 50% of the costs incurred by the local authority." Their conclusion supports the findings of the research reported here. A comparison of the results of the ADCS research with this analysis across the various local authority services provided to UASC is given in Table 4.

**Table 4:**

Comparison of the results reported here with the ADCS (Nov 2016)<sup>2</sup> costs analysis.

| Service Provided                                     | Average cost per UASC per annum (East Midlands) | Average cost per UASC per annum (ADCS Report) |
|--|---|---|
| Social Work  | £8,454  | £3,826  |
| Placements   | £40,850   | £50,717                                       |
| Education  | £3,396  | £4,805  |
| Health   | £701  | Not calculated                                |
| Legal  | £896  | £7,854  |
| Miscellaneous  | £897  | £441  |
| <b>Total local authority costs per UASC per year</b> | <b>£55,194</b>                                  | <b>£67,634</b>                                |

- 5.8** The results of the two studies are broadly similar. The total cost identified by this report is 82% of the total ADCS cost. The main difference is in placement costs. Key to understanding this is probably the different percentage share of UASC placed in the most expensive placement type, residential children's homes (this research: 2.4%; ADCS Report: 12%), perhaps reflecting different practice in the East Midlands compared to national figures reported by the ADCS, or a greater use of residential placements earlier in the National Transfer Scheme. The overall higher placements costs reported by the ADCS might also reflect higher average accommodation costs nationally

compared to the East Midlands, with the South East driving these higher costs. It is also interesting to compare placement figures for local authority and independent foster carers. In the (earlier) ADCS research, 27% of that UASC cohort were placed with in-house foster carers, compared to only 10.5% currently in the East Midlands. By contrast, 29% of the ADCS cohort were placed in independent foster placements while this research found that 50.7% of placements were with independent foster providers. This higher utilisation of independent foster carers reflects the increasing scarcity of suitable in-house foster placements. Given that placement costs account for almost three-quarters of the total average UASC cost (see 4.3, above), it is essential therefore that local authorities and the Strategic Migration Partnership work together to address this, both through measures to increase suitable local authority foster care capacity, as well as exploring opportunities for any joint commissioning arrangements in order to promote, for example, the driving down of costs through monopsony-type economies of scale.

- 5.9** The higher figure for social work provision reported here compared to the ADCS results reflects in part the greater detail captured, including costs for processing referrals, guidance-compliant age assessments, travel, and agency staffing costs. In some instances, caseloads for UASC social workers in the region are lower than other Looked After Children social worker caseloads due to the increased support needs of UASC (for example, supporting an asylum seeking child through interpreters and overseeing the asylum process require significant additional time).
- 5.10** There is a significant difference between the legal costs identified by the two reports. The ADCS research however relied on data from a single local authority for its legal cost figure; the East Midlands cost is an average of six local authorities' data, but as discussed above may well be a conservative figure. The true legal cost to local authorities may lie somewhere between the two.
- 5.11** The Local Government Association (LGA) is reported<sup>6</sup> to have estimated the average cost to local authorities per UASC per annum as £50,000. Although the source data was not available to this report, if the LGA's figure is confirmed, it is very similar to the results in the East Midlands.

## Current and future pressures on Local Authority services

- 5.12** The results reported here provide evidence of the significant financial pressures on local authorities incurred through the support of unaccompanied migrant children; these pressures are set to increase. Nationally, since 2013, the number of UASC looked after children has been steadily increasing and the proportion of looked after children who are UASC has also increased<sup>7</sup>. In the year ending March 2017, there was a 9% increase in UK asylum applications from unaccompanied asylum seeking children<sup>8</sup>. Regionally, since August 2016, numbers of UASC in the East Midlands have increased by 11%. If the number of UASC in the region continues to increase (through the National Transfer Scheme and 'spontaneous' arrivals), this will result in a further shortfall between Home Office funding and the actual costs to local authorities supporting UASC within the region. In addition, the two biggest factors in local authority UASC costs, placement costs and staffing costs, will also be expected to rise through placement contract arrangements and staff salary increases. While there might be some modest impact through economies of scale on the regional average cost as UASC numbers rise, and the proportion of the UASC cohort attracting the enhanced funding levels will gradually increase (but cf. 5.4, above), the overall financial burden on local authorities will continue to grow. Indeed, when the regional UASC numbers reach the 0.07% upper ceiling of the overall child population identified by the present interim National Transfer Scheme protocol, at current costs, age demographics, and assuming that all additional arrivals are funded at the enhanced rate, this will equate to a funding shortfall to the East Midlands of £14.7 million.
- 5.13** In response, the East Midlands Strategic Migration Partnership and local authorities will consider a range of opportunities to reduce costs, including: exploration of joint commissioning to reduce placement and other costs; targeted and bespoke training for staff and foster carers; sharing of best practice; peer reviews of UASC services; support to explore ways in which UASC costs are recorded by local authorities; as well as a focus on reducing the use of agency staffing. In addition, the East Midlands SMP will support the continuing work by local authorities to increase their in-house foster care capacity.

<sup>6</sup> "Specialist needs migrant children 'can leave councils with £90k gap'" (23 Feb 2017) The MJ <https://www.themj.co.uk/Specialist-needs-migrant-children-can-leave-councils-with-90k-gap/206845>

<sup>7</sup> "Children looked after in England (including adoption) year ending 31 March 2016" (Sept 2016) Department for Education [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/556331/SFR41\\_2016\\_Text.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/556331/SFR41_2016_Text.pdf)

<sup>8</sup> "Immigration statistics, January to March 2017: How many people do we grant asylum or protection to?" (May 2017) Home Office <https://www.gov.uk/government/publications/immigration-statistics-january-to-march-2017/how-many-people-do-we-grant-asylum-or-protection-to>

- 5.14** While these approaches may mitigate the effects of rising costs to some extent, and the outcomes for several bids to the Controlling Migration Fund from within the region are awaited, the funding gap is likely to continue to increase. The results reported here are based on the current profile of UASC needs. With the anticipated arrival of further particularly vulnerable and potentially younger children through the 'Dubs' arrangements and the probable increased utilisation of the Vulnerable Children's Resettlement Scheme, the 'average' needs of each UASC are likely to increase, along with the costs in supporting these higher needs. Additionally, an understanding of the needs of the current UASC cohort is still developing and significant issues, mental health needs in particular, may be yet to emerge, with the concomitant increase in local authority support costs. One recent estimate<sup>6</sup> put the cost to local authorities of resettling UASC with specialist needs (such as those requiring intensive counselling) at £130,000 per child per annum. The costs incurred when UASC go missing may also increasingly become a factor.
- 5.15** The Voluntary and Community Sector (VCS) within the region provides a range of support to UASC and former UASC young adults. At a time of reducing statutory budgets, the VCS provides vital additional services across a range of unaccompanied children's needs, including accommodation, practical and emotional support, advice, information, and advocacy, as well as training courses for other organisations working with UASC. Appendix A contains examples of the impact that increasing numbers of UASC are having on the VCS in the East Midlands.
- 5.16** In addition to unaccompanied asylum seeking children, children entering the region under the Dublin III regulations have also had an impact on social work capacity and local authority budgets. Since the closure of the Calais Camp last autumn, the region has received around 40 Dublin III children. The distribution of these children has not been uniform however, and has placed considerable pressure on the city councils of Nottingham and Leicester in particular. An indication of costs incurred in support of Dublin III children and a case study to illustrate some of the issues arising in support of Dublin III reunifications are included in Appendix B.
- 5.17** Although not quantified here, there are additional indirect costs incurred by local authorities in the voluntary transfer of UASC through the NTS. Placement of UASC puts further pressure on foster care and registered children's homes capacity, which has an impact on the availability of suitable local placements for indigenous children in care, causing placements to be sourced with independent providers, often out of county, at higher costs, and with the corresponding impact on social work capacity and travel costs that longer journeys incur. Currently, such displacement costs from a child who is not UASC are excluded from Home Office funding criteria (Appendix C).
- 5.18** This research focused solely on the current UASC population within the region (aged under 18 years). The costs to local authorities in support of former UASC Care Leavers is beyond the scope of this report. However, with numbers of former UASC Care Leavers in the region currently at 285 (as at 31 March 2017), local authorities across the region have identified this cohort as a significant budgetary concern. Some of the costs identified for former UASC Care Leavers include the provision of personal advisors, personal allowance, university fees, home establishment grants for those setting up independent accommodation (£2,000 per care leaver for one local authority), and mental health support. In addition, the Staying Put Scheme enables care leavers to remain with their former foster carers after they turn 18. Some of the over-18 former UASC population are benefiting from the Staying Put arrangements which is a further source of financial burden on local authorities, as well as the impact on the foster carer's capacity and the assessment of their on-going suitability to foster due to the presence of the care leaver within the fostering household.
- 5.19** Currently, Government funding for legacy former UASC Care Leavers is available above the threshold of 25 FTE supported young adults within a particular local authority at £150 per week. National Rate cases and Kent Referrals cases are funded at £200 per week<sup>9</sup>. The proportion of former UASC within the Care Leavers cohort is increasing across the region, and given that the majority of current UASC in the region are legacy cases (69%), the number of legacy former UASC Care Leavers supported by local authorities at the associated lowest funding level category will be a significant issue for at least the next few years. Additionally, any costs associated with changes in local authority responsibilities towards appeal rights exhausted (ARE) Care Leavers through the implementation of the Immigration Act 2016 are still to become clear. Local authority funding shortfalls in support of former UASC Care Leavers are qualitatively considered to be greater than the funding shortfall for current UASC. However, further quantitative research is needed to understand in detail the full costs incurred by local authorities in the region associated with supporting former UASC Care Leavers.

<sup>9</sup> "Funding to local authorities: Financial year 2016/17 (Leaving Care (post 18 years of age))" (Oct 2016) Home Office [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/561691/LC\\_Funding\\_Instructions\\_2016-17\\_v1.4.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/561691/LC_Funding_Instructions_2016-17_v1.4.pdf)

**5.20** Given the complexity and range of needs of unaccompanied asylum seeking children and the impact on local services across the region, the Strategic Migration Partnership and local authority UASC lead officers view as essential the continued development of central government interdepartmental liaison and coordination in order to understand further the local impact of UASC on a range of partner agencies in the provision of health and education services.

### Increased funding for Unaccompanied Asylum Seeking Children

**5.21** The Department for Communities and Local Government “New Burdens Doctrine”<sup>10</sup> sets out guidance for government departments leading on new policies, requiring that the net additional cost of all new burdens placed on local authorities by central Government “*must be assessed and fully and properly funded*” in order to ensure that the pressure on council tax is kept down. The guidance states that “*it is essential that the assessment of the costs should be as accurate as possible*”. In its review of the New Burdens Doctrine, “Local Government New Burdens”<sup>11</sup>, the National Audit Office identified a number of key findings, including that government departments take the cost assessment process seriously but have struggled in some cases to get reliable cost data from local authorities: “*Departments used a variety of existing data and collected new data from authorities to model likely costs of new burdens. However, estimating reliably the volume of new activities and associated costs or savings is difficult for authorities. There can often be little data to inform departments’ assessments.*”<sup>11</sup>

**5.22** Based on a number of different data sources, there is a growing consensus that current levels of Home Office funding for UASC do not meet the present and anticipated future costs to local authorities in supporting unaccompanied migrant children. This report has identified a £7.46 million funding shortfall per year to

support the current UASC population within the East Midlands, which is only likely to increase further in the coming months. Last year’s ADCS report<sup>2</sup> found a similar gap in funding, which equated to almost £3.4 million per 100 UASC per year. The National Audit Office has identified that over recent years, local authorities have mostly protected spending on statutory services but have significantly reduced spending on some discretionary services<sup>11</sup>. And a recent report<sup>12</sup> by the Local Government Association looking at children’s services more broadly estimates that a minimum of £2 billion will be required by 2019/20 to fund the additional pressures on children’s services brought about by a growing population and inflation. Looking forwards, the LGA warns that, “*ongoing reductions to local authority budgets are forcing many areas to make extremely difficult decisions about how to allocate increasingly scarce resources.*”<sup>12</sup>

**5.23** In this context, the need for the provision of adequate funding levels to enable local authorities to ensure that they are able to provide suitable and sustainable support to meet the needs of UASC, some of the most vulnerable children and young people within society, has never been greater. Not only would increased funding levels assist in local authorities’ statutory responsibilities to support UASC arriving ‘spontaneously’ within their boundaries, but it would support the case for on-going voluntary participation in the National Transfer Scheme. All participating local authorities have identified costs as a risk factor in their continuing participation in the NTS<sup>13</sup>. Moreover, two local authorities within the East Midlands have identified present funding levels as a determinant factor in their current non-participation in the Scheme. If the NTS is to continue to expand to facilitate increasingly equitable distribution of UASC across the country, the case for funding levels which reflect the actual costs to local authorities in support of UASC, as well as former UASC Care Leavers, must surely be an urgent priority.

### Acknowledgements

The East Midlands Strategic Migration Partnership would like particularly to thank all of the local authority UASC Lead Officers within the region without whose invaluable input this report would not have been possible, as well as the support and insightful contributions to this analysis from Children’s Services Managers, Finance Officers, Placements Managers, Data Officers and other local authority colleagues, regional Health Service Leads, the Nottingham & Nottinghamshire Refugee Forum, the British Red Cross, the ADCS, and the SDSA.

<sup>10</sup> “New Burdens Doctrine - Guidance for government departments” (June 2011) Department for Communities and Local Government [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/5960/1926282.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/5960/1926282.pdf)

<sup>11</sup> “Local Government New Burdens” (June 2015) National Audit Office <https://www.nao.org.uk/wp-content/uploads/2015/06/Local-government-new-burdens.pdf>

<sup>12</sup> “Councils face £2 billion funding gap to support vulnerable children by 2020” (11 May 2017) Local Government Association <http://www.local.gov.uk/about/news/councils-face-2-billion-funding-gap-support-vulnerable-children-2020>

<sup>13</sup> Indeed, one local authority which is participating in the NTS has identified the costs incurred in support of UASC as preventative to their participation in other asylum and refugee programmes.

## 6. Appendices

### Appendix A:

#### Examples of the impact of UASC on the Voluntary and Community Sector

##### (i) Nottingham & Nottinghamshire Refugee Forum

- 6.1** The Nottingham & Nottinghamshire Refugee Forum kindly produced a report "Unaccompanied Asylum Seeking Children and Young People – the Impact on the Voluntary Sector"<sup>14</sup> in support of this research, which is excerpted here.
- 6.2** The Nottingham and Nottinghamshire Refugee Forum (NNRF) is an independent voluntary organisation and registered charity set up in 2000 to work with refugees and asylum seekers. It offers practical advice, information, support and friendship and also campaigns on issues affecting this vulnerable population. Its mission is 'To support Asylum Seekers and Refugees in Nottingham and Nottinghamshire to gain fair and just outcomes, rebuild their lives and integrate into society.'
- 6.3** Currently NNRF offers a wide range of distinct projects including health, housing, immigration & asylum, welfare rights, education & employment, interpreting provision, SVPR, drop-in general advice, integration, and anti-destitution.
- 6.4** One of NNRF's key projects is our UASC Project which was initiated in 2014 with a small grant from Comic Relief in recognition of the rising numbers of UASC that began to arrive in our region. We had a target to work with 60 young people (from all groups) in a year but the numbers doubled in year 1 and tripled in year 2. At the present, we are working with over 260 young people; 59 of whom being UASC under the care of 6 different local authorities.

- 6.5** The Young People's Project (YPP) offers a range of discrete programmes and support, total costs of which are given below:

| Cost Type                  | Subtotal          | Currently funded?      | Cost met by         | Deficit %  |
|----------------------------|-------------------|------------------------|---------------------|------------|
| Orientation programme      | £15,240           | No (funding ended)     | NNRF                | 100%       |
| Bike project               | £10,800           | Partially              | NNRF                | 50%        |
| ESOL                       | £9,972            | No                     | NNRF                | 100%       |
| Youth sessions             | £14,022.24        | Partially (GIK)        | NNRF + partner      | 58%        |
| Casework                   | £43,340           | Partially              | NNRF + CR grant     | 50%        |
| Partnership                | £3,240            | No, but venues offered | NNRF + partners     | 75%        |
| Training                   | £600              | Partially charged      | NNRF unless charged | 60%        |
| <b>Total</b>               | <b>£97,214.24</b> |                        |                     |            |
| <b>After contributions</b> | <b>£63,952.00</b> |                        |                     | <b>66%</b> |

- 6.6** The report concludes: "From this outline, it is easy to see the extent upon which organisations like NNRF are impacted by the rising number of UAS children. While we are hugely in favour of LAs being supported and strengthened appropriately to look after children in need, it's unfortunate that the voluntary sector in general has been totally overlooked by those centrally allocating funds. Our capacity and resources have been stretched to their limits and there is only so much that we can absorb before the impact becomes too great and our ability to sustain our work with young people is affected. Organisations like us offer a vital lifeline to young people at a critical time of their lives and the sector needs recognition and support to be able carry on."<sup>14</sup>

<sup>14</sup> "Unaccompanied Asylum Seeking Children and Young People – the Impact on the Voluntary Sector" (May 2017) The Nottingham and Nottinghamshire Refugee Forum

## A typical NNRF case study

- 6.7** M arrived in the UK in October 2016, following the closure of the Calais jungle camp. M is 16 years old and from Sudan. M was processed by UKBA under the Dublin regulation as he had a brother in the UK and he was an unaccompanied minor in Calais. M had spent several months in Calais having made it there after a harrowing journey 8 months earlier from war torn Sudan. The older brother had previously been a client of Refugee Forum and brought M to the Forum a week after his arrival in the UK. We invited them to attend an information session we put on for the young people and family members newly arrived from Calais, where they could find out about services available, and practical information on how to access a GP, find a solicitor, and apply for school/college. The youth worker assisted M to register at college, register with a doctor, and find a local solicitor to progress his asylum claim. We also contacted the Home Office several times to communicate with them in regards to his SEF extension. M was living with his brother in a shared house in Nottingham city. Unfortunately, shortly after his arrival the landlord informed the brother that he was in breach of his tenancy agreement and unable to continue to have his brother living in the property and gave them notice to leave. M and his brother presented at Refugee Forum for advice about housing and we informed the duty social worker of the housing issues. While the local authority were completing their assessment, M became homeless as his brother decided he could no longer care for him as he didn't want to lose his own accommodation and as he was claiming benefits himself he could not afford to support his younger brother. M presented at Refugee Forum on a Friday afternoon. Due to the emergency nature of the situation, the worker contacted a local organisation called HOST who agreed to find an emergency placement for him in the community, whilst the LA was sourcing a more sustainable long term solution. M was taken by the worker to the HOST placement that night, where he then spent the next 10 days with a volunteer host who provided him with somewhere safe to sleep and 3 meals a day. He was also provided with a 20 day bus pass so he could get around and still visit his brother who lived in another part of the city.
- 6.8** M has now been taken into the care by the local authority and lives in a semi-independent house in the city. We enrolled M at college and he is now studying 7 hours a week, while awaiting a full time place at college in September. The Refugee Forum youth team have continued to work closely with the local authority and
- the support workers, attending his LAC review meetings and CAMHS appointments. M is currently completing the bike project and is very excited about learning to fix and maintain a bike which will then be his. M has also accessed various group activities including the weekly youth group, and the monthly Trent university outreach sessions, where M showed a talent for art and design, and has talked about his desire to study engineering in the future once he has improved his English,.
- 6.9** M was taken to his substantive asylum interview by a youth project volunteer, who had built up a good relationship with M since his arrival to the UK, and M requested she go with him on the day. M has now been granted 5 years refugee status in the UK and is growing in confidence and maturity and looking forward to progressing his English language skills and focusing on his future.
- (ii) British Red Cross**
- 6.10** The British Red Cross (BRC) provides support to UASC within the East Midlands, working alongside social workers and foster carers. A case study for the support and advocacy provided to one unaccompanied asylum seeking child within the region exemplifies the level of impact on the Red Cross in working with the UASC cohort (staff hours are cumulative estimates):
- Attending the Home Office interviews (staff time: 2 working days)
  - Supporting letters (staff time: 4-5 hours)
  - Interpreting (staff time: 15 hours)
  - Attending Age assessments (Independent Adult) – Age disputes (staff time: 3 working days)
  - Attending Looked After Child review (every 6 months) (staff time: 2 working days cumulative)
  - Family reunion assistance – finding solicitors (not covered under legal aid – solicitors initial payment – ranging from £60 to £300) (staff time: 2 working days cumulative)
  - Advice on education, housing, asylum process, refusal (staff time: 5 hours)
  - Assistance for travel documents and provisional driving license (staff time: 3 hours)
  - Liaising with social services and foster carers (staff time: 2 working days cumulative)

- Helping integrate UASC into UK society and their independence (staff time: 5 working days cumulative)
  - Personal skills - cooking, money handling (staff time: 6 working days cumulative)
- 6.11** Staff and UASC travel and miscellaneous costs equate to £115.00 in this case study.
- 6.12** The BRC also provides support to a number of unaccompanied asylum seeking children through the International Family Tracing Service. Costs incurred by the BRC in relation to this service derive from the following:
- Tracing Service referral process, including information-gathering in liaison with Social Services
  - Tracing interviews (initial and follow-up) including staff time for two BRC staff members/ volunteers, room hire, and interpreter costs (£25-40 per hour).
  - Ongoing provision of training to Social Services, children's homes staff and support workers (staff time: 2 hours per session)
  - Liaison with local authorities in support of the referral process into the National Referral Mechanism (NRM) for potentially trafficked children

## Appendix B:

### Children transferred under Dublin III Arrangements

- 6.13** Each Dublin III case incurs costs in social worker time for both the family assessment (£300 per assessment, although this cost is offset through Controlling Migration Fund payments) and on-going social work support for Children in Need (£145 per month per child, minimum of 3 months per case). Costs have also been incurred from section 17 budgets for subsistence support (£700 for January and February). The reunification for some of these cases has failed, despite initial assessments, and the children have become UASC Children in Care, the associated costs are reflected within this research. However, for those cases where reunification has endured, a number of families have become homeless (e.g. where the carer was living in an HMO not licenced to accommodate under 18s) and have been placed in hotels to maintain the reunification, which incurs additional costs for the local authority's Children's Services.
- 6.14** The following case study serves to highlight the complexity for Children's Services in supporting Dublin III children.
- 6.15** Shadrach (not his real name) is a 15 year old young man from Eritrea, who came to the East Midlands under Dublin III regulations to be reunified with his brother. A social worker conducted a home visit to complete a Local Authority checklist early December 2016 to see whether the proposed place where Shadrach was going to stay with his brother was suitable and safe. Shadrach's brother was at home. He shared that he was happy to have his brother join him as they have not seen each other for more than four years. Shadrach's brother stays in a five bedroomed house which he shares with three other adults; they are not related. Shadrach's brother has one bedroom to himself and shares the lounge and kitchen with the other tenants. Shadrach's brother works five nights a week from 17:30 to 04:00 every Sunday to Thursday. Whilst Shadrach's brother felt that he could afford to meet Shadrach's needs, it is the nights that Shadrach would have to be on his own that were concerning. Shadrach would have to be in the sole care of others not related to him and who have no commitment to him. In this view it was felt that Shadrach would not be safe.
- 6.16** Shadrach therefore became looked after by the local authority on mid-December 2016 and placed in one of the council's homes. During his care period he became ill with a resurgence of malaria, which he had previously in Africa. This was successfully treated by the city hospital. Shadrach has settled well in the home. He will be attending ESOL classes in the near future. He continues to have regular contact with his brother.

## Appendix C:

### Home Office UASC Funding Guidelines: Notes for submitting Annex B (Final Claim)

| UASC Funding 2016/2017 - National Rate Cases Claim<br>Notes for submitting Annex B (Final Claim) |  |
|--|--|
|  | <p><b>Before submitting the Annex B (Final Claim) all cases for the relevant period must be resolved. This means that each case must be either agreed or not valid and each not valid case must be covered by a Not Valid form.</b></p> <p><b>Please email the completed Annex B (Excel version) to UASCLAFundingTeam@homeoffice.gsi.gov.uk by 15-July-2017.</b></p> <p>The notes below give guidance on how to complete the final claim form (Annex B).<br/>You need to fill in all the yellow and green boxes, the white, grey and orange boxes and totals are completed automatically. Black boxes are intended to be empty cells. You must not alter the formulae.</p> <p>Insert the name of your local authority in cell F6.</p> <p>Points are numbered below using the 'line numbers' used on the Annex B form.</p>  |
| <b>1</b>   | <b>Total relevant direct support cost expenditure for UASC ( line 1 )</b>  |
|  | <p>Relevant expenditure may include the provision of accommodation and board where the local authority has a duty to carry out an assessment of need and to accommodate a UASC or is accommodating a UASC as a result of a care order (including an interim care order), and the child is accommodated or maintained by:</p> <ul style="list-style-type: none"> <li>~ Placing the child with a family or other suitable person (but not with a relative or family friend), or</li> <li>~ Maintaining the child in a community home, a voluntary home, or a registered children's home, or</li> <li>~ For a young person aged 16 or 17 maintaining the young person in suitable supported lodgings or independent accommodation or</li> <li>~ The local authority has a duty to carry out an assessment of need and to provide a range of services appropriate to UASC needs where a young person aged 16 or 17 has been assessed to be a child in need and the young person is provided with support.</li> </ul> <p>Plus:<br/>Reasonable travelling expenses to enable the child (UASC) to attend a hearing of an appeal on his/her claim for asylum or an interview in connection with his/her claim for asylum which has been requested by the Secretary of State.</p> <p>You should also record the number of days in each category of accommodation expenditure. The total number of days must agree with the total number of days agreed for U16 and 16 -17.</p> <p>Expenditure on cases non-eligible for UASC funding should be excluded from the claim.</p> |
| <b>2</b>   | <b>Total relevant administration expenditure for UASC ( line 2 )</b>   |
|  | <p>This should include direct relevant administration costs <b>ONLY</b>, together with any social services assessment costs, <b>but is to exclude:</b></p> <ul style="list-style-type: none"> <li>(a) Indirect administration. (e.g. recovery of overheads on a percentage basis or apportioned costs of non directly related expenditure, e.g. the chief executive's pro-rata revenue expenditure).</li> <li>(b) Healthcare costs.</li> <li>(c) Education costs.</li> <li>(d) Interest costs incurred in the financing of the services.</li> </ul>  |

|          |  |
|----------|--|
|          | (e) Displacement costs from a child who is not a UASC.   |
|          | (f) Payments in respect of any persons aged 18 years and over.   |
|          | (g) Payments in respect of children who have been separated from their parents as a result of a Section 9 decision.  |
|          | (h) Payments in respect of a child who has been placed with family or friends.   |
|          | (i) Expenditure on cases non-eligible for UASC funding.  |
|          | It should be net of any housing benefit, family allowance, jobseekers allowance or other social security benefit paid. No support will be paid to the local authority for the period when a young person has been treated as an adult and received asylum support.   |
|          | The relevant administration expenditure must be categorised, irrespective of age groups, by: <ul style="list-style-type: none"> <li>- Social Worker Salaries plus costs.</li> <li>- Admin and Finance Salaries plus costs.</li> <li>- Premises costs.</li> <li>- Other relevant administration costs.</li> <li>- Corporate Recharges, if applicable.</li> </ul>  |
| <b>3</b> | <b>Total relevant expenditure for supporting UASC ( line 3 )</b>   |
|          | This is completed automatically.   |
| <b>4</b> | <b>Total number of UASC U16 support days ( line 4 )</b>  |
|          | The sum of the number of days UASC aged under 16 were supported during the relevant period. (Please copy them from the agreed March 2017 Annex A claim). This will only be correct if the Annex A has been completed properly.<br>Once Period 12 Annex A is approved, no new cases can be added. Therefore please ensure all children are accounted for in that Annex A. The deadline for Period 12 submission is 15th April 2017. |
| <b>5</b> | <b>Total number of UASC 16&amp;17 support days ( line 5 )</b>  |
|          | The sum of the number of days UASC aged 16 and 17 were supported during the relevant period. (Please copy them from the agreed March 2017 Annex A claim). This will only be correct if Annex A has been completed properly.<br>Once Period 12 Annex A is approved, no new cases can be added. Therefore please ensure all children are accounted for in that Annex A. The deadline for Period 12 submission is 15th April 2017.    |
| <b>6</b> | <b>UASC funding entitlement ( line 6 )</b>   |
|          | This is completed automatically.   |
| <b>7</b> | <b>Funding payable lower of standard rates or expenditure ( line 6a )</b>  |
|          | This is completed automatically.   |
| <b>8</b> | <b>Total payments on account ( line 7 )</b>  |
|          | Insert amount of the individual payments on account that you have received for the year 2016/17 into lines 9a to 9m. You should ensure the amounts match the remittance advice you receive from data matchers.<br>UASC 2016/17 funding payments will have a remittance reference: 2016/17 UASC POA (National Transfer) up to Mth xx.<br>The total will be calculated automatically in lines 7 and 9.                               |

|           |   |  |
|-----------|---|--|
| <b>9</b>  | <b>Amount now due from / (to) Home Office ( line 8 )</b>  |  |
|           | This is completed automatically.  |  |
|           | If the final funding claim is not consistent with the amount of previous monthly on account payments, resultant under-payments will be reimbursed and over-payments reclaimed by the Home Office as soon as reasonably possible.  |  |
| <b>10</b> | <b>Compulsory Certification section:</b>  |  |
|           | Ensure that the form is signed and dated by your local authority's Chief Finance Officer and submitted, in line with funding instructions, no later than 15th July 2017.  |  |
|           | Provide a contact name, email address and telephone number for enquiries about the form.  |  |
| <b>11</b> | <b>Actual unit costs per day</b>  |  |
|           | A requirement for 2016/17 is for local authorities to review actual daily unit costs per day, which are automatically calculated on Annex B final claim, to ensure correct cost recording. Detailed analysis of actual unit costs, in a format easily prepared by the authority and clearly understandable by Home Office to explain 'overspends', will be required to be submitted with the Annex B final claim if actual daily unit costs exceed maximum levels, assessed for 2016/17 as: |  |
|           | Internal foster:  | £58.00 per day   |
|           | Independent foster:   | £113.00 per day  |
|           | Residential homes:  | £262.00 per day  |
|           | Semi - independent:   | £50.00 per day   |
|           | Bed & breakfast:  | £40.00 per day   |
|           | Other direct costs:   | Not to exceed 3% of total direct costs, i.e. allocate to a category above. |
|           |   |  |
|           | <b>Indirect costs:</b>  |  |
|           | Social workers & on costs:  | £14.00 per day   |
|           | Admin & finance & on costs:   | £3.00 per day  |
|           | Premises costs:   | £3.00 per day  |
|           | Other costs:  | £4.00 per day  |
|           | Corporate recharges:  | £2.00 per day  |
|           | Total indirect:   | £26.00 per day   |
|           |   |  |

---

East Midlands Councils

**T:** 01664 502 620

**E:** [info@emcouncils.gov.uk](mailto:info@emcouncils.gov.uk)

**W:** [www.emcouncils.gov.uk](http://www.emcouncils.gov.uk)



@EMCouncils

East Midlands Councils,  
First Floor Office, South Annexe, Pera Business Park,  
Nottingham Road, Melton Mowbray,  
Leicestershire, LE13 0PB

For more information please call **01664 502 620** or  
e-mail: **[info@emcouncils.gov.uk](mailto:info@emcouncils.gov.uk)**

Published July 2017.