

ADCS and LGA response to Home Office UASC Funding Review

September 2017

Background

The Association of Directors of Children's Services (ADCS) is the professional leadership association representing directors of children's services and their senior management teams in local authorities across England.

The LGA is a politically-led, cross-party organisation that works on behalf of councils to ensure local government has a strong, credible voice with national government. We aim to influence and set the political agenda on the issues that matter to councils so they are able to deliver local solutions to national problems.

General points

Joint working

We welcome the opportunity to comment on the Home Office's review of the funding provided to local authorities in respect of unaccompanied asylum seeking children (UASC). The consultation reflects the increasingly positive working relationships across central and local government on support for unaccompanied children, as well as other issues around asylum, migration and refugees.

We look forward to ongoing work across government, the Associations, regions and local authorities to continually inform and improve sustainably funded support of unaccompanied children. As part of this, we hope that this review will be part of an ongoing commitment to both regularly review funding levels and the effectiveness of national arrangements for the transfer of unaccompanied children.

In particular, we welcome the recognition that this is a complex area as exemplified by the many different pieces of legislation, guidance and resources, both in relation to immigration and in support for children. We would wish to have further discussion on the accompanying complexities and variations around the costs incurred locally, regionally and nationally.

We look forward to governance arrangements that will facilitate transparent arrangements for joint working at a strategic, formal and senior level that can provide oversight over the next stages of the funding review.

As part of this, we would also welcome a discussion on how the National Transfer Scheme (NTS) is currently working, particularly on whether it is meeting its aim of, "establishing a fairer and more equitable distribution of UASC across local authorities in the UK," and whether it is ensuring that the best interests of children are effectively being secured.

Funding for unaccompanied asylum seeking children

Whilst we acknowledge that the Home Office has stressed that grant funding has never been provided on a full-cost recovery basis and whilst we welcomed the recognition of the significant costs incurred by local authorities which led to the increase in funding rates at the introduction of the National Transfer Scheme, the current rate of funding remains inadequate and requires a significant uplift.

As the Terms of Reference for this funding review acknowledge, in November 2016 ADCS published a [special thematic report on unaccompanied asylum seeking and refugee children](#). It was estimated, based on information from local authorities about their costs, that at best the current Home Office funding rates cover 50 per cent of the costs that local authorities incur. This has since been reflected in other more recent costing exercises undertaken at a regional level, such as the work in the East Midlands region.

The Home Office did not agree with the ADCS estimate, citing the very different financial information that has been provided by local authorities in their funding claims, which was lower than the ADCS estimate. It is important to note that local authorities will - pragmatically - make funding claims in accordance with the current rates. In addition, the grant funding does not allow local authorities to identify and claim all the costs incurred by local authorities or differences in costs throughout the UK. The evidence base of the Review as provided via the grant claims will therefore not provide a full and accurate picture of the costs incurred by local authorities.

LGA research shows on revenue outturn figures show that councils were forced to overspend their budgets for unaccompanied asylum seeking children by more than 75 per cent in 2015/16, the single biggest proportionate overspend across children's services. Councils spent in excess of £113 million on support for these children in 2015/16, £48 million over budget.

Funding effective support for any new arrivals is in the context of the pressures caused by rising demand and insufficient funding for asylum seeking children and on the care system as whole. Over the last 10 years councils have coped with sharply increasing demand for children's social care. Councils in England currently look after 69,500 children who are unable to live with their birth parents, a figure that has increased by just under 2,500 over the past three years. This is on top of a 140 per cent increase in child protection enquiries and a 94 per cent increase in the rate of children starting on child protection plans, all at a time when government grants to councils will have been reducing. By 2020 there will be a funding gap in children's services of at least £2 billion.

Councils will have to divert spend from support for other vulnerable children in their care to cover any shortfall in the costs incurred in a system that increasingly does not have the resources to achieve this.

Councils also will wish minimise potential cohesion issues around real or perceived impacts on access to support and services that could be felt within communities if supporting unaccompanied children means diverting funding from children already being supported in local communities, or other local services.

In addition to the current levels of grant funding, other key issues in relation to current funding include:

- Many local authorities have reported issues with building the capacity needed to make the NTS work, as the grant funding levels does not allow for the building of local capacity. If this is not to be part of grant funding, the interface with the Controlling Migration Fund, particularly around building foster care, supported housing and social worker capacity and expertise, will be crucial and will need to be clarified.
- Currently the Home Office funding rates differentiate between unaccompanied children who are under 16, 16 or 17 years of age and care leavers. These differential rates for under 16 and 16/17-year olds are based on an incorrect assumption that costs decrease with age. The rates should be equalised and be brought up to the higher rate.
- With the majority of unaccompanied children placed in foster care, the national shortage of foster care placements was cited in the ADCS report as the main challenge for most authorities. In 2016, the Fostering Network estimated a shortfall of 9,000 foster carers to fully meet the needs of looked-after children already in local authority care. Many councils report that placements for an increasing intake of unaccompanied children via the NTS thus has to be found within the independent foster care sector rather than in house foster care. This costs significantly more than the funding rates provided by the Home Office, and creates a 'suppliers market' in the IFA sector.
- Unaccompanied children are highly likely to become care leavers, as opposed to being reunified with family or achieve permanence through another means. We look forward to working with government on exploring the cost impacts of support for former asylum seeking children leaving care. Member local authorities report that costs associated with leaving care, including local authority support for former care leavers that become appeal rights exhausted, is a significant issue, as flagged below.

The funding review not resulting in an increase in the costs incurred by local authorities will result in a real and lasting impact on the ability of local authorities to support - or volunteer to support - unaccompanied children.

Out of scope of the review

The Funding Review necessarily has to define its scope to be manageable but as age assessment is out of scope, the costs of age assessment and contested age assessments will not be explored.

Additionally, as health is out of scope, local authority funded support for mental and emotional health will not be part of the review. This will mean that the full costs of supporting children and young people – and accordingly willingness or not to participate in the National Transfer scheme – will not be addressed in any change to grant funding.

It would also be helpful to look at capacity within the legal advice sector, given the responsibilities local authorities will have in ensuring children in their care have access to good legal advice. Local authorities report that in many parts of the country the legal advice infrastructure has yet to develop, and securing this will be key to making the National Transfer Scheme work. Addressing this will require the Home Office to lead work across government.

The scope of the Funding Review also does not include costs incurred by other public services, for example, police, schools or health. The inclusion of funding for health and education partners in year one of the VPRP is an indication that there are costs to local partners, and that effectiveness of support is dependent on capacity across local systems.

While direct costs are incurred tend to fall on Children's Services, there are other costs to the Council as a whole, or difficult decisions to be made. Local authorities may have to set aside more property for supported lodgings to meet the needs of an increased number of unaccompanied children, with resulting impacts on availability for housing for the homeless and other people in housing need. These indirect costs and impacts on local services, particularly to housing, also need to be acknowledged and explored as part of the review.

There is growing learning around what should be put in place to support new families after transfer from both local authorities and the community and voluntary sector which should be collated and disseminated centrally. Bringing in longer term funding for the regional structures that could support the sharing of good practice into scope may assist with issues around the exchange of good practice, possible sharing of costs and any cost efficiencies gained by working at scale.

We look forward to working with government on the key questions set by the Terms of Reference of the review that aren't covered by the questions in this consultation exercise. Particularly welcome is the review of the currently unfunded costs of family assessments and the impact on family breakdown as part of the current Dublin III route, and the consideration of an 'exceptional circumstances' funding pot.

This review must result in additional ongoing funding to ensure children arriving in new families and those with significant needs are supported well after their arrival.

Alignment of programmes and access to data

Councils and their partners work hard to support the many programmes for refugees and asylum seekers currently in operation. Clear links need to be made across all the programmes that resettle asylum seekers and refugees to make sure there is enough funding and support available.

Reflecting this, it is imperative that better and more transparent real time information is made available, particularly around support for children, so local councils can both ensure there is sufficient capacity for new arrivals and plan effectively in the long-term, and assure themselves that there isn't unsustainable pressure on local services being created in specific localities.

Responses to questions

What services does this group of children need that is different/additional to the UK children in care population?

General support

1. The decision to take an unaccompanied minor into care is often more straightforward than for a UK resident child; an unaccompanied minor is *de facto* a child in need of help.

2. Whilst it is true that for any child in care it is necessary to assemble a swathe of information relating to family members and history, health, vaccination and immunisation histories and education records etc, it is more complex to do so in a timely manner for unaccompanied children
3. It is possible that unaccompanied children are more likely to have been trafficked or at more risk of being trafficked than UK children in care, thereby requiring access to independent child trafficking advocates and associated services/professional etc
4. Unaccompanied children are highly likely to remain in care to age 18 and therefore become care leavers and access care leaver entitlements to age 21 or 25. UK children in care are far more likely to leave care and return home to their family or achieve permanence through adoption, SGO etc.

Support specific to this group

5. Every child in care needs a placement, however, given the age profile of unaccompanied, who have tended to be older when they are taken into care than UK children, it is reported that supported lodgings type arrangements (semi-independent) are preferable to say foster care placement. Whilst it is true that older UK children in care may also prefer a more independent living placement, there is more of an expectation that a UK child in care would remain with their foster carer in 'staying put' arrangements.
6. Age assessment: the assessment is complex, time-consuming and can be expensive. Social workers need to be trained to undertake case law compliant age assessments. Moreover, unaccompanied children wishing to dispute the outcome of an age assessment need access to legal advice and representation as do local authorities if disputed cases go to Judicial Review.
7. Translation/interpreter services: essential for all discussions, case management and the ascertaining of child's view about their care
8. Access to immigration and legal advice
9. Access to ESOL classes
10. There may be a need for cultural orientation support and classes
11. Access to specialist trauma-recovery and mental health services. There is a much greater prevalence amongst unaccompanied children of post-traumatic stress related symptoms and emotional needs than for the UK child in care population. In addition, whilst all children in care need to access good mental health services, designed to meet the needs of children and young people, it is likely that a unaccompanied child's mental health needs will be exacerbated by anxieties about their immigration status
12. It is possible that specialist training may be required for foster carers for this group
13. Costs associated with the young people being active members of their faith.

Support specific to age

14. Currently the Home Office funding rates differentiate between unaccompanied children who are under 16, 16 or 17 years of age and care leavers. As above, we see no sense in continuing to differentiate the rates for under 16 and 16/17-year olds. The rates should be equalised at the higher rate.

Do local authorities share costs/ what costs could be shared?

15. In areas of the country that have less experience of supporting unaccompanied children, it is possible that new teams or upskilling of existing teams with specialist knowledge or expertise will be necessary, particularly around age assessment and immigration advice. It is possible that the costs of establishing such teams could be shared across more than one local authority.

What is working well? Are there examples of good delivery model options where costs represent good value for money?

16. Increasing local authorities' in-house fostering placement capacity, thereby reducing the need to commission more expensive Independent Fostering Agency (IFA) placements
17. Joint commissioning of supported lodgings (and similar). This works better in areas of the country where housing stock is suitable and affordable.
18. The Controlling Migration Fund should provide further examples (and funding sources) of effective delivery options.

What are the cost challenges around the transition points at 17/18 / leaving care?

19. Getting an asylum decision granting leave to remain is problematic and fraught with delay. The asylum decision-making process may result in an unaccompanied child approaching the age of 18 without a final asylum decision, with all that means for the impacts on children's wellbeing and the risk of going missing.
20. The time taken by the Home Office to regularise a young person's right to remain means that the council unnecessarily incurs costs due to delays in the decision making system. Some authorities at additional cost have purchased the HO premium service to fast track cases through the system which leads to the speedy resolution of cases with positive impact on savings. If achieving early decisions quickly was a key principle behind the NTS, this would reduce both costs and also allow for those working with children to be able to discuss their future with more certainty, and plan accordingly.
21. Though the higher rate is welcomed, the current rate of £200 per week per care leaver is only available in respect of former unaccompanied children receiving leaving care support who have leave to remain. The many who become ARE will ultimately have no recourse to public funds. Local authorities will receive funding for a period of three months only for former unaccompanied children who have been refused leave to remain and who are appeal rights exhausted (ARE). In such circumstances and in order to avert destitution, local authorities will feel they have a duty to support the young person after this, often for long periods of time if removals do not take place, with resulting cost implications for local authorities.