

Analysis of Local Authority costs and pressures incurred in support of Former Unaccompanied Asylum Seeking Child Care Leavers in the East Midlands

February 2020



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East Midlands Councils

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Foreword

East Midlands Regional Migration Board and Lead Members for Children's Services Board

Providing care and support for children and young people to fulfil their potential is a key ambition of all councils. For the most vulnerable, councils have statutory responsibility for those in the care system and those leaving care. However, councils' Children's Services are under increasing pressure.

The following report confirms the actual costs incurred by Local Authorities in the East Midlands in providing Leaving Care services for former Unaccompanied Asylum Seeking Children (UASC) aged 18-24. It also considers the current and future pressures that councils are facing in providing services for this vulnerable group of young people.

Councils in the East Midlands have a strong track record of caring for unaccompanied children and care leavers, and as corporate parents are committed to providing the highest standards of support.

All upper tier local authorities within the East Midlands have both UASC in care and former UASC Leaving Care responsibilities. The East Midlands Councils' report in 2017 established the actual costs to local authorities of looking after unaccompanied children, and the Government's recognition that the financial support at that time failed to cover the significant cost incurred by councils was welcomed. However, despite the increase in funding for looked after UASC, a multi-million pound shortfall to the region's Children's Services remains – and continues to grow!

Following on from the review of UASC funding, Local Authorities and Home Office colleagues are in agreement that it is equally important to understand the actual costs incurred in supporting former UASC leaving care. The results of this analysis are included in this report.

In summary, this report presents irrefutable evidence of the significant shortfall in funding in meeting 'former UASC care leaver costs' to local authorities in the East Midlands - £10,485 per former UASC care leaver per annum, with Home Office funding covering just over one-third (37%) of the actual costs incurred.

This represents a considerable financial burden, greater than that for unaccompanied children. Councils are meeting the annual £5.20m shortfall from already hard-pressed Leaving Care budgets. When the current funding gap for looked after UASC is added, there is a combined deficit to the region of £9.81m per annum, rising to between £10.96m - £15.16m by 2024.

We welcome the Home Office intention to review former UASC care leaver funding. It is hoped that this report, and the evidence contained within, will support this review and lead to a more sustainable funding model for meeting our responsibilities to vulnerable young people leaving our care system.



Cllr Ivan Ould OBE
Chair, Regional Migration Board

Lead Member for Children,
Families, and Safer Communities
(Leicestershire County Council)



Cllr Sarah Russell
Vice Chair, Regional Migration
Board

Deputy City Mayor - Children
and Young People (Leicester City
Council)



Cllr Patricia Bradwell OBE
Chair, East Midlands Lead
Members for Children's
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Executive Councillor for Adult Care,
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Foreword

East Midlands Directors of Children's Services Group

On behalf of all Directors of Children's Services in the East Midlands region we fully support and endorse this report and its findings. All Directors of Children's Services in the region, and across the whole country, take their statutory duties towards Unaccompanied Asylum Seeking Children (UASC) very seriously.

We recognise that many of these young people have lost those closest to them and have been forced to flee from atrocities in their home countries. Many of them have made dangerous journeys through several countries to arrive in the UK; during the course of these journeys, they have been at risk of abuse and exploitation. As corporate parents we work tirelessly to support and help UASC achieve the best outcomes possible both as young people in the care system and increasingly as eligible care leavers.

This report is important and has significant policy and financial implications at a national level. What's clearly evident from the report is that the profile of UASC is changing in the East Midlands in that there are now larger cohorts of UASC in our care leaver population compared to those still in the care system; and this position is likely to be borne out nationally. We also know that despite the increasingly creative and bespoke work done by our care leaving services to meet the needs of an increasingly diverse group of young people, there is a growing financial gap with insufficient funding for councils to meet their statutory responsibilities to former UASC.

We will ensure that the evidence contained in the report will be used by the Association of Directors of Children's Services in its continued discussion with the Department for Education and the Home Office for a sustainable funding solution for children's services.



Andy Smith
Chair, East Midlands DCS Group

Strategic Director of People Services (Derby City Council)



Colin Pettigrew
UASC DCS Lead, East Midlands DCS Group

Corporate Director for Children, Young People and Schools (Nottinghamshire County Council)

Executive Summary

The context

- i. Unaccompanied asylum seeking children (UASC) and care leavers have been identified by the UK Government as some of the most vulnerable children and young people in our society. East Midlands' local authorities fully accept, and are committed to delivering, their statutory responsibilities as corporate parents towards this extremely vulnerable cohort to the highest standards. However, councils' abilities to provide these services are constrained by inadequate levels of funding.



22 DIFFERENT NATIONAL COHORTS

of former UASC care leavers in the region, each representing different cultures and backgrounds.

- ii. Former UASC care leavers are often approached as a single cohort. However, within the East Midlands there at least 22 different national cohorts. Whilst none of these groups is very large, each represents a different culture and background requiring appropriately informed support from Leaving Care services.
- iii. When an unaccompanied asylum seeking child arrives 'spontaneously' in an area, it is right and proper that the local authority takes them into care and provides for their (often complex) needs. This is their duty; local authorities cannot choose otherwise, nor would they wish to. However, Government funding does not meet the costs of this provision: neither during the period in which the child is in care nor, as this report sets out, once the child becomes a care leaver.
- iv. This report identifies the costs to local authorities of their Leaving Care provision to former UASC care leavers to establish the case for councils to receive the resources they need to discharge their responsibilities towards these young people as fully and effectively as possible.

The costs



£16,602

the regional average cost to LA's of providing Leaving Care Services to former UASC (18-24 year olds) per care leaver per year.

- v. The costs of Leaving Care services for former UASC care leavers (18-24 year olds) were provided by all nine upper tier local authorities in the East Midlands in 2019. From these data, the regional average cost was established to be £16,602 per care leaver per year.
- vi. Taking into account the relative proportions of care leavers in the region that fall under the Government's 'Legacy' and National rate funding tariffs, the weighted average Home Office funding per care leaver annually is £6,117. This is a reflection of the proportion of Legacy rate care leavers in the East Midlands. Currently, approximately two-thirds (69%) of all former UASC care leavers in the region fall under the lower, Legacy funding rate. Moreover, local authorities receive no funding whatsoever for almost one-third (32%) of the total former UASC care leaver population due to the Home Office's 'first 25 FTE rule' for Legacy rate cases. This is clearly an anomaly which defies obvious justification.

£6,117

the weighted average Home Office funding per former UASC care leaver annually.



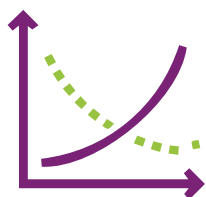
TWO-THIRDS

(69%) of former UASC care leavers in the East Midlands fall under the lower funding rate

32% NOT FUNDED

Local authorities receive no funding at all for almost one-third (32%) of all former UASC care leavers in the region under the current funding arrangements





£10,485

the funding shortfall to local authorities per former UASC care leaver per year

Home Office funding covers **37%** of local authority costs



- vii. A comparison therefore of the average annual cost to local authorities (£16,602) and the average Home Office funding (£6,117) gives a shortfall in funding of £10,485 per care leaver per year. In other words, present Home Office funding covers 37% of the costs incurred by local authorities in their provision of services to former UASC care leavers.



£5.2 MILLION SHORTFALL

£5.2m the annual funding shortfall to the region's Leaving Care Services

- viii. At the start of 2019, there were 496 former UASC in East Midlands' Leaving Care services. This equates therefore to an annual funding shortfall to the region of £5.20 million.
- ix. Based on earlier research by East Midlands Councils, when adjusted for inflation and using the revised Home Office UASC funding arrangements from April 2019, this report identifies an annual shortfall to the region of £4.61 million for unaccompanied asylum seeking children (under 18s) in the care of East Midlands' Children's Services.

- x. Therefore, this analysis establishes that the cost pressures to councils is even greater in respect of their Leaving Care provision to former UASC than it is for unaccompanied children in their care.



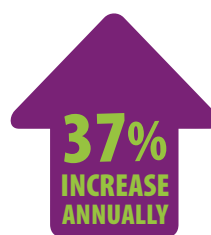
COST PRESSURES

on councils are even greater for Leaving Care Services to former UASC (18-24 year olds) than for unaccompanied asylum seeking children (under 18) in care

- xi. Combining the shortfalls for former UASC care leavers (18-24 year olds) and UASC Looked After Children (LAC) (aged under 18) gives the current total funding shortfall to East Midlands' local authorities in their care of unaccompanied asylum seeking children and young people as £9.81 million per annum.

The future

- xii. Whilst the number of LAC UASC in the care of East Midlands' authorities over the past 12 months has remained relatively stable (an increase over the year to January 2019 of 4.5%); the number of former UASC care leavers has increased substantially: 361 in January 2018 rising to 496 in January 2019, an annual increase of 37%.



496

former **UASC care leavers** at the start of 2019; an annual increase of 37%

- xiii. This report attempts crude population modelling for former UASC care leavers over the next 5 years. By consideration of a range of factors based principally on possible impacts of the new care leaver duties under the Children & Social Work Act 2017 and local authority approaches to 'Appeal Rights Exhausted' (ARE) care leavers, the regional cohort of former UASC care leavers is projected to be between 711 and 1,218 young people by January 2024. This represents an increase on current population numbers of between 43% and 146%.

- xiv. Therefore, the cost pressures on local authorities derived from the provision of Leaving Care services to former UASC (18-24 year olds) over the next 5 years is likely to become significantly greater and the funding shortfall is calculated to be between £5.88 million and £10.07 million by the start of 2024 (assuming an annual inflation rate of 2% over the period).
- xv. The full impact on Leaving Care services of the new duties under the Children & Social Work Act 2017 is not yet fully understood. The modelling reported here is designed to contribute to local authority support planning in the medium term based on a number of possible scenarios.
- xvi. At the start of 2024, by combining the figures for the funding shortfalls for former UASC care leavers (18-24 year olds) and LAC UASC (aged under 18) and allowing for a 2% annual rate of inflation, the total shortfall to East Midlands' local authorities in their care of unaccompanied migrant children and young people is projected to be between £10.96 million and £15.16 million.



The way forward

- xvii. As part of the response to these considerable financial pressures, East Midlands Councils, the East Midlands SMP, and local authorities, are developing a range of opportunities to reduce costs, including: the Controlling Migration Fund regional UASC foster care and supported lodgings project; jointly commissioned regional immigration advice; a regional approach to ARE care leavers; exploration of bespoke UASC-specific accommodation options; joint commissioning to reduce placement and other costs; targeted and bespoke training for staff and carers; further utilisation of the NRPF Connect database; sharing of best practice; and building partnerships across the sector. In addition, the East Midlands SMP and local authorities will continue to work with the Home Office and Police to introduce new ways of joint working around 'spontaneous' UASC arrivals to enhance safeguarding and reduce incidents of children going missing.
- xviii. Despite these areas of work, the costs to local authorities to provide services to unaccompanied asylum seeking children and care leavers are considerable, and are projected to grow significantly for the foreseeable future. This report provides robust and detailed evidence of the true costs to local authorities, and establishes the case for an increase in funding levels to reflect properly these costs, in order to assist councils as corporate parents in their provision of high quality care and support to some of the most vulnerable children and young people in the UK.
- xix. The East Midlands Strategic Migration Partnership is grateful to the Home office for their leadership and commitment to review the costs and cost drivers for local authorities in their provision of Leaving Care services to former unaccompanied children, and we anticipate that this report will help to inform that review.
- xx. We are also grateful to the nine upper tier local authorities in the East Midlands, as well as other statutory and voluntary sector partner organisations within the region and beyond. Indeed, this report could not have been undertaken without their detailed contributions and support, led and coordinated by the East Midlands Strategic Migration Partnership, and serves as a demonstration (amongst many others) of the value of the partnership approach driven forward by Regional Strategic Migration Partnerships across the country.

1. Introduction

- 1.1 The UK Government has identified unaccompanied asylum seeking children and, by extension, care leavers as some of the most vulnerable children and young people in the country: *“Local authorities have a duty to protect and support these highly vulnerable children. Because of the circumstances they have faced, unaccompanied migrant children... often have complex needs in addition to those faced by looked after children more generally.”*²

Because of the circumstances they have faced, unaccompanied migrant children... often have complex needs in addition to those faced by looked after children more generally.

- 1.2 All of the upper tier local authorities within the East Midlands region³ have unaccompanied asylum seeking children (UASC) (under 18s) in care and former UASC (aged 18-24) in their Leaving Care services at the time of writing. Local authorities have identified former UASC care leavers as a qualitatively different cohort within the wider Leaving Care population, on average requiring higher levels of support than their indigenous peers.
- 1.3 This report sets out to establish a detailed analysis of the costs incurred by local authorities in support of former UASC care leavers to determine a regional average cost, based on a snapshot of the total former UASC cohort in local authority Leaving Care services within the region at the start of 2019. Data has been supplied by all nine upper tier authorities within the East Midlands, and represents a sample size of 496 former UASC care leavers. Figures for the majority of the cost lines in the analysis were provided by most local authorities, although data were 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.
- 1.4 The report also attempts to model crudely the numbers of former UASC care leavers in the region over the next 5 years, in order to assist local authorities to plan for projected changes to the care leaver cohort and associated resource implications.

- 1.5 This present analysis forms the companion paper to the East Midlands Strategic Migration Partnership (EMSMP) report⁴ in 2017 which identified the costs to local authorities incurred in supporting unaccompanied asylum seeking children (aged under 18) in their care.

2. Methodology

- 2.1 The work described here is a review of the actual costs incurred by local authorities in providing Leaving Care services to former unaccompanied asylum seeking children compared with the level of Government funding, and follows a similar methodological approach to that reported in the earlier EMSMP report on UASC costs⁴.
- 2.2 Research was undertaken to collect former UASC Leaving Care cost data from all nine upper tier local authorities within the region, under the following service areas:
1. Leaving Care staff
 2. Accommodation and related costs
 3. Education, employment and training
 4. Health
 5. Legal and asylum
 6. Miscellaneous
- 2.3 These data were reviewed, clarified and refined throughout the research process and the same methodology was applied to the calculation of costs for all young people in order to ensure consistency of approach across the region. The unit costs reported relate to the 2018-19 financial year and are presented as a ‘snapshot’ of the former UASC Leaving Care cohort in the East Midlands as at 2nd January 2019. Staffing costs were based on the total time spent by each staffing category on former UASC Leaving Care business, as a proportion of full-time equivalents. Unit staffing costs were based on salary, including on-costs. All costs identified were costs incurred by local authorities; detailed costs to health services, the criminal justice system, and voluntary sector organisations were outside of the scope of this research (but see discussion at paras. 4.17-4.24).

² [Care of unaccompanied migrant children and child victims of modern slavery: Statutory guidance for local authorities](#) Department for Education (November 2017)

³ 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

⁴ [Analysis of Local Authority costs incurred in support of Unaccompanied Asylum Seeking Children in the East Midlands](#) East Midlands Councils (June 2017)

- 2.4 Regional average (mean) costs were calculated from these data sets across all identified cost lines, with a weighted average approach taken for accommodation costs, based on the distribution of the current former UASC care leaver population within each accommodation type.
- 2.5 The resulting overall regional average cost in providing Leaving Care services, per former UASC care leaver per annum, was compared with Home Office funding rates (weighted average tariff based on the current regional former UASC Leaving Care cohort demographics), and the difference calculated.
- 2.6 Comparison of the local authority data sets showed significant variance across a number of cost lines, with outlying data points identified and clarified, as well as variation in overall average former UASC Leaving Care costs for individual local authorities. The calculation of a mean 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.
- 2.7 The data provided for this analysis were intended to identify the full costs (i.e. all available costs) associated with local authority Leaving Care services for former UASC, and included expenditure currently excluded under Home Office funding criteria (e.g. education and health costs).
- 2.8 In addition to the cost analysis, detailed demographic data for this cohort were gathered to enable projections of demand on Leaving Care services for the next 5 years.

3. Results

Former UASC care leaver costs

- 3.1 Data from all nine upper tier local authorities were collated and mean average values for each cost line within the six service areas were calculated. In order to calculate regional average accommodation costs, the average (mean) cost of each accommodation type was calculated and the regional distribution of former UASC care leavers in each type of accommodation used to determine a weighted average accommodation cost based on the current distribution. The resulting regional average costs are tabulated below (Table 1).
- 3.2 Local authorities 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 annual cost per former UASC care leaver and breakdown across 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 set out in Table 2)

Service provided	Nature of costs	Regional average cost (per former UASC care leaver per annum)
1. Leaving Care staff (including leaving care support and case management)	Staff salaries (Team Managers, Social Workers, Personal Advisors, Administrators, Agency staff etc.), travel, lone-working equipment	£3,497
2. Accommodation (Staying Put, semi-independent living, higher education, independent)	Placement finding services, accommodation costs, personal allowance, home establishment grants, Council Tax exemptions	£11,815
3. Education, employment and training (EET)	University fees, FE courses, Virtual school, ESOL provision, bursaries	£401
4. Health (care leaver health costs incurred by LAs directly, not including costs incurred by CCGs or NHS England)	Physical and mental health costs (prescriptions, dental care, counselling)	£15*
5. Legal and asylum/immigration	Legal advice, ARE oversight, identity documents, NRPF Connect database	£404
6. Miscellaneous	Interpreters, birthday/religious festival grants, crisis grants, contact allowance, activities and leisure	£470
Total local authority costs	Regional average cost incurred by local authorities in Leaving Care provision per former UASC care leaver per year	£16,602

*N.B. The regional average health cost reflects local authorities' differing experiences of health charges depending on the approach of local Clinical Commissioning Groups.

Accommodation costs

3.3 Accommodation and related costs account for the substantial majority (71%) of expenditure by local authorities in their Leaving Care provision for former UASC. More than 8 in every 10 former UASC care leavers are accommodated in one of the two main accommodation types: semi-independent transitional accommodation (46%) and living independently (40%). The regional average cost per semi-independent placement is £15,472 per year. Most independent provision incurs no cost for local authorities, but where the care leaver has an undetermined asylum claim and therefore no recourse to public funds, or is 'Appeal Rights Exhausted' (ARE) (see para. 3.32, below), the average cost for independent accommodation is £8,323 per annum. One in 10 former UASC young people remain in foster care under 'Staying Put' arrangements (11%) at an average cost of £12,413 per year. Of the remainder, a relatively small proportion (3%) are in higher education/vacation accommodation (average cost £8,822 per annum), while a very small minority (1%) are categorised as living in 'other' accommodation which includes residential placements (0.2%, average cost £36,000 per year) or living with family/friends (at no cost to the local authority).

Accommodation and related costs account for the substantial majority (71%) of expenditure by local authorities in their Leaving Care provision for former UASC.

3.4 Almost a third (32%) of the former UASC Leaving Care cohort has an undetermined asylum status (either with an outstanding initial asylum claim or appeal). These cases are accommodated across the main accommodation types, and where it is possible to separate out the accommodation costs for these individuals, an average cost of £9,109 per annum can be identified. In addition, a smaller but still significant proportion (14%) of former UASC care leavers are Appeal Rights Exhausted. Where the accommodation costs can be determined specifically for this cohort, the data indicate an average of £15,463 per placement per annum.

3.5 Given that almost half (46%) of the former UASC care leaver cohort have either undetermined asylum status or are Appeal Rights Exhausted, personal allowances (£57.90 per week) paid to care leavers without recourse to public funds, added a significant additional element of on average £946 per care leaver per annum to accommodation-related costs.

Leaving Care staff provision

3.6 The second most expensive element of local authority Leaving Care provision is staffing, accounting for 21% of the total costs. Staff salaries account for 92% of Leaving Care staff costs, including a small contribution (2%) from agency staffing due to difficulties reported by a minority of local authorities in recruiting suitably qualified staff directly. Agency staffing incurs higher costs than staff employed directly by local authorities, and while the proportion of agency staff identified in this analysis is low, as the number of former UASC care leavers grows it may be necessary to increase the number of agency staff to support rising demand, increasing further the costs to Leaving Care services.

3.7 Grant claim administration costs, Human Resources, ICT, payroll and premises costs have not been included in these results. Indicative costs from one local authority for these functions combined would add a further £624 per former UASC care leaver per annum.

**Other costs (EET, health, legal, asylum/
immigration, and miscellaneous)**

- 3.8 The other cost elements of Leaving Care provision combined to contribute a total of £1,290 (8%) per care leaver per year to the overall expenditure. Education, employment and training (EET) support costs councils on average £401 per young person per annum (2% of total costs), with university fees and education bursaries being the main contributing factors. This research found that around 3% of former UASC care leavers were identified as being in higher education. In the most recent Department for Education data⁵, 6% of all care leavers aged 19-21 in England were in higher education. The difference may reflect the multiple educational disadvantages faced by unaccompanied asylum seeking children and care leavers, both in terms of requisite English language acquisition and levels of education prior to arrival in the UK. Whilst higher education participation rates for young people in the general population decrease after age 21⁶, it is of note that 50% of the regional cohort of former UASC currently in higher education are aged 21+. This might suggest that former UASC care leavers tend to enter higher education at a later point than citizen care leavers, once their educational disadvantages are ameliorated.
- 3.9 Local authority costs incurred in relation to health were the lowest element at £15 per care leaver, (0.1%) of overall expenditure. Some authorities reported charges for prescriptions and eye tests, while others indicated that such charges were covered by local Clinical Commissioning Groups (CCGs). Some costs were derived from mental health support (counselling) funded by local authorities, and it was noted that mainstream mental health services were often difficult to access or unsuitable for the psychological needs of former UASC care leavers. Therefore, the low cost reported for health support is likely to reflect the limited range of suitable services available rather than a lack of demand. East Midlands Councils is working with local authorities and health services within the region to explore ways to address health needs specific to migrant communities, including unaccompanied children and care leavers, (see paras. 4.18-4.23 for a fuller discussion of the impact on health services).

- 3.10 Legal costs and expenditure resulting from asylum and immigration processes gave a combined figure of £404 per care leaver per year, accounting for 2% of the overall spend. The main elements of these costs were specialist immigration advice and annual subscriptions to the 'NRPF Connect' database⁷. The provision of data in relation to former UASC care leaver legal costs was problematic for some local authorities where costs relating to individual care leavers were recorded in other departmental budgets outside of Children's Services and therefore not necessarily readily identifiable as relating to former UASC cases. The regional average legal cost reported therefore is likely to underestimate the true costs to local authorities.
- 3.11 Miscellaneous costs totalled £470 per care leaver per annum (3% of the overall spend), covering a range of additional expenditure, including interpreter fees and costs of document translation (e.g. Pathway Plans), grants for birthdays and religious festivals, activities and leisure opportunities (gym membership for example), communication allowance, and hardship payments.

Detailed breakdown of former UASC care leaver costs

- 3.12 Details of constituent costs under each of the Leaving Care service areas provided to former UASC is given in Table 2, on the next page.

⁵ [Children looked after in England \(including adoption\), year ending 31 March 2019](#) Department for Education (December 2019)

⁶ [Extending Personal Adviser support to age 25: New burdens assessment](#) Department for Education (February 2018)

⁷ The Home Office's preferred method of working with local authorities to identify, consider and conclude no recourse to public funds (NRPF) cases.

Table 2: Full breakdown of regional mean average former UASC care leaver costs

	Service provided	Regional average unit cost (per former UASC care leaver per year)
1.	Leaving Care staff	
1.1	Leaving Care Service Manager	210.27
1.2	Team Manager	378.20
1.3	Qualified Social Workers	283.77
1.4	Personal Advisors	1,800.18
1.5	Other support roles	268.57
1.6	Business Support	198.37
1.7	Staff training	44.23
1.8	Mileage and associated staff travel costs	110.13
1.9	Think Pad/Mobile Phone/Lone Working Device	111.31
1.10	Other costs - printing, stationery, land line etc.	26.37
1.11	Agency staff	65.33
	Subtotal	3,496.73
2.	Accommodation and related	
2.1	Placement Finding	66.33
2.2	Accommodation costs for former UASC care leavers ⁸ :	
	Semi-independent living (average cost per annum = £15,472)	5,755.61
	Independent (where costs incurred, average cost per annum = £8,323)	764.24
	Staying Put (average cost per annum = £12,413)	1,080.08
	Higher education and vacation accommodation (average cost per annum = £8,822)	194.08
	Other accommodation options (including residential accommodation, and living with friends/family)	192.12
2.3	Accommodation costs for former UASC care leavers with undetermined asylum status (where identifiable) (average cost per annum = £9,109)	1,084.00
2.4	Accommodation costs for former UASC care leavers who are Appeal Rights Exhausted (ARE) (where identifiable) (average cost per annum = £15,463)	974.17
2.6	Personal allowance equivalent for NRPF cases	946.13
2.7	Travel expenses (care leavers)	108.14
2.8	Home Establishment/ Leaving Care Grant	564.53
2.9	Council Tax exemptions	85.15
	Subtotal	11,814.58

⁸ Accommodation costs: a weighted average contribution to overall accommodation costs was calculated for each particular accommodation type: (regional average cost of particular placement type) x (% of former UASC Leaving Care regional cohort in that placement type)

3.	Education, employment and training (EET)	
3.1	University/ FE/ ESOL/ Training course Fees (including apprenticeship schemes)	159.76
3.2	Educational materials and equipment	10.42
3.3	Other related EET costs	198.40
3.4	Driving lessons/ provisional licence	32.76
	Subtotal	401.34
4.	Health	
4.1	Physical health costs	£11.63
4.2	Mental health costs	£2.96
	Subtotal	£14.59
5.	Legal and asylum/immigration	
5.1	<u>Legal costs:</u>	
	Internal legal costs	165.26
	External legal costs	16.61
5.2	<u>Asylum/immigration costs:</u>	
	Applications for Indefinite Leave to Remain, British Citizenship etc.	23.71
	ID/Passport/visa applications	26.41
	Costs of returning to country of origin	0.00
	Asylum liaison with the Home Office	171.78
	Subtotal	403.77
6.	Miscellaneous	
6.1	Interpreter and translation costs	176.61
6.2	Birthday/religious festival grants	51.60
6.3	Crisis grants	105.86
6.4	Child care	0.00
6.5	Costs associated with special needs	0.00
6.6	Clothing	33.55
6.7	Cultural/religious needs	5.00
6.8	Activities, hobbies and leisure	64.29
6.9	Contact/ communication allowance	32.50
6.10	Document verification	0.35
	Subtotal	469.76
	Regional average total LA costs per former UASC care leaver per annum	£16,600.77

Home Office funding for former UASC care leavers

3.13 The Home Office currently funds local authorities with former UASC in their Leaving Care services at the rates⁹ given in Table 3. By calculating the current percentage distribution of the former UASC Leaving Care regional cohort across the funding rates, the weighted average Home Office reimbursement per former UASC care leaver per annum can be calculated for the East Midlands.

Local authorities receive no funding whatsoever for almost one-third (32%) of the total former UASC care leaver population

Table 3: Home Office funding rates 2019/20 against former UASC care leaver regional demographics giving the average reimbursement to local authorities per former UASC care leaver per annum

Former UASC care leaver funding category		Home Office funding rates 2019/20		Regional former UASC care leaver demographics	Weighted Home Office funding contribution
		Per week	Per annum		
Legacy cases ¹⁰	Up to first 25 FTE threshold ¹¹	£0.00	£0.00	32.06%	£0.00
	Above 25 FTE threshold	£150.00	£7,800	36.49%	£2,846
National rate ¹²		£200.00	£10,400	31.45%	£3,271
Weighted average Home Office funding per former UASC care leaver per year					£6,117

3.14 From Table 3 above, it is possible to determine a weighted average Home Office funding rate of £6,117 per former UASC care leaver per year, based on the present distribution of former UASC care leavers in the East Midlands across the funding categories. Currently, approximately two-thirds (68.55%) of all former UASC care leavers in the region fall under the lower, Legacy rate. It is of note that local authorities receive no funding whatsoever for almost one-third (32.06%) of the total former UASC care leaver population due to the Home Office's 'first 25 FTE rule' for Legacy rate cases¹¹.

3.15 Furthermore, an additional number of Legacy rate care leavers aged 21+ may be ineligible for Home Office grant funding if they are not in a planned programme of education or training, are missing, or are detained in a Young Offenders Institute or prison⁹. The number of these cases is currently anticipated to be low but any such cases would reduce the calculated weighted average Home Office funding rate (and cf. discussion at para. 4.7, below). Just under one-third (31.45%) of the former UASC care leaver cohort is eligible for the higher, National rate tariff.

⁹ [Funding to Local Authorities Financial Year 2019/20: Home Office Funding: Leaving Care \(Former Unaccompanied Asylum-Seeking Children, post 18 Years age\) \(version 1\)](#)
Home Office (1st April 2019)

¹⁰ A Legacy case is defined in the Home Office's funding instructions⁹ as a former UASC care leaver who: (i) entered the UK on or before 30 June 2016; (ii) has not been transferred from one local authority to another local authority through the National Transfer Scheme (NTS) launched on 1 July 2016; (iii) has not been transferred from Kent to another local authority on or before 30 June 2016 under the Kent referral scheme.

¹¹ For the Legacy cases claim, the first 25 Full Time Equivalent (FTE) supported young people in a particular local authority who otherwise meet the conditions set out in the Home Office's funding instructions⁹ are excluded from eligibility to receive funding for the duration of the financial year.

¹² A National Rate case is defined in the Home Office's funding instructions⁹ as a former UASC care leaver who: (i) entered the UK on or after 1 July 2016; or (ii) has been transferred from one local authority to another local authority through the NTS; or (iii) has been transferred from Kent to another local authority on or before 30 June 2016 under the Kent referral scheme.

Former UASC care leaver demographics

3.16 Data from all nine upper tier authorities were collected to examine the demographics of the former UASC Leaving Care population in the region, and summarised in Table 4 below.

The vast majority (84%) of former UASC care leavers in the region currently are under the age of 21.

Table 4: Population demographics of former UASC care leavers in the East Midlands

Age	Number of former UASC care leavers	Percentage of total cohort	Legacy rate	National rate	Male	Female
18	168	33.9%	64	104	151	17
19	145	29.2%	95	50	135	10
20	102	20.6%	100	2	98	x
21	51	10.3%	51	0	46	5
22	13	2.6%	13	0	12	x
23	12	2.4%	12	0	12	0
24	5	1.0%	5	0	5	0
Total	496	100%	340	156	459	37

('x': positive integer below 5, data suppressed for confidentiality)

Age

3.17 The data demonstrate that the vast majority (84%) of former UASC care leavers in the region currently are under the age of 21. Although the majority (73%) of all care leavers in the region are also under the age of 21 (see Section 5, Appendix A below), this is more significant in the former UASC cohort. This is likely to reflect the heightened numbers of UASC entering the country from 2016 onwards⁵.

Home Office grant funding category

3.18 As the East Midlands has cared for a cohort of UASC historically (prior to the introduction of the NTS in July 2016) and the majority of UASC arrive 'spontaneously' rather than being transferred into the region through the NTS, the Home Office's Legacy rate^{9,10} applies to the majority (69%) of former UASC care leavers in the East Midlands. Indeed, the older cohort aged 20+ is almost exclusively comprised of those eligible for the Legacy tariff. However, the younger cohort aged 18-19 contains roughly equal numbers of those who meet the Legacy rate criteria (n=159) and those who are eligible for National rate^{9,12} funding (n=154), as UASC who arrived in the UK after the start of the NTS, or were transferred into the region through it, increase in age and begin to enter the Leaving Care system.

Gender

3.19 The gender distribution for former UASC care leavers is 93% male, 7% female, which contrasts to the approximately 60:40 split across all care leavers in the region (Appendix A, Table 9, below). The regional gender distribution for former UASC care leavers corresponds almost exactly with that reported for UASC nationally by the ADCS¹³ in 2016.

Country of origin

3.20 The Leaving Care cohort of former UASC in the East Midlands in 2019 comprised young people from 22 different known countries of origin (a residual 0.6% were of unknown origin). The most prevalent country of origin was Afghanistan (23%), followed by Eritrea (21%), Iraq (16%), Iran (11%), Sudan (8%), and Vietnam (7%), see Figure 1 below. Combined, these six predominant countries of origin represented 84% of the total cohort; the remaining countries of origin each accounted for less than 5% of the former UASC care leaver population.

The Leaving Care cohort of former UASC in the East Midlands in 2019 comprised young people from 22 different known countries of origin.

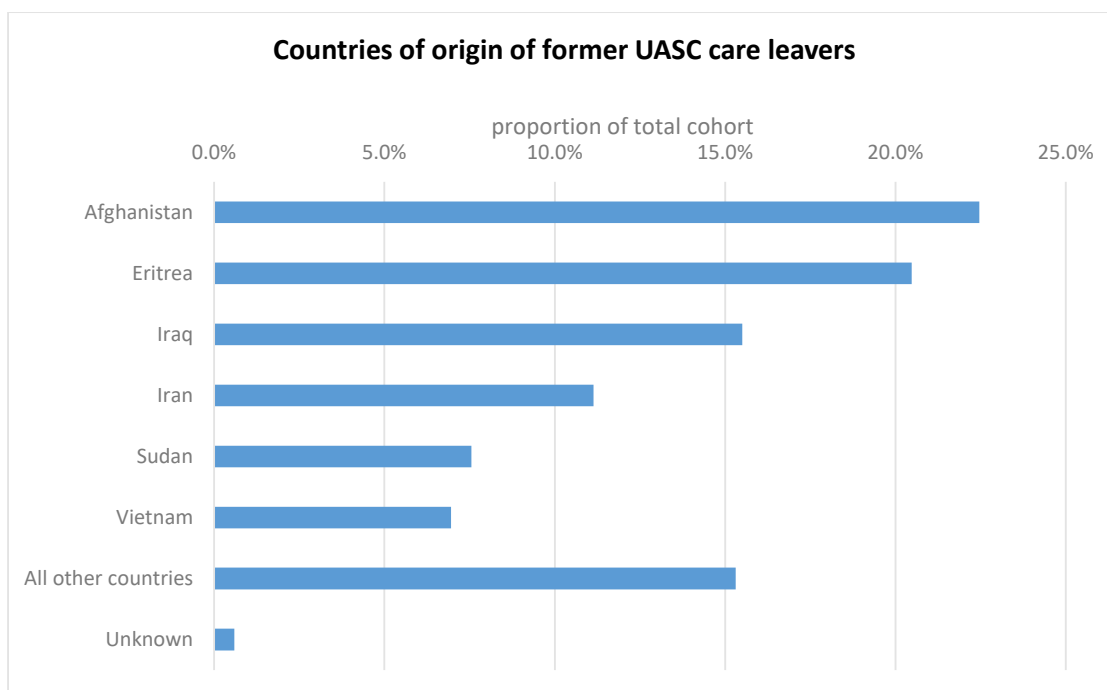
¹³ Safeguarding Pressures Phase 5 – Special Thematic Report of Unaccompanied Asylum Seeking and Refugee Children
The Association of Directors of Children's Services Ltd. (Nov 2016)

3.21 Former UASC care leavers are often approached as a single cohort. However, this analysis shows that there are at least 22 different national cohorts within the region (with potentially further differentiation along ethnic lines). Whilst none of these groups is very large, each represents a different culture and background requiring appropriately informed

support from Leaving Care services.

3.22 A full breakdown of countries of origin is given in Section 5, Appendix B below.

Figure 1: Most prevalent (>5% of cohort) countries of origin of former UASC care leavers at the start of 2019



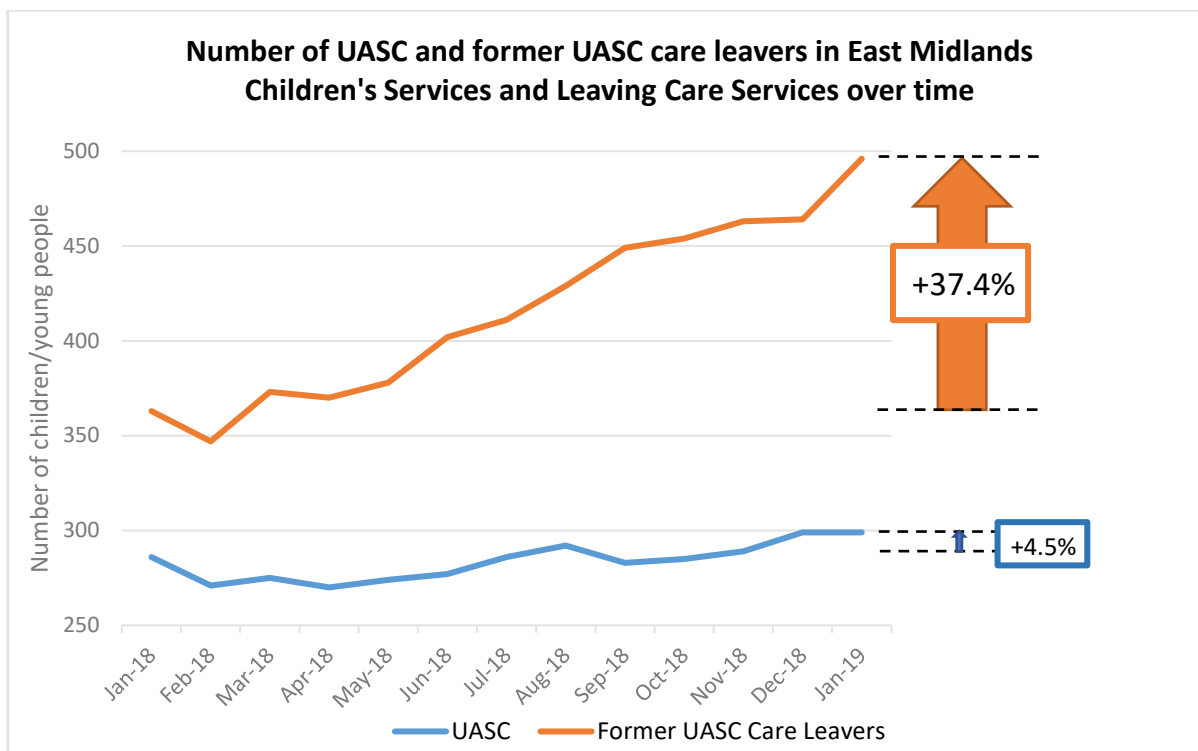
3.23 It is of note that the six most prevalent countries of origin closely correspond to the nationalities of minors most frequently referred to the National Referral Mechanism (NRM)¹⁴. For the second quarter of 2019, excluding UK and other EU countries, the most frequent referrals of minors by known nationality to the NRM include all six of the most prevalent countries of origin of former UASC care leavers, along with Albania (which is the seventh most prevalent country of origin of former UASC, see Table 10, Appendix B) and Nigeria¹⁵. This is an indication of the vulnerability of the former UASC Leaving Care cohort, particularly as former UASC are far less likely, when compared to citizen care leavers, to have family networks in the UK to raise concerns about potential trafficking risk (and see para 4.17 below).

Former UASC care leaver population modelling

3.24 Whilst the number of UASC looked after children (LAC) in the care of East Midlands' local authorities has remained roughly constant over the past 12 months, the number of former UASC care leavers has seen a substantial increase, Figure 2. Over the past year, the number of LAC UASC grew from 286 in January 2018 to 299 in January 2019, an increase of 4.5%. By comparison, the number of former UASC care leavers in January 2018 was 361, rising to 496 in January 2019, an increase of 37.4%.

¹⁴ The [National Referral Mechanism \(NRM\)](#) is a framework for identifying and referring potential victims of modern slavery and ensuring they receive the appropriate support
¹⁵ [National Referral Mechanism statistics quarter 2 2019: April to June](#) Home Office (29 August 2019). The most frequent referrals to the NRM by known nationality for non UK and EU minors in Q2, 2019 are: Vietnam (79 referrals); Eritrea (70); Sudan (52); Albania (45); Afghanistan (16); Nigeria (14); Iraq (11); Iran (8). I.e. excluding Nigeria, the other seven nationalities correspond to the seven most prevalent countries of origin of the former UASC care leavers.

Figure 2: Number of LAC UASC and former UASC care leavers in the care of East Midlands' local authorities: January 2018 – January 2019



3.25 Given the significant growth in former UASC care leaver numbers, it is important for councils to have an understanding of potential future pressures on Leaving Care services. Therefore, crude population modelling is reported below to support local authority budgetary considerations over the next 5 years.

LAC UASC population

3.26 Although there has been a modest 4.5% growth in LAC UASC numbers over the past year, data previously published⁴ gave the number of UASC looked after by East Midlands' Children's Services at the start of 2017 as 299, the same as reported here at the start of 2019. And more widely, since the large rise in LAC UASC numbers in 2016, national UASC data also indicate relatively stable numbers⁵. Therefore, it will be assumed for the purposes of population modelling here that the number of LAC UASC will remain constant over the next 5 years and that the rate of transfer of LAC UASC into the former UASC care leaver population is also constant¹⁶.

Former UASC care leaver population variables

3.27 Alongside the rate of UASC arrivals and concomitant rate of transfer into Leaving Care services, a number of additional factors will affect the population of former UASC care leavers over the next 5 years, outlined below.

3.28 The new duties that apply to care leavers as set out in Section 3 of the Children & Social Work Act 2017¹⁷ (C&SW Act) are likely to serve to increase the population of former UASC care leavers in the region through two principal mechanisms: (i) an increase in the number of care leavers over 21 years of age continuing in Leaving Care services who would previously have been ineligible; and (ii) the opportunity for former care leavers aged 21+ who have previously ceased to be eligible for Leaving Care services to return under the new duties. Because the impact of these new duties is yet to be fully realised within the region (and beyond), the effect of both mechanisms can only be estimated.

¹⁶ Clearly, these assumptions may potentially be subject to significant variation over the next 5 years due to a number of unpredictable factors, including for example global migration drivers, UK public opinion, future legislation and Government UASC policy, and the impact of the UK exiting the European Union.

¹⁷ [Children & Social Work Act 2017](#) HM Government (2017)

3.29 The Department for Education's *"Extending Personal Adviser support to age 25: New burdens assessment"*¹⁸ estimates that 20% of the cohort of care leavers brought into scope through the C&SW Act new duties will actually require support in any given week¹⁸. This estimate is based on one data point (Trafford Council) and *"discussions with leaving care managers"*¹⁸.

3.30 However, the experience of local authorities within the region suggests that the DfE's assessment is not credible, with a number of councils reporting that the number of care leavers taking up the new offer already exceeds estimates used within the New Burdens assessment (and see para. 4.26f below). Moreover, whilst former UASC care leavers are not specifically referenced within the New Burdens assessment, Kent County Council reports that all (i.e. 100%) of the former UASC care leavers in their service reaching the age of 21 have requested to continue to receive support from their Leaving Care Personal Advisors¹⁹. Within the East Midlands, one local authority reported that all (100%) of their 21+ former UASC have continued to receive a service, and the majority view was that all or most former UASC will request an on-going service post-21 due to their often complex support needs and lack of other sources of support available (e.g. family).

Care leavers with 5 years Leave to Remain (LTR) were considered likely to return to request specific support and funding to apply for further Leave

3.31 The number of former UASC care leavers who have previously ceased to be eligible for leaving care services and are expected to return under the new duties was difficult to quantify with any confidence. Local authorities expressed expected return rates of between 15-100%. It was identified that care leavers with 5 years Leave to Remain (LTR) were considered likely to return to request specific support and funding to apply for further Leave as the expiry of their existing LTR approached. Given the substantial increase from 2015 in the number of UASC arriving in the UK⁵, this effect might be expected to impact on the former UASC leaving care cohort from 2020 onwards.

3.32 As well as the factors discussed above, which are expected to cause upward pressures on the number of former UASC care leavers over the next 5 years, there are other factors which may act to decrease pressure by removing some former UASC young people from Leaving Care services. This downward pressure derives from those care leavers who become 'Appeal Rights Exhausted' (ARE)²⁰. Some local authorities have reviewed ARE cases with reference to Schedule 3 of the Nationality, Immigration and Asylum Act 2002²¹. Their considerations are based on leaving care support as one of the classes of support that may be unavailable to certain categories of people from abroad as a result of Schedule 3. Whether or not a person is affected by the restrictions in Schedule 3 depends on their immigration status²². As part of these considerations, some local authorities conduct human rights assessments to determine whether ARE care leavers should continue to receive a leaving care service to prevent a breach of their human rights. This is a complex and time-consuming process for local authorities but, put simply, if as a result of these considerations it is determined that the ARE young person falls under Schedule 3, that to remove support would not breach their human rights, and that there are no legal or practical obstacles preventing the young person from leaving the UK, some local authorities withdraw leaving care services after a period of notice.

¹⁸ The DfE estimated that 30% of care leavers were in education or training and so do not fall under the new duties arising from the C&SW Act as they would already be covered by existing leaving care duties, and 10% were no longer in touch. Therefore 60% will be in scope for the new duties, of which 20% will engage with services each week, i.e. 12% of the overall care leaver population aged 21 to 24.

¹⁹ *Unaccompanied Asylum Seeking Children (UASC): Care Leaver Funding Shortfall 2018-19* Scrutiny Committee Report, Kent County Council (15 January 2019)

²⁰ "Appeal Rights Exhausted" describes a person whose request for asylum or immigration application was refused, and who has made all of the appeals that they are allowed to make, without any success" Migrant & Refugee Children's Legal Unit (December 2017) https://miclu.org/glossary_definitions/appeal-rights-exhausted-are

²¹ *Nationality, Immigration and Asylum Act 2002, Schedule 3: Withholding and withdrawal of support* HM Government (2002)

²² *Assessment and Support of Post 18 UASC's listed as Appeal Rights Exhausted* NRPF Network, ADCS and LGA (June 2012)

- 3.33 The proportion of ARE young people who meet the criteria for leaving care services to be withdrawn, and the rate at which local authorities cease to provide support, will therefore cause a downwards pressure on former UASC care leaver numbers.
- 3.34 At the start of 2019, 14% of the former UASC care leaver population in the East Midlands was Appeal Rights Exhausted. This is reasonably consistent with asylum figures nationally²³ where, in the year ending June 2019, there was a grant rate of 75% on initial asylum applications for UASC, and a 42% appeal success rate (all appeals).
- 3.35 To model future populations of former UASC care leavers in the region, the factors described above need to be considered. Given the uncertainty regarding these variables, rudimentary population models are reported to provide upper and lower estimates of cohort numbers for the next 5 years based on the following assumptions:
- (i) Demographics of the current LAC UASC population will remain constant;
 - (ii) The rate of UASC new arrivals will be balanced by the rate of UASC becoming care leavers;
 - (iii) The number of UASC becoming care leavers each year will be constant, based on the number of 17 year old UASC at the start of 2019;
 - (iv) The rate of rising 21 year old former UASC care leavers continuing to receive post-21 services will have a lower limit of 42% based on DfE estimates^{6,18} (all care leavers) and an upper limit of 100%¹⁹;
 - (v) The number of former care leavers aged 21-24 who return for support under Section 3 of the Children & Social Work Act 2017 in the first year will be 12% of the existing 21-24 year olds cohort, based on DfE estimates^{6,18} for all care leavers;
 - (vi) The rate of ARE former UASC care leavers leaving the service will have a lower limit of 0% (all ARE care leavers continue to receive a service) and an upper limit of 100% (all ARE care leavers have services withdrawn, reducing the total cohort by 14% per annum);
 - (vii) All other factors remain constant over the next 5 years.
- 3.36 Based on the assumptions above, changes in the former UASC leaving care population over the next 5 years are given in Tables 5 and 6, below.
- 3.37 The population modelling in Tables 5 and 6 provides a rough estimate of between 711 and 1,218 former UASC care leavers in the East Midlands by 2024, see Figure 3, below. The significant variation in upper and lower limits predicted is due to the complex and uncertain nature of the modelling variables described above, and demonstrates the considerable challenges faced by local authorities when planning leaving care services for former UASC over the short and medium term.

²³ [Asylum and Resettlement Summary Tables, year ending June 2019 second edition](#) Home Office (22 August 2019)

Table 5: Former UASC care leaver population modelling for the next 5 years, assuming 42% of rising 21 year olds continuing to receive leaving care services year on year (based on DfE estimate^{6,18})

Age	Number of former UASC care leavers (assuming constant UASC profile) over next 5 years						
	2019	2019 adjusted for 12% increase in 21-24 cohort*	2020	2021	2022	2023	2024
18	168	168	181	181	181	181	181
19	145	145	168	181	181	181	181
20	102	102	145	168	181	181	181
21	51	57	43	61	71	76	76
22	13	15	57	43	61	71	76
23	12	13	15	57	43	61	71
24	5	6	13	15	57	57	61
Total UASC Care Leavers (100% ARE remain)	496	506	622	706	775	808	827
Total UASC Care Leavers (0% ARE remain)	496	506	535	607	666	695	711

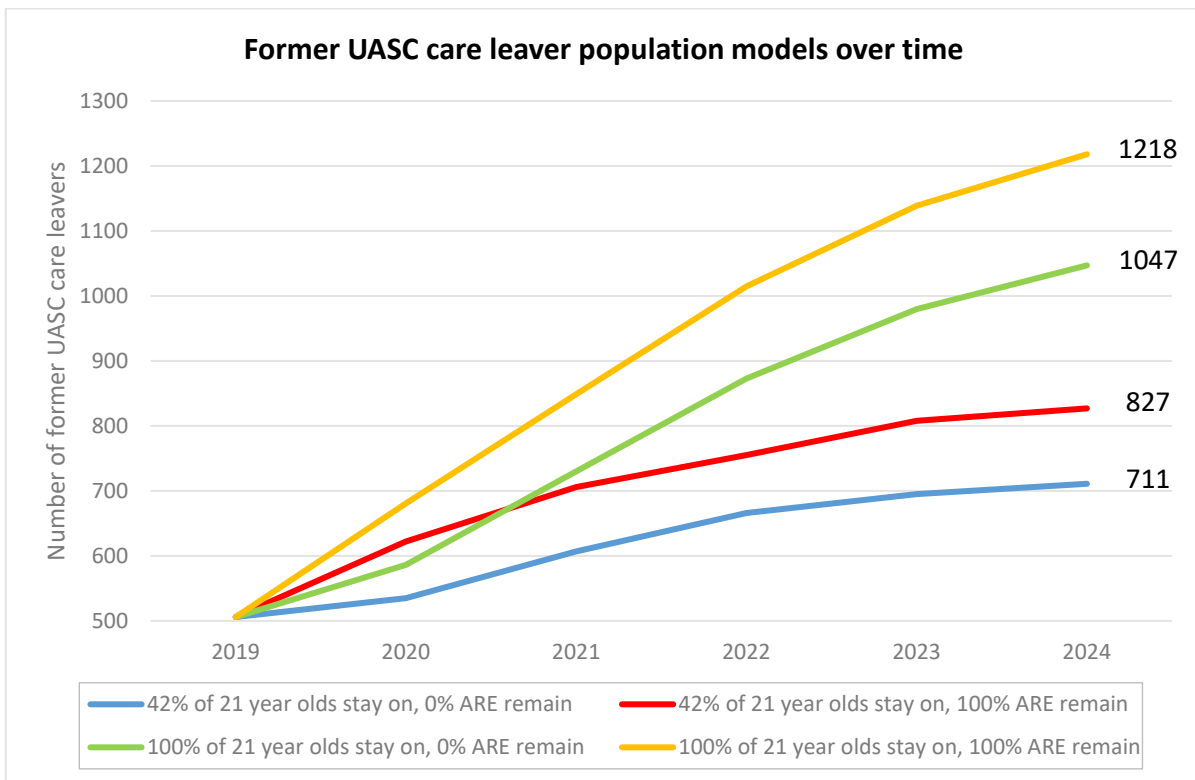
* Due to estimated returnees under C&SW Act

Table 6: Former UASC care leaver population modelling for the next 5 years, based on 100% of rising 21 year olds continuing to receive leaving care services year on year (East Midlands and others¹⁹ estimates)

Age	Number of former UASC care leavers (assuming constant UASC profile) over next 5 years						
	2019	2019 adjusted for 12% increase in 21-24 cohort*	2020	2021	2022	2023	2024
18	168	168	181	181	181	181	181
19	145	145	168	181	181	181	181
20	102	102	145	168	181	181	181
21	51	57	102	145	168	181	181
22	13	15	57	102	145	168	181
23	12	13	15	57	102	145	168
24	5	6	13	15	57	102	145
Total UASC Care Leavers (100% ARE remain)	496	506	681	849	1015	1139	1218
Total UASC Care Leavers (0% ARE remain)	496	506	586	730	873	980	1047

* Due to estimated returnees under C&SW Act

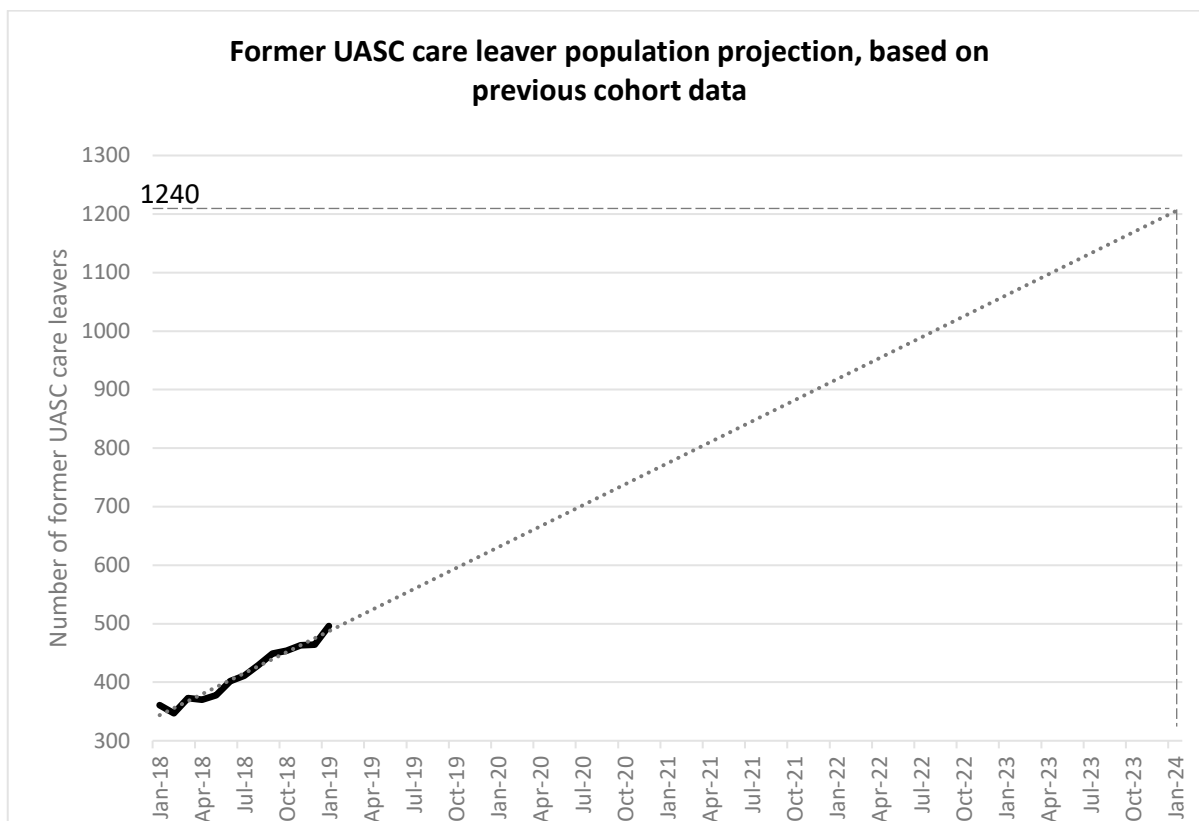
Figure 3: Potential variations in former UASC leaving care population over time, by impact of C&SW Act 2017 and service provision to ARE care leavers



3.38 An alternative approach to population modelling is provided by extrapolation of former UASC care leaver numbers for the last 12 months, Figure 4. This approach assumes that all variables affecting the number of former UASC care leavers over the previous year remain constant over the projection timeframe and utilises best fit analysis to predict the future population size. Based on this projection, the

number of former UASC care leavers in the region in January 2024 can be estimated at 1,240. This figure corresponds closely with the highest modelled population figure of 1,218 based on 100% of rising 21 year olds continuing as care leavers post-21, and 100% of ARE care leavers remaining in receipt of services (cf. Table 6).

Figure 4: Projection of former UASC leaving care numbers to 2024 based on 2018-19 population data



The potential effects of variable LAC UASC numbers

3.39 It is important to note that the modelling reported here is based upon an assumption of a steady state regional LAC UASC cohort over the next five years. However, this may not be the reality for all local authorities individually. For a local authority where the number of unaccompanied asylum seeking children in its care increases over time, the concomitant growth in former UASC care leavers will rise at a greater rate than the (approximately linear) projections given above (Figure 3). Indeed, local authorities which experience substantial increases in their LAC UASC cohorts during the next few years are likely to see this reflected in exponential growth profiles for their former UASC Leaving Care population, resulting in ballooning funding shortfalls

and impact on budgets. Equally, the converse is also true: councils where LAC UASC numbers fall in the coming years are likely to see a corresponding drop-off in their former UASC care leaver population growth profile, and reduced impact on costs.

Local authorities which experience substantial increases in their LAC UASC cohorts during the next few years are likely to see this reflected in exponential growth profiles for their former UASC Leaving Care population

4. Discussion

Former UASC Leaving Care costs and pressures

- 4.1 This research clearly demonstrates a significant gap in former UASC care leaver funding. The results of the financial analysis above give an average (mean) cost to local authorities supporting former UASC care leavers (aged 18-24) of £16,602 per former UASC care leaver per annum. By comparison with the weighted average Home Office reimbursement per former UASC care leaver per annum of £6,117, a current funding shortfall to East Midlands' local authorities of £10,485 per former UASC care leaver per annum can be identified. In other words, present Home Office funding levels cover a little over one-third (37%) of the costs incurred by local authorities in supporting the former UASC care leaver cohort.
- 4.2 As noted above (para 3.14), 32.06% of the region's former UASC care leaver cohort is ineligible for any Home Office funding due to the 'first 25 FTE rule' for Legacy rate cases¹¹, equating to a shortfall of £16,602 per former UASC care leaver per year (i.e. the entire cost is met by local authorities). Some 36.49% of the former UASC care leaver cohort is eligible for Legacy rate funding at £7,800 per year, representing a shortfall for local authorities of £8,802 per care leaver per annum. The remaining 31.45% fall into the National Rate funding category at £10,400 per year, a shortfall of £6,202 per care leaver per year, see Table 7, below.

Table 7: Home Office funding rates 2019/20 against former UASC care leaver regional demographics giving the average shortfall to local authorities per former UASC care leaver per annum

Former UASC Care Leaver Funding Category		Proportion of former UASC care leaver cohort	Home Office funding rates 2019/20, per annum	Funding shortfall to local authorities per former UASC care leaver per year	Funding shortfall as % of average cost to local authorities per former UASC care leaver per year
Legacy Cases	Up to first 25 FTE Threshold	32.06%	£0.00	£16,602	100%
	Above 25 FTE Threshold	36.49%	£7,800	£8,802	53%
National Rate		31.45%	£10,400	£6,202	37%

- 4.3 The East Midlands Councils' report⁴ in 2017, examining the costs to local authorities of providing care to unaccompanied asylum seeking children (under 18s), found that average Home Office funding levels (£30,231 per UASC per annum) covered just over half (54.8%) of the average costs incurred by local authorities (£55,194 per UASC per annum). Subsequently, following a review of UASC funding, the Home Office revised its funding arrangements for UASC, removing the Legacy rate tariff and providing a flat rate for all eligible unaccompanied children currently of £41,610 per UASC per annum²⁴.
- 4.4 Based on the 2017 East Midlands' costs data, UASC Home Office funding now covers three-quarters (75%) of local authority costs incurred in caring for UASC. This figure, whilst insufficient to cover the full costs to local authorities, is in sharp contrast to the 37% of former UASC care leaver costs covered by current Home Office funding arrangements reported here. These results demonstrate that former UASC care leaver costs are an even more significant funding challenge for local authorities than unaccompanied asylum seeking children in care, both in terms of the proportion of Leaving Care costs covered by the Home Office and the overall cost to local authorities, as reported below (paras. 4.5-4.7).

²⁴ Funding boost for councils looking after asylum seeking children Home Office (8th May 2019)

4.5 At the start of 2019, the cohort of former UASC care leavers in the East Midlands numbered 496 young people, which equates to a funding shortfall to the region of £5.20 million per year. If funding eligibilities were to remain constant over the medium term so that the average funding shortfall was also constant, this would allow the current shortfall to be extrapolated directly for the population modelling reported above (see Section 3, para. 3.24ff). However, the relative proportions of National rate and Legacy rate care leavers will change over the coming years, with the proportion of National rate care leavers increasing relative to the proportion of those falling under the Legacy rate²⁵.

Therefore, the shortfall between local authority costs and Home Office funding will decrease over time, and the funding shortfall by 2024 for the upper estimate of the population modelling (based on 1,218 care leavers) can be expected to be £7,485 per former UASC care leaver per annum (down from £10,485 currently) see Table 8.

At the start of 2019, the cohort of former UASC care leavers in the East Midlands numbered 496 young people, which equates to a funding shortfall to the region of £5.20 million per year.

Table 8: Current Home Office funding rates against projected former UASC care leaver regional demographics in 2024 for the upper estimate population modelling (100% of rising 21 year olds and 100% of ARE care leavers continue receiving Leaving Care services, n=1,218), giving the estimated average reimbursement to local authorities per former UASC care leaver per annum

Former UASC care leaver funding category		Home Office funding rates 2019/20		Projected regional former UASC care leaver demographics for 2024*	Weighted Home Office funding contribution
		Per week	Per annum		
Legacy cases	Up to first 25 FTE threshold	£0.00	£0.00	10.59%	£0.00
	Above 25 FTE threshold	£150.00	£7,800	6.98%	£544
National rate		£200.00	£10,400	82.43%	£8,573
Estimated weighted average Home Office funding per former UASC care leaver per year, at 2024					£9,117

*Based on current Legacy and National rate LAC UASC and care leaver numbers in the care of East Midlands' local authorities

4.6 As the fraction of Legacy rate care leavers within the regional cohort falls over time and the proportion of National rate care leavers increases, there is a concomitant estimated increase in the weighted average Home Office funding per former UASC care leaver to £9,117 per annum by 2024. This allows an upper estimate for the funding shortfall to the region, based on the population modelling of 1,218 care leavers by 2024 (see Table 6) of £9.12 million. Assuming the same proportions of Legacy rate and National rate care leavers apply to the lower population estimate of 711 former UASC care leavers by 2024 (see Table 5), and hence the same weighted average Home Office funding contribution, a lower estimate for the funding

shortfall to the East Midlands can be calculated at £5.32 million per annum by 2024. If the rate of inflation is assumed to be 2% per annum over the next 5 years, the funding shortfall to the region by 2024 can be projected to be between £5.88 million and £10.07 million.

4.7 It should be noted that the shortfall estimated in para 4.6 may prove to be significantly larger, due to the number of former UASC potentially remaining in Leaving Care services post-21 not in a planned programme of education or training and thereby ineligible for Home Office funding⁹. The full impact of the new duties under the C&SW Act is still to be realised but the number of former UASC care leavers

²⁵ The highest number of Legacy rate care leavers is projected to be in 2020, then decrease and by 2023 Legacy numbers are expected to fall below current levels and thereafter continue to fall.

aged 21+ out of scope for Home Office funding over the next 5 years is potentially substantial, adding further pressure to local authority budgets beyond the estimated shortfalls reported here. **Therefore, it is recommended that the Home Office reviews its current funding criterion which excludes former UASC aged 21+ not in a planned programme of education or training.**

- 4.8 If the East Midlands' 2017 figure⁴ of £55,194 per LAC UASC per annum is adjusted for inflation²⁶ to £57,037, and using the revised Home Office UASC funding arrangements²⁴ (£41,610 per UASC per annum), the current shortfall per UASC is £15,427 per annum. This equates to a shortfall to the region in caring for the current cohort of unaccompanied asylum seeking children (n=299) of £4.61 million²⁷. It should be noted that, although the actual shortfall per LAC UASC is greater than that per former UASC care leaver, these results demonstrate that the overall shortfall for the former UASC care leaver cohort is greater than the UASC cohort due to the significantly larger population in Leaving Care services. Similar findings are also reported elsewhere²⁸. The greater shortfall to Leaving Care services is likely to become more pronounced over the medium term as the cohort of former UASC care leavers is predicted to grow at pace, whilst LAC UASC numbers remain relatively stable.
- 4.9 Therefore, by combining the figures for the funding shortfalls for former UASC care leavers (18-24 year olds) and LAC UASC (aged under 18), the total shortfall currently to East Midlands' local authorities in their care of unaccompanied asylum seeking children and young people is calculated to be £9.81 million. By 2024, this shortfall can be estimated to be between £9.93 million and £13.73 million. These figures can be expected to be higher in reality due to inflation, and at an inflation rate of 2% per annum, the combined funding shortfall to the region in 2024 is projected to be between £10.96 million and £15.16 million.
- 4.10 In response, East Midlands Councils, the East Midlands SMP and local authorities are working together to develop a range of opportunities to reduce costs, including: a regionally commissioned UASC foster care and supported lodgings recruitment and support project, financed by a grant from the Controlling Migration Fund; a shared commissioning approach to immigration advice; a regional approach to ARE care leaver support; exploration of bespoke UASC-specific accommodation options; joint commissioning to reduce placement and other costs; targeted and bespoke training for staff and carers; further utilisation of the NRPFC Connect database; sharing of best practice; and building partnerships across the sector. In addition, the East Midlands SMP and local authorities will continue to work with the Home Office and Police to introduce new ways of joint working around 'spontaneous' UASC arrivals, to enhance safeguarding and reduce incidents of children going missing.
- 4.11 The Government has recognised previously the burden placed on local authorities as a result of the increase in numbers of UASC²⁹ and, by removing the Legacy tariff for UASC, has more recently acknowledged that previous funding arrangements were inadequate for under 18 year olds. However, the significant financial burden that local authorities continue to incur in the provision of Leaving Care services for former UASC remains. It is not unreasonable to postulate that were funding arrangements to be aligned to actual Leaving Care costs, it might support local authorities which are currently unable to participate in the NTS on funding grounds to review their decisions. The East Midlands Strategic Migration Partnership welcomes the Home Office's review of former UASC care leavers and the commitment that further consideration will be given to UASC funding in the next Spending Review³⁰.

The total shortfall currently to East Midlands' local authorities in their care of unaccompanied asylum seeking children and young people is calculated to be £9.81 million.

²⁶ Based on available [Bank of England inflation data](#) to 2018, averaging 3.3%.

²⁷ This figure is lower than the regional UASC funding shortfall of £7.46 million per year reported⁴ in 2017 due to the uplift in Home Office funding tariff from April 2019.

²⁸ [Unaccompanied Asylum Seeking Children Report \(Item 4\)](#) Leaders' Committee, London Councils (9 July 2019)

²⁹ [Government's response to the House of Lords European Union Committee report – Children in Crisis: unaccompanied migrant children in the EU](#) Unaccompanied minors in the EU inquiry, EU Home Affairs Sub-Committee (Nov 2016)

³⁰ [Conclusion of the Unaccompanied Asylum-Seeking Children \(UASC\) funding review](#) Minister of State for Immigration (8th May 2019)

Other cost drivers and challenges for Leaving Care services

4.12 Home Office delays in deciding asylum claims and appeals have a number of significant implications for Leaving Care costs. These delays can substantially affect a former UASC care leaver's opportunities to pursue training or higher education, especially where they are categorised as overseas students for fees purposes by UK universities³¹. However, the recent changes in UK Visas and Immigration service standards for asylum case working³² to reprioritise cases by focusing on claims with acute vulnerability and those in receipt of the greatest level of support, including UASC, might in time serve to reduce the impact of this and other current cost drivers.

Home Office delays in deciding asylum claims and appeals have a number of significant implications for Leaving Care costs.

4.13 Local authorities support former UASC care leavers to claim mainstream benefits where there is eligibility (typically when granted leave to remain), thereby reducing accommodation and other costs including personal allowance expenditure. This is reflected in part in the lower average accommodation costs reported here (see Table 2) when compared to the average costs reported previously⁴ for UASC children in care across equivalent accommodation types. However, former UASC care leavers with undetermined asylum status are ineligible for mainstream benefits and so Leaving Care services incur costs for accommodation (as the care leaver is ineligible for Housing Benefit or gaining paid employment) and subsistence (as the care leaver is ineligible for Job Seekers Allowance or equivalent, and barred from entering employment). It has been reported that these circumstances can have an adverse effect on the young person's wellbeing: *"Aspects of immigration and asylum policies are detrimental to the wellbeing of migrant young people becoming 'adult' and may have long term impact on their capacity to contribute to society in the UK or elsewhere"*³³. Potentially related to this, some local authorities raised concerns that care leavers with delayed decisions were at higher risk of going missing (and see Partner Agencies: Police, para. 4.17 below).

4.14 Former UASC care leavers who become Appeal Rights Exhausted (ARE)³⁴ also result in higher costs to local authorities, both for the reasons outlined above (para. 4.13) as well as specifically the cost of conducting Human Rights Act assessments and providing staff training for this purpose. Where these assessments result in legal challenge, considerable additional expense would be incurred, including where the local authority is successful in defending the challenge. As identified above (paras. 3.4-3.5 and Table 2) average accommodation costs determined specifically for ARE care leavers and personal allowance payments (for ARE care leavers and those with undetermined asylum status) combined contribute £1,920 (11.6%) to the total average cost of £16,602 per care leaver per annum. This figure does not include other costs associated with support for ARE care leavers, e.g. staffing costs. Current Home Office funding arrangements render ARE care leavers ineligible for funding after 3 months⁹, but local authorities report that it regularly takes considerably longer than 3 months to conduct the process of withdrawing support. **Given the significant contribution to the overall costs to Leaving Care services of Appeal Rights Exhausted young people, and that ARE care leavers currently represent 14% of the former UASC cohort, a review of this criterion within the Home Office's funding instruction would be welcomed.**

4.15 Even when a young person is granted refugee status, local authorities report numerous instances where difficulties have been experienced claiming benefits, stemming from DWP requirements around forms of identification and internal processing delays. This can delay the commencement of benefit payments for significant periods, and means that local authorities continue to fund accommodation and subsistence costs when mainstream benefits should be in place. Where Universal Credit is in operation, local authorities report costs incurred when the Housing Benefit element is paid to the care leaver rather than directly to the accommodation provider. In their capacity as corporate parents, local authorities consider this level of responsibility given to care leavers may not always be appropriate, reflected in the fact that the local authorities often fund missed rent payments to prevent the care leaver's potential eviction.

³¹ [Access to higher education for young refugees and migrants](#) Migrant Children's Project Fact Sheet (May 2017), Coram Children's Legal Centre

³² [Asylum: Mental Health: Written question – 252010](#) UK Parliament (8 May 2019)

³³ [Health and wellbeing, Becoming Adult Research Brief](#) no. 5, (2017) London: UCL, E. Chase

³⁴ For a discussion of Appeal Rights Exhausted processes and consequences, see [Pathways Through Care and After: Unaccompanied minors in England](#) Social Work & Society, 15:2 (2017) J. Wade

4.16 'Staying Put' arrangements incur additional costs for local authorities when unaccompanied migrant children are enabled to remain with their foster family as care leavers after turning 18. The Department for Education provides a modest grant to councils to support them with the costs incurred through these arrangements³⁵ which will partially offset the costs identified here. This research found that one in ten former UASC young people remain in foster care under Staying Put (11%) at an average cost of £12,413 per year. Whilst this is not the most expensive accommodation type (cf. Table 2, above), it is more expensive than a move to independent accommodation. It also adds further pressure on the availability of foster placements for UASC and other looked after children, due to the impact on the foster carer's capacity and the assessment of their on-going suitability to foster due to the presence of the (adult) care leaver within the fostering household.

Partner agencies

Police

4.17 Police forces in the region are the lead authorities in missing person investigations. Unaccompanied children are at increased risk of going missing² and sadly, a number of UASC and former UASC care leavers are known to have gone missing from local authority care. Due to their vulnerability, police forces can devote significant amounts of resources to find these missing children and young people. One force in the region has indicated that a cost analysis of missing person investigations conducted by the University of Portsmouth³⁶ in 2012 which identified a figure of between £1,325 and £2,415 for a medium risk missing person investigation remains a reasonable estimate of police costs, although this could rise considerably for high risk cases. The link between unaccompanied children going missing and victims of modern slavery is well known² and the average unit cost of a modern slavery crime identified by the Home Office, £328,720, is higher than the unit cost of any other crime type, apart from homicide³⁷.

Health Services

4.18 Unaccompanied asylum seeking children and care leavers have significant and sometimes complex physical and mental health needs. These are influenced by access (or lack of access) to basic healthcare in their home country, their experience of hardship, including the witnessing and experiencing of traumatic events, and the duration of and conditions experienced on their journey to the UK. The most important physical health issues relate to: communicable diseases (e.g. Tuberculosis (TB)) and tropical diseases not common in the UK (e.g. Malaria); parasites; the effects of malnutrition; physical injury including torture, beatings and war wounds; sexual health and exploitation, including the possible effects of rape; and Female Genital Mutilation (FGM)³⁸. Costs will be incurred by health services providing appropriate specialist screening, as well as a number of primary care appointments with general practice (£31.00 per 9.22 minute consultation)³⁹, dental (£22.17 per 10 minute appointment)³⁹, and optometry services (£21.31 per NHS sight test)⁴⁰. Anecdotal information from Clinical Commissioning Groups (CCGs) indicated that TB screening for young people from high risk countries cost £10.00 per person, with approximately 20% requiring treatment at a cost of £500 per care leaver. Consideration is also given to providing screening services for those not from high risk countries but who are nonetheless at risk by the nature of their journeys to the UK through exposure to TB en route.

A number of UASC and former UASC care leavers...have gone missing

³⁵ [S31 Staying Put Implementation Grant \(New Burdens\) Determination Letter 2018-19](#) Department for Education (28 February 2018). For the entire East Midlands care leaver cohort (including former UASC), the total income from this grant equates to a little over £520 per care leaver for the financial year 2018-19. An additional £10 million funding has recently been announced to expand Staying Put: [Vital new support for young people leaving care](#) Department for Education (23 October 2019)

³⁶ [Establishing the Cost of Missing Person Investigations](#) The Centre for the Study of Missing Persons, University of Portsmouth, K. Shalev Greene and F. Pakes (August 2012)

³⁷ [The economic and social costs of modern slavery: Research Report 100](#) Home Office (July 2018)

³⁸ [The Health Needs of Unaccompanied Asylum Seeking Children and Young People](#) John Simmonds and Florence Merredew (October 2010), in SCIE/NICE Guidance: [SCIE/NICE recommendations on looked after children: Promoting the quality of life of looked-after children and young people, Expert Paper 23](#)

³⁹ [Unit Costs of Health and Social Care 2018](#), Personal Social Services Research Unit, University of Kent, Canterbury, Curtis, L. & Burns, A. (2018)

⁴⁰ [GOS Sight Test Fees](#) The Federation of (Ophthalmic and Dispensing) Opticians [accessed 16 September 2019]

4.19 Unaccompanied asylum seeking children and care leavers are also at high risk of mental illness. The prevalence of symptoms consistent with a mental illness in UASC has been reported⁴¹ as up to 48%. The most common mental illnesses identified are post-traumatic stress disorder (PTSD), mood disorders and agoraphobia. Local authorities report that mainstream child and adolescent mental health services (CAMHS) are not always able to meet adequately the specific psychological needs of UASC. Anecdotal information provided by a CCG for a specialist counselling provision for young asylum seekers and refugees gave an indicative cost for the service of £45,500 per annum. Online counselling support funded by the CCG which is accessible by all Looked After children in one local authority area, including UASC, cost approximately £766 per eligible child per annum, with drop-in sessions adding a further £195 annually per eligible child in care. It is important to note that UASC may show delayed presentations of mental illness, necessitating ongoing observation and repeat assessment. Continuity of support and a streamlined transition to adult mental health services as unaccompanied children become care leavers are therefore key considerations for this cohort.

The prevalence of symptoms consistent with a mental illness in UASC has been reported⁴¹ as up to 48%

4.20 The specific link between the mental health of unaccompanied migrant children and care leavers and their asylum status has been reported: *“Young people’s state of mental health and wellbeing was often defined by experiences of the journey combined with post-migration experiences, the latter frequently creating or exacerbating anxieties and/or symptoms of trauma. Legal status could directly impair mental health or conversely have a transformative effect in the case of a positive judgement on an asylum claim. Significant stress and anxiety were associated with immigration processes coinciding with transitions at 18 years”*³³.

4.21 Former UASC care leavers with limited English language or literacy can find it difficult to engage with health services, and may need ongoing language interpretation support. The NHS has obligations to reduce inequalities between patients accessing services, which may include interpretation services. Whilst the British Medical Association recognises that professional language interpretation services can be costly, it recommends that *“GP practices urge their commissioners to fund these services”*⁴².

4.22 It is clear that a significant number of factors needs to be considered within the planning, commissioning and delivery of health services for unaccompanied asylum seeking children and care leavers. The development and costing of a national model of the healthcare needs of UASC and former UASC care leavers, to mitigate as far as possible the potential harm to these children and young people, would assist NHS and local authority Sustainability and Transformation Partnerships/ Integrated Care Systems in coordinating and developing local health and care services.

4.23 Funding for health services providing care to both unaccompanied asylum seeking children and former UASC care leavers is not currently in scope for Home Office funding, and therefore all service provision to this vulnerable cohort, often with complex needs, is reliant on existing health budgets. By contrast, for refugees transferred to the UK under the Vulnerable Person’s Resettlement Scheme (VPRS), the Government makes a per capita payment of £2,600 to Healthcare providers for each refugee supported⁴³. The health needs of former UASC care leavers are unlikely to be qualitatively less than refugees transferring under the VPRS; indeed as the care leavers are unaccompanied it is not unreasonable to postulate that, on average, their health needs might in fact be even greater⁴⁴. **Therefore, a review of the Home Office’s funding arrangements for healthcare provision for both unaccompanied asylum seeking children and care leavers would be welcomed.**

Therefore, a review of the Home Office’s funding arrangements for healthcare provision for both unaccompanied asylum seeking children and care leavers would be welcomed.

41 [Health Needs Assessment – Unaccompanied children seeking asylum](#) Kent Public Health Observatory (March 2016)

42 [BMA refugee and asylum seeker health resource](#) British Medical Association (2019)

43 [Funding healthcare in England in support of the Resettlement Scheme](#) Home Office (May 2019)

44 Mental health problems are known to be higher amongst unaccompanied minors than those asylum-seeking children arriving with family: [Mental health issues in unaccompanied refugee minors](#) Child and Adolescent Psychiatry and Mental health, 3:13 (2009), J. Huemer *et al.*

Voluntary and Community Sector

4.24 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 severe pressures on local authority budgets, the VCS provides vital additional services across a range of unaccompanied care leavers' needs, including accommodation, practical and emotional support, advice, information, and advocacy; as well as training courses for other organisations working with UASC and care leavers. Appendix C contains examples of the pressures on VCS organisations supporting former UASC care leavers in the East Midlands.

Former UASC care leaver funding and pressures in wider context

4.25 Over the past 20 years, the statutory requirements upon local authorities in respect of their duties to young people leaving care have increased. The Children (Leaving Care) Act 2000⁴⁵ introduced requirements on local authorities to assess the needs of young people once they left care, provide Personal Advisors, and develop a Pathway Plan. This support was available to qualifying care leavers up to age 21 and beyond in some cases. In the Children and Young Persons Act 2008⁴⁶, these duties were extended to require local authorities to provide support from a Personal Adviser to care leavers who start or resume a programme of education or training after the age of 21 but under the age of 25 years. And recently, the Children and Social Work Act 2017¹⁷ requires local authorities to publish their offer of support to young people leaving their care (the "local offer") and removes the requirement for certain care leavers to be in education or training to obtain support from a personal adviser and get other help from the local authority between 21 and 25 years of age. It also introduced the corporate parenting principles for councils in respect of both looked after children and care leavers.

Over the past 20 years, the statutory requirements upon local authorities in respect of their duties to young people leaving care have increased.

4.26 The Department for Education's policy establishing the new duties that apply to care leavers as set out in Section 3 of the Children & Social Work Act 2017 is likely to serve to increase the population of former UASC care leavers as those turning 21 choose to continue to receive Leaving Care services. It is considered by local authorities more likely that former UASC will take up this opportunity than their citizen care leaver peers as former UASC are far less likely to have existing networks upon which to rely (early evidence supports this supposition, see para 3.30 above), as well as requiring support with outstanding asylum claims or appeals. With local authorities publishing their Care Leaver Offer, former UASC who have already left Leaving Care services are considered likely to return to those services, again because of a lack of external support networks, as well as the likelihood that many will be eligible for, and require corporate parental support with, applications for further Leave to Remain between the ages of 21 and 25. Additionally, as noted above (para. 3.15), those former UASC care leavers aged 21+ who are not in education, employment or training (NEET) or are detained in a Young Offenders Institute or prison are ineligible for Home Office funding. The impact of these new duties are yet to be fully realised within the region, but the expectation is that it will see a significant increase in the number of former UASC within the Leaving Care system.

4.27 The New Burdens assessment⁶ for these new duties is widely considered to underestimate the financial impact on Leaving Care services. In its inquiry report into Children's Services Funding, the Housing, Communities and Local Government Committee concluded that "*long-term inaccuracies in funding are likely to have a significant impact on local authority budgets*" and recommended that the Government, "*prioritise the review of those new burdens, which were identified in the written evidence we received in the course of our inquiry as being underfunded such as support to care leavers up to the age of 25 years*"⁴⁷. For the 2019-20 financial year, the total combined grant to the East Midlands for this new burden is £430,336⁴⁸. This figure covers all eligible care leavers, not only former UASC. Former UASC care leavers account for 17.8% of the overall Leaving Care population in the region and therefore £76,600 of the total grant pro rata. This equates to 1.5% of the current annual shortfall (£5.20 million) incurred by local authorities in the provision of Leaving Care services to former UASC identified in this report.

45 [Children \(Leaving Care\) Act 2000](#) HM Government (2000)

46 [Children and Young Persons Act 2008](#) HM Government (2008)

47 [Funding of local authorities' children's services](#) Fourteenth Report of Session 2017-19, Housing, Communities and Local Government Committee (1 May 2019)

48 [S31 Extended Personal Adviser duty Implementation Grant \(New Burdens\) Determination Letter 2019-20 \[GR1000737\] \[No 31/3264\]](#) Department for Education (22 March 2019)

4.28 The effects therefore of the new duties are both to put further budgetary pressure on local authorities currently participating voluntarily in the National Transfer Scheme and UASC Resettlement programmes, and to weigh against those local authorities without agreement currently to participate in reviewing their position. Moreover, local authorities in the East Midlands are not aware of any commitment by the Department for Education to provide further funding for these new duties after March 2020 despite the fact that the additional demands on Leaving Care services will remain, and indeed are likely to increase⁴⁹. The Department for Education's care leaver policy is adversely impacting the Home Office's UASC NTS and Resettlement policies. **There is a request therefore arising here for individual Government departments to consider the wider implications of their policy changes on the policies of other departments, and work more closely together to lessen the future likelihood of unintended adverse consequences.**

4.29 At the start of 2019, the National Audit Office reported⁵⁰ that the total national overspend on children's social care (2017-18) was £872 million. In May 2019, a report by PricewaterhouseCoopers⁵¹ for the County Council Network identified that local authorities face a £51.8 billion funding shortfall over the next 6 years. In this extremely challenging context, the 2019 Spending Round⁵² announced by the Chancellor in September 2019 providing a funding package of more than £3.5 billion for local government, including £700 million for children and young people with special educational needs and disabilities, is welcome. Indeed, the Local Government Association notes that this is "*the biggest year on year real terms increase in spending power for local government in a decade*"⁵³. However, the current level of the local government finance settlement means that council budgets widely remain considerably overstretched and does not provide a sustainable alternative source of finance to make up the substantial funding shortfalls identified in this report.

Former UASC care leavers have higher levels of needs requiring higher levels of on-going support into Leaving Care on average than their citizen peers.

Increased funding for former UASC care leavers

4.30 Government identifies² UASC as some of the most vulnerable children in the UK. As discussed above, because of the circumstances they have faced, unaccompanied asylum seeking children and care leavers often have complex needs in addition to those faced by citizen children in care and care leavers more generally, including higher prevalence of post-traumatic stress disorder and other serious psychological needs, physical health issues, isolation and lack of family network, lack of English proficiency, lack of formal education, increased risk of trafficking/modern slavery or other forms of exploitation including radicalisation, uncertainty over immigration status, increased risk of going missing, and religious-cultural needs. Given these complex needs, the disproportionate increase of former UASC care leavers in the region and beyond is placing particular strain on Leaving Care services due to the specialist support required in order to meet their needs effectively under the seven 'corporate parenting principles'¹⁷.

4.31 Added to this, most UASC come into local authority care aged 16-17, in contrast to citizen Looked After children who typically become cared for at an earlier age. Local authorities therefore have less time to support unaccompanied asylum seeking children than citizen LAC prior to them leaving care, and find that former UASC care leavers have higher levels of needs requiring higher levels of on-going support into Leaving Care on average than their citizen peers. This is compounded by the reduced opportunities for Leaving Care planning available to councils for the unaccompanied asylum seeking children in their care, where this planning typically begins for citizen Looked After children between the ages of 12-14.

4.32 Given these complex needs and service challenges, Local authorities have identified former UASC care leavers as a qualitatively different cohort within the wider Leaving Care population⁵⁴, on average incurring higher costs than their citizen peers around accommodation (particularly cases with an outstanding asylum decision or ARE), more intensive support hours, weekly allowance (cases with outstanding asylum decisions or ARE), translation and interpretation, navigating the asylum system, travel to legal and asylum appointments, higher education costs, transition to independence, and integration.

49 Significant uncertainties remain for local authorities in their implementation of the new duties, including the need for clarification around ARE care leavers, and whether the nature and level of support envisaged within the C&SW Act includes the necessarily intensive support regarding immigration status.

50 [Pressures on children's social care](#) National Audit Office (23 January 2019)

51 [Independent review of local government spending need and funding](#) PricewaterhouseCoopers LLP (May 2019)

52 [Spending Round 2019: document](#) HM Treasury (4 September 2019)

53 [2019 Spending Round: On the Day Briefing](#) Local Government Association (4 September 2019)

54 [Uplift in UASC funding rate confirmed](#) The Association of Directors of Children's Services Ltd. (8 May 2019)

4.33 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 former UASC care leavers, some of the most vulnerable young people within society, has never been greater. Not only would increased funding levels assist in local authorities' statutory responsibilities to support care leavers who arrived 'spontaneously' as UASC within their boundaries and meet the underfunded new duties imposed upon them by the Children and Social Work Act 2017, but it would support the case for on-going and widened voluntary participation in the National Transfer Scheme and other Government UASC Resettlement programmes. All participating local authorities in the region have identified costs as a risk factor in their continuing participation in voluntary UASC transfers. Moreover, several local authorities within the East Midlands have identified present funding levels as a determinant factor in their current non-participation in the NTS.

4.34 This report has identified a substantial shortfall between local authority costs in providing Leaving Care services to former UASC and current Home Office funding, and indeed this shortfall is even greater overall than the shortfall incurred for UASC children in care. The ability of Government to begin finally to reverse the extraordinary cuts to local authority finances under the last decade's austerity agenda has been evidenced by the 2019 Spending Review. The increase in Home Office UASC funding is welcomed as a recognition that previous levels of funding were insufficient but further work needs to be done to ensure that funding fully meets the costs incurred by Children's Services going forward⁵⁵.

In order to enable councils to fulfil their duties as corporate parents, and if the National Transfer Scheme and UASC Resettlement programmes are to continue to receive local government support and indeed expand to facilitate increasingly equitable distribution of UASC across the country, the case for Government funding levels which reflect the actual costs to local authorities in support both of UASC and former UASC Care Leavers must surely be an urgent priority.

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 former UASC care leavers, some of the most vulnerable young people within society, has never been greater.

Acknowledgements

East Midlands Councils would like particularly to thank all of the local authority UASC Lead Officers within the region without whose invaluable input this report could not have been undertaken, and the support and insightful contributions from Members of the East Midlands Regional Migration Board, Directors of Children's Services, Leaving Care Strategic and Services Managers, Finance Officers, Placements Managers, Data Officers and other local authority colleagues, Health Service Leads in the region and beyond, Police Leads, the Baca Charity, After 18, the ADCS, and the LGA.

⁵⁵ [LGA responds to UASC funding announcement](#) Local Government Association (8 May 2019)

5. Appendices

Appendix A: Demographics of all care leavers (including former UASC)

- 5.1 Data were collected for the demographics of all care leavers aged 18-24 in the East Midlands as at 2nd January 2019, Table 9. N.B. Data include the former UASC cohort.

Table 9: Demographics of all care leavers, including former UASC, in the East Midlands

Age	Number of all care leavers (citizen + UASC)	Number of all care leavers, male	Number of all care leavers, female	Number of former UASC care leavers	Proportion of former UASC in total care leaver cohort
18	697	412	285	168	24%
19	721	463	258	145	20%
20	607	346	261	102	17%
21	351	194	157	51	15%
22	180	102	78	13	7%
23	126	66	60	12	10%
24	109	61	48	5	5%
Total	2791	1644	1147	496	-

Appendix B: Countries of origin of former UASC care leavers in the East Midlands

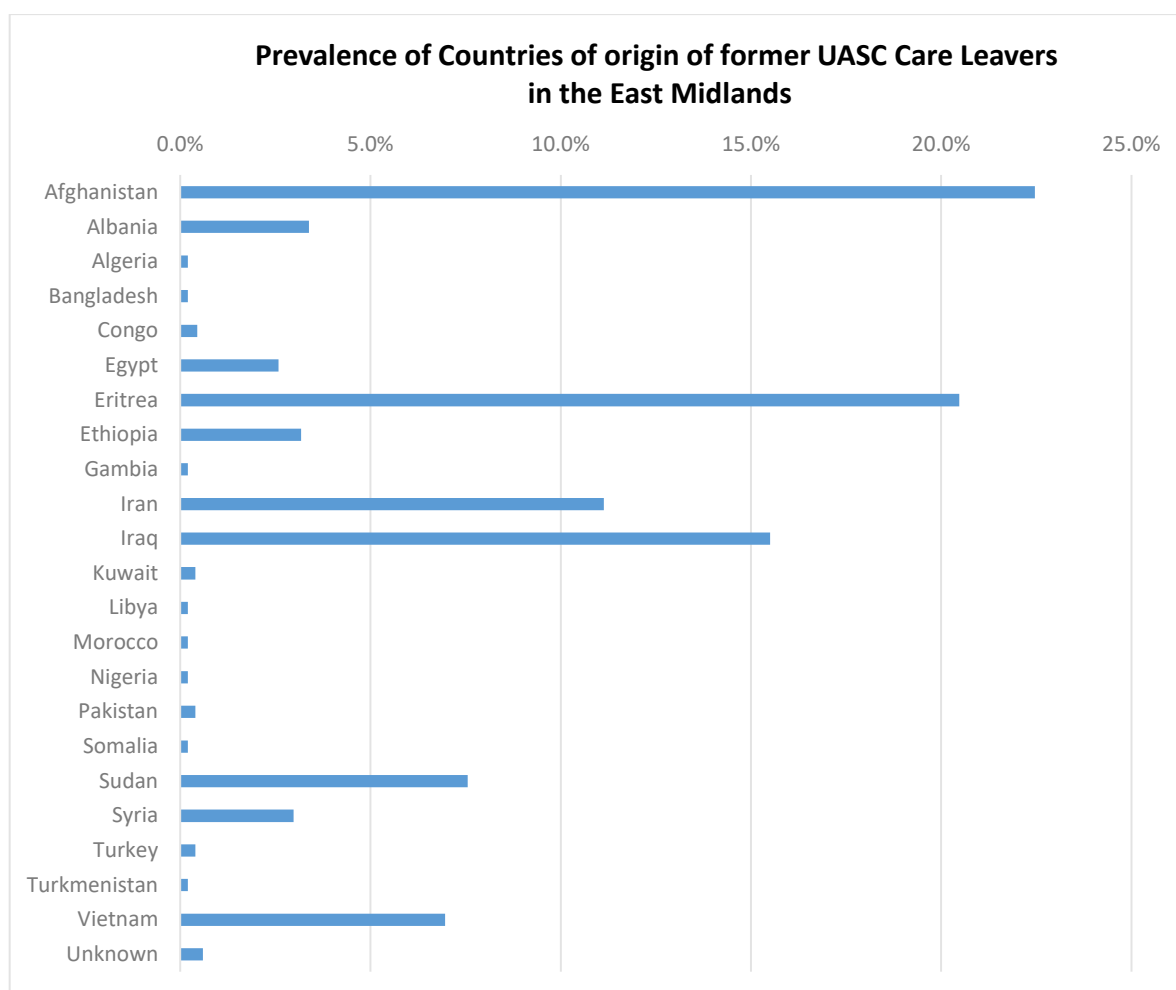
- 5.2 Countries of origin were provided for 99.4% of the former UASC care leaver cohort, with 0.6% recorded as unknown. A total of 22 different countries of origin were identified as at 2nd January 2019, see Table 10 and Figure 5 below.

Table 10: Countries of origin of former UASC care leavers in the East Midlands

Country of origin	Proportion of former UASC care leaver cohort	Rank order (1 = most prevalent)
Afghanistan	22.5%	1
Albania	3.4%	7
Algeria	0.2%	=15
Bangladesh	0.2%	=15
Congo	0.4%	=11
Egypt	2.6%	10
Eritrea	20.5%	2
Ethiopia	3.2%	8
Gambia	0.2%	=15
Iran	11.1%	4
Iraq	15.5%	3

Kuwait	0.4%	=11
Libya	0.2%	=15
Morocco	0.2%	=15
Nigeria	0.2%	=15
Pakistan	0.4%	=11
Somalia	0.2%	=15
Sudan	7.6%	5
Syria	3.0%	9
Turkey	0.4%	=11
Turkmenistan	0.2%	=15
Vietnam	7.0%	6
Unknown	0.6%	-

Figure 5: Prevalence of countries of origin of former UASC care leavers in the East Midlands



Appendix C: Examples of the impact of former UASC care leavers on the Voluntary and Community Sector

Evidence provided by Baca

- 5.3 Baca⁵⁶, through this evidence, aims to highlight the difficulties in three key areas faced by UASC care leavers. The lack of appropriate support available in these areas significantly impacts their chances of transitioning into adulthood as empowered individuals who positively contribute to their local communities, the added consequence of which is the cost it creates for the third sector, the local authority and ultimately the wider society.
- 5.4 The first area of concern from our experience for most UASC young people who become care leavers is the amount of time they have to wait for the initial decision on their asylum claim or appeal. The latest immigration statistics⁵⁷ show 25% of asylum applications made by UASCs have been refused in 2019. The impact of waiting for a decision on a young person is significant. Most of these vulnerable young people are placed in environments where they do not have the appropriate support to help them transition to adulthood. The lack of control over their future and the unknowns around their asylum claim creates a situation where the likelihood of an already fragile emotional health state worsening is very high. They naturally turn to the health care services in their area for help. However, our experience shows the health care system does not have the capacity to respond to these non-urgent/life threatening needs. This leaves most of them in a very vulnerable state that is likely to go from bad to worse, resulting in impacts on their physical health and their social wellbeing and ultimately making them vulnerable to exploitation.
- 5.5 Secondly the delayed asylum decisions, depending on their age (set by the education funding agency), also cause restrictions in enrolling on to college courses, resulting in them not achieving educational qualifications. The lack of qualifications significantly impairs their chances of gaining access to further education, training or employment. The lack of opportunities in these areas mean they are more vulnerable to grooming for exploitative purposes.
- 5.6 More recently, Baca has also experienced several instances where care leavers do not have suitable accommodation provision to move on to after leaving care. The lack of social housing and the lack of wider care leaver accommodation options leaves young people in a highly vulnerable situation. Access to accommodation is also influenced by the delays in asylum decisions as it doesn't allow these care leavers to access public funds. Baca has come across instances where young people have been moved into hostels or bed and breakfasts that are completely unsuitable as long term living arrangements.
- 5.7 As a result of this situation, most of these vulnerable young people are exposed to real risk of exploitation through county lines, sexual exploitation, trafficking etc. Baca has come across instances where young people who have left care have been exposed to grooming for exploitation. Vulnerabilities to exploitation faced by care leavers have also been recently highlighted by a BBC report⁵⁸.
- Most of these vulnerable young people are exposed to real risk of exploitation.***
- 5.8 Whilst it is difficult to present a specific financial cost to a specific group, it is inescapable that the above situation does create costs for all different groups in a community. The lack of suitable transitional support, access to education, housing and reasonable times for processing asylum claims mean that essential services like healthcare and policing are paying the price. It also needs to be recognised that the point at which these services pick up the pieces, it is almost too late for the young people and also for the communities they live in.
- 5.9 Based on our experience, Baca would like to make a case for supporting these UASC care leavers to transition positively into adulthood, by having a more integrated approach across various sections of civil society. Baca believes that such an approach will significantly reduce the negative costs, financially and otherwise, to the whole system.

⁵⁶ <https://www.bacaproject.org.uk/>

⁵⁷ <https://www.gov.uk/government/publications/immigration-statistics-year-ending-june-2019/how-many-people-do-we-grant-asylum-or-protection-to>

⁵⁸ <https://www.bbc.co.uk/news/uk-48300157>

Evidence provided by After18

- 5.10 After18⁵⁹ is a Leicester based charity which helps unaccompanied children (looked after), care leavers and young adults from an asylum-seeking background to adjust to life in the UK.
- 5.11 We offer one to one emotional and practical support to young people including care leavers. Whilst our support targets those young people not eligible for social care we are frequently asked for advice and support from care leavers and looked after children as well as those supporting them.
- 5.12 In Leicester many looked after children are out of area placements. This makes it difficult to source statistics about how many young refugees there are in Leicester. The looked after children once settled tend to remain in the city leading to significant numbers of “out of area care leavers”
- 5.13 The main cost to our organisation of supporting care leavers is through staff time and resources to respond to young people to enable them to feel supported. The impact on our services of care leavers from a refugee/asylum seeking background can be summarised in the following issues:

1) When looked after children become 18 sometimes they are recalled back to their local authority area which is highly disruptive for them (and often requires our advocacy to have their preferences heard) or they remain in the area they have been living.

Therefore, we work with many young people who have key workers 50 plus miles away who only visit once every 6-8 weeks. They have no local knowledge and a limited relationship with the young person. They have limited capacity to support young people with going to appointments. There is high staff turnover in our experience and some local authorities outsource their leaving care provision creating confusion about responsibility. Young people are therefore frequently not getting a service level which meets their needs fully and effectively.

The cost to the voluntary sector of this distance is that organisations like ours have to spend staff time:

a) Giving information to key workers about local housing providers and support/leisure organisations.

b) Being asked by key workers to attend appointments with young people because they can't get over and the young person is not capable of attending without support.

c) On young people not understanding letters but because key workers are not allowed to use WhatsApp they are sending photos of them to us to explain or to forward by email to their key workers.

d) Repeatedly phoning between providers and Local Authorities for a decision only to be passed back and forth with each saying it is the other one's responsibility.

e) Form filling with young people, explaining processes and expanding on the signposting information given to them by their key workers so that they understand and are confident in what they need to do.

f) Preparing scholarship applications, CVs, grant applications for items needed.

- 5.14 These tasks could be considered the role of the key worker but they are not having the capacity to fulfil them. The young people that are referred directly by key workers tend to be the ones which have the highest level of needs which they are not able to fully support from afar. These cases are the most time-consuming.

Meanwhile we understand that local key workers are also travelling all over the country to visit our out of area young people, replicating this elsewhere. Young people are simply not getting enough time with their key workers to have their needs fully met. If key workers are spending 4 hours a day driving to out of area placements it cuts into their work time and effects the care for all the young people they support, not just the out of area ones.

2) The voluntary sector bears the cost of the post 18 support for those children arriving close to their 18th birthday who are not eligible for leaving care support. These young people have the same needs to care leavers but no social care and rely on the voluntary sector for information and support.

- 5.15 In the past year, After18 has supported 20 former UASC care leavers, at a cost of around £7,500 in direct support costs, with an estimated further £7,500 in kind costs.

⁵⁹ <https://www.after18.org.uk/>

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