

# Leaving and After Care Finance Handbook

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## About this document

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# Introduction

This document outlines the financial protocols of Essex County Council's Leaving and After Care Service. The payment rates are current for the year April 2024 to March 2025. Where the document identifies a possible benefit entitlement, this is for signposting purposes only. Benefit legislation is complex, and no person has an absolute guarantee that they will receive welfare benefits, even where they have an underlying entitlement. The Leaving and After Care Benefits Adviser can provide further advice and information on all benefit related matters.

## Categories of Young People

The Children Act 1989 as amended by the Care Leavers (England) Regulations 2010 created four categories of young people and care leavers who are entitled to support from the Local Authority after their 16th birthday.

### Eligible Child

Aged 16 or 17 and currently 'looked after', either on a Care Order (Section 31 of the Children Act 1989) or accommodated (Section 20). To be 'Eligible' the young person must have been looked after for a period of 13 weeks, or periods amounting in total to 13 weeks, which began after their 14th birthday and ended after their 16th birthday.

### Relevant Child

Aged 16 or 17 and has left care, having previously been in the category of 'Eligible Child'.

### Former Relevant Child

A young person aged 18 to 21 who has left care having previously been either 'Eligible', 'Relevant' or both. Or they are aged 21 to 25 and in full time education or have requested personal adviser support.

### Qualifying Person

Aged 16 – 21 either where a special guardianship order is in place or was in place when they reached 18 years old, and the child was looked after immediately before the makings of that order. Or, at any time after reaching the age of 16 but while still a child was, but is no longer, looked after, accommodated, or fostered.

### Post 21 Personal Adviser Support

The Children Act 1989 as amended enables former relevant children who are now aged between 21 and 25 years old to receive personal adviser support from the Leaving and After Care Service if required. The financial support entitlements that are outlined in this document



do not apply to these young people, except for the Setting Up Home Allowance. If any young person is receiving a Personal Adviser Support Service and has a need for essential items for their home and have not used the maximum amount, this Setting Up Home Allowance money can be available for them to access up until their 25th birthday.

## **Separated Migrant Children (SMC) / Unaccompanied Asylum-Seeking Children (UASC)**

Most children who arrive in the UK seeking asylum without a parent or guardian, will make an application for asylum and be seen by the asylum screening unit. Commonly they are granted UASC Leave for 30 months, or until they are 17 and a half years old, whichever is shorter. They then can make an 'in-time application' for this leave to be extended, and if they do this before their original leave has expired, they will usually have access to public funds, which includes entitlement to welfare benefits.

If the decision on their application to extend their leave to remain is negative, but they make an in-time appeal, they still have access to public funds until all their asylum appeal rights have been exhausted.

For those young people who are refused asylum and have exhausted all their appeal rights, the Leaving and After Care Service will work in partnership with the Home Office with a view to supporting the young person to return to their country of origin.

Other possible outcomes of an asylum claim:

- Refugee Status (i.e., granted asylum), usually with leave to remain for five years, and access to public funds.
- Humanitarian Protection - which would also allow access to public funds.
- No decision – a young person will not have access to public funds until they receive an initial decision on their claim for asylum.
- Refused asylum with no grant of leave. In this case the young person would not have access to public funds and would be returned to their country of origin.

Some young people may reach their 18<sup>th</sup> birthday before they have received any decision on their initial asylum application, these young people are likely to have no recourse to public funds (NRPF). Following an assessment of needs, if they have no other means of support, they will be provided with a personal allowance and accommodation if required.

### **SMC / UASC and Higher Education (University)**

To be eligible for home fees (rather than overseas student fees) and Student Support (finance) for a higher education course in England, young people are generally required to have a 'settled' status and a right of permanent residence in the UK. The definition of 'settled' status is being both ordinarily resident in the UK and without any immigration restriction on their length of stay. The regulations take this definition of 'settled' from immigration law (Section 33(2A) of the Immigration Act 1971).

There are a number of other categories of Separated Migrant Young People, who may be eligible for financial help with tuition fees and / or living costs to study at higher education level, a full and up to date list is available on the [Government Student Finance Website](#).

If a Separated Migrant Young Person might not be eligible to student finance, they can consider applying to universities which have scholarship programs for people seeking refugee protection in the UK. A full list of which Universities may offer this can be found on the [Student Action for Refugees website](#).

## Qualifying Care Leaver (Section 24)

A qualifying care leaver who is 16/17 years old and has previously been looked after but ceased to be looked after before their 18th birthday, does not have the same restrictions to claiming welfare benefits as eligible and relevant young people do. Because of this the Leaving and After Care Service will not pay a personal allowance or pay for the accommodation costs for these young people.

All qualifying persons aged 16-21 who would like a service from Leaving and After Care will have their needs assessed. Where, following the initial assessment, it is concluded that support will be necessary over a period, a plan will be drawn up with the young person. The plan will outline the support to be provided to the young person, including, if necessary, any financial support.

## Young People in Education

### 16 and 17 years old

#### Personal Allowance

Leaving and After Care have a duty to provide for the maintenance of young people who are eligible or relevant. £87.20 per week is paid if young people are living independently, or in semi-independent accommodation. This includes a £15.50 per week addition to the current benefit rate.

#### Rent

16/17-year-olds who are eligible or relevant are unable to claim Housing Benefit or Universal Credit (housing costs) until they are 18 years old. Where they have a liability to pay rent, it is the duty of the Leaving and After Care Service to pay this.

#### 16 – 19 Bursary Fund

Young people in care and care leavers will be eligible to apply for a vulnerable student bursary of up to £1,200 per year. Some education providers pay this in cash, and some provide items such as a travel pass, free meals, or books instead of money. The provider could also stop payments if certain rules are breached such as attendance or how the bursary money is used.

To be eligible the young person must be aged under 19 at the start of the academic year and studying at school or college, or on an unpaid training course.

In respect of Separated Migrant Young People, the Education and Skills Funding Agency has issued this guidance in terms of their eligibility to the 16-19 bursary:

Separated Migrant Young People do not receive cash support from the Home Office and are the responsibility of the local authority. They are treated as looked after children and are eligible for a vulnerable bursary ('in care' group).

When these young people reach legal adulthood at age 18, institutions must consider their immigration status. If the asylum claim is decided in their favour the local authority must provide them with the same support and services as they do care leavers. As such, they continue to be eligible for a vulnerable bursary until they reach the upper age limit.

Where an asylum claim is not supported, the individual may not be able to stay legally in the UK. When asylum claims have been fully heard and the appeals rights exhausted, an individual has no entitlement to public funds (with a few exceptions because the withdrawal of support would be a breach of human rights).

## **Free Meals in Further Education**

Young people in care, and care leavers are eligible to apply for free meals if they are in education at maintained schools, academy sixth forms and further education colleges. It is a requirement of the Education Act 1996 that these educational establishments provide free meals to eligible disadvantaged students.

A student must be aged 16 or over but under 19 to be eligible to receive a free meal. Students aged 19 or over are only eligible to receive a free meal if they are continuing a study programme, they began aged 16 to 18 (19+ continuers) or have an Education, Health and Care Plan (EHCP).

Free meals are available to disadvantaged students. Free meals in Further Education defines disadvantage as students being in receipt of one or more of the following benefits if they are living independently, or if living with a parent or guardian, that the parent or guardian is in receipt of one of these benefits:

- Income Support
- Income-based Jobseekers Allowance
- Income-related Employment and Support Allowance (ESA)
- Support under part VI of the Immigration and Asylum Act 1999
- The guaranteed element of State Pension Credit
- Child Tax Credit (provided they are not entitled to Working Tax Credit and have an annual gross income of no more than £16,190, as assessed by Her Majesty's Revenue and Customs (HMRC))
- Working Tax Credit run-on – paid for 4 weeks after someone stops qualifying for Working Tax Credit

- Universal Credit with net earnings not exceeding the equivalent of £7,400 pa (after tax and not including any benefits you get)

A student is only eligible to receive free meals when they, or a responsible adult on their behalf, have made a successful application to the institution where they are enrolled.

## **18 years and older**

### **Full-Time Further Education (Non-Advanced)**

Definition: Any course which leads to a qualification below the standard of a degree, NVQ level 4, Higher National Diploma, Diploma of Higher Education, a teaching qualification or similar, which the young person attends for more than 12 hours per week in normal term time (includes tuition, practical work, supervised study, or examinations.)

### **Benefits Entitlement / Personal Allowance**

Young people leaving care who remain in further (non-advanced) education and are not living with their parents or anyone acting in place of a parent, are likely to be eligible to claim Universal Credit when they are 18 years old. The rules state that if they enrol before their 21<sup>st</sup> birthday, they remain entitled to Universal Credit until the end of the academic year in which they turn 21.

The standard allowance rate of Universal Credit for single people aged under 25 is £311.68 per month from April 2024 to March 2025, this will be paid instead of a personal allowance.

### **Rent**

Young people who are in further (non-advanced) education and must pay rent are likely to be eligible for Housing Benefit or Universal Credit (housing costs) between the ages of 18 years old and until the end of the academic year in which they reach their 21<sup>st</sup> birthday.

### **Treatment of Earnings**

For Housing Benefit if the young person's income is less than or equal to their applicable amount (£71.70 per week for a single person aged 18 to 24 years old), they will get all their eligible rent paid for in Housing Benefit. If their income is greater than that, a calculation will be made to determine their entitlement.

For Universal Credit a taper rate of 55 per cent applies. This means that claimants will have their total Universal Credit award reduced by 55 pence for every £1 earned in work.

### **Financial Support from Leaving and After Care**

Where young people remain in full time further education after their 22<sup>nd</sup> birthday, or they begin or are accepted on to a course after their 21<sup>st</sup> birthday, they will not usually be eligible to claim Housing Benefit or Universal Credit.

For these young people, it is possible that Leaving and After Care could provide some discretionary financial support. Any financial support offered to young people in these circumstances will be based on their assessed needs, including the appropriateness of the course, how it will help them to achieve their ambitions, and what other options are available to that young person to help them to attain their long-term goals. These details will be recorded and agreed upon in the young person's Pathway Plan.

## **Further Education Course Fees**

Course fees for young people in further education between the ages of 16 – 19 years old are usually paid for in full by the Local Education Authority (LEA), where the course is approved by the LEA.

Young people aged 19 years and over who continue with further education, may get help with the costs of the course fees from the LEA if they are in receipt of certain welfare benefits. They may also be able to access Learner Support Funds and Hardship Funds directly from the college. In the first instance the young person should contact a Student Adviser at the college, with support from their Leaving and After Care Worker as necessary.

The availability of this funding is dependent upon the subject and level of the course studied, the young person's existing qualifications, and the resources of each individual college's hardship and support fund budgets.

Where all these avenues for the funding of course fees have been explored, but the young person has been unsuccessful in getting help to pay their course fees, the Leaving and After Care Service may be able to provide some discretionary financial support. This will be based on the assessed needs of the young person, including the appropriateness of the course, how it will help them to achieve their ambitions, and what other options are available to that young person to help them to attain their long-term goals. These details will be recorded and agreed upon in the young person's Pathway Plan.

## **Higher Education (Advanced)**

Definition: Higher education (HE) applies to any form of education that results in a level 4+ qualification. This includes HND, foundation degree, university degree or degree apprenticeship.

## **Student Loans / Grants / Bursaries**

Young people going to university are eligible to apply for a Tuition Fee Loan and a Maintenance Loan from Student Finance England, the yearly rates for full-time courses are: Tuition Fee Loan of up to £9,250, and Maintenance Loan of up to £13,357 if studying in London or £10,226 if studying elsewhere for independent students.

A Care Leaver Bursary may be available to students who are studying at a university and have previously been in care. Each university has their own rules about this so it is best to contact

them directly to see what they can offer. Many universities publish this information on their websites.

For students who have a disability, a Disabled Students Allowance (DSA) is available. The amount awarded is based on individual needs, and eligibility for the allowance is assessed by Student Finance England.

The Leaving and After Care Service has a duty to provide a Higher Education Bursary to young people at university, as required within The Children Act 1989 (Higher Education Bursary) (England) Regulations 2009.

The total amount of the bursary is £2000 and will be paid in four instalments of £500, as follows:

1<sup>st</sup> instalment – to be paid approximately one month before the start of the course, to enable the young person to pay for accommodation fees / deposits and any other pre-course expenses as required.

2<sup>nd</sup> instalment – after successful completion of the first year of the course

3<sup>rd</sup> instalment – after successful completion of the second year of the course

4<sup>th</sup> instalment – during the third year of the course.

## **Rent**

The Leaving and After Care Service will pay the young person's rent during the official vacation periods of the course. This applies to all vacations within a course but not any time immediately preceding the first term or after the final term of the course. It also does not apply to reading weeks, or any other times within the official term dates when the student's attendance is not compulsory.

The amount paid by Leaving and After Care will be for rental charges only, not for food or utility costs. Where the amount of rent that the young person is charged is more than the Local Housing Allowance (LHA) rates for the area in which they are staying for the vacation periods, the rate will be capped as follows:

If the young person has their own bedroom – The LHA 1-bedroom rate will apply

If the young person is sharing a bedroom or the living arrangement is informal (e.g., sleeping on the sofa) – The LHA shared room rate will apply.

View the [Local Housing Allowance rates online](#).

The young person will be responsible for paying their own term time rent. They will not usually be eligible for Housing Benefit or Universal Credit as a higher education student unless they are a lone parent or have a disability.

## **Treatment of Earnings**

The young person can participate in part-time work whilst studying at university. Student loans, grants and bursaries are not affected by any earnings.

## **Gap Year**

A young person may consider taking a 'gap year' between finishing further education and beginning higher education. Where they use this time to positively engage in volunteering, working, studying, or gaining other valuable relevant experience, the Leaving and After Care Service would consider making a financial contribution towards any incurred costs up to a maximum of £500.

The details of the Gap Year and costs involved should be identified within the young person's needs assessment and Pathway Plan, and requests for funding should be made via the young person's Leaving Care Worker.

## **Post Graduate Study (e.g., Masters / PHD)**

A Postgraduate Master's Loan of up to £12,471 is available from Student Finance England. Students can apply if they are studying a master's degree. A Postgraduate Doctoral Loan of up to £29,390 is available from Student Finance England. Students can apply if they are studying a doctoral degree.

The Leaving and After Care Service supports and encourages young people to continue with their education after they have completed a degree course, where appropriate. For any young person who would like to go on to post graduate study, their worker will help them to explore their options, and make a full assessment of their needs. These details will be recorded within the young person's Pathway Plan, including details of any discretionary financial support that may be offered to them by Leaving and After Care, based on their individual circumstances.

## **Education related costs (e.g., books / materials)**

Each young person who requires it can also be considered for discretionary financial support towards the costs of course related books and materials. Each young person will be assessed individually for these costs, as it will be dependent on the type of course studied, the essential items that are required for that course, and the circumstances of the young person.

# **Young People in Training / Apprenticeships**

## **Apprenticeship Bursary**

For apprentices who start their apprenticeships up to and including 31 July 2023, the bursary is a single payment of £1,000. It can only be received once by an individual care leaver.

For apprentices starting their apprenticeship on or after 1 August 2023, the bursary will be £3,000. It is payable in instalments over the first year of the apprenticeship.

For an apprentice to be eligible for the care leavers bursary, they must:

- be aged under 25 at the time they start their apprenticeship
- not have received the care leavers' bursary before
- be either an eligible child, a relevant child, or a former relevant child

## 16 and 17 years old

### Personal Allowance

£87.20 per week is paid if young people are living independently, or in semi-independent accommodation (e.g., supported lodgings). This includes a £15.50 per week addition to the current benefit rate.

### Rent

16/17-year-olds who are eligible or relevant are unable to claim Housing Benefit or Universal Credit (housing costs) until they are 18 years old. Where they have a liability to pay rent, it is the duty of the Leaving and After Care Service to pay this.

## 18 years and older

### Benefits Entitlement

Young people aged over 18 years old who are attending a training course may be entitled to claim Universal Credit. Any training allowance that they receive from the training provider will be considered when their benefit entitlement is calculated.

Young people on apprenticeships will be receiving an apprenticeship wage. This will be treated as earnings. They may be eligible to claim 'in-work' benefits which includes Universal Credit and / or Housing Benefit.

### Rent

Young people who are over 18 years old and attending a training course or are on an apprenticeship can claim Housing Benefit or Universal Credit (housing costs) to help them to pay their rent.

## Young People in Work

### 16 and 17 years old

#### Personal Allowance

A personal allowance of £87.20 per week is paid if young people are living independently, or in semi-independent accommodation (e.g., supported lodgings). This includes a £15.50 per week addition to the current benefit rate.



## **Rent**

16/17-year-olds who are eligible or relevant are unable to claim Housing Benefit or Universal Credit (housing costs) until they are 18 years old. Where they have a liability to pay rent, it is the duty of the Leaving and After Care Service to pay this.

## **18 years and older**

### **Treatment of Earnings / Benefits Entitlement**

A young person who is working could claim Universal Credit (UC) if they are on a low wage, a taper rate of 55 per cent applies. This means that claimants will have their total Universal Credit award reduced by 55 pence for every £1 earned in work.

## **Rent**

Housing Benefit or Universal Credit (housing costs) can be claimed if the young person has a liability to pay rent, and they are on a low income. The amount that they will receive will depend on how much their rent is and how much they earn.

For Housing Benefit, if their income is less than or equal to their applicable amount (£71.70 per week for a single young person aged 18 to 24 years old), they will get all their eligible rent paid for in Housing Benefit. If their income is greater than that, a calculation will be made to determine their entitlement. For Universal Credit a taper rate of 55 per cent applies. This means that claimants will have their total Universal Credit award reduced by 55 pence for every £1 earned in work.

# **Young People who are NEET (Not in Education, Employment or Training)**

## **16 and 17 years old**

### **Personal Allowance**

£87.20 per week is paid if young people are living independently, or in semi-independent accommodation (e.g., supported lodgings). This includes a £15.50 per week addition to the current benefit rate.

## **Rent**

16/17-year-olds who are eligible or relevant are unable to claim Housing Benefit or Universal Credit (housing costs) until they are 18 years old. Where they have a liability to pay rent, it is the duty of the Leaving and After Care Service to pay this.

## 18 years and older

### Benefits Entitlement

Young people who are aged over 18 years and unemployed can claim Universal Credit. The basic rate of payment for living costs for a single person aged under 25 years old is £311.68 per month, from April 2024 to March 2025.

### Rent

Young people who are over 18 years old and unemployed can claim Housing Benefit or Universal Credit (housing costs) to help them to pay their rent.

## Young People unable to work due to sickness or disability

### 16 and 17 years old

#### Personal Allowance

£87.20 per week is paid if young people are living independently, or in semi-independent accommodation (e.g., supported lodgings). This includes a £15.50 per week addition to the current benefit rate.

#### Rent

16/17-year-olds who are eligible or relevant are unable to claim Housing Benefit or Universal Credit (housing costs) until they are 18 years old. Where they have a liability to pay rent, it is the duty of the Leaving and After Care Service to pay this.

#### Benefits Entitlement

If a young person is deemed as not capable of working due to sickness or disability, they may be eligible to claim Universal Credit. To claim via the sickness / disability route they will initially need to supply a medical certificate to support a new claim. They will then enter a 13-week assessment phase during which a healthcare professional appointed by the Department of Work and Pensions (DWP) will carry out a work capability assessment.

Additionally, if a young person has an ongoing disability or a condition which affects their daily life, they should consider making a claim for Personal Independence Payment (PIP). PIP can be paid in addition to any other benefit or income, advice can be sought from the Benefits Adviser if any young person is wishing to claim PIP.

### 18 years and older

If a young person is deemed as not capable of working due to sickness or disability, they may be eligible to claim Universal Credit via the sickness / disability route. They will initially need to supply a medical certificate to support their claim. They will then enter a 13-week

assessment phase during which a healthcare professional appointed by the Department of Work and Pensions (DWP) will carry out a work capability assessment.

Additionally, if a young person has an ongoing disability or a condition which affects their daily life, they should consider making a claim for Personal Independence Payment (PIP). PIP can be paid in addition to any other benefit or income, advice can be sought from the Benefits Adviser if any young person is wishing to claim PIP.

## **Rent**

Housing Benefit or Universal Credit (housing costs) can be claimed if the young person has a liability to pay rent, and they are on a low income. The amount that they will receive will depend on how much their rent is and how much they have in income and savings.

## **Treatment of Earnings**

There are detailed benefit rules about working whilst claiming Universal Credit as someone who has a 'limited capability to work' due to sickness or a disability. Advice can be sought from the Benefits Adviser in these circumstances. PIP payments are not affected by any work or earnings.

# **Young parents and pregnant women**

## **16 and 17 years old**

### **Personal Allowance**

£87.20 per week is paid if young people are living independently, or in semi-independent accommodation (e.g., supported lodgings). This includes a £15.50 per week addition to the current benefit rate.

### **Universal Credit**

A young person may be able to claim Universal Credit if they are responsible for a child, or if they live with a partner who is responsible for a child and their partner meets the criteria for claiming Universal Credit. Under these circumstances Universal Credit can be claimed even if the young person is still aged 16 or 17 years old and is an eligible or relevant child. The rate for a single person aged under 25 years old is £311.68 per month, and for a couple who are both aged under 25 years old it is £489.23 per month. This will be paid instead of the personal allowance, which will be stopped once the Universal Credit claim is in payment. Additional amounts for dependent children can be paid with Universal Credit. The rate is £287.92 per month for children born after 6<sup>th</sup> April 2017.

### **Healthy Start Funding for Food and Milk**

Pregnant women under the age of 18 years old qualify for Healthy Start funding. This can be used to buy fruit, vegetables, milk, and infant formula milk. Pregnant women and children aged between one and four will receive £4.25 per week. Babies under one-year-old will receive

£8.50 per week. Healthy start beneficiaries are also entitled to free vitamin supplements. More information is available on [The Healthy Start Website](#).

## Maternity Grant

Young people who are eligible or relevant are often unable to access the [Sure Start Maternity Grant](#) of £500 until after their child is born, as they need to be in receipt of a qualifying benefit such as Universal Credit. A Sure Start Maternity Grant claim can be made up until the baby is 6 months old, but there will be no entitlement if there is already another child in the household for whom they are responsible for.

From 11 weeks before the baby is due, a Maternity Grant of up to £250 may be paid from the Leaving and After Care Service via the Section 17 budget. This is discretionary and will be spent with the young person's personal adviser on essential items that may be required for the baby. However, if the plans are for the baby to not live with their parent, then this grant will not be payable. Any financial support regarding the baby's needs will have to be considered in line with Section 17 funding availability.

## Child Benefit

Child Benefit can be claimed for the child once it is born. The rate of Child Benefit is £25.60 per week for the eldest child, and £16.95 for other children. If the child does not live with the parent, then special rules apply, in these circumstances please seek advice from the Benefits Adviser or via [The Child Benefit Website](#). They also have a helpline number which is 0300 200 3100.

## Rent

16/17-year-olds who are eligible or relevant are unable to claim Housing Benefit or Universal Credit (housing costs) until they are 18 years old. Where they have a liability to pay rent, it is the duty of the Leaving and After Care Service to pay this.

## Care To Learn (childcare costs whilst studying)

Young parents who are in education and began their course before their 20<sup>th</sup> birthday may be able to get help with childcare costs via the Care to Learn scheme. Further information is available from [The Care to Learn Website](#).

## 18 years and older

### Universal Credit

Young people who are aged over 18 years old and are parents, or pregnant, and on a low income, can claim Universal Credit. The rate for a single person aged under 25 years old is £311.68 per month. The couple's rate (both aged under 25) is £489.23 per month. Additional amounts for dependent children can be paid with Universal Credit. The rate is £287.92 per month for children born after 6<sup>th</sup> April 2017.

## Healthy Start Funding for Food and Milk

Pregnant women qualify for Healthy Start funding. This can be used to buy fruit, vegetables, milk, and infant formula milk. Pregnant women and children aged between one and four will receive £4.25 per week. Babies under one-year-old will receive £8.50 per week. Healthy start beneficiaries are also entitled to free vitamin supplements. More information is available on [The Healthy Start Website](#).

## Maternity Grant

A Maternity Grant of £500 is available for the first child, if the young person is in receipt of Universal Credit, or certain other benefits. The Grant can be claimed from 11 weeks before the baby is due up until the baby is 6 months old. Further information is available on the [Sure Start Maternity Grant website](#), or via their helpline number: 0800 169 0140.

## Child Benefit

Child Benefit can be claimed for the child once it is born. The rate of Child Benefit is £25.60 per week for the eldest child, and £16.95 for other children. If the child does not live with the parent, then special rules apply, in these circumstances please seek advice from the Benefits Adviser or via [The Child Benefit Website](#). They also have a helpline number which is 0300 200 3100.

## Rent

Housing Benefit or Universal Credit (housing costs) can be claimed if the young person has a liability to pay rent, and they are on a low income. The amount that they will receive will depend on how much their rent is and how much they have in income and savings.

## Care To Learn (childcare costs whilst studying)

Young parents who are in education and began their course before their 20<sup>th</sup> birthday may be able to get help with childcare costs via the Care to Learn scheme. Further information is available from [The Care to Learn Website](#).

## Housing Benefit (if in 'exempt' accommodation)

Housing Benefit has largely been replaced with Universal Credit (housing costs) for anyone making a new claim for benefits. However, those people who are living in accommodation provided by a local authority, or a registered social housing provider, where they either receive support, or were placed there temporarily to prevent or relieve homelessness, are unable to claim housing costs under Universal Credit. These tenants can continue to claim Housing Benefit for their rent costs, whilst claiming Universal Credit for their living costs.

Housing Benefit is administered by the local District Council and can be claimed independently of any other benefit. It is available to help people on a low income to pay their rent.

Housing Benefit can cover up to all the 'eligible' rent, it will not pay for utility costs or services that are included in the rent, such as electric, gas, water or meals, these are 'ineligible' items.

## Universal Credit (housing costs)

Tenants that are not living in 'exempt' accommodation (as explained above) can claim Universal Credit (housing costs) for their rent, which will be paid in the same claim as their Universal Credit for living costs.

If a tenant is renting from a registered social landlord, Universal Credit housing costs can pay up to all their eligible rent, but not anything that is included in the rent for 'ineligible items' such as electric, gas, water and meals. If the tenant is 'under-occupied' (they have spare bedrooms) they could lose 14% of their housing costs for one spare bedroom, and 25% if they have 2 or more spare bedrooms.

If someone is renting from a private landlord, then Local Housing Allowance (LHA) rates apply. The maximum amount that can be claimed is restricted to the LHA rate for a particular property size and geographical area. [LHA rates are accessible online](#).

Young people leaving care have special rules that apply to them in the calculation of the maximum Local Housing Allowance rate that applies to their claim. The rate of Local Housing Allowance that normally applies to single people aged under 35 years is the shared accommodation rate. However, care leavers are eligible to the rate for a 1-bedroom self-contained property. This is because the single room rent restriction that applies to most single people aged under 35 years old does not apply to care leavers until they are 25 years old.

Because of this rule, even if the young person is living in lodgings or shared accommodation the maximum amount of rent that the Local Housing Allowance will cover is the equivalent to that of a self-contained 1-bedroom property.

## Council Tax

Young people who are aged under 18 years old are not required to pay Council Tax and will not affect the Council Tax bill if living in someone else's household. Once they reach 18 years old however, they are required to register for Council Tax if they have their own tenancy or are the main householder in a property. They could also affect the discounts or benefits of the Council Tax payer, where they are living in someone else's household.

However, young people leaving care, who were previously looked after by Essex County Council will be exempt from paying Council Tax between the ages of 18 to 21 years old if they are living in the following District Council areas:

Basildon	Braintree	Brentwood	Castle Point
Chelmsford	Colchester	Epping Forest	Harlow

In addition, if they are living in someone else's household, their presence will not result in the householder having to pay more Council Tax.

These young people will need to inform their District Council that they are a care leaver and claim any council tax discounts that they are entitled to, such as Council Tax Reduction, Single Person Discount, or Student Exemption. The young person's Personal Adviser can confirm their care leaver status with the Council Tax Department, for the exemption to be processed.

## Discounts

A Single Person's discount of 25% is available if only one adult lives in the property, or if more than one adult lives in the property but all but one is 'disregarded'.

Students who are on a full-time or qualifying course of education do not have to pay any Council Tax; they are 'disregarded'.

Some other people are disregarded for Council Tax purposes; the list below covers the main categories. People with these circumstances will not impact upon the Council Tax where they are living in someone else's household. If they are living independently and are the only person in their household, they will get a 50% reduction on their Council Tax.

- Apprentices – are not counted if employed to learn a job, and, as part of that learning, are undertaking training leading to a qualification recognised by the Qualification and Curriculum Authority (QCA). They must not be earning more than a set amount per week.
- Young people in Training - will not be counted if they are under 25 years old and are receiving approved training funded by the Learning and Skills Council.
- Severely Mentally Impaired – People who are severely mentally impaired are not counted for Council Tax. A doctor's certificate will be required as evidence, and the person must also be entitled to a disability benefit.
- People in Prison - Prisoners who are on remand or in prison are not counted. However, people who are imprisoned for not paying a fine or the council tax are counted.
- People Staying in Certain Hostels or Night Shelters - A person whose main or only residence is in a dwelling such as a short stay hostel or night shelter providing communal accommodation for people who have no fixed abode or no settled way of life are not counted.
- This list is an example of the main categories and is not exhaustive.

## Council Tax Reduction / Localised Support Schemes

Council Tax Reduction is available through local councils to help certain people in their area to pay their Council Tax Bills.

Each District Council operates their own version of this Localised Council Tax Reduction scheme, so it is necessary to check with the relevant District Council what help is available, depending on the area in which they live, and their personal circumstances. The young person's personal adviser will be able to support with this.

# Benefit Cap

There is a limit on the total amount of benefit that most working age people can receive. This is called the Benefit Cap. The cap applies to the total amount that a benefit claimant (and family included in their claim) can receive from the following benefits:

- Universal Credit
- Bereavement Allowance
- Child Benefit
- Child Tax Credit
- Employment and Support Allowance
- Housing Benefit
- Incapacity Benefit
- Income Support
- Jobseeker's Allowance
- Maternity Allowance
- Severe Disablement Allowance
- Widowed Parent's Allowance

The cap does not apply if the claimant or their partner:

- Get Working Tax Credit (even if the amount is £0)
- get Universal Credit because of a disability or health condition that stops them from working (this is called 'limited capability for work and work-related activity')
- get Universal Credit because they care for someone with a disability
- get Universal Credit and they or their partner earn £658 or more a month combined, after tax and National Insurance contributions

The cap is also not applied if the claimant, their partner, or any resident children aged under 18 years old gets:

- Adult Disability Payment (ADP)
- Armed Forces Compensation Scheme
- Armed Forces Independence Payment
- Attendance Allowance
- Carer's Allowance
- Child Disability Payment
- Disability Living Allowance (DLA)



- Employment and Support Allowance (if you get the support component)
- Guardian's Allowance
- Industrial Injuries Benefits (and equivalent payments as part of a War Disablement Pension or the Armed Forces Compensation Scheme)
- Personal Independence Payment (PIP)
- War pensions
- War Widow's or War Widower's Pension

For Universal Credit, the benefit cap might not be applied for a grace period of up to 9 months if the claimant has been working for the previous 12 months and has now stopped working, or their earnings have reduced below a set level.

## Benefit Cap Rates

The Benefit Cap is set at:

Outside Greater London

£423.46 a week if you are a couple – with or without dependent children

£423.46 a week if you are a lone parent with dependent children

£283.71 a week if you are a single person without children

Inside Greater London

£486.98 a week if you are a couple – with or without dependent children

£486.98 a week if you are a lone parent with dependent children

£326.29 a week if you are a single person without children

Further information about the Benefit Cap can be obtained from the Benefits Adviser or from the [Benefit Cap Website](#).

## Universal Credit

Universal Credit replaces the following 'legacy' benefits with one single monthly payment:

- Income-based Jobseekers Allowance (JSA)
- Housing Benefit (unless in 'exempt' accommodation)
- Working Tax Credit
- Child Tax Credit
- Income-related Employment and Support Allowance (ESA)
- IncomeSupport

[Claims need to be made online](#) on the GOV.UK website.

There is also a UC telephone helpline 0800 328 5644 which is available Monday to Friday 8am to 6pm.

Care Leavers are able to prepare their online claim for UC up to three weeks in advance of their 18<sup>th</sup> birthday. They are also able to access a Single Point of Contact (SPOC) worker in their local Job Centre, this can be arranged through their leaving care worker.

For more details watch this [YouTube video](#) online.

## **Claimant Commitment**

When a claim for UC is made, a claimant commitment will be drawn up during a conversation with a work coach at the local Job Centre. The claimant commitment will set out what has been agreed for the claimant to prepare for and look for work, or to increase earnings if they are already working. It will be based on personal circumstances and will be reviewed and updated on an ongoing basis.

Young people who are in full time relevant education will not be required to look for work. Claimants who are sick or disabled may also not be required to seek work. They can provide a medical certificate (fit note) and may also be referred for a separate work capability assessment.

## **Sanctions**

Sanctions can be applied to UC claims if the claimant fails to stick to their claimant commitment. Sanctions can last for up to 3 years for repeat offences. A sanction will be a removal or reduction of the standard allowance element of UC and should not affect the housing costs element.

## **Hardship Payments**

If a claimant has been sanctioned for UC, they can apply for hardship payments, which will be paid at a reduced rate, and will be a loan that will be required to be paid back.

## **Payments**

By default, UC is paid monthly, and both the standard allowance element and the housing costs element is paid directly to the claimant. However, if claimants are struggling with this, they can request an Alternative Payment Arrangement (APA). Care Leavers have been recognised by the Department of Works and Pensions as being in a high priority group of people who may need APA's. These can be requested during the new claim interview and can include housing costs being paid direct to the landlord and / or standard allowance elements being paid more frequently, such as twice monthly instead of monthly.

## Advance Payments

UC is paid monthly in arrears, and the first payment is made one calendar month and 7 days after submitting the claim. However, the claimant can request an advance payment if they don't have enough money to live on during this period. The advance payment is a loan that will be paid back by deductions from future payments of UC.

## Work

Universal Credit can be claimed whether a young person is in work or out of work. If a claimant starts work, they do not need to stop or start their UC claim, it will adjust according to how much they have earned within the relevant monthly assessment period. For single people and couples with no children, there is a nil work allowance (this is the amount you can earn before it affects UC), so for every £1 earned, UC will reduce by 55 pence.

Further information about Universal Credit can be obtained from the Benefits Adviser or from the [Universal Credit website](#). There is also a helpline number of 0800 328 5644.

## Emergency Local Provision Scheme

For any Essex resident in financial need, Essex County Council has a scheme which is managed by Southend Borough Council. It can cover applications for furniture, furnishings, white goods, household equipment, fuel connection (or re-connection) charges, clothing and footwear, general living expenses (such as groceries, nappies, toiletries, cleaning / hygiene products, money for pay as you go fuel meters). If successful, applicants will receive food or supermarket vouchers, AllPay cards, high quality recycled furniture from a reputable charity or white goods from a reputable local dealer.

Applications can be made online on [Southend Borough Council's website](#).

For those young people who live outside of Essex, please speak with your leaving care worker who will help you locate if there is a scheme available that covers your area.

## Health Costs

The National Health Service Low Income Scheme could help to pay for:

- NHS prescription charges
- NHS dental treatment charges
- the cost of sight tests, glasses and contact lenses
- the cost of travelling to receive NHS treatment
- NHS wigs and fabric supports (check with your hospital for their arrangements for supplying NHS wigs)

If the young person is a student or in receipt of certain benefits, then they can provide evidence of this to claim help with these health costs. Eligible and relevant young people who

receive a personal allowance from the Leaving and After Care Service, will need to complete a HC1 form to claim help with these costs, as will over 18-year-olds who are working and on a low income.

HC1 forms can be obtained from Jobcentres, GP practices, pharmacies, and Citizens Advice. A form can also be obtained via the [NHS website](#). This website is also trialling a new service of allowing people to make online claims.

If treatment has already been paid for, a refund can be requested at the same time as an application is made to the scheme.

## Extra Funding from Leaving and After Care

### Rent Deposits and Rent in Advance

Where a young person's accommodation needs have been identified within their Pathway Plan as private rented accommodation (for example, where they have no access to social housing), there will usually be a requirement for the young person to pay a rent deposit and rent in advance.

Where there is a rent deposit guarantee scheme available in the area, the young person will be supported by their worker to access funding from this scheme.

If other funding streams are not available to assist young people to secure privately rented accommodation, the Leaving and After Care Service may provide discretionary financial support with deposits, advance rents, and fees where appropriate, to eligible, relevant and former relevant young people who require it.

### Rent Guarantee

Additionally, as above, where young people have an identified need to access privately rented accommodation, they may be disadvantaged in accessing this accommodation if they do not have someone to act as a rent guarantor.

The Leaving and After Care Service would consider acting as a rent guarantor for former relevant young people where the findings of their needs assessment are that they are motivated and able to maintain their own independent accommodation, and there are no other accommodation options available to them, and they have no other person to act as a guarantor.

The Rent Guarantee period would be limited to the first 6 months of a tenancy, unless the young person is at university, in which case it could be considered for up to one academic year. The request for a Rent Guarantee would need to be presented to the Local Resource Panel by the young person's Leaving Care worker.

## Setting Up Home Allowance

Leaving and After Care have a duty to provide eligible, relevant, and former relevant young people a Setting Up Home Allowance when they leave care and move into independent or semi-independent accommodation. This allowance will be based on the young person's assessed needs, considering the items that are already available to them, and those that are included with their accommodation.

The maximum amount of the allowance is £2000 for young people who turned 18 years old before April 2023, and £3000 for young people who turned 18 years old between April 2023 and March 2025.

The allowance will be administered by the young person's worker and will be used to ensure that the young person has the appropriate equipment and household items to set up safe, secure, and stable accommodation.

The young person will have a choice in the essential items that are purchased within this overall budget. These can include:

- essential items of furniture (e.g., bed, sofa, wardrobe),
- essential items of furnishings (e.g., bedding, towels, curtains),
- carpets or floor coverings,
- kitchen appliances, such as a fridge, cooker and washing machine, and the installation of appliances as necessary,
- kitchen equipment (e.g., pans, cutlery, utensils, crockery),
- contents insurance,
- television and TV licence if required,
- cleaning products / decorating materials if required
- removal costs

## Transition Payments at 18 years old

When a young person reaches their 18<sup>th</sup> birthday, any personal allowance that is in payment will end. If a young person is likely to be entitled to Universal Credit, the first payment should be made by the Department of Works and Pensions (DWP) after one calendar month plus 7 days have elapsed from the date that the claim was submitted.

The Leaving and After Care Service can provide discretionary financial support if the young person has no other resources whilst they are waiting for their benefit claim to be processed and the first payment to be made. The amount of the financial support will be no greater than benefit rates and will be dependent on the young person submitting their benefit claim on their 18<sup>th</sup> birthday and engaging with all requirements to complete the claim, such as providing evidence and attending appointments.

The young person does have the option of requesting a Universal Credit advance payment. They can request this from the DWP from the first day of making their claim if they are in financial need. This will need to be paid back in instalments from their future Universal Credit payments and will be deducted automatically at source.

Where a young person turns 18 years old and makes a new claim for Universal Credit at the same time as moving into their own independent accommodation, they may also access their Setting Up Home Allowance to fund a 'new tenancy starter kit' which could include items such as:

- Food – essential items for stocking cupboards and fresh food to last until the first payment of UC is received
- Cleaning items – Hoover, brooms, dustpan and brush, cloths, wipes, sprays
- Toiletries – toilet paper, shampoo, handwash, toothpaste, shaving items, menstrual products
- Fuel – pre-payment of key / card meters to last until UC payment is received
- Laundry – detergent / powder, fabric conditioner

## Identification Documents

The Leaving and After Care Service may provide discretionary financial support to ensure that all young people have a copy of their birth certificate, paying the fees to obtain a new one where necessary. Discretionary financial support for a provisional driving licence may also be provided where a young person requires it for identification purposes, or training and employment. The fees for obtaining new and renewal passports will not be met by the Leaving and After Care Service where the young person is requesting this for identification purposes only. Please see the travel section for details of when passport fees will be met for the purposes of foreign travel.

## Christmas / Festival Gifts

The Leaving and After Care Service will provide discretionary financial support by way of a small Christmas gift to young people within the service who are living independently or semi-independently. For those young people who do not celebrate Christmas, they can choose to have their gift at another date throughout the year. The value of the gift will be up to £30.

Young people will not receive this gift if they are living in foster care, residential care, or at home with parents. Qualifying Children (Sec 24) are also excluded from this payment, as are the children of any young people who are parents.

## Birthday Gift

Young people are eligible for a birthday gift up to the value of £30. Young people will not receive this gift if they are living in foster care, residential care, or at home with parents as

other arrangements are in place. Qualifying Children (Sec 24) are also excluded from this payment, as are any young people who are not engaging with their leaving care service.

## **Clothing Allowance**

Young people are eligible for a discretionary clothing allowance of £100 per year, where they have an expressed need for emergency clothing, such as a winter coat, or shoes. Young people will not receive this if they are living in foster care, residential care, or at home with parents as other arrangements are in place. Qualifying Children (Sec 24) are also excluded from this payment, as are any young people who are not engaging with their leaving care service.

## **Driving Lessons**

From the age of 17 years old, young people in care and care leavers can be considered for financial support with the costs of learning to drive, where they have sustained education, training, or employment for at least 6 months.

Funding will need to be agreed by the appropriate Team Manager or Service Manager and consideration will be given for the costs of:

- A provisional driving licence
- Up to 10 hours of driving lessons
- One theory test
- One practical driving test

For young people who would prefer to learn to ride motorcycles, financial support can be provided for this instead and can include Compulsory Basic Training, practical lessons, and practical tests.

A requirement for young people to receive financial support to learn to drive cars or ride motorcycles is that they have taken and passed the appropriate theory test, the first of which will be funded by Social Care.

## **Travel – Education and Training**

Young people in foster care will be supported to travel to and from their school or college by their foster carer. Young people who are not in foster care, and all aged 18+ will generally be expected to use their 16-19 bursary fund monies to cover the costs of transport to and from their place of education or training.

For any young people who have unusually high transport costs, the Leaving and After Care Service may provide discretionary financial support to assist with these costs, this will be considered in line with any additional financial support that the college is able to provide by way of an additional discretionary bursary.

The young person will be assisted by their Personal Adviser, with support from the Targeted Youth Adviser and Benefits Adviser as required, to ensure that the most cost effective and convenient transport solutions are used. Consideration will be given for the Essex County Council 16 plus transport scheme, or similar equivalent if living outside of the area, as well as any travel schemes that are run by the college that the young person is attending.

## **Travel – Contact**

There may be assistance with travel costs available to enable young people to have contact with significant people as identified as an assessed need and agreed within their Pathway Plan. The journey should be planned in advance considering the availability of fare discounts.

## **Travel – Participation**

Financial assistance is available to support young people aged 18 plus, in attending a specific place of worship, or special occasion in their community relating to their identity, by funding the related travel costs up to 4 times per year. The journey should be planned in advance considering the availability of fare discounts.

## **Travel Documents**

Discretionary financial support for passports, and travel documents (that may be required by Separated Migrant Children) will be funded by Leaving and After Care where the young person's Pathway Plan identifies a specific need for one. This will usually be where it is a compulsory requirement linked to education or training.

## **Financial Support for Leisure Activities**

Young people are encouraged to make use of leisure facilities and to pursue sports and hobbies. Where the Pathway Plan identifies these activities and the young person shows a continued commitment towards them, the Leaving and After Care Service may provide discretionary financial support to contribute towards related costs for eligible and relevant young people who are living independently (i.e., not in foster care or residential care, and aged under 18 years old).

## **Incentive and Reward Payments**

Further discretionary financial support is available to young people within the Leaving and After Care Service via the Incentive and Reward Scheme. The purpose of these payments is to acknowledge any exceptional efforts that young people have made, and to inspire and motivate them to build and develop upon their achievements further.

For example:

- where a young person has sustained employment for six months or more.
- outstanding achievements in education or training, resulting in a completion of the course and a recognised qualification.



- sustained improvements in behaviour including engagement with services and participation in education, training, or employment (including voluntary work).
- overcoming exceptional difficulties and maintaining an active involvement in education, training, or employment (including voluntary work).

Applications for an incentive or reward payment should be made by the young person's worker to the Team Manager. Workers should provide as much information as possible about the young person's circumstances. The amount of the payment will be at the discretion of the Manager.

## Payments and Emergencies

### Personal Allowances

Personal Allowances will usually be paid directly into the young person's bank account. For some young people, where there are concerns about their welfare or budgeting abilities, or where there are difficulties with them obtaining a banking account, they may be paid in person by their worker.

### Rent

Rent payments will usually be made directly to the young person's landlord.

### Other Items

The Leaving and After Care Service will be flexible at administering the payments to or on behalf of young people. Where possible the payment will be made directly to the provider / supplier of goods or services. In some cases, where this is not possible, the young person can purchase the items themselves and provide receipts for reimbursement, this should be agreed in advance.

### Emergencies

In an emergency the young person should initially contact their leaving care worker, or in their absence the duty worker at the Leaving Care Offices. If an emergency occurs outside of office hours, then the Emergency Duty Service can be contacted on 0345 606 1212.

### Payments to Relevant Children

The Children (Leaving Care) Act 2000 Regulations and Guidance states that no young person should receive a package for their accommodation and maintenance which comes to a value less than they would have received if they had been entitled to claim Income Support or Jobseeker's Allowance, and Housing Benefit (or equivalent successor benefits). A relevant child has an absolute right that accommodation and maintenance should be provided by his or her responsible authority so long as his or her welfare requires it. This duty on the responsible authority is not qualified by any requirements on the young person.

## Grants not Loans

The Children Act 1989 states that no person shall be liable to make any repayment of assistance or of its value at any time when he is in receipt of universal credit (except in such circumstances as may be prescribed), of income support, of any element of child tax credit other than the family element, of working tax credit, of an income-based jobseeker's allowance or of an income-related employment and support allowance.

The Children Act does allow the Local Authority to seek a contribution if the child is over 16 and earning and still looked after.

In view of the above legislation, it is not possible for The Leaving and After Care Service to make payments to young people in the form of a loan. Any payments that are made would be a grant, and the young person would not be asked to repay them.

## Criminal Injuries Compensation Authority Payments

Young people who receive a Criminal Injuries Compensation Authority (CICA) payment will be assisted to seek independent financial advice regarding the use of their award and how, for example, by establishing a Discretionary Trust Fund, they may retain entitlement to means tested benefits.

## Young People on Remand or Imprisoned

### 16 and 17 years old

Young people who are remanded in custody for a period will have their personal allowance suspended. If they are subsequently convicted of the offence, they will forfeit this money. If, however, they are released without conviction, they will be entitled to receive the back pay of their suspended personal allowance.

In line with welfare benefit rules, young people who are convicted of an offence and imprisoned will not be eligible to any personal allowances. Leaving and After Care, however, do have a duty to provide them with small gifts or cash payments as appropriate to their needs, and as identified in their Pathway Plan. If young people are released on bail, or via a home detention curfew (electronic tagging) they will continue to receive a personal allowance as appropriate to their circumstances.

### 18 years and older

The benefit rules regarding people who are detained in custody awaiting trial or sentence, or who are serving a custodial sentence are complex. Advice should be sought from the Benefits Advisor for young people in these circumstances.

# Young People Who Return to Live at Home with Parents

## 16 and 17 years old

Young people who were previously accommodated under Section 20 of the Children Act 1989 and have had a successful return home for six months or more revert to legal status Section 24 of the Children Act 1989 (Qualifying Person). This means that they are then able to access the benefits system (or their parents can claim for them). Leaving and After Care will not pay a personal allowance or accommodation costs for these young people, once they have been at home for 6 months and have reverted to legal status Section 24.

Young people who are subject to a care order under Section 31 of the Children Act 1989 are not able to access the benefits system, nor can their family claim benefits for them, (except for Child Benefit, that the parent can claim for the young person if they are in education).

Leaving and After Care will pay a personal allowance of £87.20 per week to those 16/17-year-old young people living at home who are Section 23a (for the first six months) or Section 31, but not rent. This includes a £15.50 per week addition to the current benefit rate. However, for any young people in this situation who are not in education, training, or education, they will be required to engage with the Targeted Youth Service every 2 weeks, or their personal allowance may be reduced or stopped.

## 18 years and older

In most circumstances young people who are over 18 years old and living with their parents will have full access to benefits. They can claim Universal Credit if they are unemployed and available for and actively seeking employment, or if they are employed but on a low wage.

If the young person is in education their parents will be eligible to claim Universal Credit / Child Tax Credits and Child Benefit for them until they are 20 years old.

Young people will not be eligible to claim Universal Credit housing costs to help them to pay rent where they are living with their parents or another close relative.

## Staying Put

Staying Put is the term used for young people who continue to live with their former foster carer after their 18<sup>th</sup> birthday. Further information about Staying Put is available via the separate Staying Put Policy.

## Universal Credit (housing costs) / Local Housing Allowance

The young person is no longer a 'looked after child' once they have reached their 18<sup>th</sup> birthday. If the plan is for them to stay living with a former foster carer beyond this date, they would

likely be expected to pay rent to them, and that rental agreement would be seen in benefit legislation as a private lodging's arrangement. The young person would be eligible to claim Universal Credit housing costs to help them to pay this rent if they are on a low income.

The Universal Credit claim would be assessed under the Local Housing Allowance rules. The rate of Local Housing Allowance that normally applies to single people aged under 35 years old is the shared accommodation rate. However, care leavers are eligible to the 1-bedroom self-contained property rate. This is because the single room rent restriction that applies to most single people aged under 35 years old does not apply to care leavers until they are 25 years old.

So, even if the young person is living in lodgings or shared accommodation the maximum amount of Universal Credit housing costs that will apply to their claim is that of a self-contained 1-bedroom property.

For the Universal Credit claim to be successful the tenancy must be operated in a 'commercial manner', this means that the tenant must be liable to pay rent, and the amount of rent charged should be put in writing. A formal tenancy agreement is not required, a letter from the landlord providing the relevant details will be adequate as proof of rent, or a copy of the Staying Put Agreement document. The Universal Credit claim is unlikely to be viewed as 'commercial' if the young person shares a bedroom.

Universal Credit housing costs cannot be claimed if the tenant is living in the same property as their landlord, and their landlord is a 'close relative'. For these purposes a close relative is defined as a parent, parent-in-law, son, son-in-law, daughter, daughter-in-law, brother, sister, step-parent, step-son, step-daughter, or the partner of any of these. NOTE: These definitions do not include grandparents or former foster carers who are not related to the tenant.

By default, Universal Credit housing costs are paid directly to the tenant. If the tenant is assessed to be vulnerable, a request can be made for the rent to be paid directly to the landlord instead. This is also possible if they fall behind with paying their rent. Universal Credit (housing costs) payments direct to landlords can be requested from the start of the claim as an Alternative Payment Arrangement (APA).

Local Housing Allowance Rates are based on geographical areas. LHA rates are freely available from local District Council Benefits Offices, and [online on the LHA website](#).

The following is an example of LHA rates, these are Basildon District Council (April 2024)

Shared accommodation rate - £109.62 per week

1 bedroom rate - £178.36 per week

2-bedroom rate - £218.63 per week

3-bedroom rate - £276.16 per week

4-bedroom rate - £345.21 per week

## Income Tax

HM Revenues and Customs produces a document called, Help Sheet 236 (HS236). This provides details of tax relief that is applicable to foster carers, shared lives carers, kinship carers, staying put carers, parent and child arrangements and supported lodgings schemes. Copies of this document are available from the [HMRC website](#).

Under this scheme, known as 'Qualifying Care Relief,' income received from Staying Put care is treated in the same way as that from foster care.

Additionally, all individuals can receive up to £7,500 a year tax-free in rental income, by letting furnished rooms in their home. This is known as the Rent a Room scheme. So, if the Staying Put carer chooses to charge the young person rent, they have the option to use this scheme, more details are available on this [Government Website](#).

## Benefit Income of the Staying Put Carer

If the Staying Put carer (former foster carer) is in receipt of means-tested benefits (e.g., Housing Benefit, Pension Credit, Local Council Tax Support) an assessment should be carried out to determine whether these benefits would be adversely affected by a Staying Put arrangement. The Leaving Care Benefits Adviser can assist with this.

If necessary, arrangements can then be made for additional funding to be requested from the Local Resource Panel to protect the Staying Put carer from any financial loss.

## Additional Staying Put Payments from Leaving and After Care

The separate Staying Put Policy gives further details about foster care placements moving to a Staying Put arrangement. Other placements such as supported lodgings, or semi-independent living may be extended beyond the young person's 18<sup>th</sup> birthday, for a limited period, and can be presented to the Resource and Care Panel for funding to be agreed. These arrangements do not fall under the remit of Staying Put.

In all cases, young people will only be supported to remain in former placements, after their 18<sup>th</sup> birthday, whilst it meets their needs and is in their best interests.

## A Summary of the Financial Aspects of Staying Put

- The former foster carer's fee can be replaced with a Staying Put fee, this will be capped at the maximum amount of £270 per week.
- The fostering allowance will not be payable during the Staying Put period, as the former foster carer will no longer be expected to pay for the same expenses for the young person that they did previously, for example food, clothing, travel etc. The young person is expected to pay for their own living costs from their own income (via Universal Credit if required).
- The Staying Put carer has the option to charge the young person rent when they turn 18 years old. The young person can claim help for paying these rent costs via Universal

Credit. The maximum amount that Universal Credit will pay towards the rental costs is the equivalent of the 1-bedroom Local Housing Allowance rate for the area. Universal Credit is a means-tested benefit, so it may not cover all of the rent if the young person has other income, earnings or savings.

- If the Staying Put carer is receiving means-tested benefits and these would be adversely affected by receiving a rental payment from the young person, then consideration can be given for the rent element to be paid by the Local Authority, rather than the young person.
- If a Staying Put carer is going to have additional Council Tax costs by having a young person Stay Put with them, consideration can be given to reimburse these costs. This will be decided on a case-by-case basis and will usually only be agreed in exceptional circumstances.
- Any Staying Put payment will not consider an 'agency fee' (where paid to the agency rather than the foster carer) as this will cease to be paid once a young person turns 18 years old.
- Where required a Staying Put Returnable Advance Payment can be paid to the carer at the beginning of a new Staying Put arrangement. The amount of this payment will be a maximum of 6 weeks rental payments and can be repaid by the carer when the young person's Universal Credit claim has been processed, or after 6 weeks, whichever is soonest. The repayments will be automatically recovered in instalments from the ongoing Staying Put monies paid to the carer.

# Appendices

## Appendix 1 - Council Tax Exemption Form



CARE LEAVERS  
COUNCIL TAX EXEMP

## Appendix 2 - Template to claim Universal Credit when SMC do not have a biometric identification document.



DWP letter.docx

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