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| <u>aChapter Ten : Finance</u> | Updated |
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| <p>16/17 year olds (Eligible/Relevant)</p> <p>Care leavers aged 16 and 17 years old cannot claim Universal Credit. Unless estranged from family and no longer on full care order/care order.</p> <p>Exceptions to this being:</p> <ul style="list-style-type: none"> • Young people post 16 years who have been looked after for less than 13 weeks (Qualifying) • Young people who have been Privately Fostered until at least their 16th birthday (Qualifying) • Young people who were subject of a Special Guardianship Order until at least their 16th Birthday (Qualifying) • Pregnant young people who can claim Universal Credit once their child is born <p>Personal Allowance</p> <p>The Personal Allowance is payable to 16 years old care leavers from the end of school year 11 and should be paid directly into their bank account weekly. It is intended to be used to enable the young person to buy clothing, toiletries, social travel and an element of pocket money. For those in foster care, there will need to be discussion about what the carer will continue to fund from the fostering allowance.</p> <p>Personal Allowance is paid at 2 levels :</p> <p><u>Higher PA rate:</u> Equivalent to the UC basic rate [currently £58.90] and is provided when a young person is responsible for purchasing their own food/ living independently.</p> <p><u>Lower PA rate:</u> this is 3 /5's (£35.34) of the higher rate as the young person is not required to buy their own food, e.g. living in supported lodgings or foster care.</p> <p>This is set at the same rate as Universal Credit and therefore is updated every April. Once a young person reaches 18, they are expected to apply for benefits and Children's Services Department no longer have a duty to provide this allowance.</p> <p>For asylum seeking young people unable to claim social benefits, Children's Services Department will continue to fund until they reach 21 years old, at which stage they need to apply to the Home Office for funding through Immigration legislation.</p> | July 2020 |

All information relating to financial support for care leavers is available in the following procedure:

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[Financial support and contributions for Care Leavers aged 16-25 years old procedure](#)

Bank Accounts

It is an expectation that young people from age 16, unless inappropriate to do so, will open a bank account to support their financial arrangements.

Forms of identification are required to enable a young person to open a bank account, as determined by the bank. Support must be given to all young people to ensure that they can open a bank account including supporting to obtain photo ID. This will initially be needed for a Personal Allowance or Education Maintenance Allowance to be paid into.

UASC can encounter great difficulty in opening a bank account due to a lack of identification and no passport. However, advice is that it is possible if Children's Services provide a letter, on headed paper, confirming that the young person is a care leaver known to CSD. RBS bank has agreed this is acceptable. However, it is possible to liaise with the British Banking Association if there are any difficulties.

Applying for benefits

Benefit claims can be made on-line ([Government Services and Information](#)).

May be beneficial to advise that the most applied for is Universal Credit as most benefits come under the umbrella of this. information on Housing benefit and housing element regarding universal credit/benefit claims and how these differ due to geographical areas (stipulated by the local council).

Further information about types or benefits and application process can be found at [Government Services and Information](#)

Universal Credit (UC)

From April 2013, a benefits cap was introduced and therefore the maximum amount of Benefits a single person can receive will be £350 per week. From October 2013, significant change was introduced in that several benefits will be amalgamated into one overarching benefit called **Universal Credit (UC)**. Under this new system claimants will receive all their benefits in a monthly payment, and, for new Local Housing Allowance claims, individuals will be responsible for making their rent payment to the landlord. However, an application can request that payment is made directly to the landlord, although young people may need to be supported to achieve this.

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For staff supporting young people in their claims process there are sometimes situations where progress of claims needs questioning or there are queries relating to the claim and, in such situations, contact need to be made

Customers have the right to ask a representative to help them conduct their business with DWP and it is important that DWP balances this with the duty to protect the personal information held. This is particularly important for customers with any disabilities or conditions that make it difficult for them to express themselves adequately.

More Information regarding consent can be found:

<https://www.gov.uk/government/publications/working-with-representatives-guidance-for-dwp-staff>

Applying in Advance

Young people will need to have an online Universal credit account, as all applications and communication are via their online account.

The benefit claim procedure is for a young person to initiate their claim application up to one month prior to their 18th birthday however this cannot be completed until they are 18 years old. Since 2020 a new procedure of contacting the SPOC for Job Centre in that area to notify of YP coming up to 18. Emergency payments can be made for up to five weeks during the assessment period, providing the relevant documents have been uploaded on to their online account. **This is not encouraged to avoid getting into debt CSD can pay 4 weeks if required once YP has turned 18 by the CL Team**

The DWP can support care leavers with additional needs, although personal advisors may need to act as an advocate for the care leaver, e.g. where a care leaver may need to have 'managed' payments to ensure their rent is paid directly to the landlord and not to the young person. This would need to be stated at the point of application.

Where a care leaver leaves accommodation owing rent to the provider, third party deductions will impact on future payments. This only applies if rent paid directly to the YP.

Universal Credit paid is usually Paid 4 weekly. If the young person is making a new claim, they will get a notification about how often they want to be paid. They should get this after their first payment.

If they are already getting Universal Credit and haven't had a notification, they can ask the work coach to be paid twice a month.

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When paid twice a month the first payment will be for a full month. They will get the first half of your second month's payment a month after this. The second half will be paid 15 days later. This means there will be about a month and a half between the first payment and the full amount for your second month. After this, they will be paid twice a month.

Below is a link to the relevant regulations that may need to be quoted when liaising with Job Centre Plus (scroll down to advance awards).

[The Social Security \(Claims and Payments\) Regulations 1987](#)

Universal credit and students

<https://www.gov.uk/guidance/universal-credit-and-students>

<https://www.gov.uk/guidance/16-to-19-education-financial-support-for-students>

Reclaiming Money

Given the time delay that exists between making an application for benefits and actually receiving them, it is often the situation that interim payments of Personal Allowance may be needed for up to four weeks to ensure the young person has a level of income. Once the benefits are agreed and processed the young person will receive a backdated lump sum, and is expected to repay any monies supplied to them by HCC for Personal Allowance whilst awaiting the UC payment to be made. This is a managers discretion and ensuring the Young person does not become in debt

Young people living at home

There will be situations when a young person returns home as a relevant care leaver having been de-accommodated. On returning home the young person's parent/s can claim child benefit as long as the young person is undertaking full time education and training and is under 20 years if they're in approved full-time education or training

After six months, and following a review that these arrangements are successful, the young person will become a qualifying child

- if they are undertaking full time education and training and their parent/s meet the criteria for Child Tax Credits, the parent may be eligible for the Child

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Element;

- If the young person is the only child in the family, the Family Element of Child Tax Credits applies.

Based on discussion with the parent regarding their financial situation, it may be appropriate for CSD to provide interim financial support whilst a parent is making a claim for benefits.

If a young person is working, and not accessing Benefits, the young person will need to discuss with their parent what contribution they will pay to them for their keep.

Payment of birthday and Christmas allowances will be dependent on both the young person being in regular contact with their worker and also on the family's financial situation. A factor would be what impact CSD have on the siblings and family by making such a payment. This would be the same for those at home on a Care Order. If they are discharged from care, then this no longer applies

Former relevant care leavers Accessing a Setting Up Home allowance (Independent Living Fund – ILF) is dependent on the young person moving into independent accommodation. It cannot be accessed for young people who return home to their parents and who are qualifying care leavers. This is all agreed at the discretion of a manager and district manager

Paying for Services for Care Leavers

Petty cash and purchasing cards: Wherever possible, payments made for services to support care leavers should be made using Children services transactions team

. However there are many occasions where a more immediate payment is required and Team Managers will want to use petty cash or purchasing cards to action the payment. Team Managers should refer to the [Children's Services Scheme of Delegation procedure and guidance](#) for details of the limits of their authority and to the Terms of Reference for using petty cash and purchasing cards and the following link



Request for Finance
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