

Care leavers' experiences of the welfare system – summary of the challenges that care leavers face and proposed policy changes

About the project

With the support of Lloyds Bank Foundation, Learning and Work Institute (L&W) is working with young people from Leicestershire Cares, Drive Forward and Homes2Inspire to understand care leavers' experiences of the welfare system.

L&W is an independent policy and research organisation dedicated to promoting lifelong learning, full employment and inclusion. We research what works, develop new ways of thinking and implement new approaches. We undertake a range of work to improve young people's access to education and employment, including our [Youth Commission](#) and targeted research into care leavers' access to education and employment.

Care leavers are young people who have been looked after by the state, some for all of their childhood, and have subsequently left care. While some young people have excellent experiences of the care system and receive consistent and effective support, far too many do not, and, as a result, face difficulties and disadvantage throughout their lives.

Research shows that young people who have been in care do not have the same life chances as other young people. They are far more likely to leave school with no qualifications, far more likely to become a parent at a young age and far more likely to experience the criminal justice system. They are also far less likely to enter further and higher education, gain an apprenticeship and secure stable employment. Data shows that in 2021, 41% of care experienced young people, aged 19-21, were not in education, employment or training (NEET) – this is around three times higher than for all young people. Being NEET during key transition years can have a long term scarring effect throughout a young person's life.

L&W believes that the employment, education and skills systems have a duty to support care leavers, many of whom had very bad experiences as children, to have excellent opportunities as they transition into adulthood. Like all young people, care leaver's chances should depend on their talent and hard work, not their background. Our aspiration is for care leavers to receive support and opportunities that enable them to make the most of their talents, to overcome the challenges they face, and to achieve and progress. The ideal is that all care leavers gain qualifications, skills and are able to secure good jobs that enable them to build positive futures for themselves and their families. However, the reality is that this often isn't the case.

Far too many care leavers find themselves out of education and employment, and in need of support from the welfare system. Improving the education, skills and welfare system for all young people will inevitably have a positive impact upon care leavers, however, due to their unique circumstances and experiences care leavers also require targeted, tailored and joined up support.

We estimate that there approximately 35,000 care leavers, aged 19-24, accessing support from the welfare system. Research shows that they are three times more likely to be sanctioned compared to other claimants¹.

In our Youth Commission we argue for a new Universal Credit (UC) Youth Allowance for 16-24 year olds. Through this, work coaches would agree action plans to enable young people to combine working towards a qualification up to level 3 with looking for work. 16-17 year olds, not generally eligible for benefits today, would be eligible for a £30 per week allowance to find work and learn up to level 3. This, we believe, would provide a solid universal foundation upon which support tailored to care leavers' specific needs and circumstances would address the key challenges they face.

Recognising that too many care leavers are not able to achieve their potential in education and gain secure employment, this project and the following proposed policy changes are focussed upon how support within the welfare system can be improved, to enable care leavers who claim out of work benefits to achieve better outcomes. However, it's also important to note that the welfare system also has a role in supporting people on Universal Credit to progress within employment and targeted, effective progression support for care leavers could make a further difference in improving care leavers' life chances once in work. This should include Government departments working closely together to align skills offers with support for care leavers claiming benefits, such as traineeship and apprenticeship routes.

The following policy changes have been identified by care leavers and L&W, to improve care leavers' experiences of the welfare system and the outcomes they achieve.

Proposed policy changes

1. A designated lead or champion at every Jobcentre Plus or local Youth Hub, focused on care leavers

As a result of growing up in the care system, care leavers' experiences are unique. Many have experienced trauma, separation and instability, alongside ongoing practical challenges linked to the transition to independence. They generally are more likely to be out of work, NEET and to be sanctioned than other young people. It is crucial that care leavers receive empathetic and tailored support from Jobcentre

¹ The Children's Society (2017), Claiming after care

Plus, and that this support is effectively joined up with the support they receive from their local authority leaving care team.

In the best examples, support is 'built around' the young person. It is tailored to their needs and is planned at an early stage to enable smooth transitions, and to prevent care leavers from experiencing the 'cliff edge' of support dropping away, which is so often described. In some parts of the country support is effectively co-located, with Jobcentre Plus and local authority staff working closely together to meet the needs of care leavers. However, arrangements are patchy, and in many parts of the country care leavers talk about lack of understanding, empathy and join up as they navigate the welfare system. They often have to explain their backgrounds and circumstances time and time again, and don't receive consistent support from one work coach, who understands their needs.

DWP should require every Jobcentre Plus or local Youth Hub to have a designated member of staff focussed on understanding and joining up support for care leavers. This would not only help to reduce claims by supporting care leavers into employment more quickly, it would also help to provide better and joined up support when care leavers need it most. This staff member should have knowledge of care leavers' lives and specialist training – it is essential that they have a good understanding of the challenges that care leavers often face. They should also have time to oversee the support of all care leavers, help work coaches to build rapport and trust, understand individual circumstances and ensure that the support offered is tailored to them. This person should also be the 'single point of contact' with the relevant local authority leaving care team. Their role should involve building strong links at local operational and strategic level to enable:

- Forward planning of individual care leavers' transitions from education into further learning, employment and, where necessary, employment support, to avoid gaps in support and the 'cliff edge'.
- Effective sharing of information with local authority leaving care teams about individual care leavers, to ensure tailored support can be put in place, for example mental health support.

It is also important that designated leads share best practice and build a network of expertise across Jobcentre Plus based on evidence of what works. There are approximately 600 Jobcentre Plus offices across the country, and around 35,000 care leavers each year, aged 18-24, receiving support through the welfare system. This means that on average each office will support around 60 care leavers each year.

This change, we believe, would better enable Jobcentre Plus and local authority leaving care teams to provide joined up, comprehensive support that is built around each young person.

2. Improving transparency: Introduction of a UC 'marker' for care leavers and coordinating information for care leavers on Gov.uk

Our first proposal, for the introduction of a designated lead for care leavers working across every Jobcentre Plus and Youth Hub, would make a difference to the quality and integration of support. However, there are situations where some care leavers may continue to fall through the gaps. This includes young people who move area and therefore do not make a smooth transition from their local authority leaving care team into the welfare system. It also includes young people who may disengage from local authority support at the point of leaving care.

Care leavers say that the support they receive varies substantially across the country. Before the current UC system was introduced, the welfare system included a 'marker' that enabled JCP staff to automatically identify care leavers. There were similar markers for other groups who were identified as requiring specific support. The care leaver marker is not applied within the UC system. As a result, where the transition in support has not been smooth, work coaches often don't know that a young claimant has been in care and are therefore unlikely to offer tailored support or the full range of entitlements. For example, a young person may leave the care system in Brighton, and move to Birmingham, where they make a UC claim but do not tell their work coach that they have been in care. Their work coach would then be likely to overlook some entitlements, for example, that they could receive the £1,000 care leaver apprenticeships bursary. Apprenticeships can help young people to build good careers, gain qualifications and improve their long term life chances. The £1,000 bursary can make a significant difference in helping care leavers to afford initial costs linked to starting an apprenticeship, for example around travel and clothing.

DWP should introduce a care leaver 'marker', which clearly tells work coaches that a young person has been in care. This should trigger a full menu of support options so that care leavers fully understand their rights. A further benefit of this proposal is that it would enable DWP to track and monitor care leavers' outcomes and would provide the opportunity for better information sharing, transparency and publication of performance data. Care leavers' outcomes have been consistently poor for too long. A fundamental purpose of the welfare system is to improve the life chances and living standards of people who find themselves marginalised. Transparent publication of outcomes data would build better understanding of care leavers' overall outcomes in the welfare system, and areas where support is making a difference and where care leavers are falling further behind.

Care leavers often say that they don't understand their rights in the welfare system. Whilst Gov.uk includes a range of information that applies to care leavers, it is dispersed across the website, much of it is out of date, while other information is

difficult to understand. Gov.uk should be updated to provide a central, accessible and up to date portal for everybody to access the information they need. In the short term, DWP should work with organisations that represent care leavers to produce a single resource that clearly sets out care leavers' rights and entitlements in the welfare system. The resource should be written in plain English and should clearly set out how care leavers can make a claim, the support they should receive and who from, their options and rights, their responsibilities and how the sanction process works. Alongside this, DWP should prioritise ongoing engagement with care leavers groups and local authority leaving care teams to promote understanding of the welfare system and how it can effectively support care leavers.

3. Universal Credit should be increased, with some care leavers arguing they should be entitled to the over-25s rate

Universal Credit rates are relatively low compared to average earnings both historically in the UK and relative to systems in other countries. This is even more true given the high rates of inflation seen in 2022 and the removal of the £20 per week uplift to Universal Credit that was introduced earlier in the pandemic. Care leavers we spoke to in this project say that the lower young people rate in UC doesn't sufficiently cover their housing and living costs and that they're often forced to choose between basics, such as eating and heating.

Care leavers' backgrounds and experiences are unique. Many describe the process of leaving care as a 'cliff edge' – support abruptly stops, and they are suddenly responsible for living independently and managing their money. This is a challenging time for many care leavers, which they find hard to navigate. Our aspiration should be for all young people to thrive as they as they transition to adulthood, but care leavers often speak about the difficulty in simply surviving.

L&W believes that there remains a clear case for more generous uprating of Universal Credit and other working-age benefits for all people in receipt of them. In the absence of this, the care leavers engaged in this project argued that, because of their unique circumstances, they should be entitled to the over 25s rate in UC. This is approximately £16 per week more than the rate payable to claimants under the age of 25.

4. Increase access to more regular Universal Credit payments where appropriate and budgeting support

From submitting a UC claim to receiving the first payment can take five weeks. Many care leavers struggle during this time, particularly when they transition from being in care to living on their own without financial support from family. It is vital that they have the financial support to survive the move to independent living.

Advance payments are available, usually needing to be repaid over time. In addition, alternative payment arrangements can be put in place, allowing more frequent UC payments (for example, fortnightly or weekly). Care leavers told us that they are often not aware of the options for advance payments, alternative payment arrangements and often find budgeting to make repayments from an income they already feel is too low is very difficult. This can lead to re-payment problems and debt, and can push them into negative activity and behaviour simply to survive.

Taken together, a JCP designated member of staff, alongside a care leaver marker to identify care experienced young people, should enable work coaches to ensure that all care leavers are aware of the options for an advance payment and Alternative Payment Arrangements, and should also trigger budgeting support where needed to better enable care leavers to manage their money independently.

5. Aim to prevent sanctions and ensure care leavers are clear about what they need to do and the process

Care leavers are three times more likely to be sanctioned (which involves having their benefits payment reduced) compared to other benefits claimants. Due to their unique circumstances, and because they don't have the back up of family support, the consequences of sanctions can be devastating for care leavers and can push them into desperate situations.

Sanctioning any benefits claimant should always be the last resort and is a sign of the system's failure to support and engage. Our earlier proposals highlight the need to ensure that care leavers get tailored and empathetic support that takes account of their experiences, and the challenges they face growing up in the care system. Having a designated lead in every Jobcentre Plus should ensure that work coaches have the understanding and knowledge to put good support and multiple steps in place aiming to avoid the circumstances that could lead to a potential sanction.

Many care leavers we spoke to as part of this project describe feeling overwhelmed and confused when they first enter the welfare system. They are not always clear what is expected of them, and may not have anyone to turn to when things start to go wrong. This can lead to quite simple problems spiralling out of control. A care leaver involved in this project gave the example of failing to attend a job interview because she got on the wrong bus. She was so worried about the reaction of the employer and her work coach that she didn't contact them for two days. When she did speak to her work coach a sanction had already been applied, which the work coach said it was not possible to remove. This was the first breach of her claimant commitment.

It is crucial that work coaches are careful and considered when making decisions about breaches in claimant commitments by everyone, including care leavers. We

have heard of some parts of the country where there are good examples of Jobcentre Plus applying protocols and discretion around sanctions in ways which encourage and support care leavers. In other parts of the country care leavers describe the rigid application of rules, that does not take account of their personal experiences and circumstances. It is important to learn from and build upon best practice in JCP.

We need greater consistency in building positive relationships and taking account of personal circumstances. That should include discussing the breach of a claimant commitment to understand any potential reasons, involving the care leaver's personal adviser where appropriate, and making sure work coaches take the time to understand personal circumstances and are clear about both processes and requirements.

6. All local authorities should exempt care leavers from paying council tax or provide alternative support, up to the age of 25

Approximately 130 out of 151 local authorities exempt care leavers from paying council tax or offer a discount. The remaining 20 or so do not. While local authorities are often best placed to understand the needs of care leavers in their local area, and many offer other financial support, the varying approach taken by local authorities is confusing. One care leaver gave the example of receiving a 25% council tax discount, while her friend who lives on the next road receives a full exemption as she falls under a different local authority area.

All local authorities are required by law to publish a local offer for care leavers, however, the information provided varies substantially, as does the support available. Local offers do not always include information about council tax. This can make it hard for care leavers to understand their rights.

Our proposal of a designated lead in every Jobcentre Plus and Youth Hub would enable care leavers to be signposted to financial support, including council tax discount. In addition, all local authorities should implement and publish a clear and comprehensive local offer for care leavers, which should include full exemption from paying council tax, or alternative financial support, up to the age of 25.