

Rt. Hon Rishi Sunak MP, Chancellor of the Exchequer  
Rt. Hon Nadhim Zahawi MP, Secretary of State for Education  
Rt. Hon Thérèse Coffey MP, Secretary of State for Work and Pensions  
Will Quince MP, Children and Families Minister  
Education Select Committee Members  
Rachel Reeves MP, Shadow Chancellor of the Exchequer  
Bridget Phillipson MP, Shadow Secretary of State for Education  
Jonathan Ashworth MP, Shadow Secretary of State for Work and Pensions  
Mark Riddell, National Implementation Adviser for Care Leavers  
Dame Rachel de Souza, Children's Commissioner  
Josh MacAlister, Chair, Independent Review of Children's Social Care  
Nola Walker, Rob MacPherson and Jo Stallwood, Department for Education  
Matthew Brazier, Specialist Adviser - Looked After Children, Ofsted

31<sup>st</sup> March 2022

### **Impact of Cost of Living Rise on Care Leavers**

I am contacting you, together with the care experienced young people we work with because we are extremely concerned about the impact that the cost of living rises will have on care experienced young people. The spring statement was disappointing in that it contained no specific measures to help this group.

While the rises are impacting everyone and particularly those on low incomes or benefits, young people aged 18-25 who are leaving care will be particularly impacted.

*"Just to make it clear, I am working 2 jobs and still worried about not being able to cover costs from the living rise, so I can just imagine how anxious others are feeling."*

*Care Experienced young person, March 2022*

Even prior to these cost of living rises, Care leavers have been particularly vulnerable financially:

- 1) **Financial independence from the age of 18** - From the age of 18, care leavers are expected to be financially independent and in the majority of cases are responsible for managing their own household bills. This move to being financially independent is much earlier than for young people generally who on average leave the family home at the age of 24.
- 2) **Impact on Mental health** - Nearly half of looked after children meet the criteria for a psychiatric disorder (compared to 1 in 10 children generally)\*. Care experienced young people told us that the benefit uplift during covid benefitted their mental health significantly, through being able to manage bills and stay connected:

*"Each week I have been able to have credit on my phone to speak to friends and family and this has helped my mental health very much"*

*Care experienced young person talking about the Covid Benefit uplift, Feb 2021*

We are very concerned that without further assistance, the current cost of living crisis will have a significant impact on care leavers' mental health

\*Figures from Independent Review of Children's Social Care – Case for Change

- 3) **Poorer support networks** – Care experienced young people generally have a poorer support network, meaning they have few people to turn to when in financial crisis. Local authority leaving care teams will assist care leavers in crisis by connecting them with food banks and local support & can offer support for one off financial issues but they do not have the resources to resolve ongoing financial crises.
- 4) **Digital Poverty a barrier to engaging with education, employment and support services** – Prior to the cost of living rises, we have seen examples of care leavers choosing between purchasing food and WiFi. Digital access is vital to engaging with education, employment, health services and to staying connected with family and friends. The current cost of living increases will put more care leavers into digital poverty, impacting their ability to take positive steps around education and work.
- 5) **Under 25 Universal Credit Rates** - Care experienced young people under 25 year olds are only eligible for the Under 25 Universal Credit rates (£61.05 from 1<sup>st</sup> April), despite having to manage household bills. Prior to the cost of living rise many care leavers were already struggling financially – this was somewhat alleviated with the Covid benefit uplift where local authorities reported a drop in care leavers in financial crisis.

We are now in a position where, without additional support, we are setting up care leavers to fail when they turn 18 and become financially independent. The under 25 Universal Credit rate will clearly be insufficient to cover household bills, food, travel and digital access, with the increased cost of living. The stress and indignity this will place on 'our children' is hugely concerning. Not only that, we are concerned that financial insecurity could lead to greater risk of being exploited – by gangs or by those offering financial reward for illegal activities.

We are writing to ask you to take immediate action to prevent care leavers from going into financial crisis with two asks:

1. Care Leavers to be eligible for the over 25 rate of Universal Credit from the age of 18 – in view of the fact that they are then deemed financially independent and often responsible for managing the costs of running a household.
2. Ringfence a proportion of the Household Support Fund going to councils for supporting care experienced young people aged 18-25 years old, for leaving care teams to manage.

*"I'm just confused as to how they can justify someone getting less money due to the fact they're under 25. Surely someone under 25 has the same bills as someone over 25."*  
*Care Experienced young person, March 2022*

We would be happy to meet with you to discuss this issue further and look forward to your response.

Yours Sincerely,

Hannah

Hannah McCowen  
National Leaving Care Benchmarking Forum Manager, Catch22.

The National Leaving Care Benchmarking Forum is a forum of 128 Local Authority Leaving Care Teams in England, working together to improve outcomes for young people leaving care. At the heart of the forum is the Young Person's Benchmarking Forum where Care Experienced young people meet together to discuss issues, communicate their views to policy makers and help shape the priorities of the forum.

## **Co-Signatories:**

David Graham, National Director, Care Leavers Association

Katherine Sacks-Jones, CEO, Become

Kevin Williams, CEO, The Fostering Network

Lucy Croxton, Charity Policy, Public Affairs and Campaigns Manager, The Together Trust

Louisa McGeehan, CEO, Just for Kids Law

Louise King, Director of Children's Rights Alliance for England

Rita Waters, CEO, National Youth Advocacy Service

Sara Ortiz, Senior Research & Policy Advisor, TACT Fostering