

# National Leaving Care Benchmarking Forum

## Impact of Cost of Living Crisis on Care Experienced Young People

Young People & Leaving Care  
Professionals' Views

August 2022

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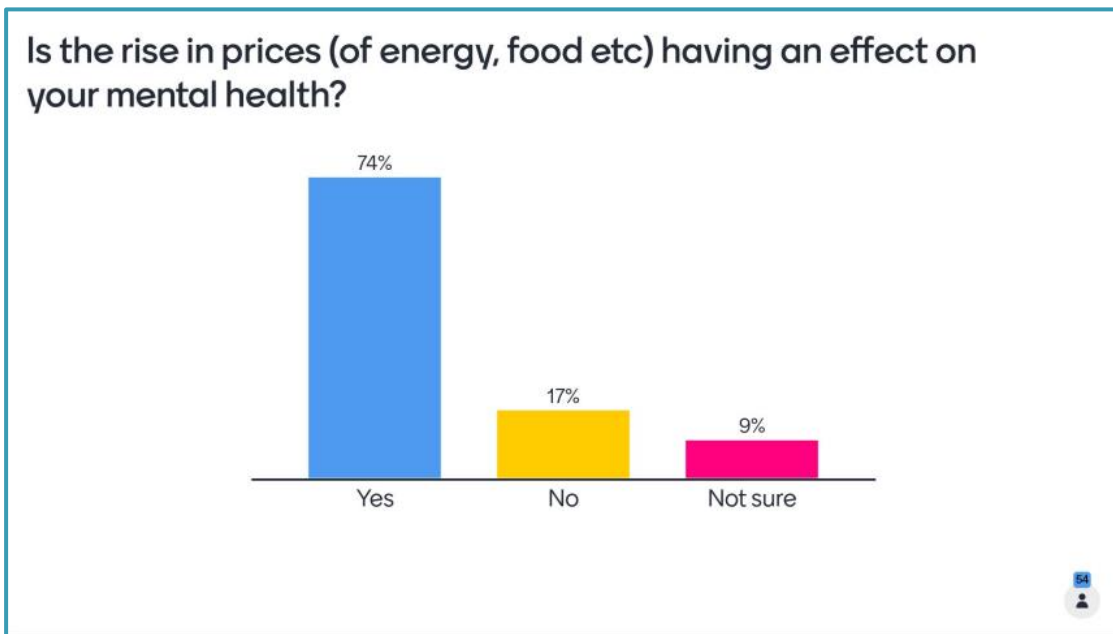
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## Impact of Cost of Living Crisis on Care Experienced Young People

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# Young People's Views

In May 2022, we consulted with a group of care experienced young people at the Young Person's Benchmarking Forum Event – which was held in Bristol with the option to attend the event online too. 55 Young people attended from 27 Local authorities across England. We collected feedback using Mentimeter, an online consultation tool about the impact the cost of living rises were having:



## What are you having to miss out on?

- Social events
- Trainers
- ‘Haven’t had the heating on in years’
- Decorating the house
- Hobbies
- ‘The real stuff’
- Driving lessons
- A stable financial plan for the future
- Holidays
- Subscriptions
- Meat and fruit
- My daughter’s gymnastics
- Hair cuts
- Leisure activities have stopped – cinema, visiting family who don’t live locally.

**“It’s always a decision to eat & keep warm or have a bit of fun.”**

Care experienced young person

**“Cannot socialise or go out in the same way that all my friends can.”**

Care experienced young person

# Young People's Views

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## What are the biggest challenges about the cost of living rises currently?

- **Debt:** 'Getting into debt.'
- **Housing:** 'Being able to afford rent,' 'homelessness.'
- **Bills:** 'Energy & Fuels,' 'Paying all bills and having nothing left,' 'Choosing between heating & eating.'
- **Shopping:** 'Challenge to buy new things that are really needed.'
- **Aspirations:** 'Unknown future,' 'Not being able to save,' 'Being unable to travel,' 'It's a difficult time to start a career,' 'Decisions about having a family,' 'Not being able to show I can provide to be able to foster.'
- **Health:** ' Staying healthy & being able to afford activities that support good mental & physical health.'
- **Young Parents:** 'Giving my son the lifestyle he deserves,' 'Not being able to get my son presents.'
- **Mental Health & Worry:** 'Worrying about where it will end,' 'Worrying how expensive it might get in the future,' 'Having to constantly overthink about saving money.'
- **Isolation** – 'Not being able to see my loved ones as much,' 'Loneliness.'
- **Travel:** 'Bus travel,' 'affording fuel to get to and from work.'
- **Hobbies:** 'Giving up things that you enjoy whether it be food or social things.'

**“Not being able to have fun in life and becoming depressed due to constantly worrying”**

Care experienced young person

**“How to work out how to balance the budget when there is not enough money to afford all essential items – Bills, rent, food, toiletries, clothing, petrol, car expenses & repairs.”**

Care experienced young person

**“No longer having the option to support yourself on your own”**

Care experienced young person

# Young People's Views

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## Impact on Care Experienced young people

### Impact on affording daily necessities:

Even in May 2022 – before some of the most recent increases in food and fuel costs, care experienced young people were having to make difficult choices around their essential household bills, food and travel.

### Impact on managing debt:

This came up as a significant theme in the discussions on the day, with young people worried about how they would manage existing debt now.

### Impact on Isolation & Connectedness:

At the event, young people spoke about not being able to socialise with college and work friends (who were often living at home and were not managing household bills) and this leading to a sense of isolation & feeling different. Young people said they were worried about how they would afford to go on dates & be able to have children. Young parents spoke about the impact cost of living increases was having on the life they wanted to give their children.

### Impact on Aspirations:

Extremely concerning is the impact that we heard this crisis was already having on the aspirations of young people, given the amount of investment that has been made into raising aspirations of this group of individuals.

### Working or on Benefits?

Some of the young people who took part in this survey were working and some were on benefits – the feedback we received demonstrates that both groups are struggling considerably.

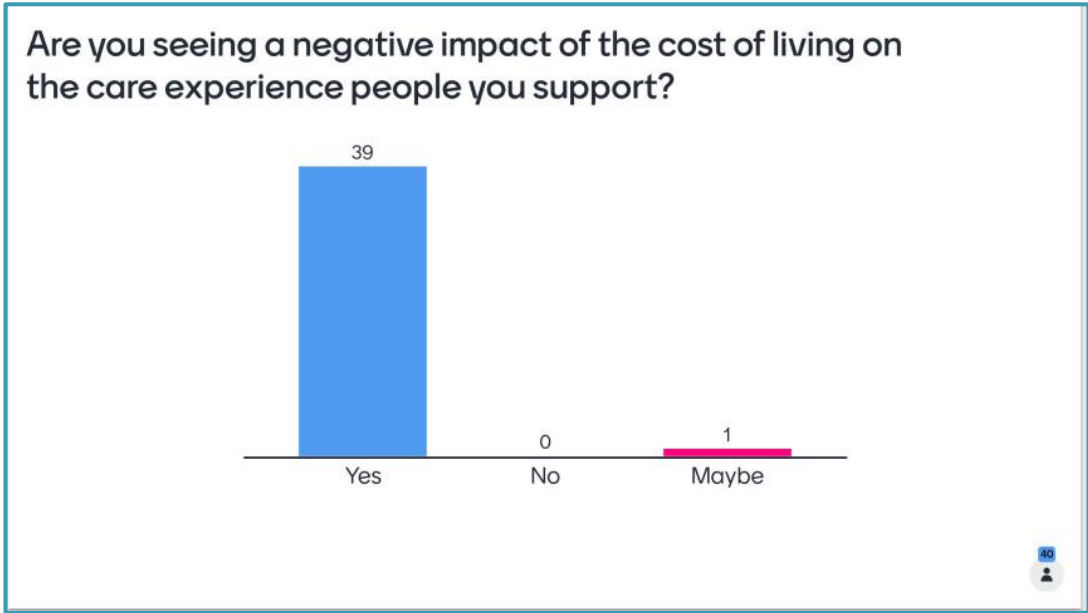
## **RECOMMENDATION 1: UNIVERSAL CREDIT**

**Make all care leavers eligible for the over 25 Rate Universal Credit from the age of 18, recognising that they are financially independent and often managing household bills.**

**The increase from £61.22/week to £77.28/week would benefit those in education, seeking work and those working on low incomes, enabling them to be able to afford essential items.**

# Leaving Care Practitioners' Views

In June 2022, we consulted with a group of leaving care practitioners (Personal Advisers, Social Workers, Participation Workers who work directly with care experienced young people aged 17-25) at the NLCBF Practitioner Event. This was held in Birmingham with the option to attend online. 115 leaving care practitioners attended from 60 Local authorities across England. We collected feedback from these practitioners on the impact they were seeing of the cost of living on young people they are supporting.



**“They are really worried & stressed, giving up on hobbies & interests, losing motivation in general and feeling it’s pointless to try and budget.”**

Leaving Care Practitioner

**“Big impact on mental health & isolation & an impact for care leavers who are also parents with young children.”**

Leaving Care Practitioner

**“They cannot afford even the basic phone credit which puts vulnerable young people in potential danger.”**

Leaving Care Practitioner

# Leaving Care Practitioners' Views

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## What impact is the cost of living having on the young people you support?

- **Exploitation:** 'Hanging out with the wrong peer group,' 'Vulnerable to being exploited'
- **Debt:** 'Getting into debt resulting in decreased wellbeing,' 'Getting into debt,'
- **Housing:** 'Not having money for arrears,' 'Evictions,' 'homelessness,' 'Social housing are turning them down due to affordability.' 'Can't pass affordability checks.'
- **Bills:** 'Being broke and needing more support,' 'Getting into debt with utilities,' 'Gas and electric – they are running out very quickly,'
- **Shopping:** 'Not able to afford basic necessities let alone other things that increase positive wellbeing,' 'Too embarrassed to use food bank or places that offer hot meals.' 'Can't afford to shop for clothes,' 'More asking for shoes/clothes.'
- **Aspirations:** 'The young people I work with do not see any hope or way out.'
- **Health:** 'Poor health due to lack of nutritional foods.'
- **Young Parents:** 'Not having enough food for themselves & children,'
- **Mental Health & Worry:** 'Mental health struggles increase,' 'Impact on mental health is impacting them in all areas.'
- **Isolation** 'Young People not leaving the home,' 'Can't get out, can't afford to top phone so lose contact with others.' 'Not being able to afford to see friends.' 'Isolated young person was going to have to give up all their online connections.'
- **Travel:** 'Can't afford to live, travel, eat and heat their homes,' 'No bus fares so can't get to job centre appointments, can lead to sanctions.' 'Can't travel to appointments.'
- **Hobbies:** 'Don't have enough to enjoy themselves by taking part in social activities.'

### RECOMMENDATION 2: UNIVERSAL DISCOUNTS

Reduce outgoings for young people leaving care through universal discounts to travel and utility bills, in line with corporate parenting. Guaranteed, national discounts would relieve some financial stress and young people could budget around this, rather than relying on crisis support.

# Leaving Care Practitioners' Views

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## How are you preparing young people for the increases? Any top tips?

### Money Management Support

Practitioners told us they are working closely with young people to review their budgets, check their bills are up to date and providing advice on ways to save money, such as turning off appliances and cooking cheaper meals. Some Local authorities are arranging workshops on the topic, for example using MyBnk training.

### Signposting for Support

Practitioners are actively encouraging the young people they support to ask utility providers about discounts for care leavers and signposting them to local charities and organisations who can offer support, food banks, fair share schemes etc. However, the negative impact on self esteem of having to access crisis support must be recognised.

### Support from the Leaving Care Team

Some leaving care teams are offering shopping vouchers or have been able to ring-fence some money to support with utilities – it was not clear from responses if this was from their own budgets or the Household Support Fund. Practitioners told us they are creating 'Keep warm packs.'

### Education Vs. Employment Advice

Of particular concern, were some comments in the discussion and one collected in the Mentimeter survey that they are encouraging young people to get a job rather than stay in education, due to the lack of affordability: "Being really honest and focussing on getting into work, rather than being on benefits."

This highlights the need for immediate financial support for young people in further education to be able to afford to continue in education, perhaps through an education bursary.

### **RECOMMENDATION 3: EDUCATIONAL BURSARY**

**Introduce an educational bursary for care experienced young people aged 18+ in Further education to support living costs & affordability of continuing in education.**



# Leaving Care Managers' Views

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In July 2022, at the NLCBF Manager's event, as one element of one of the sessions, we asked leaving care managers what action they were taking around the cost of living. 126 people attended this event from across 66 English Local Authorities.

## Is there any support already in place around cost of living or what are you planning?

### Budgeting Support

'We have budgeting lessons, cooking lessons and good contact with universal credit single point of contact – more to do though.'

### Household Support Fund

'Use of household support grants – prioritising payment to care leavers'

'Ringfenced household support fund'

'We have separated the household support fund for care leavers'

### Support from leaving care team

'Finance panel for extraordinary finance requests' 'Hardship funding and food vouchers'

'We have matched the DWP cost of living payment for care leavers with no recourse to public funds – We also have a finance panel to consider hardship on a case by case basis.'

'We are stretching out the winter Covid grant to be able to offer more emergency support'

'We are funding WiFi costs, funding shop at one of the local pantries (worth up to £25). Free bus pass and prescriptions through the Greater Manchester Scheme and £50 Asda voucher on three occasions over the next year.'

### Provider discounts E.g. Utility Providers.

'Hardship fund – 50% off Thames water bill'

**“We have hardship payments in place & a crisis grant. We also give food vouchers, but we need to do more.”**

**Leaving Care Manager**

# Household Support Fund Examples

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The Household Support Fund was introduced in October 2021, with funds allocated to each local authority to support vulnerable households in their area. Some Local authorities ring-fenced part of their allocation for care experienced young people:

## Good Practice: Local Authority A – Ringfenced part of Household Support Fund

“We have approached the department within our authority who have ring-fenced a proportion of the Household Support Fund for care experienced young people. This has been transferred to our budget and the Leaving Care team are distributing as above.

“We are crediting the utility accounts of all our care experienced young people who live independently / have responsibility for paying their own bills. We are also providing supermarket vouchers for all of our young people when needed, to help make ends meet. Whilst young people are awaiting first UC payments after making a claim, in addition to a living allowance, we are topping this up with a £20 supermarket voucher per week.”

## Good Practice: Local Authority B – Ringfenced part of Household Support Fund

“We accessed payments prior to the start of this financial year to support with energy costs. We have made direct payment to the care leavers towards household costs, primarily for those in their own tenancies, where these costs are an additional demand. We are having to consider whether we make some additional payments given the extent of the concerns for young people.”

## Challenges to accessing Household Support Fund

Unfortunately, we have also heard from local authority leaving care teams who have been unable to secure funding from the Household Support Fund in their area:

‘Unable to secure Funds’

‘Care experienced young people seem not to have been on the agenda of the portfolio holders who make the decisions of where the funding is placed.’

While in these cases, individual applications can still be made to the fund, this means that practitioners must wait for individuals to hit crisis point rather than using the fund to be able to support them in a planned way.

## RECOMMENDATION 4: HOUSEHOLD SUPPORT FUND:

**All Local Authorities to ringfence part of their Household Support fund for care experienced young people & national government to issue guidance to support this. This would enable leaving care teams to support young people in a planned, consistent way & not have to wait for crisis points.**

# Conclusions

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**1. The Cost of Living crisis is already having a significant impact on financial wellbeing, ability to secure and maintain tenancies; mental health; connectedness & aspirations of care experienced young people.**

We need to address this quickly and thoroughly and take into account expected further price increases. It is extremely concerning to see the impact early on in the crisis (May '22) and to consider the long-term impact this will have on areas like aspirations which have been invested in throughout a young person's care journey.

**2. Current levels of benefits are insufficient for care experienced young people to pay bills and purchase essential items, additional support is required.**

Feedback from both young people on benefits and those with low incomes is that the current level of support from universal credit for 18-25 year olds is insufficient to manage household bills with, even with careful budgeting.

**3. We can assume that the majority of care experienced young people are now in ongoing financial difficulty. Crisis support is no longer sufficient & having to access does not support positive self esteem and dignity. We need long term solutions which increase income or reduce outgoings and offer peace of mind and financial security.**

Care experienced young people struggled financially prior to the cost of living crisis and leaving care teams were able to support them with crisis support payments or gas/electric vouchers etc. The evidence we have collected shows that this is no longer sufficient as even with careful budgeting young people do not have enough to manage their bills and pay for essentials.

**“It is affecting the overall wellbeing of the young people I work with – And it is very hard to be positive when you can not fix / financially support the concerns they are addressing.”**

Leaving Care Practitioner

# Recommendations

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## **1. Universal Credit - Make all care leavers eligible for the over 25 Rate Universal Credit from the age of 18, recognising that they are financially independent and often managing household bills**

The increase from £61.22/week to £77.28/week would benefit those in education, seeking work and those working on low incomes, enabling them to afford essential items

## **2. Universal Discounts - Reduce outgoings for young people leaving care through universal discounts to travel and utility bills, in line with corporate parenting.** Guaranteed, national discounts would relieve some financial stress and young people could budget around this, rather than relying on crisis support.

## **3. Educational Bursary - Introduce an educational bursary for care experienced young people aged 18+ in Further education to support living costs & affordability of continuing in education.**

## **4. Household Support Fund – All Local Authorities to ringfence part of their Household Support fund for care experienced young people & national government to issue guidance to support this.** Where this has happened (see examples on Page 10), leaving care teams have been able to support young people in a more planned and consistent way, rather than waiting for individuals to hit crisis point. This requires no additional funding.

Thank you to the care experienced young people and leaving care professionals who shared their views and contributed to this report.

# National Leaving Care Benchmarking Forum

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