

# FUNDING FAMILY AND FRIENDS CARE

## *THE WAY FORWARD*

### FAMILY RIGHTS GROUP BRIEFING PAPER

This briefing paper summarises the conclusions and recommendation of the report Funding Family and Friends Care: The Way Forward, by A Richards, and R Tapsfield, published by Family Rights Group 2003. This sets out the case for financial support for family and friends who have to take over the full time care of a child and are then responsible for their upbringing.

#### *The report concludes that:*

- 1 Family and friends carers can suffer significant financial hardship.
- 2 Financial help for the overwhelming majority of family and friends carers is patchy and piecemeal and does not meet the costs of care.
- 3 There are very different views about the state's responsibility for supporting family and friends care. This leads to an absence of clear guidance and decision making based on individual beliefs.
- 4 Comparisons with the USA, Ireland, New Zealand, Sweden and Germany suggest that the question of how to provide financial and other supports to family and friends carers who are not registered foster carers is a live issue and not one that has been satisfactorily resolved.

#### *The report recommends that:*

- 1 Family and friends care is recognised and developed as a distinct care arrangement for children, commanding its own policy, guidance and regulations. The policy and guidance should endorse its value as an alternative provision for children who would otherwise be looked after in care, as a valid and primary placement and care choice for children already looked after, and as a means of giving children a 'family for life'.
- 2 Family and friends who are prepared to bring up a child who cannot live with, or be cared for by, their parent/s should be entitled to an allowance that reflects the cost of care. This should not be a discretionary benefit administered by social services, but a state benefit, either in the form of an unsupported child element to their tax credit, or an improved and expanded guardian's allowance.
- 3 Family and friends carers should also be entitled to a range of non maintenance payments to help them meet the day to day costs of raising their young relatives.

### ***What is family and friends care?***

Although children may live with a friend or relative for many reasons, this paper sets out the case for financial support for family and friends who have to take over the full time care of a child and are then responsible for their upbringing. It focuses on the needs of children who cannot live with, or be cared for by, a parent.

The report takes as its starting point that, with appropriate safeguards, it is right and best for children who cannot live with or be cared for by a parent to be brought up by a member of their wider family or a family friend. The role of the state is to support families in making and sustaining these arrangements where these are necessary to secure children's well-being.

### ***How many children are in family and friends care?***

Although caution is required in the estimation of the total number of households with children under 18 being brought up by a grandparent, relative or friend, it is likely to run into the 200,000 to 300,000 mark. This figure includes children who are living temporarily with family and friends and children who could live with their parents. It is not known how many of these children fit the report's definition of children living in family and friends care, namely, children who cannot live with, or be cared for by, a parent.

What is known is that the number of children made subject to a residence order in public law proceedings has more than doubled from 994 in 1997 to 2453 in 2002.

The number of children who are officially fostered by a relative or friend has increased by over a third since 1997. On 31st March 2002 there were 6,900 children in foster placements in the care of either a relative or friend, comprising 17.6% of all foster placements.

### ***What are the financial needs of family and friends carers?***

Research outlined in the report indicates that family and friends carers make enormous commitments and sacrifices to care for children and often experience difficulties in accessing support services from statutory agencies. Unlike foster carers who are assessed and trained before they take a child, family and friends carers often take a child in an emergency. The child may arrive with few belongings and may need to move school with all the attendant additional financial costs. Neither the benefits system nor the financial help available from councils with social

services responsibilities are sufficiently generous and flexible to meet the short term and long term financial impact of caring for another person's child.

It is known that poverty is an indicator associated with children coming into state care, and is similarly a feature of family and friends care.

Thirty-six per cent of grandparents in one study had given up work to care for their grandchild and a further 7% had reduced their working hours. Giving up work led not only to immediate financial problems but was also contributing to a long term problem as many of these grandparents were in the last years of their working life and the loss of work severely affected their pension.

Over 70% of grandparents in the same study said they had suffered financial hardship as a consequence of caring for their grandchild. This was caused by the day-to-day costs and in some circumstances by large legal bills.

### ***What financial support is currently available?***

Generally family and friends carers are, at best, entitled to the same benefits as parents. Child benefit, tax credits and income support are paid to the person looking after the child. However many carers have reported some difficulty in claiming these benefits, particularly in situations where the parent is continuing to claim child benefit. The process of switching a claim from a parent to a new carer can take several weeks, causing severe hardship. There is also no recognition of the immediate costs that a new carer will incur, for example, clothing, toys and furniture, and longer term costs, for example, housing. These are costs for which the carer will generally not have planned.

The only additional state benefit payable to family and friends carers is the guardian's allowance which is only payable to carers where the child is orphaned or one parent has died and the other is missing, in prison or a mental health hospital.

Councils with social services responsibilities are the only other providers of financial support. In practice, the levels of financial support are very varied. Most financial support goes to family and friends carers who are approved foster carers. Some support goes to carers of a child on a residence order although this is most often paid in circumstances where the child was previously looked after by the local authority. Generally, very little or no financial support is available to most residence order holders, those caring for a child without the security of a court order, and those who

are caring for children outside the looked after children's system.

The level of financial support is therefore determined mostly by whether a child is or has been looked after by the local authority and not by the needs of the child or the carers. In practice, families who take in a child in an emergency and who respond to that child's immediate needs for care and protection, can find themselves penalised if they subsequently seek help from social services.

### ***What is the cost of bringing up a child?***

The average cost of caring for a child in 2002, based on the Family Expenditure Survey varied from £74 a week for children aged 0-4 to £125 for children over 16.

The Fostering Network's recommended weekly minimum foster care allowance in 2002, outside London, varies from £105 a week for children aged 0-4 to £189 a week for children over 16. This takes account of research showing that caring for a foster child is more expensive than caring for a child of ones own.

### ***Why should family and friends care be funded?***

There are very different views amongst policy makers, practitioners and families about the state's responsibility for supporting family and friends care.

Some will argue that families have a duty to care for children and that there are no reasons why a grandparent who has to take over the care of a grandchild should be entitled to more financial support than a parent. They will argue that funding relatives could even encourage such arrangements for children who could otherwise live with their parents.

Others take the view that family and friends carers should be entitled to support services and financial help at an equivalent level to foster carers as the children would otherwise be in state care and their needs are the same as the needs of children who are fostered.

In practice these conflicting debates are played out on a daily basis as families and practitioners grapple with decision making in an area where there is an absence of policy and guidance. This situation leads to wide variations in decision making, a lack clarity for families about their entitlement to services, and (perhaps more worryingly) far reaching decisions that reflect the views of individual staff or the needs of the local authority more than the needs of the child or carer.

The report concludes that research evidence strongly suggests that children cared for by relatives do at least as well as children cared for by strangers and that family and friends carers and the children they are caring for are entitled to far greater clarity about the responsibilities of the state. These carers have acted as responsible citizens and taken care of a child who would otherwise be cared for by the state. Carers and the children have the right to clear support, guidance and financial provision. If a child's carers are struggling financially, this can only have a damaging impact on the child's development and well-being.

### ***International comparisons***

The report considers the position in five different countries; USA, Ireland, New Zealand, Sweden and Germany, regarding financial support for family and friends carers.

Only the USA and New Zealand keep detailed statistics about the total numbers of family and friends carers. Ireland, Sweden and Germany have patchy or non-existent information, with at best information about family and friends carers in the foster care system.

All five countries recognise family and friends as foster carers where formal intervention into family life has been necessary for child protection reasons. All provide remuneration for family and friends foster carers, and in the USA, Germany, and Ireland are legally required to pay the same rates of pay as to stranger foster carers. In Germany, anybody can apply for a fostering allowance. In Sweden it is left to individual social workers, despite Swedish government guidance which recommends parity. Research in Sweden in the early 1990s showed that relatives who were foster carers frequently received lower rates than stranger foster carers.

With regard to carers who fall outside the foster care system, only New Zealand has a specific benefit for non parent carers. In New Zealand the carer receives a flat rate benefit every two weeks from the benefits agency. This is at a greater rate than benefits paid to parents but less than the rates paid to foster carers, although there are mechanisms for increasing this in certain circumstances. There is, apparently, no evidence of abuse of the system.

In other countries, payments to family and friends carers are generally the same as those made to parents, although several states in the USA have relaxed the rules regarding welfare to work

payments in order to allow carers to stay at home and care for their young relatives. In effect this amounts to an additional benefit for families and friends carers.

The impressions gained in discussions with international colleagues is that the question of how to provide financial and other supports to family and friends carers who are not registered foster carers is a live issue and not one that has been satisfactorily resolved.

### **The way forward**

It is recommended that family and friends care is recognised and developed as a distinct care arrangement for children, commanding its own policy, guidance and regulation. The policy and guidance should endorse its value as an alternative provision for children who would otherwise be looked after, as a valid and primary placement and care choice for children already looked after and as a means of giving children who cannot live with a parent, permanency and a family for life.

There needs to be a recognition that family and friends carers may require access to a range of support services that can respond to their specific needs and that this should include financial support. Family and friends carers, unlike parents are not under a legal obligation to care for children and have no legal responsibility to maintain them unless they are legal guardians or hold residence orders. Family and friends carers are therefore in a different legal and ethical position to parents and this needs to be reflected in different arrangements for financial support.

### **Recommendations**

- 1 Family and friends who are prepared to bring up a child who cannot live with, or be cared for by, their parent/s should be entitled to an allowance that reflects the cost of care. This should not be a discretionary benefit administered by social services, but a state benefit, either in the form of an unsupported child element to their tax credit, or an improved and expanded guardian's allowance.
- 2 There needs to be far greater consistency in the use of residence order allowances. There should be national guidelines and standardised criteria and levels of payment.
- 3 The Department for Education and Skills should issue guidance to councils with social services responsibility requiring them to pay relatives and friends who are foster carers on the same basis as stranger foster carers.

- 4 Family and friends carers should also be entitled to a range of non maintenance payments to help them meet the day to day costs of raising their young relatives. In particular, help is needed with start up costs, legal costs, school uniform and other educational costs.

### ***Funding Family and Friends Care: The Way Forward***

by Alison Richards and Robert Tapsfield

Published by Family Rights Group (2003)  
ISBN 1 871515 39 4, price £5.95 plus p&p

Also available from Family Rights Group is:

### ***Second Time Around: A Survey of Grandparents Raising their Grandchildren***

by Alison Richards, and an accompanying guide for grandparents raising their grandchildren.

Published by Family Rights Group (2002)  
ISBN 1 871515 38 6, price £5.00 plus p&p

A range of information and resource materials for family and friends carers are available on Family Rights Group website.

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