

Kinship care: Financial Allowances Survey 2022

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Executive Summary

INTRODUCTION

Last year, Kinship carried out the first ever survey of the financial circumstances of kinship carers in England and Wales. It found that kinship carers were financially struggling because they had decided to step up and take on the care of someone else's child. It also highlighted that the financial support available to kinship carers was inadequate and many kinship families were left in poverty.

This year's survey gives us an opportunity to see how the situation has changed over the past year. The current financial climate is deteriorating, the cost of living is growing faster than people's wages and welfare benefits, and more people are finding themselves unable to afford to pay their bills or buy essential items such as food and clothing.¹

Kinship carers generally take on the full financial responsibility for children when they agree to care for them. Taking on the role also means many have no option but to reduce their working hours or give up work completely which leaves them financially disadvantaged.

The recent Independent Review of Children's Social Care in England identified that the lack of financial support for kinship carers was a significant issue that increased the stress experienced by families and left many in poverty. The Review recommended that special guardians and kinship carers with a child arrangements order should receive a financial allowance, and eligibility for kinship care leave on a par with adoption leave, when the child would otherwise be in care. Although Kinship welcomes these recommendations, it is vital that all kinship carers are able to access the financial and other support

they need, regardless of legal order or lack thereof. An additional test of 'would otherwise be in care' risks excluding some families who would significantly benefit from support, including a financial allowance or paid employment leave..

This survey was designed to help develop an understanding of the financial impact that stepping up to take on the care of vulnerable children has on kinship carers and to continue to build a picture of the financial circumstances of kinship families in 2022.

METHOD

A short survey that explored the financial circumstances of kinship carers and the extent of financial support was shared widely with kinship carers in England and Wales between 21 February 2022 and 17 March 2022.

There were responses from 1,435 kinship carers who were caring for 2,006 children. Quantitative data were analysed using Form Assembly software and Microsoft Excel. Written responses were analysed thematically.

Kinship foster carers were not included in the survey as they should already receive the national minimum fostering allowance.²

² Kinship foster carers are also known as family and friends foster carers or connected persons foster carers. These carers are looking after children who are classed as being in the care of the local authority. If you fall into this category and are not receiving at least the minimum financial allowance, contact Kinship via our website: <https://kinship.org.uk/for-kinship-carers/contact-our-advice-service/for-advice>.

KEY FINDINGS

Overall, the findings indicated that the financial circumstances of kinship carers deteriorated significantly over the last year, and this affected their ability to care for their children. At the same time financial support remains inadequate.

1) Kinship carers are experiencing financial destitution.

Over the past year, 89% of kinship carers had worried about their financial circumstances, an increase from 82% in last year's survey.

Kinship carers were asked whether their financial circumstances meant they struggled to afford to buy everyday household items or pay their bills. In total, 1,271 kinship carers (89%) were unable to afford certain items in the past year. It was found that:

- **44% of carers could not pay all their household bills.**
- **26% could not afford food for their families.**
- **35% could not afford to buy clothes for the children.**
- **31% could not buy educational equipment for the children.**
- **18% could not keep up with rent or mortgage payments.**
- **45% could not afford to pay for activities for their children.**

These findings are shocking when you consider that these kinship carers are trying to provide some of society's most vulnerable children with a safe and stable family home, many of whom would otherwise be in local authority care.

2) Kinship carers are under significant financial strain which is negatively affecting them and their children.

The impact of the financial strain on kinship carers was stark. **72% believed that their financial situations were having a negative effect on their physical and mental health:**

"I am anxious and worried about ensuring the children have at least basic necessities. The worry has affected my sleep, the lack of which affects my functioning abilities which causes anxieties and so on. It's just a vicious circle"

Kinship carer caring for two children with an SGO and CAO

It was not just the kinship carers who were affected. **33% believed that their financial situations were also having a negative impact on the physical health and mental health of the children that they care for:**

"(My) grandson is overweight, and we struggle (to afford) to get out with him or buy healthier foods"

Kinship carer caring for one child with a CAO

3) Kinship carers are facing a bleak financial future.

Kinship carers could not see any respite from these financial pressures. **93% of kinship carers were worried about how they would cope financially with the expected increase in the cost of living.**

The most worrying finding of this survey was that 33% of carers were concerned that their financial situations might eventually prevent them from being able to continue to care for their children. It is unacceptable that poverty has the potential to result in significant numbers of kinship family breakdowns which would lead to instability for already vulnerable children and significant numbers of children entering local authority care unnecessarily.

A recent economic study of kinship care found that for every 10,000 children who were diverted from kinship care the state saved £370 million.³ If a third of the carers of the estimated 162,400 children in kinship care in England and Wales could no longer afford to care for their children, it would cost the state in the region of £2 billion.

4) Financial support is inadequate and usually based on the legal status of the children or where the family lives rather than on the children's needs.

Overall, 36% of kinship carers did not receive any financial support to help them to raise their children. When this finding was broken down by the legal status of the child, there were clear discrepancies. 26% of special guardians did not receive an allowance; however, this rose to 53% for carers with a child arrangements order/residence order, and 85% for informal kinship carers. The legal status of the child is not related to the child's needs, and when support is based on legal status many children with high levels of need who are subject to child arrangements orders or in informal kinship care will miss out on essential financial support.⁴

Furthermore, kinship carers who were in receipt of financial allowances faced uncertainty. At least 67% of carers had their allowances regularly reviewed and 66% had to endure an annual means test.

Of those carers who had their allowances reviewed in the last year, 25% had their allowances reduced, 44% remained the same (a significant real terms decrease due to inflation), and only 13% received an increase.

When kinship carers take on the care of children, they usually take on full financial responsibility for them. It is accepted that raising someone else's child costs money, for example, all foster carers receive at least the minimum fostering allowance, and this is not means tested or reviewed. The means test and review processes are not only unfair, but they also lead to uncertainty about the future incomes of kinship families and affect the carers' ability to budget effectively for their children.

Even when carers received an allowance, the amount they received was insufficient. **80% of carers believed the allowance they received was not enough to allow them to meet the needs of the children they were caring for.**

CONCLUSION

This research has found that the financial circumstances of kinship carers are deteriorating rapidly. Compared to last year's survey, more are worried about their finances, and this strain is affecting the physical and mental health of kinship carers and their children. Kinship carers are unable to afford the essentials for their families. Many are having to choose between heating their homes or feeding their children. Some kinship carers are finding the strain has become so extreme they are worried they will eventually have to give up the care of the children. This is completely unacceptable and entirely preventable. The current special guardianship statutory guidance states 'Financial issues should not be the sole reason for a special guardianship arrangement failing to survive' (DfE 2017:14). These findings indicate that much more needs to be done to prevent financial strain leading to family breakdowns.⁵

The financial support currently being offered to kinship families is inadequate. A large proportion do not receive any financial support to help cover the cost of raising a vulnerable child and they are often plunged into poverty. For those families who do receive a financial allowance, there continues to be a hierarchy based on the legal status of the child and on where the family lives, rather than on need. Worryingly, an overwhelming proportion of the families who do receive some financial support do not receive enough to cover the cost of meeting their child's needs.

Kinship carers selflessly step in to care for children who cannot live with their parents and keep them safe and loved within their family network. This act, which prevents children entering local authority care, is resulting in kinship carers being pushed into poverty. This research has demonstrated that without sufficient financial support for all kinship families, kinship carers and the children they care for will experience high levels of financial stress which will have an adverse effect on their health and wellbeing. This increases the risk that more families will break down and that more children will enter care unnecessarily. It makes sense to invest in kinship care and to ensure all kinship families have the financial support they need to enable children to thrive. Our families deserve nothing less.

⁴ What Works for Children's Social Care (2022).

⁵ Department for Education (2017).

RECOMMENDATIONS

This research continues to highlight that the current system for providing financial support to kinship families is inadequate and continues to be based on the legal status of the child rather than on their level of need.

Kinship welcomes the recommendations made in the final report of the Independent Review of Children's Social Care in England that special guardians and kinship carers with a child arrangements order whose children would otherwise be in care should receive a financial allowance (which matches the minimum fostering allowance) and paid kinship care leave (which matches that given to adoptive parents).

However, it's vital that all kinship carers – regardless of the child's legal status or journey into kinship care – receive the financial support they need, when they need it.

All kinship carers should:

- a) Receive immediate financial support to help a child settle in.
- b) Receive a universal, standard, non means tested allowance that matches the current national minimum fostering allowance until the child reaches 18.
- c) Have a right to kinship care leave (on a par with adoption leave).



FINANCIAL ALLOWANCES SURVEY

FULL REPORT

ABOUT KINSHIP CARE

Kinship care is where a friend or family member cares for a child who can no longer live with their parents. This can be an informal arrangement between the carer and the parent, or the arrangement can be secured through a legal order such as a child arrangements order (CAO), residence order (RO) or a special guardianship order (SGO). In some circumstances, the child's local authority is involved in placing the child with the kinship carer, in which case the kinship carer becomes a kinship/family and friends foster carer (once an initial assessment is completed). They will need to have a full assessment and generally their status as a foster carer lasts until a legal order is granted giving them parental responsibility, or the child returns to their parents' care. Kinship foster carers are legally entitled to a financial allowance the same as unrelated foster carers.

There are currently an estimated 162,400 children living with a relative in kinship care in England and Wales.⁶ Kinship estimates that at least a further 20,000 are in kinship care with family friends. Kinship care is the most common arrangement for children who cannot live with their parents and if these children were not in kinship care it is likely that most would be in local authority care.

Kinship carers fulfil an essential role in society and provide children who cannot live with their parents with safe, loving and stable homes for as long as they need. However, this role is often complex and challenging, and it is common for kinship carers to raise the children with little support. The challenges faced by kinship carers are discussed more in the next section.

For more information on kinship care and to learn about our vision for kinship care, read our **Out of the Shadows** report: <https://kinship.org.uk/out-of-the-shadows/>

⁶ Wijedasa (2017).

⁷ Selwyn et al (2013), Wijedasa (2017), Hunt (2020), McGrath and Wrafter (2021).

⁸ Selwyn et al (2013), Wijedasa (2017).

⁹ Selwyn et al (2013), Grandparents Plus (2019), Grandparents Plus (2020a), McGrath and Wrafter (2021).

¹⁰ Selwyn et al (2013), Wellard et al (2017), Kinship (2021).

¹¹ McGrath and Wrafter (2021).

¹² Ibid (2021).

CONTEXT

Kinship care and poverty are closely linked.⁷ Many kinship carers lived in poverty before they took on the role, and once they were looking after the children their financial circumstances often deteriorated.⁸ When kinship carers take on the care of a child, they usually take on full financial responsibility for them. Furthermore, fulfilling the role often restricts their ability to work.⁹ This means that kinship carers find themselves in a catch-22 situation where their outgoings increase as they care for the child, but their incomes decrease because they have to give up work or reduce their hours. Kinship carers make this sacrifice to ensure children who would often otherwise be in local authority care have safe, loving, and stable homes.

It is common for children in kinship care to have experienced trauma and have additional needs.¹⁰ These needs can include development delay, challenging behaviours, special educational needs, and psychological difficulties. Parenting children with these issues can be complex and time consuming, for example, the children may be on reduced timetables and need care during the school day which can make it impossible for kinship carers to continue to work. Furthermore, kinship carers are not entitled to the same protected paid leave when their children move in as are adoptive parents. This means they often have to take unpaid leave or give up work entirely just to help the children settle into their new homes.¹¹

Last year, Kinship launched the first-ever financial allowances survey to increase the understanding of the financial circumstances of kinship carers.¹² 1,948 kinship carers who were caring for 2,808 children completed that survey which made it the largest survey of its kind. The findings painted a worrying picture. In 2021, 82% of carers had worried about their financial situations over the previous year. Despite this level of financial difficulty, 36% of carers did not receive a financial allowance and 76% of those who did were not receiving enough to meet the needs of their children.

Children in kinship care and children in foster care have similar pre-placement experiences, and the costs of raising these children will be similar. However, our 2021 financial allowances survey

found a lack of fairness in financial allowances. It is accepted that raising another person's child as a foster carer costs money and it is only right that foster carers receive an allowance to help with that. However, kinship carers do not have the same right to an allowance even though they fulfil a similar role and typically care for children with very similar needs and experiences as children in care. Furthermore, those kinship carers who did receive an allowance received more than £40 per week less than the national minimum allowance given to foster carers.¹³

Last year's survey also highlighted that there was a hierarchy of support contingent on the legal status of the child, and that the likelihood of receiving an allowance depended on the policies of the local authority where the carer lived. This is inherently unfair because it means that people in similar situations receive different levels of financial support based on the legal status of the child or where they live, rather than on the needs of the child/family.

There is a lack of clarity and consistency about what financial support kinship carers are entitled to, and there are significant differences in how different local authorities financially support kinship carers. Some local authorities do provide certain cohorts of kinship carers with some financial support, whereas others provide very little.¹⁴ Special guardians were significantly more likely to receive an allowance than informal kinship carers.¹⁵ Enquiries to Kinship's specialist Advice Service indicate that this lack of consistency and fairness leaves kinship carers unable to budget and many feel uncertain about whether they will be able to afford to continue to raise the children.

The scale of these financial pressures is leaving kinship carers desperate for help. In 2021, Kinship's Advice Service supported over 3,600 carers and 60% of all enquiries were about financial issues. Kinship has supported many of these families to successfully challenge the lack of financial support from their local authorities and Kinship remains

dedicated to fighting to ensure that all kinship carers receive fair financial support.

The recent Independent Review of Children's Social Care in England¹⁶ identified that the lack of financial support for kinship carers was a significant issue that increased the stress experienced by families and left many in poverty. The Review recommended that special guardians and kinship carers with a child arrangements order should receive a financial allowance, and eligibility for kinship care leave on a par with adoption leave, when the child would otherwise be in care. Although Kinship welcomes these recommendations, it is vital that all kinship carers are able to access the financial and other support they need, regardless of legal order or lack thereof. An additional test of 'would otherwise be in care' risks excluding some families who would significantly benefit from support, including a financial allowance or paid employment leave.

ABOUT THE STUDY

This year's survey includes some similar or repeated questions from the 2021 survey in order to identify and understand year-on-year comparisons. However, this year there is also a focus on the impact that the kinship carers' financial circumstances have on the carers, the children, and the parenting role. Kinship carers were also asked to give more details about the impact their financial situations had on them and their children in order to begin to understand their lived experiences.

A short survey was developed using Form Assembly software. The survey was live between 21 February 2022 and 17 March 2022 and was promoted via Kinship's kinship carer community, programmes, website, and social media, and through networks and partner organisations. When kinship carers were asked about the financial support they received, they were asked separate questions about each individual child they cared for. Quantitative data were analysed using Excel and Form Assembly software and written responses were analysed thematically.

Family and friends foster carers were not included in the survey as they are legally entitled to the national minimum fostering allowance.

¹³ Ibid (2021).

¹⁴ McGrath and Wrafter (2021), McGrath (2022).

¹⁵ McGrath and Wrafter (2021).

¹⁶ MacAlister (2022).

LIMITATIONS OF THE STUDY

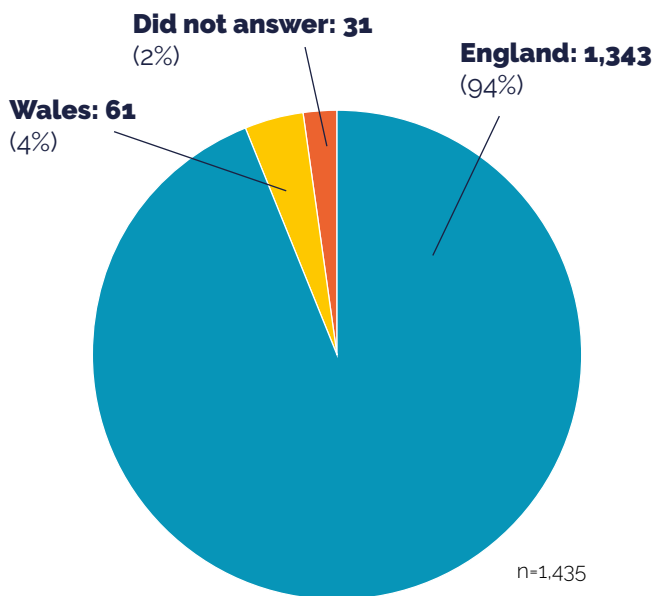
Although every attempt was made to share this survey widely, it was likely that most respondents are kinship carers who are aware of Kinship and other organisations offering support. Therefore, it is likely that the respondents to this survey would be more likely to be receiving financial support.

KEY FINDINGS

WHO RESPONDED TO THE SURVEY?

The number of kinship carers responding to the survey - 1,435

Where were the kinship carers from?

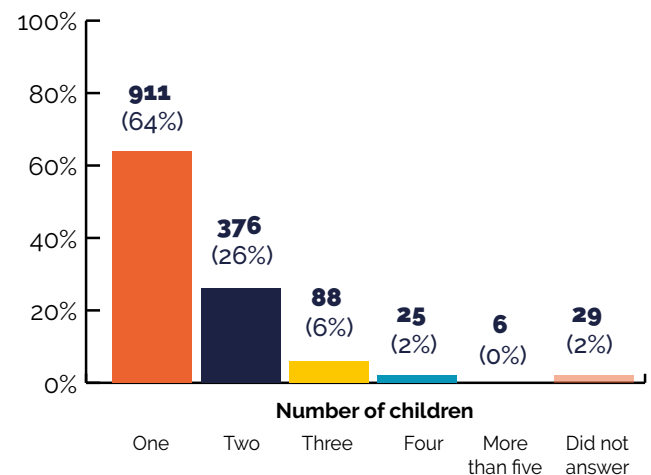


Ethnicity

White or White British	1,280	92.4%
Black or Black British	36	2.6%
Mixed heritage	31	2.2%
Asian or Asian British	14	1.0%
White/Gypsy/Roma/Traveler	5	0.4%
Other	8	0.6%
Prefer not to say	11	0.8%

People with a Black, Asian or minority ethnic background are consistently underrepresented in research into kinship care¹⁷ and despite efforts to increase engagement, these communities remain underrepresented in this report. It is important to note that ethnicity has a significant role in determining whether people are more likely to be living in poverty. People from ethnic minorities (particularly those from Pakistani, Bangladeshi, and Black communities) are more likely to live in areas of high deprivation than White British people.¹⁸ Research has shown that children from Black and minority ethnic families are more likely to be in kinship care than White British children.¹⁹ We also know that that children from minority ethnic groups, and Black children in particular, are underrepresented among children living in kinship foster care and kinship special guardianship, and overrepresented in informal kinship arrangements.²⁰ However, the lack of research means there is limited understanding of the impact that poverty is having on these groups.

The number of children the kinship carers were caring for



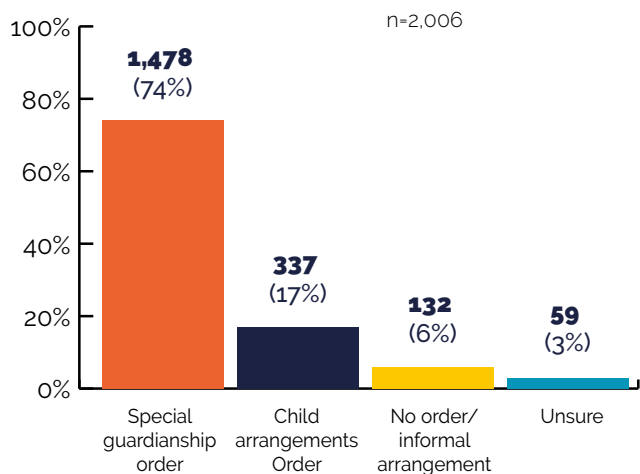
¹⁷ Kinship (2021).

¹⁸ Joseph Rowntree Foundation (2022).

¹⁹ Wijedasa (2017).

²⁰ What Works for Children's Social Care (2022).

The legal statuses of the children

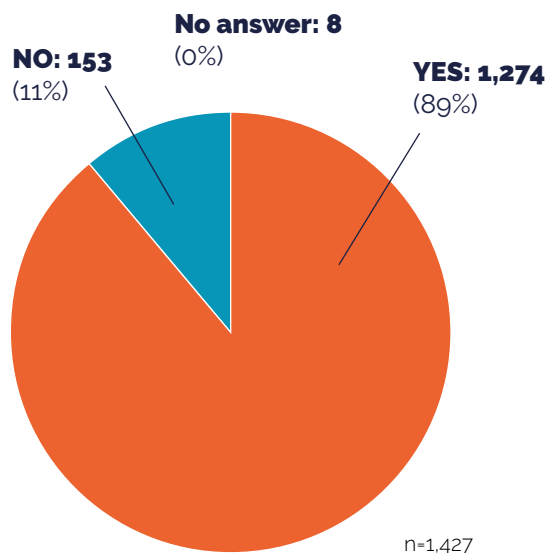


The majority of children represented in this survey are subject to SGOs. Local authorities have specific legal duties to financially support certain children subject to SGOs. This means it is likely that this survey will present a more positive picture of the financial circumstances of kinship carers than if the majority of respondents were informal carers.

THE FINANCIAL CIRCUMSTANCES OF KINSHIP CARERS IN 2022

1) Kinship carers are experiencing financial destitution.

Had the kinship carers worried about their financial situation in the last year?



Last year 82% of kinship carers had worried about their financial situation. This year this figure has grown by 7% to 89% indicating that the cost-of-living crisis is taking a toll on already stretched kinship families.

What goods or services were kinship carers unable to afford in the last year?

In total, 1,271 kinship carers answered this question which means that 89% of all kinship carers were unable to afford certain items in the past year.

	Household bills (including energy, and water bills)	626 carers	44%
	Food shopping	368 carers	26%
	Rent or mortgage payments	263 carers	18%
	Household goods (including furniture, kitchenware, towels, and bedding)	690 carers	48%
	Other grocery shopping (including toiletries and cleaning products)	295 carers	21%
	Equipment to support the child's education (including school uniform, books, pens, pencils)	474 carers	31%
	Children's clothing	501 carers	35%
	Hobbies for the child (including sports, and after school clubs)	650 carers	45%
	Communication (including Wi-Fi, and telephone bills)	324 carers	23%
	Transport costs (including car, bus, train, and trams)	447 carers	31%
	Health (including medicine, prescriptions, glasses, and dental bills)	284 carers	20%
	Childcare	275 carers	19%
	Holidays	989 carers	69%
	Annual events (including birthdays, and other festive celebrations)	515 carers	36%
	Clothing for kinship carers	692 carers	48%
	Hobbies for kinship carers	604 carers	42%

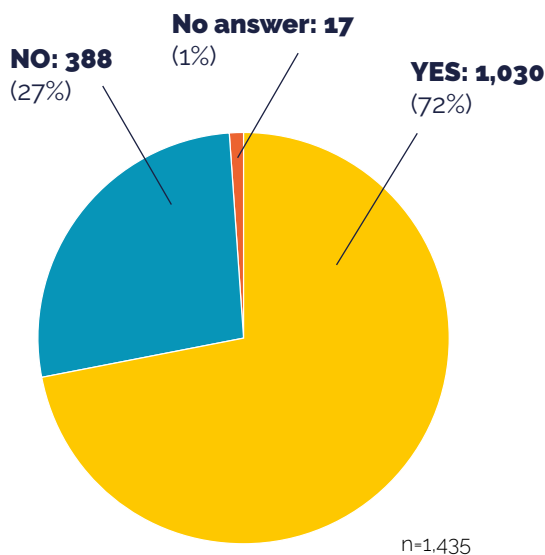
Of the carers who answered this question, 718 or 56% were receiving an allowance from their local authorities. This demonstrates that even if kinship carers receive an allowance for the child, they are still unable to afford to raise them.

The responses also show that significant numbers of kinship carers can no longer afford to pay bills or buy essential items that they need to survive and raise their families. It is unacceptable that 44% of kinship carers cannot afford to pay their household bills and 26% are unable to properly feed their families.

Kinship carers already face high levels of stress caring for children who have often experienced trauma. However, these findings demonstrate that they do so whilst also facing significant financial pressures. Having to manage these different pressures is likely to have a negative impact on the kinship carers and the children.

2) Kinship carers are under significant financial strain which is negatively affecting them and their children.

Did kinship carers believe that their financial situation had a negative effect on their physical health or mental health?



The financial stress of being a kinship carer is taking its toll on the physical and mental health of the majority of kinship carers. They were then asked to comment more on what this impact was.

When describing how their financial circumstances affected their mental health, the main theme the carers identified was that the constant worry about money was making them feel 'anxious':

"I am anxious and worried about ensuring the children have at least basic necessities. The worry has affected my sleep, the lack of which affects my functioning abilities which causes anxieties and so on. It's just a vicious circle"

Kinship carer caring for two children with an SGO and CAO

This anxiety was often spoken about alongside other mental health and psychological problems, such as depression, self-harm and suicidal ideation. These issues have the potential to have serious consequences for the kinship carers and the children they care for:

"I suffer with depression and anxiety. I have felt my despair drive me to dangerous thoughts of self-harm."

Kinship carer caring for one child informally

"I have wanted to not be here anymore, deep depression etc."

Kinship carer for three children with SGOs

When describing how their financial situations affected their physical health, several kinship carers reported that the stress they felt over money exacerbated pre-existing health conditions or led to the development of new ones:

"I have Rheumatoid Arthritis and any stress or worry causes painful flare ups"

Kinship carer caring for four children with SGOs

“My epilepsy has come back since becoming a kinship carer. I have also recently been diagnosed with fibromyalgia”

Kinship carer caring for one child with an SGO

Some kinship carers identified that trying to raise children in poverty meant they could not afford to lead a healthy lifestyle which could have long term consequences for the health of the children and their families:

“The constant worry resulting in very high blood pressure. Eating cheaper starchy unhealthy food because that is what we can afford. We are a retired couple, and we did not account for (raising) a young child on a basic pension.”

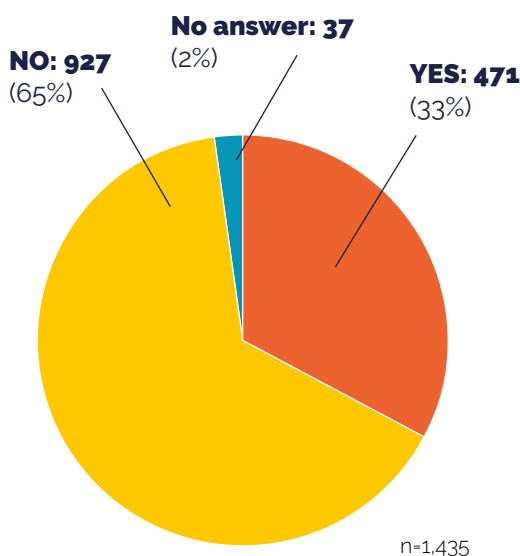
Kinship carer caring for one child with an SGO

Many kinship carers have lived in poverty for years. The constant stress of this could feel relentless and the future for many kinship carers was not something they were able to look forward to:

“It’s been killing us slowly for years. I don’t know holidays, rest, good food,...we don’t have birthdays etc.”

Kinship carer

Did kinship carers believe that their financial situation had a negative effect on their child’s physical health or mental health?



The fact that 33% of kinship carers believed that their lack of money was affecting the mental and physical health of the children they are caring for is of real concern. It is important to note that when the kinship carers described the impact of their financial situations on the children, they were clear that they had done everything possible to protect their children from the negative consequences:

“As we keep everything away from her she doesn’t know anything and if she needs anything we go without to ensure she has whatever it is she needs.”

Kinship carer caring for one child with an SGO

Kinship carers described prioritising the children, which inevitably meant they had made sacrifices themselves so they could try and provide for their children:

“I do put her needs before mine and what’s left I make do, after all she been through she don’t need to know about that and it’s important that she do well in school.”

Kinship carer caring for one child with an SGO

“Have to choose eat or heat your home and do without yourself to make sure there is food for the little one.”

Kinship carer caring for one child informally

However, it was clear from the descriptions given by kinship carers that their financial circumstances often became so desperate that they could no longer protect their children from the impact of poverty. Several kinship carers stated that the financial strain they experienced made it more difficult to help the child to feel secure. This in turn made helping the children overcome the impact of previous adversities more challenging. For example, children could feel guilty about the financial pressure that caring for them had the carers:

“(My child is) now depressed and receiving medication for it, they are constantly worried about the financial impact they have had on our family.”

Kinship carer caring for one child informally

Others were scared that their carers may not be able to afford to look after them in the future:

"He was suffering from seizures as he was worried that I could not look after him."

Kinship carer caring for one child informally

The lack of money could lead to a lack of opportunities for positive social experiences for the children and several struggled to understand why this was. This could lead to them becoming angry and frustrated with their carers:

"Low mood and tiredness causing short tempered outbursts and always at home as can't afford to go to different places."

Kinship carer caring for one child with an SGO

Therapeutic activities can be of immense benefit to children who have experienced trauma. However, these activities are often not free which, combined with the cost of transporting the children to the activities, could be more than the carers could afford:

"She has trauma issues I've been told various activities can help but as we can't afford them we can't really help when she has a trigger."

Kinship carer caring for one child informally

There were similar findings when the kinship carers described the effect that their financial situations had on the physical health of the children. Many kinship carers reported not being able to afford to provide healthy food or activities for their children which had a negative impact on their physical health:

"(My) grandson is overweight, and we struggle (to afford) to get out with him or buy healthier foods"

Kinship carer caring for one child with a CAO

Some kinship carers raised issues around period poverty and not being able to afford menstrual products for their young people or provide them with nutrition they need to thrive:

"They are both at a stage of changing physically they are both having periods and need extra vitamins to stay healthy. I can't afford extra fruit and vegetables now everything is too expensive."

Kinship carer caring for one two children with SGOs

The kinship carers explained how their financial situations affected the children socially and developmentally, and the impact it had on their wellbeing. Poverty could have a profound impact on the children's self-esteem and therefore their ability to make friends:

"They have lost their self-esteem, have difficulties making friends or inviting them round. They have been involved in fights when they get laughed at in the playground."

Kinship carer caring for two children with SGOs

The inability to afford to give their children the same social opportunities as their friends meant the carers were unable to know how to help their children to improve their self-esteem or encourage them to make and maintain friendships:

"She doesn't get to go places her friends do and I'm scared it will impact on her and maybe [make her] feel left out."

Kinship carer caring for one child with a CAO

"My children feel less important and less worthy than their peers. They want to do what their friends do but we can't afford it..."

Kinship carer caring for four children with SGOs

Poverty meant some children felt embarrassed about their family situations. Some children could not afford to have the same brand of clothes as their friends which meant they were 'picked on' and isolated. Others were ashamed about their carers' lack of transport or the disrepair of their homes:

“(The) house needs repairs I can’t afford so child’s window doesn’t open, needs decorating and this means can’t have his friends round due to embarrassment. Has become more withdrawn.

Kinship carer caring for one child with an SGO

Education could also be affected. Some kinship carers could not afford to buy school uniforms or other school equipment for the children. This meant some children disengaged from school which affected them academically and socially, and had a negative impact on their mental health:

“We’ve been recommended to provide a computer with keyboard to help her complete tasks. We cannot do this; in turn it robs her of an educational opportunity.”

Kinship carer caring for one child with an SGO

“(Our) child has been unable to fully engage with her education, her mental health deteriorated further, and incidents of self-harm/suicide attempts increased, and she disengaged from school and other social activities where she had proven to be talented.”

Kinship carer caring for one child with an SGO

These descriptions from kinship carers about the impact of their financial circumstances on them and their children are deeply concerning. Kinship carers fulfil an important role for the vulnerable and often traumatised children they care for. They also fulfil an important role for society by giving children, who would often otherwise be in the local authority care system, a safe and loving home for the rest of their childhoods. However, this survey has shown that being a kinship carer is made significantly harder when the families are living in poverty.

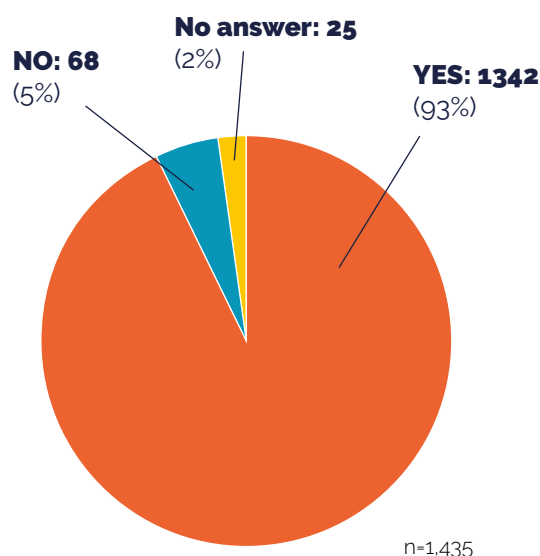
Children in kinship care also need opportunities to be able to overcome the impact of the trauma and loss they may have experienced. They need to be able to make and maintain friendships. They need to be able to engage with and enjoy education. They need to be able to attend extra-curricular activities and have hobbies and interests. Howe (2005) argues that children need opportunities to be able to find and build supportive relationships:

‘In many cases... therapeutic relationships are not planned. They crop up serendipitously. (for example) a teacher recognizes and takes an encouraging interest in a girls talent for drama or sport.’²¹

However, this survey has demonstrated that for many children in kinship care this is not possible, and poverty is hindering their ability to overcome the impact of previous trauma and move forward positively with their lives.

3) Kinship carers are facing a bleak financial future.

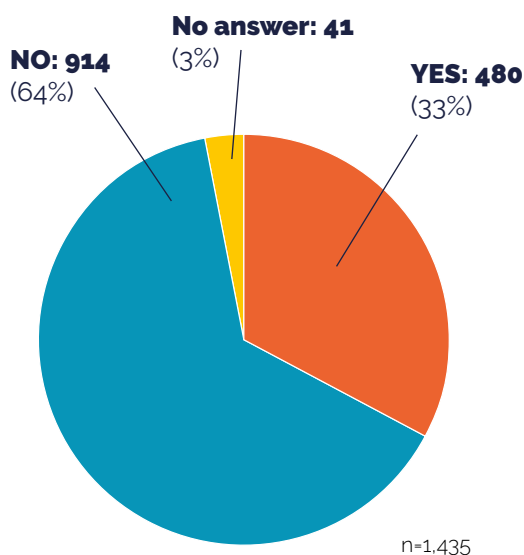
Were kinship carers worried about how they will cope financially with increases in the cost of living (e.g. increases to the cost of gas and electricity, and increases to the price of food shopping, etc)?



²¹ Howe (2005:275).

Not only are kinship carers currently facing greater levels of financial hardship than last year, they also feel the future is looking bleak. The series of surveys carried out by Kinship during the first year of the coronavirus pandemic^{22, 23} demonstrated that kinship carers are especially vulnerable to global and national crises. Furthermore, when the government responds to these crises, they do not consider the needs of kinship families. It is likely that kinship families are going to be hit harder by the cost of living crisis than other families, and it is also likely that government responses to this crisis will not be tailored to the needs of kinship carers and the children they are caring for.

Were kinship carers concerned that their current financial situation might eventually prevent them from continuing to care for their child?



This finding is shocking and has serious implications for children and local authorities. Many kinship carers feel that if they had not stepped in to care for their children then the children would be in local authority care.²⁴ If 33% of kinship families could no longer afford to care for the children and their children had to move into local authority care it would lead to distress and worse outcomes for the children and lead to a huge financial cost for the state. A recent economic study of kinship care found that for every 10,000 children who were diverted from kinship care the state saved £370 million.²⁵ If a third of the carers of the estimated 162,400 children in kinship care in England and Wales could no longer afford to care for their children, it would cost the state in the region of £2 billion. Furthermore, it is not just the human and financial cost that needs to be considered. The current fostering system is under significant strain with most fostering services already struggling to recruit sufficient numbers of foster carers.²⁶ It is hard to see how this system would cope if even a fraction of these kinship families broke down and the children needed to be cared for by the state.

²² McGrath and Wrafter (2021), Grandparents Plus (2020a,b&c).
²³ McGrath and Peake (2020).
²⁴ Grandparents Plus (2019).
²⁵ Starks and Whitley (2020), Nicol Economics (2020).
²⁶ The Fostering Network (2021).

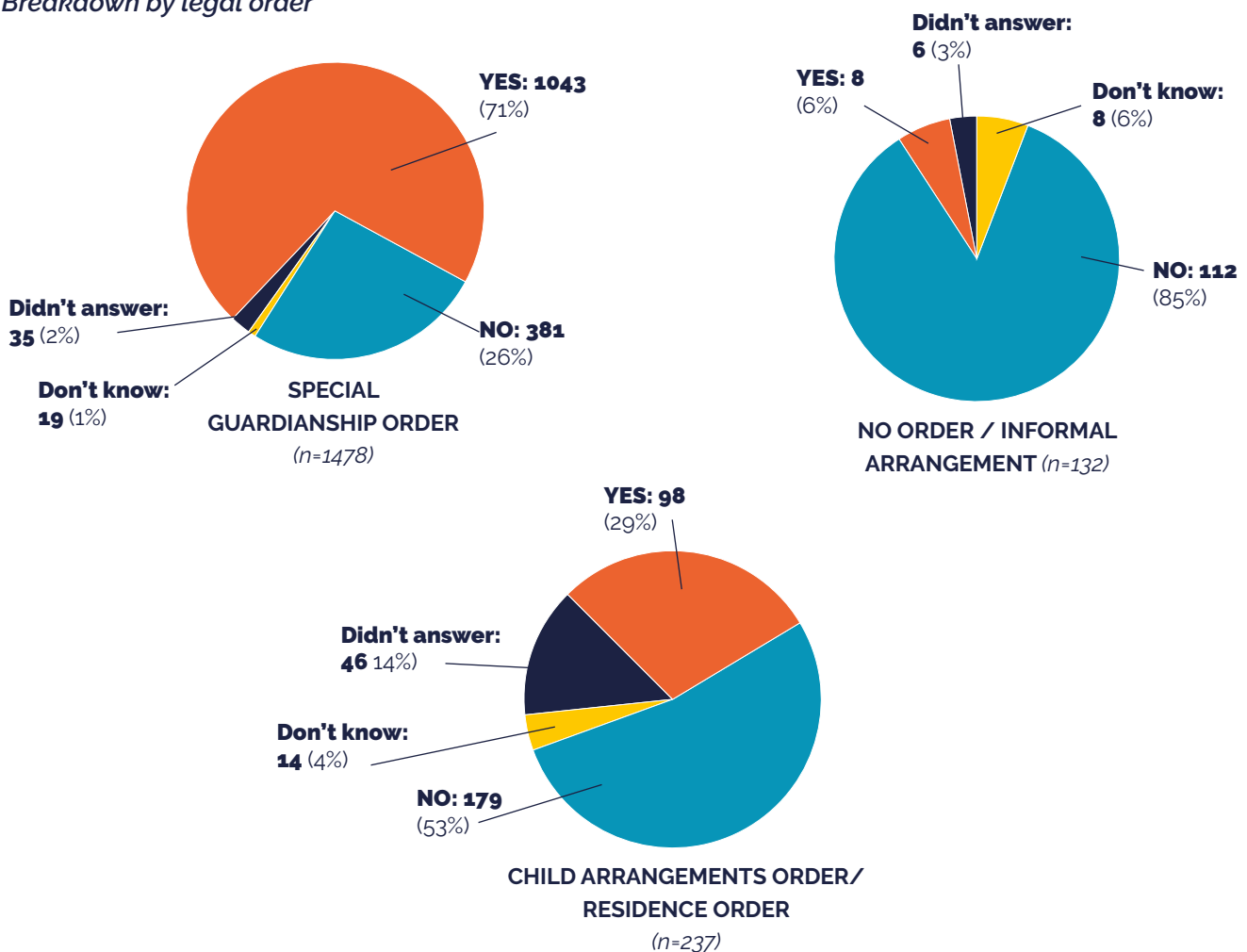
4) Financial support is inadequate and usually based on the legal status of the children or where the family lives rather than on the children’s needs.

Did kinship carers receive an allowance for the children?

Overall (n=1934)

YES	1163	61%
NO	694	36%
Don't know	48	3%

Breakdown by legal order



These findings are very similar to those in our 2021 financial allowances survey. This indicates there has been no improvement in the financial support offered to kinship carers despite Kinship and others raising awareness of the financial needs of kinship families based on the 2021 survey.

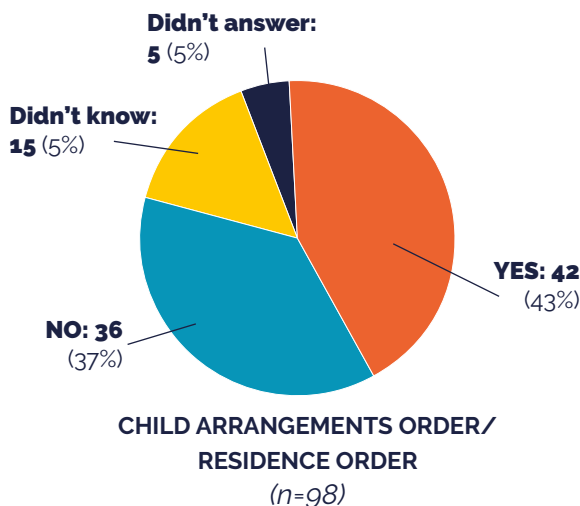
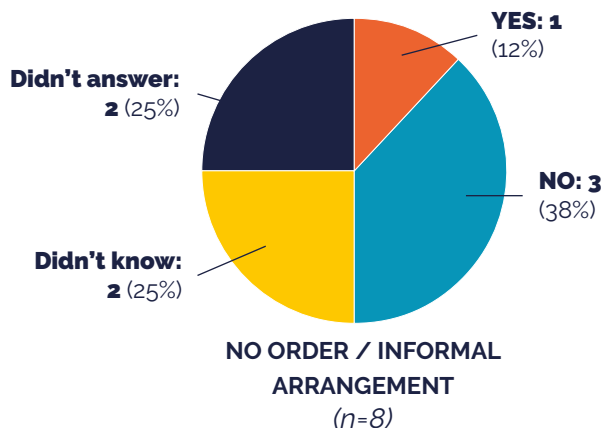
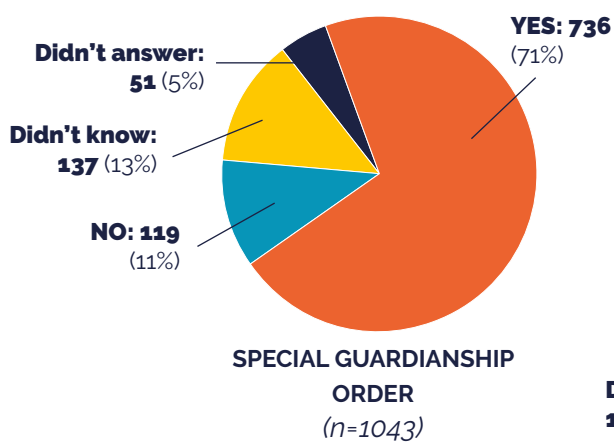
These findings also highlight that the hierarchy of support based on the legal status of the children remains. Kinship carers are significantly more likely to receive an allowance if their child is subject to an SGO than if they are subject to a CAO. Informal kinship carers are significantly less likely to receive an allowance.

Of those who received an allowance, was it means tested?

Overall (n=1163)

YES	779	61%
NO	161	36%
Did not know	176	3%
Did not answer	61	5%

Breakdown by legal order



These findings were broadly in line with those in the 2021 survey. However, little is known about the impact of means testing local authority budgets. A soon to be published report commissioned by the Adoption and Special Guardianship Leadership Board in England has shown that some local authorities have gathered data on the financial circumstances of the special guardians who live in their areas and found that they pay more money in the administrative costs of implementing means testing than they save.²⁷

Furthermore, means testing is unfair and adds to the stress experienced by kinship carers.

For example, Kinship's Advice Service is often contacted by people who are expected to spend their life savings and pension pots, or sell their homes and spend that money, before they meet the threshold of the means test.

There is a lack of consistency and transparency about how each local authority works out the means test, and this leads to a postcode lottery for carers. Kinship believes that it is wrong that a person should lose any financial security they have saved for over their lives and be plunged into poverty because they have stepped up to care for a vulnerable child.

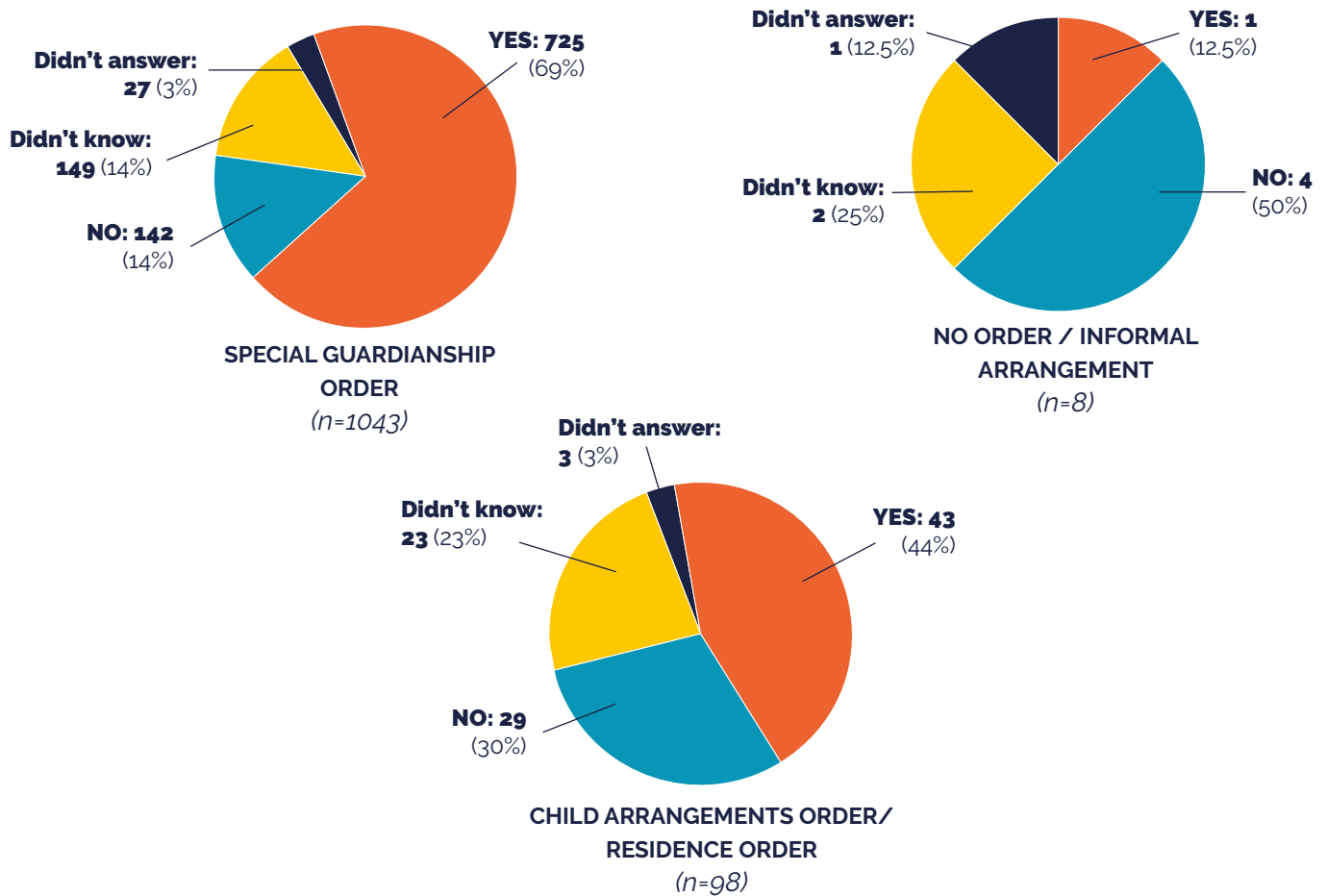
²⁷ McGrath (to be published).

Those who did receive an allowance, was it reviewed?

Overall (n=1163)

YES	772	67%
NO	178	15%
Did not know	179	15%
Did not answer	34	3%

Breakdown by legal order



There has been a slight drop in the number of kinship carers who are having their allowances regularly reviewed. Feedback from kinship carers to Kinship's Advice Service is that the review process causes a lot of anxiety because they constantly worry that they will lose their

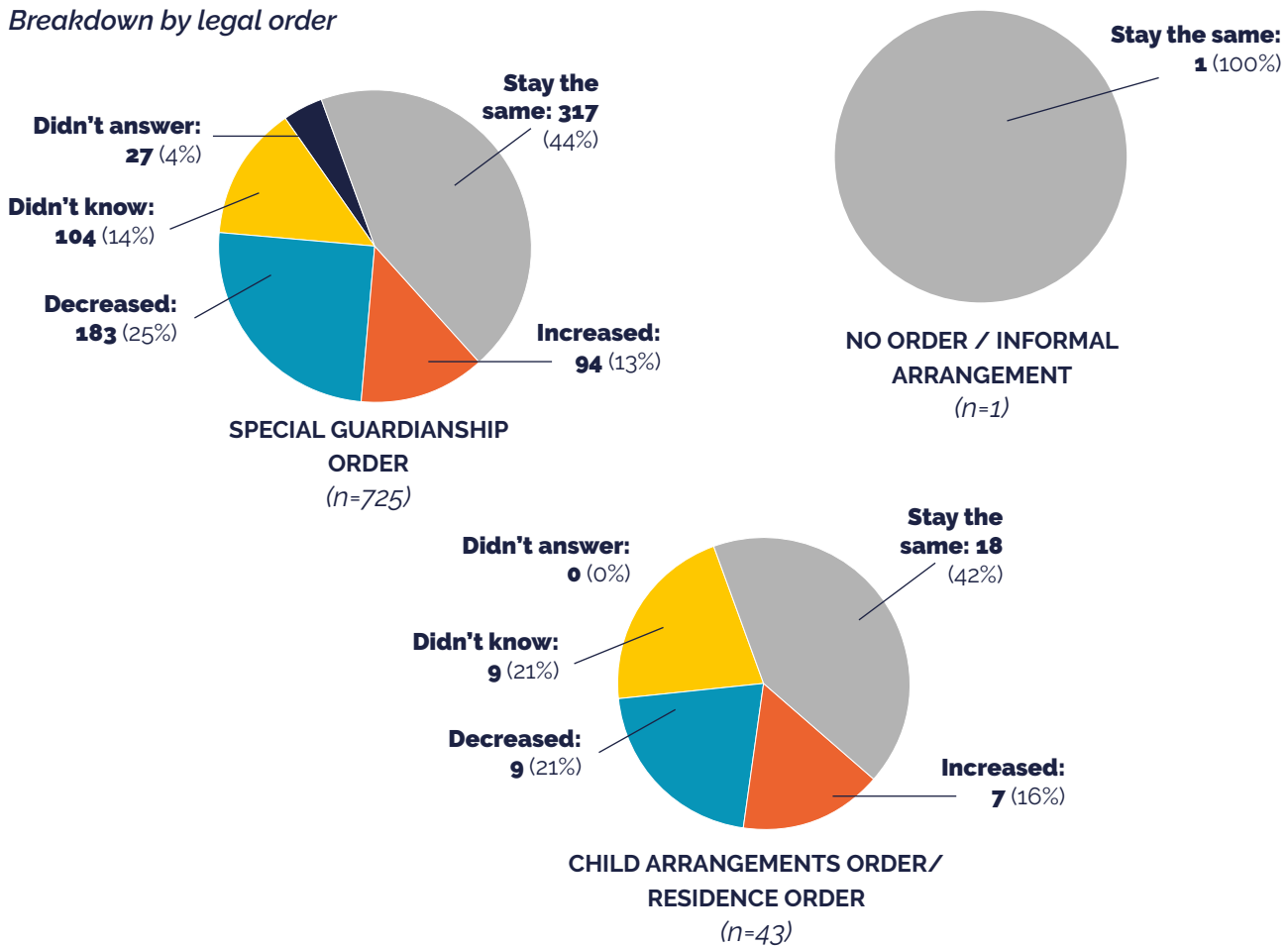
allowances. Furthermore, when allowances are reviewed regularly it prevents kinship carers from being able to budget as they cannot be certain of how much money they will have after the review to use to raise the children.

For those whose allowances were reviewed, how did it change at the last review?

Overall (n=772)

Stay the same	336	44%
Increased	104	13%
Decreased	192	25%
Did not know	113	15%
Did not answer	27	3%

Breakdown by legal order



These figures are again broadly the same as in 2021. This is concerning because overall only 13% of kinship carers saw an increase in their allowance. Although 44% of allowances remained the same, this is a real terms decrease because (at the time of writing) inflation is at 6.2%.²⁸ It is shocking that 25% of kinship carers found their allowances decreased. It is accepted that the cost of raising a child increases rather than decreases as they get older, and foster carers receive regular

increases in their allowances as the children in their care get older.²⁹ Our 2021 survey found that the allowance received by kinship carers was significantly less than that paid to foster carers, and this year's findings indicate that this is unlikely to have improved. It is also important to note that this year's minimum fostering allowance rose by £3 which is a 2.2% increase. Although this is below inflation and should be higher, this study shows it is more than that received by most kinship carers.

²⁸ Office for National Statistics (2022a).

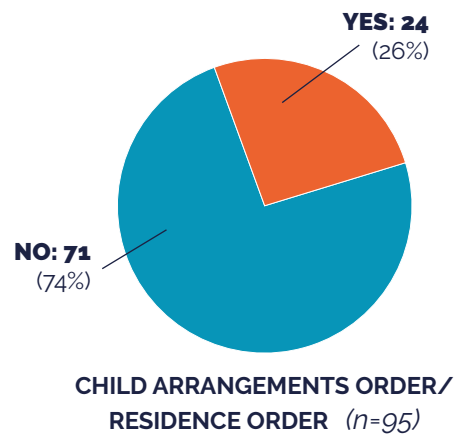
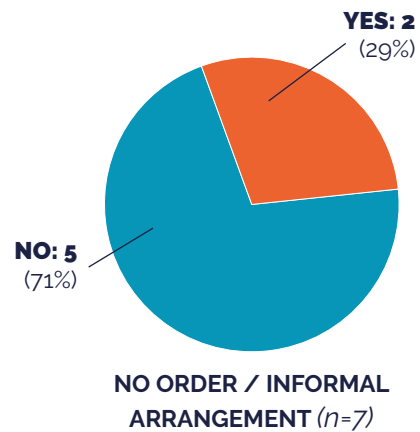
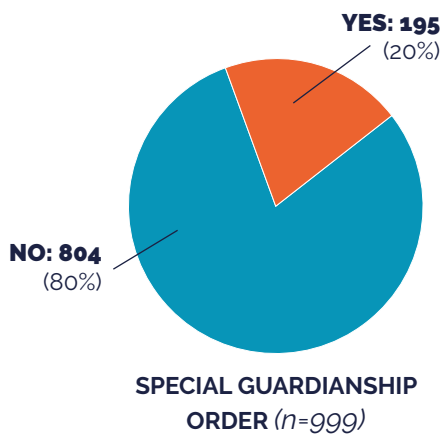
²⁹ The rates paid to unrelated foster carers in England can be found here: <https://www.gov.uk/support-for-foster-parents/help-with-the-cost-of-fostering>

Was the allowance enough to meet the needs of the child (asked of all respondents)?

Overall (n=1115)

YES	224	20%
NO	891	80%

Breakdown by legal order



This year, 80% of kinship carers who received an allowance did not receive enough to allow them to meet the needs of their children. This is a 4pp increase on last year and comes at a time of increased financial pressure. This demonstrates that even where local authorities have a policy to pay kinship carers a financial allowance, they are not giving them enough to cover the costs of raising the children.

DISCUSSION

This year's financial allowances survey asked several of the same questions as the 2021 survey and this has allowed a year-on-year comparison to be made. There were also several additional questions which aimed to help develop a more comprehensive understanding of the financial circumstances of kinship families. The findings make for sobering reading.

The financial year from 2021-2022 has been especially challenging for most people.³⁰ There is a cost of living crisis as prices increase at a record rate and wages remain static. More and more people are struggling to make ends meet.³¹ However, kinship carers are especially vulnerable to this financial volatility. Before the cost of living crisis, kinship carers were already struggling financially and were more likely to be living in poverty.³²

This year's survey has shown that the financial circumstances of kinship carers is getting worse. More kinship carers are worrying about money and this worry is leading to physical and mental health problems. Furthermore, despite the kinship carers' attempts to prevent children being affected, the financial strain is also inevitably leading to physical and mental health difficulties for children and adversely affecting their ability to make and maintain friendships and engage in education. Financial strain is also jeopardising the stability of many kinship families. This could lead to more older children and young people needing to come into local authority care unnecessarily which would be devastating for the children and their families and have huge financial implications for the state.

Kinship carers fulfil an essential role for their families and for society. They provide permanent, safe and loving family homes to children who are unable to live with their parents and many of whom would otherwise be in local authority care. The care they provide leads to good outcomes and experiences for children and saves local authorities billions of pounds. However, the role is often very stressful and can feel overwhelming. Many kinship carers require support so that they can help their children to overcome the adversities

they experienced in their early lives. Research has indicated that well supported kinship care can lead to positive outcomes for children.³³ However it has also been identified that without support some kinship carers can fall into crisis, and this includes a lack of financial support.³⁴

The financial support offered to kinship carers continues to be inadequate. Despite the financial pressures they faced, 39% of kinship carers did not receive any financial support with the children. Although 61% of carers did receive an allowance, 80% were not receiving enough to meet the needs of the children. Furthermore, the hierarchy of support remains and financial allowances are more likely to be paid based on the legal status of the child rather than on the needs of the family.

Essentially, when kinship carers take on the care of the children, they not only take on the responsibility of providing them with a loving and stable home environment where they can overcome the impact of the early life challenges, they also take on full financial responsibility for them. For many, stepping in to care for these vulnerable children means they are pushed into poverty and into a life where they are unable to pay their bills and have to choose between heating their homes or feeding their families. Our 2021 financial allowances survey raised these issues and this year's survey has demonstrated that rather than improve, their situations have got worse. This is unfair, unacceptable, and entirely preventable. To address these issues Kinship proposes several recommendations for government.

³⁰ Joseph Rowntree Foundation (2022), Office for National Statistics (2022b).

³¹ Ibid.

³² Wijedasa (2017), McGrath and Wrafter (2021).

³³ Wade et al (2014), Wellard et al (2017).

³⁴ Ibid.

RECOMMENDATIONS

This research continues to highlight that the current system for providing financial support to kinship families is inadequate and continues to be based on the legal status of the child rather than on their level of need.

Kinship welcomes the recommendations made in the final report of the Independent Review of Children's Social Care in England that special guardians and kinship carers with a child arrangements order whose children would otherwise be in care should receive a financial allowance (which matches the minimum fostering allowance) and paid kinship care leave (which matches that given to adoptive parents).

However, it's vital that all kinship carers – regardless of the child's legal status or journey into kinship care – receive the financial support they need, when they need it.

All kinship carers should:

- a) Receive immediate financial support to help a child settle in.
- b) Receive a universal, standard, non means tested allowance that matches the current national minimum fostering allowance until the child reaches 18.
- c) Have a right to kinship care leave (on a par with adoption leave).

For more information on kinship care and to learn about our vision for kinship care, read our **Out of the Shadows** report:
<https://kinship.org.uk/out-of-the-shadows/>

About Kinship

Kinship, formerly known as Grandparents Plus, is the leading kinship care charity in England and Wales.

We're here for all kinship carers – the grandparents and siblings, the aunts, uncles, cousins and family friends who step up to raise children when their parents can't. We'll not rest until the recognition and support is there for every kinship family.

ADVICE AND SUPPORT

Last year, our advice service provided high-quality, specialist advice to over 3,600 kinship carers on issues including welfare benefits, housing, legal orders, financial support, employment, and contact with parents.

We have pioneered the development of evidence-informed support programmes for kinship carers including the national Peer-to-Peer Support Service in England. Through Kinship Ready, Kinship Reach and Kinship Connected, we provide kinship carers across the country with a range of workshops and both remote and local 1:1 support led by dedicated project workers. Our services are proven to have a positive impact on kinship families, reducing isolation and concerns with children's behaviour, and improving relationships and carers' resilience. Evaluation of our Kinship Connected programme in 2020 found that a 20% return on investment was made by local authorities who invested in this support.

Our other innovative projects, including Someone Like Me and Kinship Young Champions, continue to provide kinship carers and the children they care for with new opportunities to meet and learn from each other, get the support they need, and make a difference to local and national policy and practice.

In 2022 we are rolling out a new national peer support service, funded by the Department for Education, which will support kinship carers in every local authority in England through a **dedicated website** and e-learning platform, online chat, free workshop series, and on-the-ground support to help kinship carers develop new peer support groups in their area.

POLICY, RESEARCH AND CAMPAIGNS

We are proud to work alongside kinship carers and local authorities to transform support at local and national level. Kinship plays a key role in raising awareness of kinship care and campaigning for policy and practice change, including leading on the organisation of Kinship Care Week each year.

Our annual surveys and research activity bring the views and experiences of thousands of kinship carers directly to decision makers, and we support and empower kinship carers to become campaigners themselves. Together with our organisational expertise, we support government, local authorities and others to create real and lasting change for kinship families.

We also bring professionals and researchers together through our Professionals Network of over 1,000 social workers and other professionals working with kinship carers and our Kinship Care Researcher Network of over 60 academics.

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ABOUT KINSHIP

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We offer kinship carers financial, legal, practical and emotional support and understanding from the moment they need it, for as long as they need it. Our expert advice, information and guidance helps with complicated and stressful decisions that so many kinship families have to make. We're always there to support them through difficult times and celebrate the good.


Kinship carers are strong and determined. Together, they are powerful. We help them build communities of support and action by connecting families locally and across England and Wales.

We're at the heart of kinship networks, partnering with and influencing service providers, local and national government and other organisations. We give everything we have to fight for each family and their rights, changing society until every kinship family is recognised, valued and supported.

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