

Kinship Care: The Opportunity

A report by Nicol Economics for Grandparents Plus

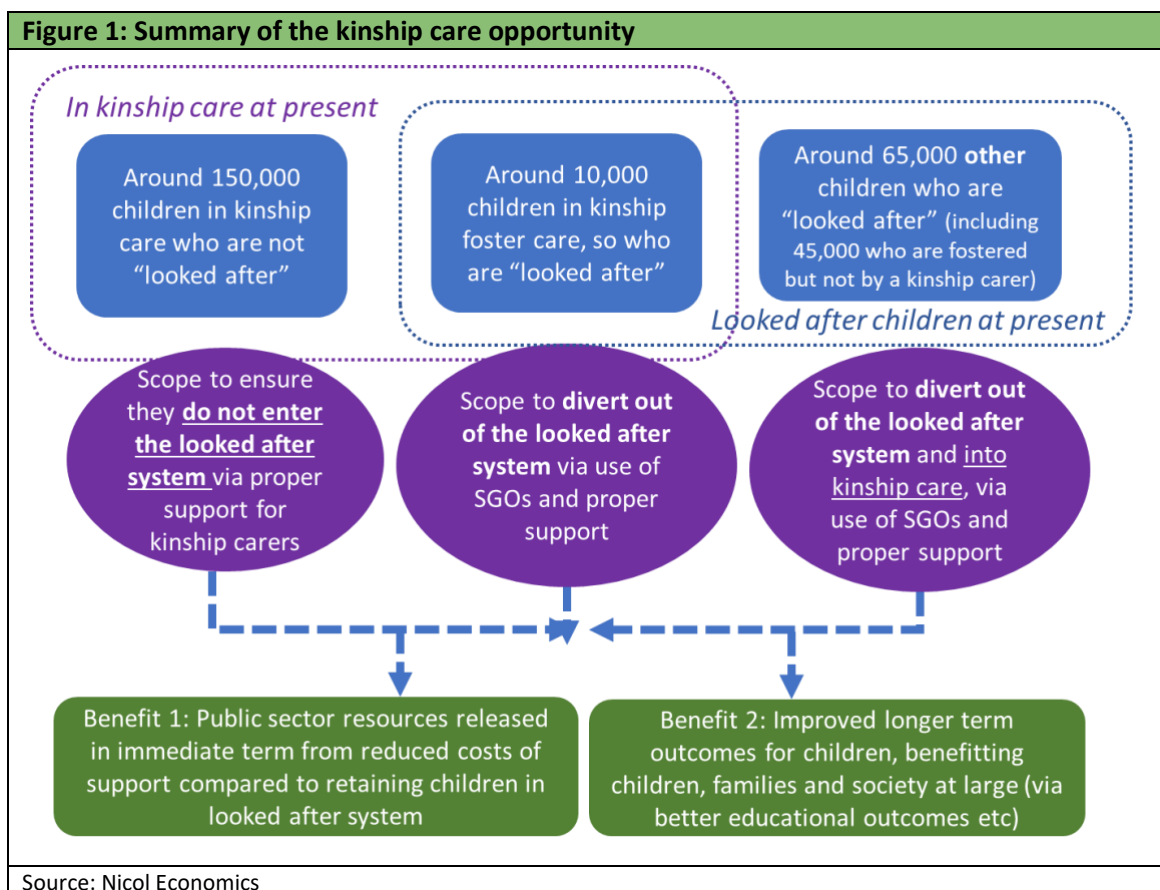
Kinship Care: The Opportunity

A report by Nicol Economics for Grandparents Plus

Summary

- 1) Kinship care is an important form of care but relatively neglected by public authorities, even though around 160,000 children in England are currently looked after by family and friends (See Appendix A for a list of the different types of caring arrangements). Indeed, three and a half times more children live in kinship care than live with an unrelated foster carer.
- 2) Many kinship carers face enormous **challenges** and manage in spite of, not because of, the limited support that is available (financial and other). Children in kinship care are much more likely than other children to live in households facing multiple disadvantages.
- 3) Yet the children looked after by kinship carers benefit from **stable homes**, tend to have much more **permanent arrangements** than many other forms of care and are more likely to stay at one school rather than have to move around. Their **educational outcomes** are above the average for all children who are looked after.
- 4) There is a great opportunity to:
 - **Reduce the current 75,000 children in the local authority care system** in England (ie “looked after” children) by:
 - (a) increasing the number on Special Guardianship Orders (SGOs) rather than in foster care with their kinship carers;
 - (b) supporting a shift into kinship care for some currently looked after children (being fostered by a non-family member or in residential care); and
 - (c) ensuring that kinship carers are supported properly and are able to continue to care for the children rather than some placements breaking down and children then entering the care system.
 - **Ensure** that there is more consistent and better resourced support for kinship carers to help deliver more **effective outcomes** for children and carers alike.
- 5) These opportunities are linked closely: as better support is needed to make kinship care work for the carers outside the looked after system and so the children they care for.
- 6) There is developing evidence that a peer-based form of support – Kinship Connected – can deliver effective outcomes by helping kinship carers share with, and learn from, others. Their confidence and abilities as carers can be improved with consequential benefits for the children they care for. The programme has been developed so far in parts of London, the North East and West Yorkshire and could be rolled out across the country.
- 7) Every 1,000 reduction in the number of children in the looked after system would deliver a number of benefits:
 - (A) Release resources of the order of **£40 million every year** that could be used to improve support for kinship carers and improve outcomes for children;

- (B) Lead to improved educational and other outcomes in the longer term. For this number of children, improved educational outcomes could increase lifetime earnings by **£20 million**; whilst there would be other long-term benefits in terms of reduced homelessness, levels of crime and anti-social behaviour, and better health. Such changes would also deliver substantial cost-savings to society.



Introduction

- 1.1 This note has been prepared by Nicol Economics for Grandparents Plus following discussions with both Grandparents Plus and Nesta. The note sets out the case that could be made for major investment in the support of kinship care.

What is the current extent of kinship care?

- 1.2 Currently an estimated 160,000 children in England are being brought up by family members or friends¹ – that is by **kinship carers**. This is because their parents are unable to care for them, often due to parental drug and alcohol misuse, mental health problems, domestic violence or death². A detailed analysis of census data shows that in England, in 2011, 152,900 children were in the care of relatives (1 in 74 children or 1.4% of all children).
- 1.3 Over **three and half times** the number of children grow up in some form of kinship care than live with an unrelated foster carer³. The evidence shows that the number of children being raised in kinship care is growing, yet the great majority are outside the purview of the child welfare system and these children are not looked after by the state nor covered by any legal order. Furthermore, the vast majority of kinship carers are not receiving any formal children's social care support under

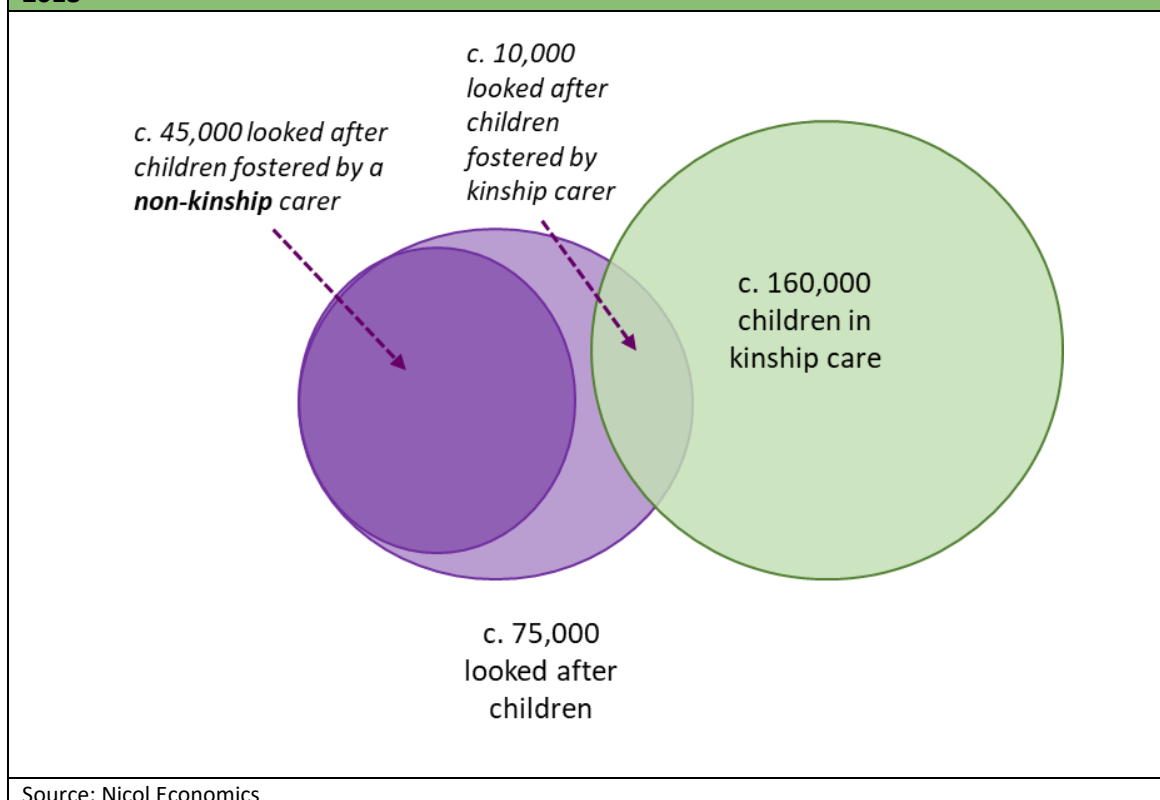
the Children Act 1989, even though their early life experiences are similar to children who are in local authority care or who have been adopted⁴.

1.4 The latest data suggests that:

- In 2018 9,700 children were being fostered by a relative or friend in England. This represents 17.6% of all fostered children (55,200) and 12.9% of all the 75,400 looked after children in England. The proportion of fostered children who are fostered by a relative or friend has been rising (from 14.4% in 2014⁵). This still represents, however, only 5% of all the children being brought up by a relative carer in the country (as shown by the most recent 2011 census analysis).
- During 2017, 7,300 children in England were placed under a Special Guardianship Order (SGO) with their kinship carer⁶ or roughly 4.6% of all children estimated to be living with a kinship carer. In addition 5,900 were placed under a Child Arrangement Order (CAO) (formerly Residence Order), although not all of these children will be living with a kinship carer⁷.

1.5 It is of some concern there are no reliable data on the overall current stock of children living in kinship care under different forms of court order or who are privately fostered by wider family, friends and other connected people. Similarly, there are no data on children in informal arrangements with immediate family members or friends. (We have these data for kinship foster care but only know the number of children in any specific year who are placed on an SGO or CAO).

Figure 2: Summary of the numbers of children in England in kinship care or “looked after”, 2018



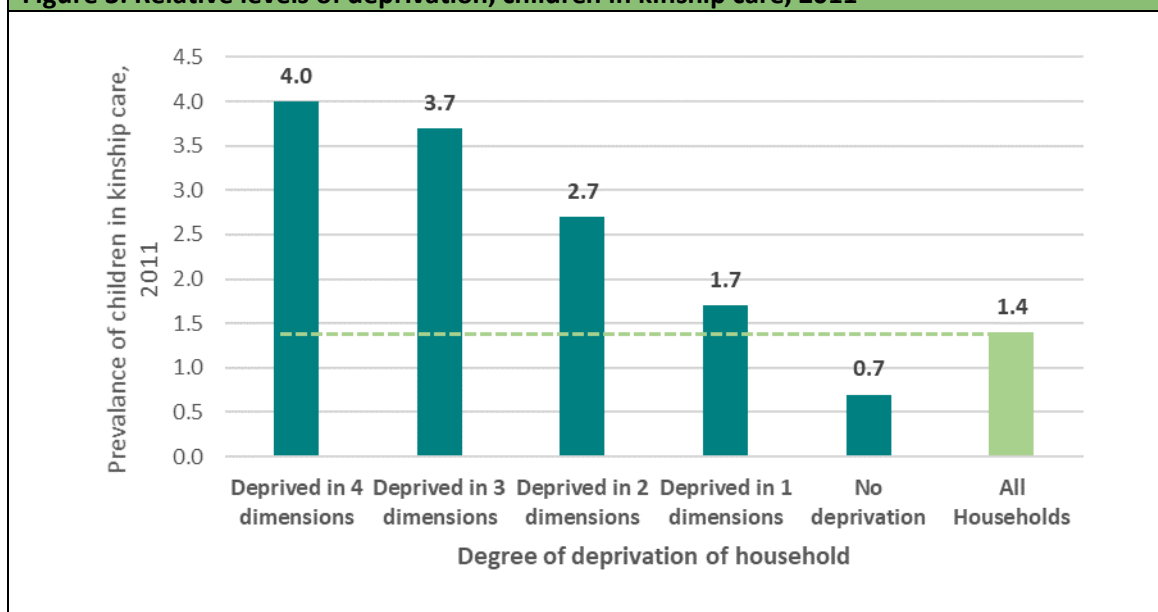
The challenges of kinship care and challenges faced by kinship carers

1.6 Children and young people in kinship care have generally experienced similar adversities to those children who are looked after by the local authority⁸. For example, Wellard et al (2017) found that

66% of the children in all forms of kinship care had experienced abuse and/or neglect; 68% had experienced parental drug or alcohol misuse; 26% parental mental illness and 26 % were in kinship care after a parent had died. The Grandparents Plus 2017 State of the Nation national survey of kinship carers found that 52% of children in kinship care had special needs. Of this group, 82% had emotional or behavioural issues, 36% had a learning difficulty or disability, 28% were on the Autistic Spectrum or had Asperger’s, 14% had chronic health issues, 9% foetal alcohol syndrome and 7% a physical disability⁹.

- 1.7 Kinship carers themselves often have to give up their employment to look after the children. They have a higher incidence of physical health and disability than the population at large, are more likely to be living in poverty, whilst they may also have caring responsibilities for elderly relatives with many experiencing stress and also facing isolation and discrimination¹⁰.
- 1.8 Across the population, children in kinship care are disproportionately likely to be affected by poverty and also nearly twice as likely as the average for all children to have a long-term health problem or a disability that limits their day-to-day activities¹¹. Children growing up in kinship care are also much more likely than others to be growing up in households with a high degree of deprivation.
- 1.9 In 2011, just over three quarters (76%) of the children living in kinship care were living in households deprived on at least one dimension of deprivation (employment, education, health and disability and housing). Indeed, one in every 25 children living in households with the very highest deprivation (deprived on all four dimensions) was a child living in kinship care. This is nearly three times the rate for households where children were living with their parents¹².

Figure 3: Relative levels of deprivation, children in kinship care, 2011



Source: Wijedasa 2015. Note: the line of dashes is the national prevalence of children in kinship care in all households in 2011 in England

- 1.10 In spite of the considerable challenges faced by many kinship carers, the support which is available to most **kinship carers is much more limited than that provided for other placement types for children**¹³. (See Appendix A).
- 1.11 Special Guardianship Orders should be granted with an attached support plan detailing the support the special guardians should receive. The support is often time limited (and means tested), although the needs of the family often are not. Indeed, where a child was ‘looked after’ prior to making the SGO, the local authority must assess the need for support services, although it has discretion whether to provide any support. However, the nature and type of support varies widely

from local authority to local authority and some receive little or no ongoing help or support from local authorities. There remain ongoing issues with the parity of support and other arrangements for SGOs (see Harwin et al (2019)). The vast majority of kinship carers receive no statutory support at all – either financial, practical or emotional (see e.g. Selwyn et al 2013). In the 2017 Grandparents Plus survey, only one in ten kinship carers stated that they were getting the support they needed to bring up their children¹⁴.

- 1.12 The conclusion here is simple: many kinship carers face multiple challenges in caring for children, yet face limited support. **This puts considerable strain on the well-being of the carers, and therefore a considerable strain on kinship placements.** It also **constrains the help available to meet the many needs that the children bring to the placement.**

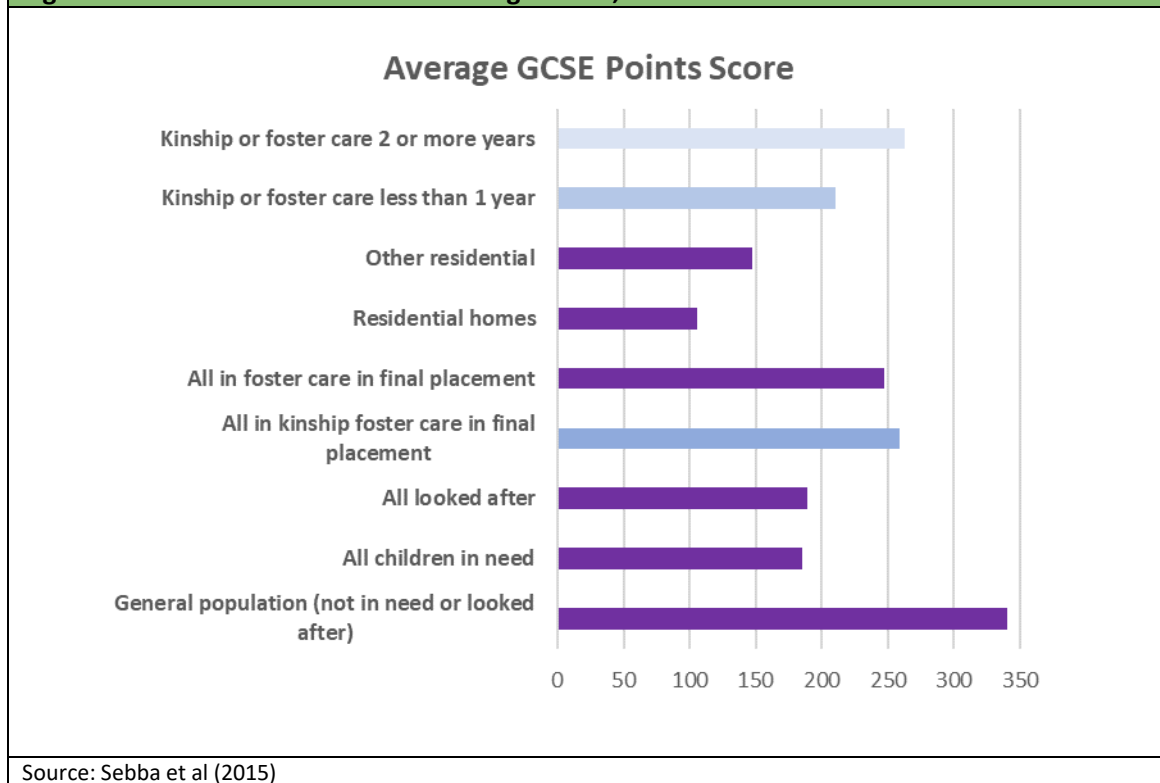
The importance of kinship care for wider societal costs and benefits

The benefits from good kinship care: education

- 1.13 The research on children in care shows that a range of complex factors influences the outcomes for children. There are many ways of measuring outcomes for children, but a reasonable measure is educational attainment, which is strongly linked to future life success and is also an area where relatively robust data are available.
- 1.14 There is a **substantial gap in educational attainment on average** between looked after children and the population at large:
- The most recent government data relating to children who had been continuously looked after for 12 months as at 31 March 2015 showed that only 14% of looked after children achieved five or more A*–C-grade GCSEs or equivalent including English and Mathematics (compared to 53% of non-looked after children)
 - The attainment gap between looked after and non-looked after children widens with age, to the point where only 6% of care leavers attend university compared to 50% of the non-looked after population¹⁵.
- 1.15 The nature of the care arrangements are very important to outcomes and Sebba et al's (2015) research shows in particular that:
- Those children who enter care arrangements **earlier on** tend to do better
 - That the more **permanent** care arrangements are and the **longer they last** the better are the educational outcomes for children
 - Multiple care placements and school changes result in **worse outcomes** for children.
- 1.16 We also know that:
- Kinship care provides high levels of **stability** and kinship carers often have high **aspirations** for the children they raise (see e.g. Selwyn et al 2013, Winokur et al 2014).
 - In addition, children who remain in the same neighbourhood, which more often occurs in kinship than in other forms of care, are often able to continue at the same school¹⁶.
- 1.17 Recent research on results at Key Stage 4/GCSE has looked at the role of different care arrangements on outcomes¹⁷. The evidence shows that, on average, those children in a kinship foster placement when they took their GCSEs had a higher GCSE points score than those in non-kin foster care and a much higher score than all looked after children or all children in need. Critically the **length** of the placement was important to these outcomes. The data do not allow us to say that kinship care is necessarily better for the educational outcomes of children than non-kin

foster care (as there are many other variables at play). However, it certainly tends to produce better outcomes compared to residential care and, critically, the longer the placement the better the outcome. (As previously noted, kinship care provides higher levels of stability than other forms of care).

Figure 4: GCSE outcomes and care arrangements, 2013



- 1.18 To the extent that kinship care arrangements are entered into earlier on and are more permanent then this should have a **positive impact** on the long-term outcomes for the children who are cared for.
- 1.19 It is also important to recognise the very wide variations in educational outcomes for those in kinship foster care. Although the average outcomes for those in kinship care compare favourably to other forms of care, there is a very wide variance (that is much greater than the average differences). There is therefore a large proportion of children in kinship care **whose educational outcomes are poor and could be improved**.
- 1.20 There is evidence that kinship care tends to be relatively long-term and stable. Research into Special Guardianship Orders in 2014 identified that the longevity of placement with kinship carers was generally high, with around 94.3% remaining with the kinship carer **for at least five years** (and so only 5% returning to the care system over a five-year period). The research found that children who were placed with unrelated guardians were nearly three times more likely to experience an SGO disruption compared with children placed with kin on an SGO. The disruption rate is slightly higher than that for children who had been adopted (99.3% who were still with their adoptive parents after five years) but much lower than for children who had been subject to a residence order (85.3% still in placement after five years)¹⁸. The research found that on average around 1% of those children on SGOs reverted back to the care system every year.
- 1.21 Very recent research has broadly confirmed these findings with the probability of return to court for new Section 31¹⁹ proceedings after five years being around 5% for children on SGOs (but 10% for those on a Child Arrangement Order)²⁰. Nonetheless, it should be borne in mind that as time passes and more children grow older while under SGOs or if more SGOs are made for older children

then the breakdown rate may increase (in 2016/17 the mean age for children placed on an SGO was five years).²¹

The benefits from good kinship care: other outcomes

- 1.22 There is also evidence that children in kinship care are more likely than others in care to have better **mental health and behavioural outcomes** due to the stability of placements (see for example Winokur et al 2014, Wijedasa 2015). In addition, it is important to note that they are more likely to preserve their identities through family and community ties²².
- 1.23 Recent research examining the outcomes in young adulthood of children who had grown up in kinship care (Wellard et al 2017) has shown that the outcomes for children raised by kin in terms of their physical health, educational achievement, offending and NEET (not in education, employment or training) status are **considerably better than for care leavers** although (as would be expected) not as good as in the general population. In addition, it was shown that kinship care offers the opportunity for **extended transitions from home**, so young people continue to live with their kinship families well past the age of 18, with benefits for their entry into further/higher education and employment.

Other factors in assessing wider societal benefits from effective kinship care

- 1.24 There is no simple single way of assessing the lifetime societal benefits from the use of kinship care compared to alternatives and from more effective kinship care. In 2014, the National Audit Office (NAO) identified five areas where there were “*significant long-term costs to the public if children in care do not achieve good outcomes*”²³. These were around:
- Intergenerational dysfunctional families
 - Poorer **mental and physical health** outcomes in adulthood: about 10% of 16- to 17-year-olds in care have substance misuse problems.
 - Lower take up of **education, employment and training** (NAO noted that 34% of all care leavers were “not in education, employment or training” (NEET) at age 19 in 2013 compared to 15.5% of 18-year-olds in the general population. Adults with few or no qualifications are more likely to be unemployed, or be in poorly paid work.
 - Higher **offending** rates: the report notes that in 2013, 6.2% of children in care aged between 10 and 17 were convicted or given a final warning or reprimand, compared with 1.5% of all children. It also notes that an estimated around one in four of the prison population have been in care.
 - Higher rates of **homelessness**: as an estimated one-quarter of homeless people sleeping on the street have a care background.
- 1.25 These are all important areas where better outcomes for looked after children will have long lasting benefits for them and for society as a whole.

What are the relative direct costs to the public sector of kinship care and alternatives?

- 1.26 The **direct** costs to the public sector of different forms of care vary widely depending on the age of the children, the type of care and type of provider. Previous NAO work has identified the difficulties of precise benchmarking of the costs of care, as has detailed academic work²⁴. In 2014 the NAO

estimated that, in 2012-13, the average annual amounts spent per child in care in England, depending on which sources were used, were:

- in the range of £29,000 to £33,000 for a foster placement; and
- in the range of £131,000 to £135,000 for a residential care placement²⁵.

1.27 We have reviewed the most up-to-date estimates (see Table 1). In broad terms the readily identifiable costs of foster care average at around £800 per child per week and the costs of residential care are much higher at £3,400 to £4,700. The costs shown for foster care do not necessarily include all the costs of social work time and support associated with making, monitoring and supporting foster care placements (and so may understate the true cost to local authorities and society).

Table 1: Unit costs of children in care		
Type of care	Per week ⁽³⁾	Annual (per week times 52) ⁽⁴⁾
Foster care per child per week ⁽¹⁾	£780	£40,400
Residential care LA home ⁽²⁾	£4,720	£245,000
Residential care independent home ⁽²⁾	£3,430	£178,000
Sources and notes: (1) New Economy Unit Cost calculator updated to 2019/20 prices, comprises: boarding out allowances, administration and the cost of social worker/staff support to foster carers; cost of social worker and support relating directly to the fostered child; (2) Unit Costs of Health and Social Care 2018, PSSRU; (3) rounded figures; (4) actual annual cost will be lower for a placement that lasts a full year (for residential care in particular)		

1.28 The actual unit costs vary widely depending on the child's age, duration of the placement and whether the intervention is planned or non-planned. The **total cost** of care for any child (from when they enter care to the age of 18) will then depend on the nature of foster and residential care provided, the age of the child at entry to care or move of placement and the number of placements made. The more placements that have to be made and the more supervision and intervention that is required, the greater will be the costs of support.

1.29 The current direct public sector costs of most kinship care arrangements are significantly lower than for foster, and particularly residential, care:

- For those kinship carers with a Special Guardianship Order or Child Arrangement Order the extra costs for the local authority principally relate to recommended weekly allowance payments and the period of time over which these are paid. (Some will also receive some social work help).
- The annual cost of the current Department for Education's recommended weekly rates for foster carers for 2020-21 have been weighted by the age of all looked after children and the location (London, Rest of the South East and Rest of England) to arrive at a weighted average weekly allowance of £171 or an annual cost of £8,895²⁶.
- For other kinship carers without an SGO or CAO there are currently no specific forms of public support available. The only exception is that kinship carers can, where appropriate, claim child benefit (once it has been transferred from the parent) and child tax credit.

1.30 Of course, as noted above, the limited level of financial support for kinship carers is a general concern, as is the lack of a consistent and level playing field of support for different kinds of placement.

How could the role of kinship care be changed and made more effective?

The scope to reduce the number of looked after children

- 1.31 In England there are currently around 75,000 children in care (i.e. “looked after”) in a variety of categories (see Table 2). There is potential to reduce the numbers of looked after children and increase the numbers in kinship care by an increase in the use of SGOs. The work has identified essentially three ways, using a child-centred approach, in which the role of kinship care could be properly supported to reduce the number of looked after children in the care system:
- 1) By changing the formal care arrangement of children who are currently fostered by friend and relatives (and so are looked after children) to being **looked after by their kinship carers but outside the current care system, where it is in the best interests of both the carer and child**. This would involve the use of SGOs to “migrate” the children with their existing kinship carers out of the care system. It would require the guarantee of continued payment of the same allowances to the carers until the child is 18 years old, so they are not financially disadvantaged by the change in circumstances. It would, however, mean a significant reduction in the levels of intervention required by children’s social services. Currently, there are nearly 10,000 children who are being fostered by friends and family in England (Row A in Table 2).
 - 2) By transferring some children who are looked after by non-kinship foster carers and, potentially, some children in other forms of care (such as children’s homes) via the use of SGOs again, but in this instance **to become cared for by a kinship carer** (but not as foster carers). Currently, there are around 45,000 children fostered by someone other than kinship carers (Row B Table 2).
 - 3) By helping **ensure kinship care arrangements do not break down** (whether SGOs or informal arrangements) leading to children eventually entering the care system.
- 1.32 In all cases the transfer would only take place where it was in the best interest of the child.

Table 2: Number of looked after children as of March 2019		
Total children in care	78,150	100%
A Fostered by family or friends	10,450	13%
B Total fostered not by family or friends	45,710	60%
C Placed for adoption	2,190	3%
D Placement with parents	5,210	7%
E Other placement in the community	3,400	4%
F Secure units, children's homes and semi-independent living	9,500	12%
G Other residential	1,150	1%
Source: DfE statistics “Children looked after in England (including adoption)” for the year ending 31 March 2019		

- 1.33 Previous work funded by Nesta for Grandparents Plus has suggested that, potentially, based on current numbers the total number of children in kinship care could rise by of the order of up to **11,000** in England²⁷. This is based on benchmarking rates of kinship care across all local authorities in England then increasing the rate in areas below the benchmark. Such a shift would represent an overall increase in the numbers of children in kinship care of around 7% or 15% of all children who are currently looked after in England. It represents an indication of the likely **upper bound** of the scale of increase. The assumption is that this increase in kinship care would be for children who would otherwise be looked after in some other form of care.

- 1.34 Such a large increase is unlikely to be fully achievable as:
- There may not always be a willing and suitable kinship carer
 - The nature of the needs of the child may require specialist provision or support.
- 1.35 This scale of increase would represent a radical increase in the role of kinship care for children who would otherwise be looked after in some other way, but we have used it as an upper bound for modelling purposes.

The scope to improve the effectiveness of kinship care

- 1.36 As noted earlier, many kinship carers face multiple challenges: financial, emotional, physical and practical. There is a lack of accessible and consistent support for kinship carers. Some local authorities provide excellent service and support; others provide very little. There are significant differences in the type, quality and amount of support offered.

Making this possible: providing appropriate services for kinship families

- 1.37 It is one thing to posit a potential increase: it is another to create the conditions when it can happen. Improvements will require considerable **investment and a greater focus on kinship care**.
- 1.38 It should also be borne in mind that an increase in the use of kinship care might involve larger numbers of placements with relatives with little prior relationship with the child and/or more placements of children with quite severe difficulties. **Increased support for these placements would clearly be crucial**.
- 1.39 **Kinship Connected** is a programme developed by the charity Grandparents Plus that brings together kinship carers to help themselves and each other through building strong and sustainable peer support networks supported by one-to-one support for kinship carers, together with specialist advice. The approach has been developed and delivered in the North East of England (where it was called Relative Experience²⁸), London, and now in West Yorkshire. In early 2020 there were 53 peer support groups in operation. Each support group has around 15 members so there are around 800 kinship carers receiving support at any one time. The elements of the activity are: project workers who deliver one-to-one support for kinship carers and peer support group development, and recruitment of carers as volunteers to encourage sustainability of the groups. This support may include:
- providing intensive one-to-one support
 - encouraging carers to attend a support group or coffee morning
 - referrals to our specialist kinship care advice service for support regarding issues such as benefits, education or housing
 - referrals to our grants team to make a grant application for an essential household item or family break
 - referrals to local voluntary organisations for specialist support
 - encouraging carers to volunteer as part of Grandparents Plus' volunteering programme
 - referrals to training courses running in the local area.

- 1.40 The evidence so far is that this form of intervention:
1. Reduces the isolation of kinship carers - enabling them to share experiences, skills and concerns.
 2. Reduces financial concerns (via help to access financial support from the current benefits system to which they are entitled).

3. Improves relationships with other family members, for example the child's parents²⁹.

- 1.41 There is also emerging evidence of **improved outcomes** for children after kinship carers attended programmes, as measured by the reduced levels of concern of kinship carers in relation to: children's behaviour; children's health and wellbeing; and also about their own ability to cope.³⁰ These factors are likely to lead to **improved stability and longevity and improved outcomes for children in kinship care**.

How could this be done?

- 1.42 Kinship Connected has proved to be an effective programme that helps kinship carers better manage the challenges of being a kinship carer. On its own it is not a panacea for all the challenges faced by kinship carers. However, it fills a clear gap in the lack of consistent and effective support for kinship carers across the country.
- 1.43 So far Grandparents Plus has developed a strong model that can be replicated more widely. It has received funding from the Big Lottery, a variety of trusts and foundations and more recently from Nesta and the Department of Digital, Culture, Media and Sport (DCMS) to develop the model. Grandparents Plus also started offering Kinship Connected as a commissioned service in 2018, which is now commissioned by 25 local authorities.
- 1.44 A service like Kinship Connected would pay for itself and save local authorities a considerable amount of money that could be spent on children in need, and looked after children. It could also reduce the extent of need for statutory intervention because Kinship Connected is a preventative service and would redirect kinship carers to universal support rather than leaving them overwhelmed and needing statutory support via the Children Act 1989

What would be the potential benefits?

- 1.45 The potential benefits of: (a) a reduced number of looked after children and an increase in the number of children in kinship care; and (b) improved effectiveness and support for kinship carers can be summarised as:
- The immediate benefits from the **public resources that can be released** from existing forms of care to provide better support for all forms of kinship care.
 - The longer term benefits from **better societal outcomes** as a result of supporting kinship carers.

Benefit 1: Direct public resources released

- 1.46 We have assessed the immediate direct potential financial resources that could be realised from a transfer of looked after children from un-related foster care/residential care into kinship care outside the looked after system via SGOs (see Table 3 below). This applies:
- 1) the average unit costs of providing care for those in foster care (or residential care) to work out current costs
 - 2) then deducts the assumed costs of paying the Department for Education's weekly recommended rates for care allowances for 2017-18 (as previously discussed in para 1.29 this averages around £8,500 per annum per child).
- 1.47 The calculations are very broad-brush but show the scale of resources that could be released to be re-directed towards better support for kinship carers (or for direct help for children).

- 1.48 Depending on the number of extra children “diverted” from un-related foster care and residential care to kinship care via SGOs outside the looked after system, the annual resources released could range from £20 million a year (500 children) up to £370 million (10,000 children). These resources could be diverted to better support for kinship care (over and above the payment of weekly allowances).

Table 3: Exemplifications of <u>potential</u> short term annual direct public resources released in England, £ms pa							
Public sector resources released	Assumed unit costs per child supported per annum (£000s)	Assumed reduction in looked after children					
		Total children	500	1,000	2,000	5,000	10,000
		<i>from reduced fostering ⁽¹⁾</i>	475	950	1,900	4,750	9,500
		<i>from reduced residential care ⁽¹⁾</i>	25	50	100	250	500
Fostering £ms	£40 ⁽²⁾		£19.2	£38.4	£76.8	£191.9	£383.8
Residential £ms	£135 ⁽²⁾		£3.4	£6.8	£13.5	£33.8	£67.5
Total annual gross cost saving combined £ms			£22.6	£45.1	£90.3	£225.7	£451.3
Less assumed extra costs of SGO allowances £ms	£8.5 ⁽³⁾		-£4.2	-£8.5	-£16.9	-£42.3	-£84.7
Net resources released (before costs of Kinship Connected and any improved support for kinship carers), £ms pa			£18.3	£36.7	£73.3	£183.3	£366.6
Rounded net resources costs (nearest £10 million)			£20	£40	£70	£180	£370
Source: Nicol Economics calculations. Notes: (1) the split by existing types of care indicative only with 5% from residential care; (2) unit costs from Table 1; (3) unit costs from para 1.29 above							

Benefit 2: Better societal outcomes

- 1.49 There is a limited basis on which to attempt to model any benefits from improved and more effective kinship care. We have carried out some simple ‘what if’ calculations based on work by the Department for Education (DfE) which shows that lifetime earnings and productivity are strongly affected by GCSE results³¹.
- 1.50 We have modelled this by working out the impact of the potential enhanced education outcomes from:
- The greater stability for the child or children diverted to kinship care or who are retained within kinship care (as opposed to other forms of care)
 - Improved effectiveness of kinship carers in looking after the children in their care as a result of additional support
- 1.51 The research on educational outcomes for those in foster care shows that there is a 50 points improvement at GCSE between those who had been in their placement less than one year compared to over three years – this is a good measure of the benefits of extra stability and the potential for improved outcomes. The evidence suggests that children with SGOs enter a relatively stable form of care. If as a result of the diversion to, or staying within, kinship care this effect were to occur, this could increase the number of GCSE grades by eight (as each grade is worth six points). The assessed lifetime productivity benefit (the current value of the extra stream of future earnings) of three to four good GCSEs compared to one to two is around £55,000 in 2013 prices³² and £58,700 in 2018 prices³³.

- 1.52 For those children who are looked after by kinship carers in foster care the move via an SGO out of the care system would not necessarily lead to any change in outcomes for the child on its own. However, there are other benefits as SGOs offer the child legal permanence, which is generally better for children and it also gives the carers parental responsibility, which is important for many reasons, such as medical issues, getting passports etc.
- 1.53 It is unlikely there would be such an improvement in educational outcomes for all children entering or remaining in kinship care. To be cautious, we have assumed that the proportion benefitting from help will reduce as the absolute numbers diverting to kinship care rise. These reasonable exemplifications suggest that the total lifetime education and skills benefit from diverting 1,000 children into kinship care could be of the order of £20 million.
- 1.54 In addition, as the NAO work notes, there are **other potential societal benefits** from the cost savings from reduced crime levels and homelessness and from improved mental and physical health compared to current outcomes for children leaving the care system. We have no robust basis to assess these and they are beyond the scope of this paper, but they could be significant.
- 1.55 The figures in Table 4, therefore, need to be seen as the potential scale of societal benefits that could occur as a result of an increase in the number of children in really effective kinship care. There are two strands to this:
- Strand A: children who enter or remain in stable kinship care (i.e. the number of children leaving the care system and entering kinship care
 - Strand B: children in kinship care where there is improved support for kinship carers and so better outcomes.

Table 4: Exemplifications of potential long term wider societal benefits (just from educational improvements), £ms 2018 values and prices					
Strand 1: Increased numbers in or remaining in kinship care ⁽¹⁾					
Numbers	250	500	1,000	2,500	5,000
Proportion helped to improve educational outcomes ⁽²⁾	40%	35%	30%	25%	20%
Numbers helped to improve educational outcomes	100	175	300	625	1,000
Lifetime benefit £ms ⁽³⁾	£5.9	£10.3	£17.6	£36.7	£58.7
Lifetime benefit £ms, rounded to nearest £10 million	£10	£10	£20	£40	£60
Strand 2: Children currently in kinship care assisted to improve educational outcomes					
Numbers of existing kinship carers families/children involved in receiving support	500	1,000	2,000	5,000	10,000
Proportion of children helped to improve educational outcomes ⁽⁴⁾	10%	10%	10%	10%	10%
Numbers helped to improve educational outcomes	50	100	200	500	1000
Lifetime benefit £ms ⁽³⁾	£2.9	£5.9	£11.7	£29.3	£58.7
Lifetime benefit £ms, rounded to nearest £10 million	£0	£10	£10	£30	£60
Source: Nicol Economics calculations. Notes: (1) excludes those who are currently looked after by a kinship carers via formal fostering arrangements. For purposes of this exercise has been taken as 50% of the numbers in Table 3. (2) the % helped falls as the number rises as it is assumed that as the level of “diversion” rises the proportion of children who will benefits as much will fall; (3) based on assumed discounted lifetime benefit of £58,700 per child helped (2018 prices) and rounded to the nearest £10 million; (4) % assume move to supportive and supported kinship care, work on Relative Experience suggests that based on that programme alone 6% to 8% saw a significant improvement in parenting which provides a figure for the absolute minimum potential shift ³⁴ ;					

Conclusions

- 1.56 This paper has demonstrated the potential value of major investment to encourage and increase the numbers of children being raised in kinship care, where it is in the best interests of the child and appropriate support is put in place to meet the needs of both the child and carer.

About Nicol Economics

Nicol Economics works with clients to analyse and understand economic development impacts and opportunities. Stephen Nicol has over 30 years of experience working as an economist in the public and private sectors. He has worked for major companies, large developers, UK Government departments, international bodies and local government. Stephen is an experienced expert witness, appearing at Public Inquiries on economic impact, housing needs and economic development matters. He has worked across the UK and in most counties and major towns or cities in England.

For more information go to www.nicol-economics.co.uk

Appendix A: Support for different care arrangements

Support	Informal kinship care	Private fostering	Kinship foster care	Residence order and Child Arrangement order	Special Guardianship order (SGO)	Adoption
What support is there?	No special entitlement.	Must notify the local authority that they are making a private fostering arrangement. Social worker may give support. Local authority may assess child as a child in need and provide support under section 17 of the Children Act 1989.	Support to meet child's needs, including a health plan, personal education plan, contact plan and placement plan. Young person may be entitled to leaving care support services.	No special entitlement. Although the court can direct there to be a support plan for some ROs and CAOs	If child was 'looked after' prior to making the SGO, local authority must assess need for support services although it has discretion whether to provide. If the child was not previously 'looked after' an assessment can be requested from the local authority but it is up to the local authority whether to carry out an assessment.	Adopters entitled to assessment for support services, which may be provided at the local authority's discretion.
Is there financial support?	Treated as parents by the benefits system plus guardian's allowance in particular circumstances of parental deaths. Local authority may assess child as a child in need and provide support under section 17 of the Children Act 1989. If local authority assesses child as a child in need it has discretion to make one off or regular payments under section 17.	Treated as parents by the benefits system plus guardian's allowance in particular circumstances. If local authority assesses child as a child in need it has discretion to make one off or regular payments under section 17.	Training, advice and practical support for foster carers. Cannot claim child benefit, child tax credit or guardian's allowance. Fostering allowance to meet the costs of caring for the child. Some fostering services pay a fee to recognise the carers' skill, experience and commitment.	Treated as parents by the benefits system plus guardian's allowance in particular circumstances. Local authority may assess child as a child in need and provide support under section 17 of the Children Act 1989. Local authority has discretion to pay a residence order allowance in some circumstances. Any allowance is likely to be means tested and reviewed annually, so may be stopped if circumstances change.	Treated as parents by the benefits system plus guardian's allowance in particular circumstances. A young person may be entitled to leaving care support services if they were a 'looked after' child prior to the making of the SGO. Entitled to an assessment for financial support if the child was 'looked after' prior to the order being made and meets certain criteria. Regular or one off payments are possible, but any allowance is likely to be means-tested and will be reviewed annually so may be stopped if circumstances change.	Benefits paid as for any other parent. Are entitled to an assessment for financial support if the child was 'looked after' prior to being adopted. Subject to an assessment, one off payments or a regular adoption allowance may be paid. Any allowances will be reviewed annually so may be stopped if circumstances change.

BIBLIOGRAPHY/REFERENCES

- Coles et al (2010). *Estimating the life-time cost of NEET: 16-18 year olds not in Education, Employment or Training*, Research Undertaken for the Audit Commission, Bob Coles, Christine Godfrey, Antonia Keung, Steven Parrott and Jonathan Bradshaw Department of Social Policy and Social Work and Department of Health Sciences, York University, July 2010
- Cuddeback, G. S. (2004). *Kinship Family Foster Care: A Methodological and Substantive Synthesis of Research*. Children and Youth Services Review, 26, 623-639.
- DfE (2014). *The economic value of key intermediate qualifications: estimating the returns and lifetime productivity gains to GCSEs, A levels and apprenticeships*, Research report, Hugh Hayward, Emily Hunt & Anthony Lord - Department for Education, December 2014
- Doolan, M et al (2004). *Growing up in the Care of Relatives or Friends: Delivering best practice for children in family and friends care*. Doolan M, Nixon P and Lawrence P London: Family Rights Group, 2004)
- Farmer, E. (2009). *Placement stability in kinship care*. *Vulnerable Children and Youth Studies*, 4(2), 154-160.
- Farmer, E. (2009a). *How do placements in kinship care compare with those in non-kin foster care: placement patterns, progress and outcomes?* *Child and Family Social Work* 14, 331-342.
- Farmer, E., & Moyers, S. (2008). *Kinship care: Fostering effective family and friends placements*. London: Jessica Kingsley Publishers.
- Harwin, J et al (2019). *The contribution of supervision orders and special guardianship to children's lives and family justice* Final report for the Nuffield Foundation. Judith Harwin, Dr Bachar Alrouh, Lily Golding, Tricia McQuarrie, Karen Broadhurst and Linda Cusworth (March 2019)
- Hunt, J., & Waterhouse, S. (2013). *It's Just Not Fair! Support, need and legal status in family and friends care*. London: Family Rights Group.
- The Fostering Network (2017). *England Foster Care Allowances and Fees Survey 2017-18: Summary Report*. The Fostering Network, December 2017
- NAO (2014). *Children in care* November 2014, National Audit Office
- Narey (2018). *Foster Care in England: A Review for the Department for Education* by Sir Martin Narey and Mark Owers, February 2018
- Selwyn, J., Farmer, E., Meakings, S., & Vaisey, P. (2013). *The Poor Relations? Children and Informal Kinship Carers Speak Out*. Bristol: University of Bristol.
- Selwyn, J et al (2014). *Beyond the Adoption Order: challenges, interventions and adoption disruption*. Research report for DfE, April 2014, Julie Selwyn, Dinithi Wijedasa, and Sarah Meakings - University of Bristol School for Policy Studies Hadley Centre for Adoption and Foster Care Studies
- Traversum, (2018) *Grandparents Plus – economic analysis*, paper for Grandparents Plus, September 2018
- Wade, J., Sinclair, I., Stuttard, L., & Simmonds, J. (2014). *Investigating Special Guardianship: experiences, challenges and outcomes* - Research report. London: Department for Education.
- Wellard, S (2000). *Too old to care? The experiences of older grandparents raising their grandchildren*. Grandparents Plus, 2011
- Wellard, S., Meakings, S., Farmer, E., & Hunt, J. (2017). *Growing Up in Kinship Care: Experiences as Adolescents and Outcomes in Young Adulthood*. London: Grandparents Plus

- Wijedasa, D. (2015). *The prevalence and characteristics of children growing up with relatives in the UK: Characteristics of children living with relatives in England: Part I*. Bristol: Hadley Centre for Adoption & Foster Care Studies, University of Bristol.
- Winokur, M., Holtan, A., & Batchelder, K. E. (2014). *Kinship Care for the Safety, Permanency, and Well-being of Children Removed from the Home for Maltreatment: A Systematic Review*. Oslo Norway: Campbell Systematic Reviews.
- York Consulting (2017). *Evaluation of the Relative Experience Kinship Care Project*, York Consulting for the Family and Childcare Trust

END NOTES

¹ This figure is for England and is based on Wijedasa (2015) “*The prevalence and characteristics of children growing up with relatives in the UK*” University of Bristol. This is based on an analysis of the 2011 Census. Other figures have been quoted as 200,000 for the whole of the UK. This figure is derived from work by the Family Rights Group (a higher estimates of between 200,000 and 300,000 children living in kinship care) in 2003 (Richards, A. & Tapsfield, R. 2003. Family and friends care: the way forward. London: Family Rights Group). However, this figure include children living in temporary arrangements with kinship carers.

² Wijedasa (2015) *ibid*

³ The estimate of 160,000 children in kinship care compared to the 44,000 in foster care but not with friend or family foster carers

⁴ Wijedasa (2015) *op cit*

⁵ Data is from DfE’s statistics on “*Children looked after in England (including adoption)*” for the year ending 31 March 2018

⁶ Data is from “*Family Court Statistics Quarterly, July to September 2018*”

⁷ Note not all of the CAOs will be with family and friends. They may also for instance be made to a previously separated birth parent. However, Wellard (2017) (“*Growing Up in Kinships Care: Experiences as Adolescents and Outcomes in Young Adulthood*”, Grandparents Plus, 2017, Sarah Wellard, Sarah Meakings, Elaine Farmer and Joan Hunt) identified this category as largely with kinship carers

⁸ Farmer, E. (2009a) “*How do placements in kinship care compare with those in non-kin foster care: placement patterns, progress and outcomes?*” *Child and Family Social Work* 14, 331-342; and Wellard et al (2017) *op cit*

⁹ Grandparents Plus (2017) *Kinship Care: State of the Nation Survey 2017*

¹⁰ Wellard (2000) “*Too old to care? The experiences of older grandparents raising their grandchildren*”. London: Grandparents Plus, 2011, and Wellard 2017, Wijedasa 2015; Selwyn et al 2013.,

¹¹ Wijedasa (2015) *ibid*

¹² Wijedasa (2015) *ibid*

¹³ The relatively small numbers of kinship foster carers receive the best support but this is often at levels below that afforded to non-kin foster carers (see. Farmer and Moyers 2008, Hunt and Waterhouse 2013) and they increasingly come under pressure to take out a private law order (see e.g. Wade et al 2014)

¹⁴ Grandparents Plus (2017) *Kinship Care: State of the Nation Survey 2017*

-
- ¹⁵ Sebba et al (2015), *“The Educational Progress of Looked After Children in England: Linking Care and Educational Data”*, Rees Centre/University of Bristol, November 2015
- ¹⁶ Wellard et al (2017)
- ¹⁷ Sebba et al (2015) op cit.
- ¹⁸ Selwyn et al (2014). *“Beyond the Adoption Order: challenges, interventions and adoption disruption”* Research report for DfE, April 2014, Julie Selwyn, Dinithi Wijedasa, and Sarah Meakings - University of Bristol School for Policy Studies Hadley Centre for Adoption and Foster Care Studies
- ¹⁹ A care order under Section 31(1) (a) of the 1989 Children Act, placing a child in the care of a designated local authority, with parental responsibility being shared between the parents and the local authority.
- ²⁰ Harwin et al (2019) *“The contribution of supervision orders and special guardianship to children’s lives and family justice”* Final report for the Nuffield Foundation. Judith Harwin, Dr Bachar Alrouh, Lily Golding, Tricia McQuarrie, Karen Broadhurst and Linda Cusworth (March 2019)
- ²¹ Harwin et al (2019) op cit.
- ²² Doolan et al (2004) *“Growing up in the Care of Relatives or Friends: Delivering best practice for children in family and friends care”*. Doolan M, Nixon P and Lawrence P London: Family Rights Group, 2004)
- ²³ NAO (2014), *“Children in care”*, November 2014, National Audit Office
- ²⁴ Holmes (2016) *“Exploring needs, costs and outcomes of services provided to vulnerable children and their families”* Doctoral Thesis submitted by Lisa Holmes
- ²⁵ NAO (2014) Ibid
- ²⁶ Department for Education – Gov.UK. <https://www.gov.uk/foster-carers/help-with-the-cost-of-fostering>. The weighting factors are (1) by area: London, rest of the South East and rest of England and (2) by age: 0-2, 3-4, 5-10, 11-15, 16-17
- ²⁷ Based on comparing the actual numbers in kinship care compared to an England-wide benchmark and adjusting for the levels of deprivation. Traversom, *“Grandparents Plus – economic analysis”*, September 2018
- ²⁸ The Kinship Connected model has been developed from the Relative Experience programme which was funded by the Big Lottery and delivered by Family Lives (supported by Grandparents Plus) from 2014 to March 2017
- ²⁹ York Consulting (2017) *“Evaluation of the Relative Experience Kinship Care Project”*, York Consulting, April 2017
- ³⁰ York Consulting (2017) ibid
- ³¹ DfE (2014) *“The economic value of key intermediate qualifications: estimating the returns and lifetime productivity gains to GCSEs, A levels and apprenticeships”*, Research report, Hugh Hayward, Emily Hunt & Anthony Lord - Department for Education, December 2014
- ³² DfE (2014) ibid
- ³³ Assumed lifetime productivity uplift from 1 to 2 to 3 to 4 good GCSEs for men was £59,000 and for women was £51,000 (or an average of £55,000), this was then uprated by 6.6% for the GDP deflator from 2013 to 2018.
- ³⁴ The evaluation work by York Consulting suggests that about 6% to 8% of the sample of kinship carers saw their concerns fall from high to low (children’s wellbeing, children’s behaviour and concerns about their ability to cope) as a result of the intervention



Grandparents Plus is the national charity for kinship carers – relatives and friends who step in to raise children who aren't able to live with their parents.

We strive for a society in which kinship carers and the children they care for are recognised, valued and supported.

Our support services address the significant financial, practical and emotional challenges that kinship carers face.



grandparentsplus.org.uk



020 8981 8001



info@grandparentsplus.org.uk



[@grandparentsplusinfo](https://twitter.com/grandparentsplusinfo)



[@GPlusinfo](https://facebook.com/GPlusinfo)

Grandparents Plus is a company limited by guarantee registered in England and Wales under number 4454103 and registered as a charity under number 1093975
Registered office: 1 Addington Square, London SE5 0HF